SWOT analysis is an evaluation methodology that aids in realizing the current market situation of a company. SWOT is an acronym of four words: Strengths, weaknesses, opportunities, and threats. As the name suggests, these four elements are characteristic of an organizations business operations

Similarly, PESTEL analysis comprises of six factors namely political, economic, social, technological, environmental, and legal factors. PESTEL analysis is of utmost importance prior to the formulation of a policy. And it must be regularly conducted in order to stay at par with the dynamic world.

British Airways are one of the biggest names in the air transport industry. It operates in many countries across the world including India. It has lost and gained a stake in some of its shareholdings. In spite of that, it has continued to make huge profits from its operations and stands out as the third largest airliner by the name of its parent organization, International Airlines Group.

British Airways has the following strengths :

**Big brand**: Since its birth in 1919, British Airways have been a top-tier air transporter in all of Europe. Analysts approve that British Airways has been a representative of British Airways, a national champion, and one of the closest allies with the government.

**Market leader in the UK:**With the Heathrow airport in hand, British Airways has a major edge over the other airliners. A massive fleet size of 278 comprising of Airbus A380s and Boeings has made it possible to transport 118.2 million passengers in the year 2019. Inculcation of Information Technology into its services is a bonus for the passengers.

In spite of being a prodigy of its kind, British Airways has its own drawbacks

**Employee issues**: The corona-virus pandemic has hit the airline industry hard. Every major airline in the world including Lufthansa and British Airways was forced to shed off employees to cut down costs. The British government has strongly criticized it. The airlines on the other hand have demanded legal action against the government for their allegedly flawed policy about the 14-day quarantine.

**Opportunities and Threats**

Looking onto its reputation, British Airways will be welcomed in any country in which it will try to extend its operation. After the treaty on Open Skies, they are continuously expanding new routes. There are ready-made first aid and other health services available inside the planes to combat any emergency situation. The food and other amenities are too well above standard. Some of its Airbuses have business class cabins with lie-flat beds, providing world-class comfort during long journeys.

A major problem for British Airways and many other Western premium airliners is the Middle Eastern airlines. Higher benefits and lower costs pose a major problem to the Western giants. They are trying to cover it up by investing more in their middle eastern business. Apart from that high-speed rail service providers like Eurostar and  TGV are great competitors of the airliners. British Airways must dynamically reform its policies and operations so that it can hold its stand.

These are some of the internal affairs of the airlines. Now there are some external factors which contribute to the building up and hampering of the reputation of the company. Some of these are mentioned below :

**Political:** Brexit led the UK airlines to withdraw from the European Union Aviation Safety Agency giving the British government autonomous powers of control over the Airlines. Furthermore, frequent strikes by the United Kingdom employee unions harm the and punctuality of British airlines thus hampering its image.

**Economical:** The airlines are planning for a third runway at Heathrow, leading to an increase in operational costs. Low fuel prices are a relief for the company in the short run.

**Social**: Reducing flight fares is creating a negative social impact as people continue to consider premium airlines as low-cost carriers.

**Technology:** The company is eager to invest in onboard health facilities and other state-of-the-art technologies for improving customer experience.

**Legal:** The company has to provide compensation to its employees pertaining to lawsuits.

**Environmental**: Agencies are questioning airlines over buying carbon pollution permits. The carbon market in Europe however does not provide much incentive to airlines for switching to green fuel. Also, many of the airlines get their permits for free.