

# Southwest airline

Business, Management



Southwest airlines Introduction The Southwest Airlines has been in existence for several decades. The company has portrayed progressive growth despite the stiff competition in the airline industry. Essentially, the airline industry has grown quite competitive and, therefore, firms must devise unique strategies to survive the stiff market competitor. In this regard, the Southwest Airlines has adopted cost leadership as its primary generic strategy to maneuver its way out of the competitive market. The concept of cost leadership was coined by Michael Porter who was trying to find the mechanisms of succeeding in a competitive market environment (Lewis, 2007). In general terms, cost leadership can be described as operating at the lowest cost in an industry.

#### Generic strategy for Southwest Airlines

Cost leadership has been an effective generic strategy for the Southwest Airlines over the last two decades. The company is able to produce services at comparatively low cost to that of its competitors. As a result, the firm generates high profits since it produces at low cost and sells at the established market prices. In this regard, the firm has been able to diversify its services to various locations through the aid of modern technology and experienced workforce. In essence, the many years of existence facilitates production at low cost and selling at a considerable high profit. Moreover, the diversity of services and the experience of being in the industry for many years offers the company a platform for differentiation (Witcher & Chau, 2010). For instance, the company has established structures that facilitate efficient service delivery to customers of varied financial levels. In essence, the approach employed to handle customers ensures that everyone enjoys

the value of money spent. An analysis of the company's financial base and the total market share shows that the company has sufficient resources for differentiation. In addition, the resources that the company has so far can maintain an effective differentiation strategy. The experienced workforce, high technology equipment, and huge capital reserves depict that the company can be able to maintain its differentiation strategy for long.

Addition generic strategy that can be employed

The firm should introduce another generic strategy to reinforce its efforts for generating sufficient profits and diversifying the market share. In this regard, the company can employ the focus generic strategy in marketing its services. Benoliel & Cashdan (2006) argue that the focus strategy enhances that the needs of a particular market segment are comprehensively covered. In this regard, the customer loyalty is enhanced thereby increasing the market share. Actually, focus strategy would discourage rival firms from competing directly with the company since it is hard to win customers that are loyal to services of a particular company. In essence, the company has the necessary resources to establish the focus strategy and enjoy its enormous benefits. For instance, the company has a competent and experienced workforce in all its departments. Moreover, the company has an outstanding research team that focuses on studying the emerging market trends and changes in the customer's behavior. In this case, it can be identified that the company has the necessary skills and resources to implement and maintain the focus strategy.

Conclusion

The business world has become very competitive in the past one decade. In

this regard, adoption of a variety of generic strategies is important for firms to earn reasonable profits. Firms should never over rely on a single generic strategy since it can be very harmful. However, before choosing a generic strategy to employ, firms should conduct comprehensive research to assess the outcomes.

References:

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