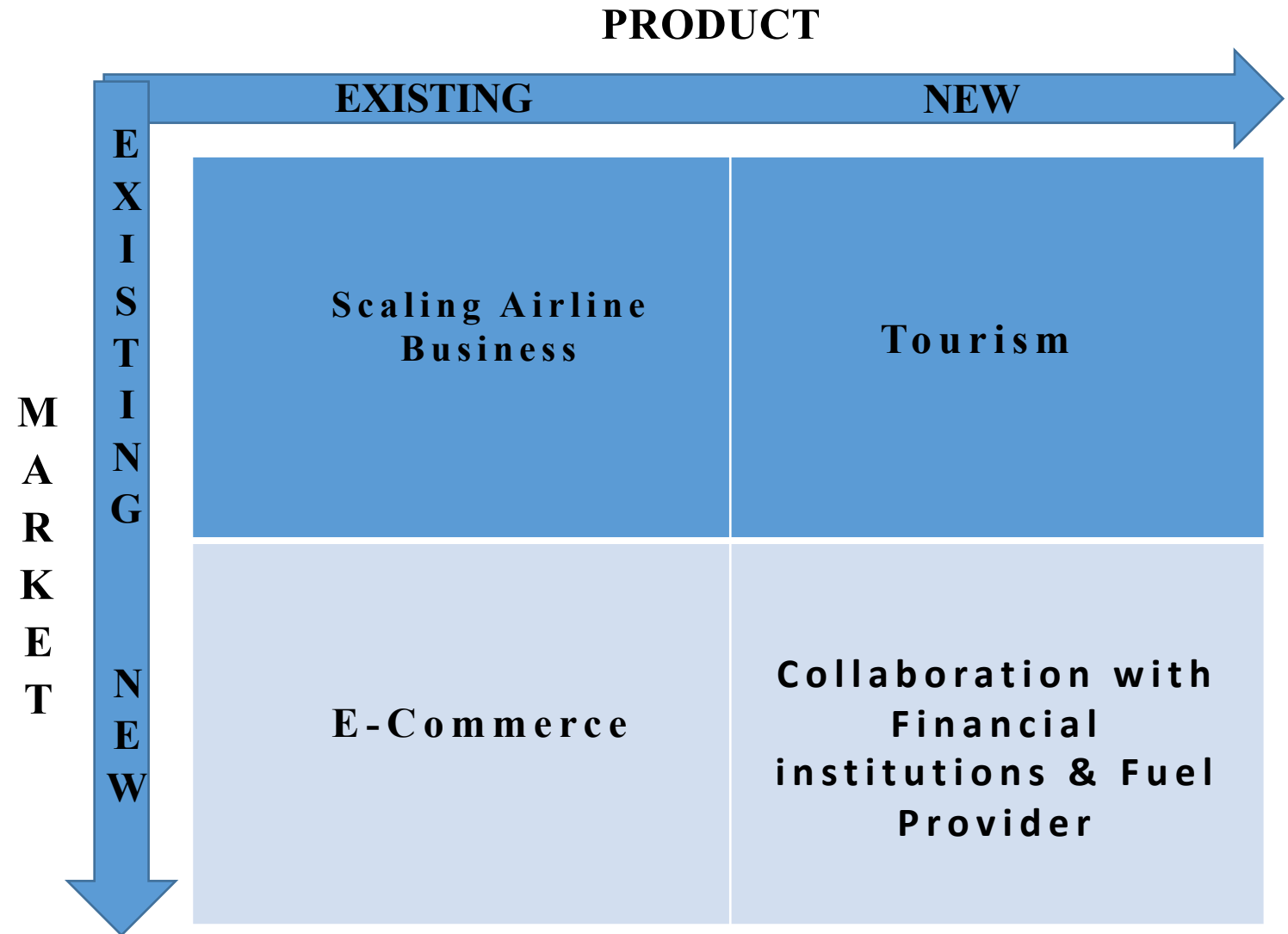




**Lucky Air**



## Ansoff Matrix-



# According to Ansoff Matrix -

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**Scaling Airline Business** - Focusing on expanding current airline services to existing markets with most demand, leveraging established product offerings, & customer base to drive growth & market share. This aims to strengthen the presence in familiar territories, optimize operations, and enhance customer loyalty targeting the young customers.



**Tourism** – Introduction of innovative tourism packages & experiences tailored specifically for young passengers within existing market. This strategic move aims to tap into the untapped segment of young travellers, diversify product portfolio, and drive growth through increased customer engagement & loyalty.



**E – Commerce** - Exploring E-commerce domain to offer existing airline services to new market segment. Addressing customer concerns about payment provider security by implementing robust encryption and multi-factor authentication measures with collaborating with payment players. This aims to attract & broaden customer base & establish as a reliable e-commerce player in the aviation industry.



**Partnering with Financial Institutions & Fuel Companies** - Forging strategic partnerships with financial institutions for fundings and fuel providers to secure affordable fuel prices, enhancing cost efficiency, and profitability for. This will help optimizing our operations to sustain competitive advantages and increase profitability.

## Regulatory Challenges -

- Comprehensive Government Regulatory Framework Laws
- Government Price Regulation for Enhanced Ticket Affordability
- Strategic Constraints on Fleet Expansion by government
- Government Heavy Taxation Policies Impacting the Industry
- High-Cost Aircraft Rentals and Government Taxation



中國民航

CAAC

# Lucky Air Challenges in Replicating Strategy of Southwest Airlines

- **Regulatory** - Chinese aviation regulations differ from the U.S., posing challenges for adoption of Southwest's low-cost model in Fares, routes, and market entry rules.
- **Competition** - Intense competition from established and various new low-cost carriers in China's aviation market hindered Lucky Air's rapid growth.
- **Capacity** - Rapid air travel growth strained airports infrastructure & air traffic control, leading to limited facilities & congested airspace, impacting operational efficiency.
- **Fuel Price Volatility** - Uncertain fuel prices in different regions posed significant challenges for Lucky Air's operating costs management.
- **Brand Recognition & Trust** - Lucky Air challenges of establishing its brand in the market as a newcomer, unlike Southwest Airlines with its established reputation in U.S.
- **Pricing Strategy** - Balancing market demand and consumer preferences with government pricing regulations to ensure profitability while maintaining competitive prices.
- **Fleet Control Challenges** - Regulatory caps on aircraft ownership led to high-priced rentals with taxes, making it difficult to maintain a consistent fleet for operational ease.

# Conclusion -

- Lucky Air's growth potential lies in a strategic approach that encompasses customer loyalty, route expansion, and enhanced service options.
- Strengthening alliances with brands and focusing on customer retention will create a competitive advantage and increase market share.
- The expansion of routes in strategic routes will bolster Lucky Air's presence in the Chinese market and attract more passengers.
- The integration of sustainability initiatives and technological advancements in e-commerce will improve the airline's overall performance.
- Investment in marketing and employee training will boost brand visibility and deliver exceptional customer service.





# Thank You

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