**Strategic Alternative Assessment South-west Airlines**

Students Name

Institution

Instructors Name

Course

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This study will conduct a SWOT analysis to help us understand the course of success behind South West Airlines and what the company is doing to recover from the loss experienced due to the pandemic.

**Strengths**

**Low-cost business model**

To decrease operational expenses, the company employs three primary strategies. The first of these steps is to use a point-to-point route structure instead of a hub-spoke route structure. Airlines have always used the hub-and-spoke arrangement. The airline's resources are concentrated on big cities — the hubs – in this strategy. Southwest Airlines deviates from this paradigm. It instead runs scheduled flights connecting secondary or downtown airports. Because these airports are less crowded, they have a high asset utilization rate.

**Single Aircraft Business Policy.**

SWA has utilized just Boeing 737s for all of its flying operations since its start. As of December 2019, it had 747 Boeing 737 aircraft. Southwest Airlines has used a single aircraft type as an effective, low-cost approach. Cote (2018) provided that as a low-cost provider, the SWA would provide a trip where no meal is offered and often use the Boeing 737 model, which helps reduce the incurred expenses due to standardized procedure and turnaround and maintenance purposes.

**High Capacity**

The South West Airline has been found to have a higher number of available seats per mile. Using the available seats per mile method, which means it can travel longer miles.

**Effective Management**

South West Airlines modifies frequencies on current routes regularly while also introducing new routes and itineraries. In addition, the firm removes less profitable routes. The continuous optimization of current routes, the addition of new routes, and the elimination of unproductive routes create a winning formula for sustaining low operating costs and great operational efficiency.

**Market Share Dominance**

Being a dominating market player is especially advantageous in sectors impacted by heavy lobbying, such as airlines. the company can use the power in its dominance to campaign for bills that will help them run their business. According to Salas (2021), South West airless is the most dominant in the second position, with a market share of 17.4%.

**Weaknesses**

**Lack of Diversity**

Over-reliance on a single jeopardize a firm to loss in the event of doubt or economic upheaval within that industry. Since its inception in the industry, South West Airlines had only used the Boeing 737s for all the operations. The company depends on revenue from three main sources; passengers, loyalty points, and freight. South West Airlines should diversify its sources of revenue to avoid losses due to impeded traveling and tourism. After two fatal accidents, the Boeing 737 max was grounded following an emergency issued by the federal aviation administration (FAA). Having 31 Boeing 737 max in a fleet of 747 planes, the grounding resulted in a substantial loss of revenue due to fewer flights.

**Dependent on the U.S. Market.**

South West Airlines does not offer international flights. As mentioned earlier, South West Airlines dominate most domestic market with a 17.4% market share. Due to this, the company's value and worth may decline and sustain the market if the U.S market is insufficient.

**Limited Strategies in Reducing Costs.**

Southwest's low-cost business approach provided it an advantage in the airline market before the epidemic. However, during the epidemic, numerous airlines resorted to similar tactics to remain open. As a result, Southwest lost its competitive advantage. Worse, the firm is failing to discover more cost-cutting possibilities.

**Opportunities**

**Global Expansion**

Due to the increasing air travel and emerging economies, South West Airlines can expand their local flights to boost globalization and enhance the financial situation. Southwest has begun to expand its routing outside of the continental United States, which accounted for 95 percent of available seat miles (ASM) in 2018 (Ballard, 2019). The company has been a rewarding investment for investors in Hawaii as it recently launched flight services to Hawaii.

**Improved Access to Booking**

In 2019, South West Airlines introduced additional methods of payments; PayPal and apple pay to its website, mobile app, and in-flight Wi-Fi services. This would expand its customer base to their customer, thus increasing the number of passengers who opted for a different company. The step has also opened many opportunities to expand into e-payment methods.

**Expand on Freight Business**

As one of the main sources of revenue to the company, South West Airlines can expand the fright business by focusing on the gradually growing global logistic market that presented a huge market size.

**Long-distance Flights**

The rising popularity of long-distance flights in contemporary investors widens the customer base. Southwest Airlines have an opportunity to expand from short-haul to long-haul flights to capitalize on rising demand.

**Threats**

**Global Recession**

This has produced a corresponding record of low employment and reduced traveling for business purposes. This has presented a threat to south west's operations.

**Recent Issues with Boeing 737 Max**

At any moment customers realized flaws in a product, their interest in that product start to fade. The grounding of Boeing 737 max presents issues in modernization initiatives. The South West operations have been severely affected.

**Uncertain Times**

Being a preferred airline due to its affordability, South West airlines have a hard time adjusting to the hardships of the economy while maintaining a stable competition.

**Stringent Regulations**

Also, since the two fatal accidents of the Boeing 737 max, the company has been facing stringent regulations and inspections

**Decision Matrix**

I will shed light on the best alternative for a decision with many options and various aspects to examine by using a decision matrix. The relative importance of the factor under consideration with be expressed in value, after which I will calculate the weighted scores and use them in decision making. Shed light on the best alternative for a decision with many options and various aspects to examine. Shed light on the best alternative for a decision with many options and various aspects to examine. However, intuition can make one stop scoring the point while they are important. Hidayat & Sirait (2019) provide that the weighting part is where much weakness is presented. If this is the case, one should reflect on the scores and weights they have applied.

According to Rahim (2017), one of the company's goals to survive and remain appealing to its investors, bankers, and analysts is to maintain a sustainable growth rate. It must be measured using specific metrics based on the company's performance.

**Customer Loyalty**

While it is important to increase the brand, a business should aim to increase sales with the potential current customers to help in promotion through ad-sales, loyalty programs, and referral programs

**Technology**

Technology will help tackle more tasks beneficently, thus reducing the operation costs. This starts with selecting the right t technology with readily available expertise and low maintenance costs.

**Social Responsibility**

Business success does entail not only profit-making but also the safety of the customers. For example, an alcohol industry may use the awareness month to train the dangers of excess alcohol. This might even grant them a chance to advertise their brand.

**Leadership**

Customers and employees highly regard the leadership in a business. As a leader, you must pave the way to success for every shareholder of your business.

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