

STAR ALLIANCE

The airline network for Earth.



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Introduction

Global Drivers

SWOT Analysis & Objectives

Strategies & Future Policies

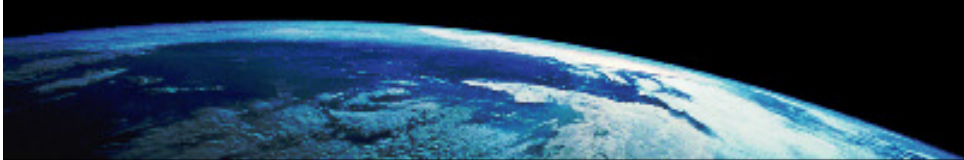
Questions?

Introduction:

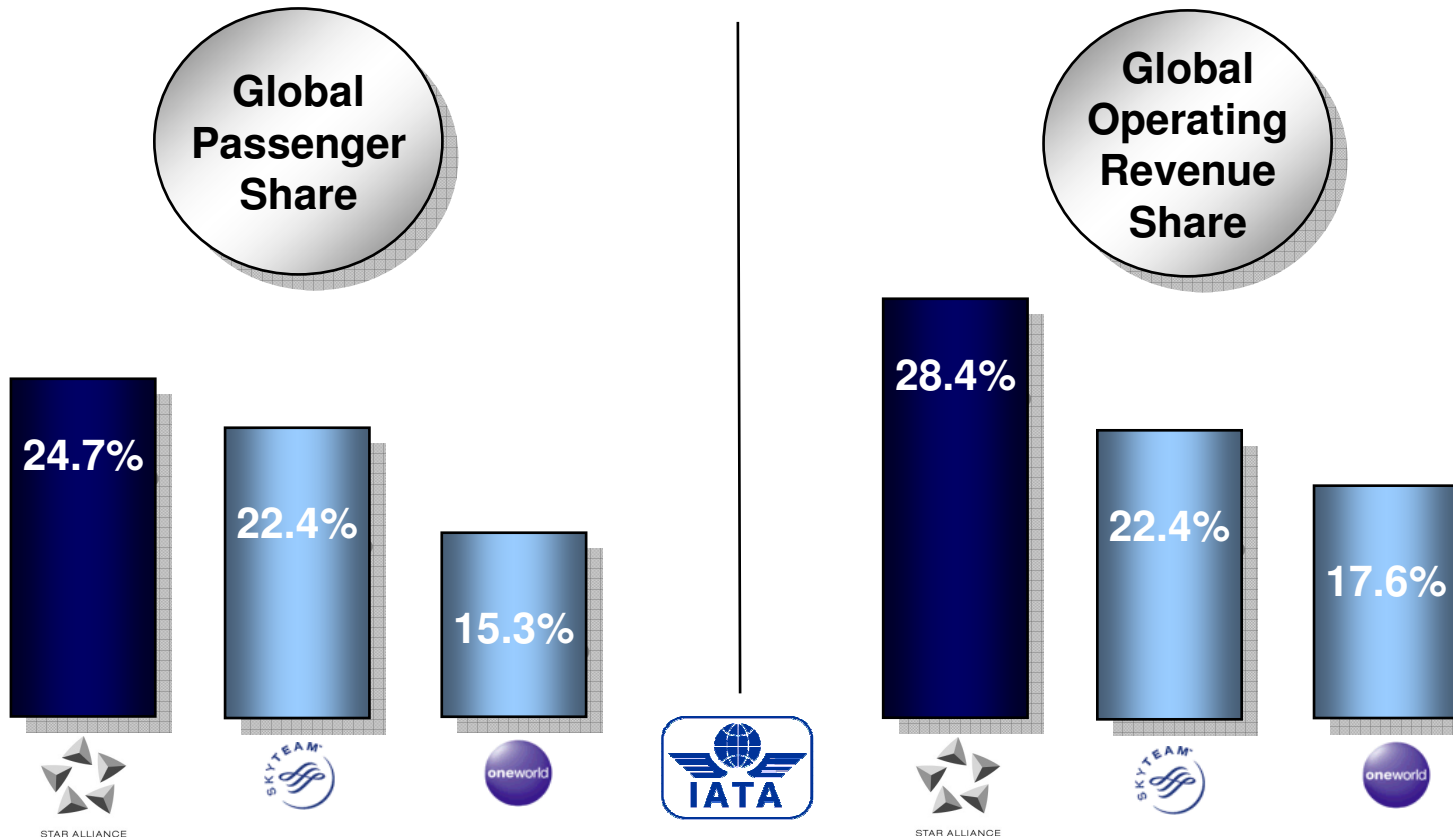
- Largest airline network in the world serve around 729 destinations across 124 countries (2002)
- First truly global airline alliance to offer customers worldwide reach and a smooth travel experience
- It started with 5 members – Air Canada, Lufthansa, Thai, United and SAS on 14th May 1997
- Star Alliance has 17 members (2002)
- Headquarters is in Frankfurt

Vision: To be the leading global airline alliance for the frequent international traveler

Mission: Contributing to the long-term profitability of its members beyond their individual capabilities



Key Data:



Star Alliance in Pole Position



Challenge:

**Sustain the industry
leadership by obtaining a
maximum global coverage
with maximum global
integration**

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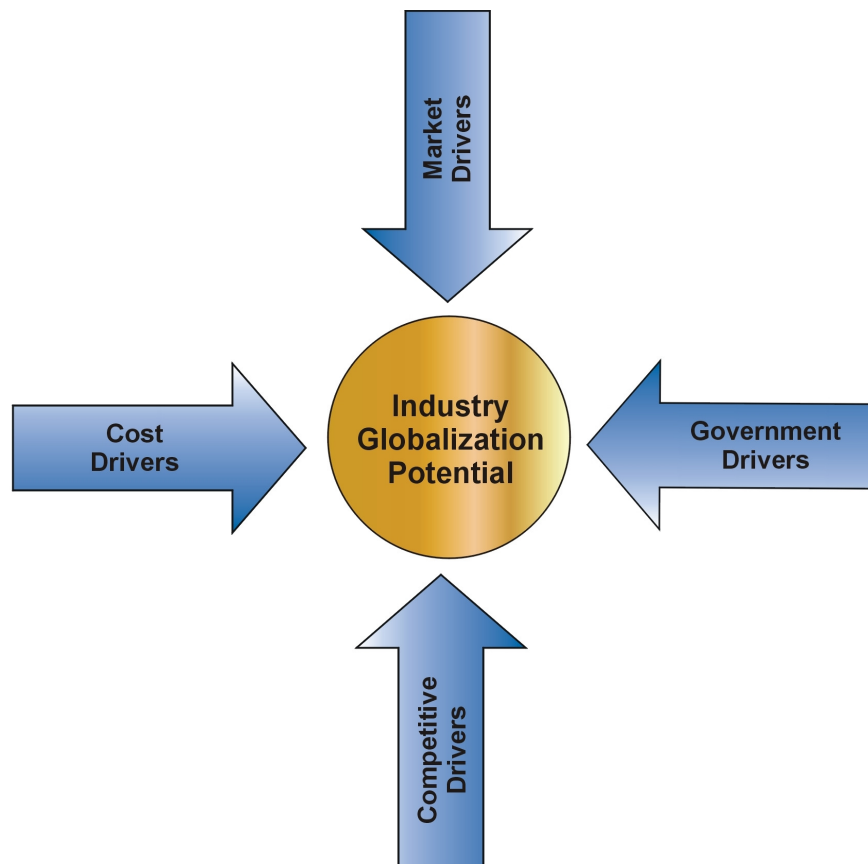
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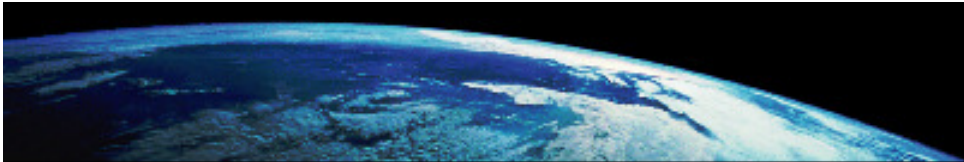
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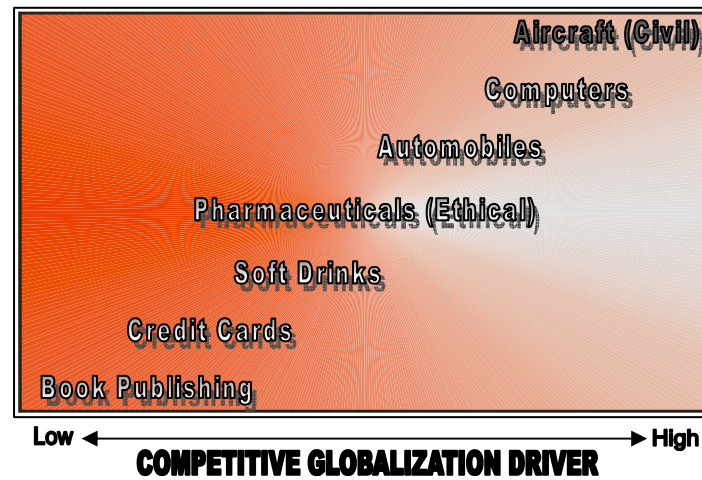
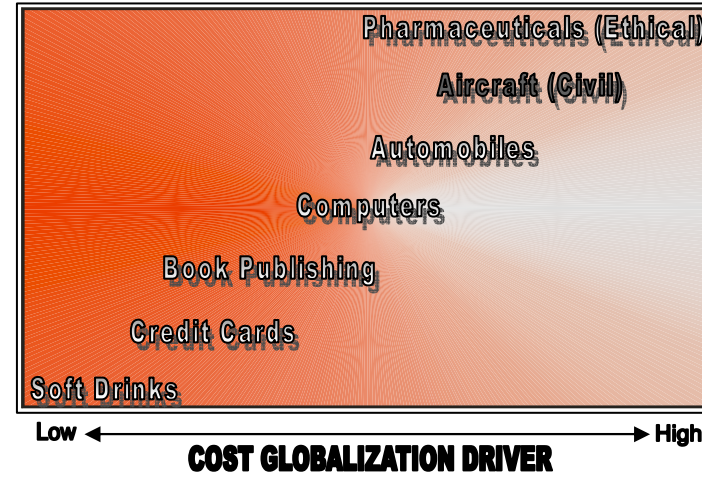
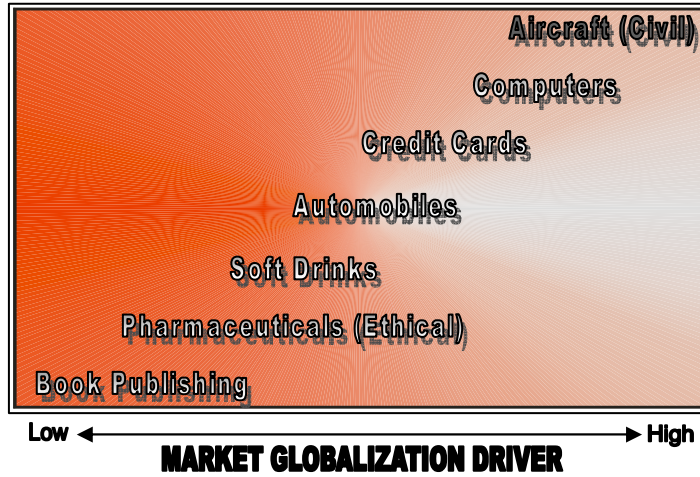
Global Drivers:



- **Market Globalization Drivers**
 - depend customer behaviour
 - **Cost Globalization Drivers**
 - depend on the economics of the business
 - **Government Globalization Drivers**
 - depend on the rules set by national governments
 - **Competitive Globalization Drivers**
 - depend on the actions of competitors
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Global Drivers:



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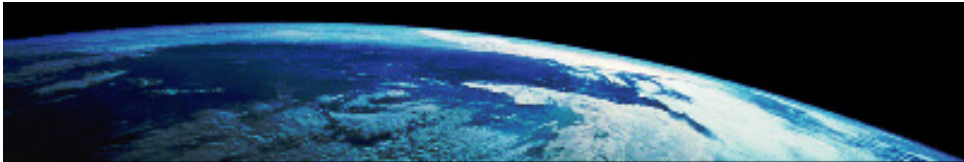
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SWOT Analysis:

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none">1. Economies of Scale and Scope2. Reduction of risk3. Common Vision and Mission4. Common governance5. Diversity of Cultures	<ol style="list-style-type: none">1. Lack of common identity2. Asymmetry of objectives3. Lack of exclusivity of service4. Lack of familiarity with partners –cultural and management style clash
OPPORTUNITIES	THREATS
<ol style="list-style-type: none">1. Developing markets, new international market2. Sophistication of customers needs3. Further deregulation of the industry or advantageous regulations	<ol style="list-style-type: none">1. Direct competitors from other alliances2. Saturated and slow growth rate industry3. Cut-price airlines



6Cs Objectives:



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CONSOLIDATION
CONVERGENCE
COMPLEMENTARITY
COLLABORATION
COORDINATION
COMPETITIVENESS



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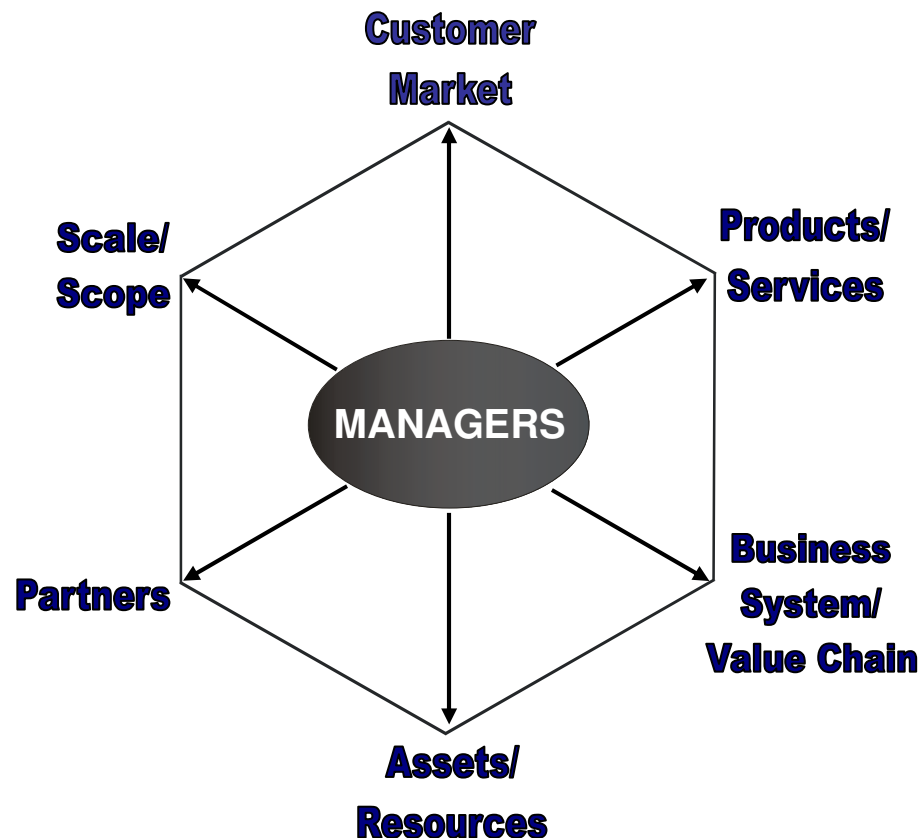
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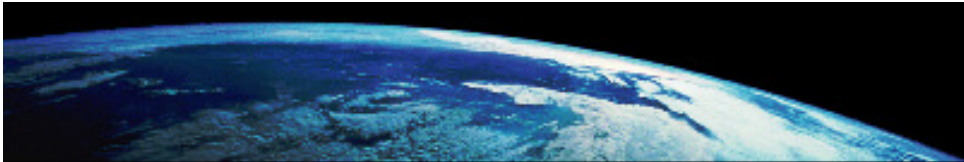
The Hexagon of Competitive Advantages:



- **Customer Market**
 - Reinforce the presence amongst high-value customers
- **Product and Service Advantage**
 - Aim to standardise the quality of services Thai and Singapore the trend setters
- **Value Chain**
 - Integrate R&D, aircraft maintenance, global marketing, customer service
- **Assets and Resources**
 - Invest in wider brand recognition
- **Partners**
 - SAA in Africa – Star Alliance – Global Brand
- **Economies of Scale**
 - Joint purchases of aircraft and fuel

Immediate Steps to be Taken:

- Creation of a uniform High-Quality Frequent Flyer programme
 - Bring all Star Alliance flights to one terminal in large airports
 - Increased code-sharing and decreased duplication of destinations
 - Cabin crew from low cost countries SE Asia (Thai) and Latin America (Mexicana, Varig)
 - Premium service (lounges, in-flight entertainment)
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Thank You !



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