Porter airline case study

Business

Furthermore, Porter increasingly becomes more successful with its established methodical growth. In addition, Porters success as an entrant into the business can be related with the circumstance of the dying airport Porter invigorated. However, as Porter has been successfully thus far, continued success Is ambiguous.

This Is the case for a couple reasons: the dying airport was an historical event fully taken advantage of and this may not happen again and other small companies are entering the marketing with similar strategies or some even better.

It in fact seems as though Porters current business model has reached its eek and now future issues are priority. There are two major Issues that Porter should consider when moving forward In the business: (1) Branding: (2) Limited Resources. Porter Airlines competes based on Dragging. It wants to be consumer’s first choice airline. With its exceptional customer service already an advantage, in order to maintain market share, Porter will need more sustainable ways to be the brand that everyone wants.

Furthermore, Porter’s flights are still constrained to the 500 NM. They have future expansion plans but find that they have limited resources.

Porter will need greater access to sources to be sustainable. Issue 1: Since Porter Airlines entered the crowded North American market, the biggest challenge for them has always been how to differentiate themselves and compete with the two dominate carriers in the market, Air Canada and West. The initial strategy for Porter Airlines was to focus on high-density routes and gain market share by providing service at lower price than competitors.

Most observers and investors have questioned Porter Airlines ability to survive in the market. Porter Airlines has reduced its operating cost by targeting on business travelers and using only the

Asses aircraft. They also signed a contract with Billy Bishop Airport which is ideal for business travelers. In order stay competitive in the market, Porter Airlines needs to differentiate themselves by providing something unique and valuable to buyers. Alternatives: 1 Provoking Hell Quality services To compete and gain market shares in the airline industry, Porter Airline can provide superior value at the same fare prices. They can increase customer satisfaction by providing extra services at airport lounges, build more comfortable seats on the airplane and train employees to treat customers with the right attitude.

By offering a higher quality flying experience for all class fares, this will build customer loyalty and allow Porter Airlines to continue to grow and avoid fatal price wars with competitors. 2. Merger Merging with other long haul airlines will benefit Porter Airline by gaining market shares and lower operating costs. Since Air Canada and West contain a huge amount of market shares, it is reasonable for Porter Airlines merging with other airlines to become more recognized and competitive in the market.

Porter Airlines can also reduce operating costs as scheduling destination points and assigning airplanes will become more flexible. 3.

Lower Fare Price Due to increased competition in the airline market, fare prices have been reduced stimulating traffic growth. Porter Airline has cut down cost from the value chain by operating strategies such as targeting on

specific customers and purchasing affordable Asses aircrafts. By offering lower Tare prices than other competitors, Porter airlines will regain revenue and take away competitors market shares as they have a cost advantage compared to its competitors.

Preferred Alternative: Due to the competitive nature of this market, Porter Airlines should base its operation strategy on their cost advantage and provide high quality services to enhance buyers' experience. Porter Airlines should establish itself as the short-haul carrier of choice by providing superior customer service, convenient and high frequency flights to customers in order to gain market shares to be sustainable in long term.
Issue 2: While continuing on its expansion plan, Porter Airline faces many issues raised by limited resources.

Although Porter Airline has many competitive advantages such as excellent brand name, exclusive control of the airport, low operating costs, innovated quiet aircrafts and methodical growth; expanding beyond its current operating level would be risky. Since Porter Airline charges low cost to customers, the high volume of customers will offset company's profit margin. There will be a need for more funding if Porter Airline decides to expand its business; which they would be a requirement to hire more people, purchase more aircrafts and pay more landing fees to destination airports.

In order to maintain its high quality of service, it may cost a lot for Porter Airline to train new employees. Porter Airline saves a huge portion of its expense from hiring unionized employees by expanding its activities; this

may cause employees to form unions. Moreover, if Porter Airline expands, they will need to expand the Billy Bishop airport as well.

This is because the current size of the airport cannot handle the excess capacity. Moreover, Porter Airline will have to solve problems that relate to government restrictions such as noise control after their expansion.

In order to sustain after expanding, Porter Airline might need to come up ways to minimize their cost. It is a huge challenge for Porter Airline to continue to grow without triggering a price war with commercial airlines such as West and Air Canada. 1 . Merge with other airline company Merging with a long haul airline will allow Porter Airline to offer more point to point service while keeping their short haul costs low.

By merging, Porter Airline and the merging airline can pick destination point to drop off and pick up travelers. They would save more money, as they don’t need to purchase a big number of aircrafts.

Other than this, it would allow Porter Airline to have more funds to train more staffs to focus building loyalty among its target audience. 2. Extended flights and location on holidays only By offering extending service, Porter Lorene wall gain more revenue Wendell Keeping Its costs low. As there will be more demand in busy seasons, chances of getting a full flight will be high.

Hence, the company will not lose money on empty seats. Other than this, they don’t need to fly to unpopular destinations to avoid extra costs. However, this will limit the company’s expansion. 3. Cut services to save money for expansion

Porter Airline offers many services that its competitors do not offer. With the low cost tickets, the company still offers complimentary snacks and shuttle services to short haul flights.

By cutting some of its extended services, it will allow the company to save money to buy new aircrafts to fulfill the increasing demand. However, this will hurt the company’s brand name. 4. Preferred Alternative: Merge with a long haul airline to expand its business beyond its current level. Porter Airline can remain its short haul services to its customers while providing more choices for travelers.

Merging ill allow Porter Airline to gain more funding to buy extra aircrafts and opens more resources to the company. Conclusion: Porter Airlines has a bright future ahead of itself. It needs to differentiate themselves by branding and to do so, it needs to provide high quality service to its customers better than any other airline. Also, Porter snouts expand to gain a larger market snare In ten Dustless limited resources, . Because AT in order to do so, they have the option to merge with another airline to gain more expansion capital. With these in mind, Porter Airlines will continue to grow and be sustainable.