

# Canterbury Institute of Management



## Strategic Management Self Reflective Journal - Week 3

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### What is VRIO Model

VRIO model consists of *Value, Rarity, Inimitable & Organization*. If a company produce a product or a service with these features, the company will have a competitive advantage over other market shareholders.

### Southwest Airlines

Observed that the Southwest Airlines focuses on operating between smaller airports, compared to other international airlines this adds *rarity* to the airline. This enables the airline to provide more routing options for the customers as well as low-cost options. Having access to multiple smaller airports along with operational slots to these airports makes Southwest Airlines *inimitable*, thus making it comparatively difficult for a new market entrant to establish.

The customer centric operational architecture of the entity covers the aspect of *organizational* aspect of the VRIO model. As an airline catering multiple frequent hops between smaller aircrafts, they have built their *value* with a fleet of smaller aircrafts that are less costly to maintain and easy to replace combined with human resources and infrastructure which stands out among other similar airlines.

Southwest Airlines is known to maintain their *competitive advantage* with their operational model and is an excellent example of proper VRIO model application. Similar examples were also discussed includes Apple, Amazon Web Services, Microsoft with them being market leader of their respective segments.