

Stydy

Business, Marketing



Case Study The macro environment of the airline industry that BA and the airline industry operates in can be classified to be of duopoly. This is because the industry can only be divided into two major subsectors or categories which are the schedule airline and the budget airline. Connected to this, the environment, due to the growing need to carry out businesses and that of people to fly, really had a lot of opportunities for more airlines to operate in in order to provide adequate services to the growing demand. However, the macro environment is susceptible to a lot of risks such as attacks that affect it greatly. This has led to a significant decline in demand in as much as there has been a steady rise in airline services.

BA has practically dominated the airline industry in the UK. This is because it is rated as one of the major airlines in the UK with more than 200 destinations distributed in 90 countries. It therefore experience less stiff competition and employs aggressive strategies to provide services to even more customers. BA, through various alliances is very keen to remain on top of competition in the industry as through the alliances, it is able to gather more resources and reach more people through additional destinations. Its products are segmented into different classes in order to be able to serve more customers who fall under different consumer categories. Through the segmentation of classes, BA is able to provide airline services to various groups of customers at different prices, hence having everything for everyone. It therefore remains at the edge of competition as it attracts customers from all sorts of social classes. The airline also engages in a variety of service provisions such as mail and freight services and other support services in order to increase customer coverage. Due to its

aggressiveness, it is able to dominate the UK airline industry by having more passengers than all its other rivals.

BA's Mission statement is,

" The operation of international and domestic scheduled air services for the carriage of passengers, freight and mail and the provision of ancillary services."

The mission statement is good since it states in a nutshell what the airline is commissioned to do, its services and products in a straight forward manner.

BA's Vision statement: "To be the World's leading global premium airline".

This vision is good since it shows where the Company would want to be in the future. The company will therefore be guided by this vision in its endeavors to fulfill its mission.

The strategies of BA are those that are not focusing on the real market situation. They try to do their business without any preparation for any eventuality. This is shown by the economic downturn that struck the company for close to 3-4 years. Such a strategy is not healthy for such a major airline as it might result to tremendous losses.

The strategies of Ryanair can be classified as those that focus on different market situations and make an airline be ready for any eventuality. This is evidenced after the economic downturn that led to other airlines facing their exit from the market but instead, Ryanair was recorded to have performed even well during the same period. The airline therefore employs a good strategy that can enable it undergo tough times and come out successful.

The strategies of Eos can be classified as misplaced, unfocused and does not reflect the market demand of the market where it operates. This led to the

airline going out of business after a hard struggle. This is not at all a good strategy an airline can be encouraged to take up.