

Strategic analysis of Qatar Airways



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Introduction



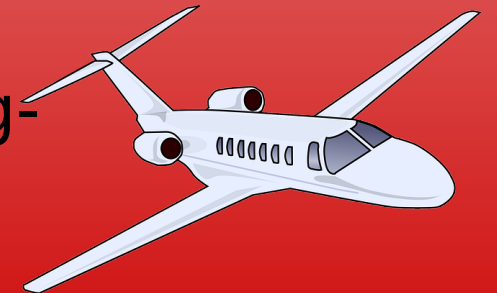
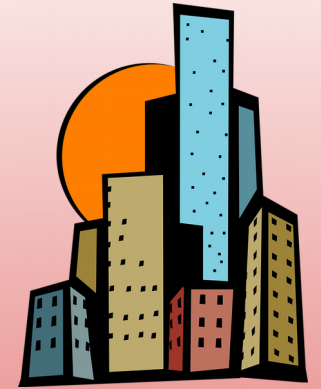
**STAY AT
HOME** 

**PROTECT
THE NHS**

 **save
lives**

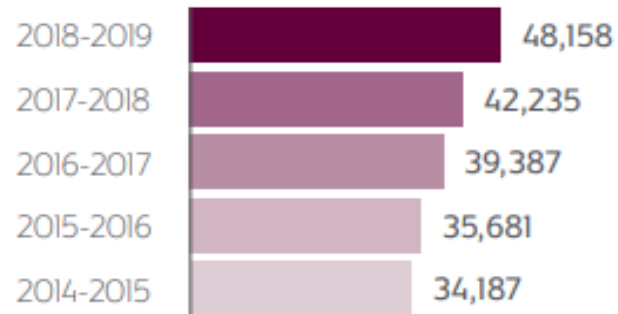
Company overview

- Headquartered in Qatar Airways Tower in Doha
- Founded in 1993
- Qatar airways are owned by the Qatari Government
- Akbar Al Baker has been group chief executive since 1997
- 2011 reaches a milestone of 100 destinations
- Since then they have won many awards and accolades
- Now linking over 160 international destinations using a fleet of more than 200 aircrafts
- Travel today involves a mix of short, medium and long-haul segments

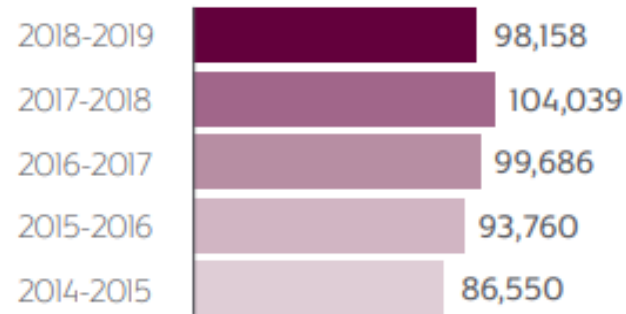


Qatar Airways financial results 2014 - 2019

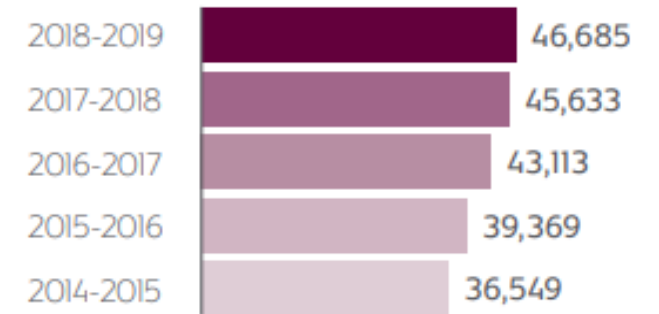
Revenue and other operating income



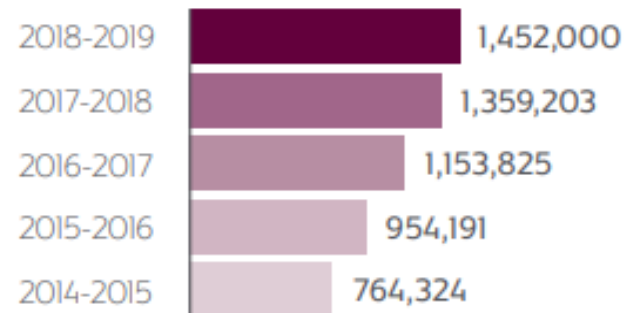
Total assets



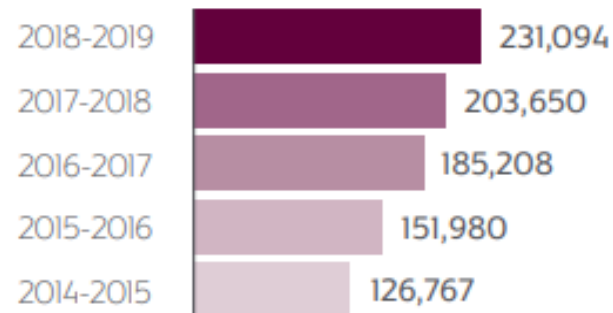
Employees



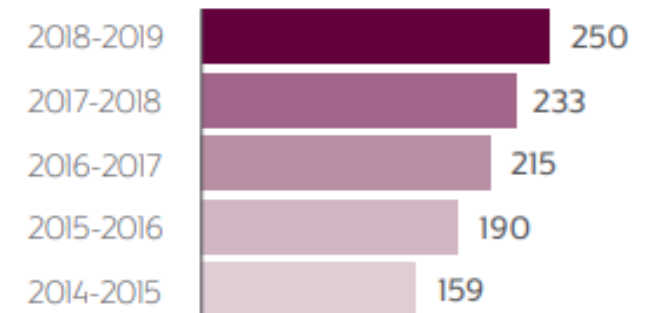
Cargo carried



Available seat kilometres



Number of aircraft



(Source: Qatar Airways 2, 2019)

External analysis - PESTLE

Political

- Poor relationship with neighbouring countries resulting in closed transport connectivity from Qatar
- Trump travel ban impacting Gulf airlines on US routes

Technological

- Social media and mobile applications platforms being used more and more to communicate with customers
- Innovation technology provide solutions to improved efficiency e.g. check in, security, airline operations
- Technological advancement in entertainment enhances on-board experience

Economical

- Declining oil prices has a negative impact on Qatar's economy
- A downturn in the economy reduces the number of business visitors
- Recent appreciation of the USD causing exchange rate fluctuation impacting on airline earnings

Legal

- EU airline lobbyists are attempting to implement viable legal means to curb Gulf airlines' growth in the European market
- Increased travel policies implemented in response to growing terror threats and to ensure the safety of passengers

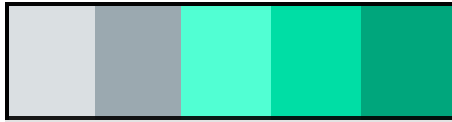
Social

- Airline industry being clobbered by the Covid-19 pandemic impacting on business and leisure travel
- Growing number of middle class citizens in emerging countries such as China and India provide opportunities for airlines to grow in these areas.
- Established market consumers seek a more exclusive and premium service from airlines as wealth grows in

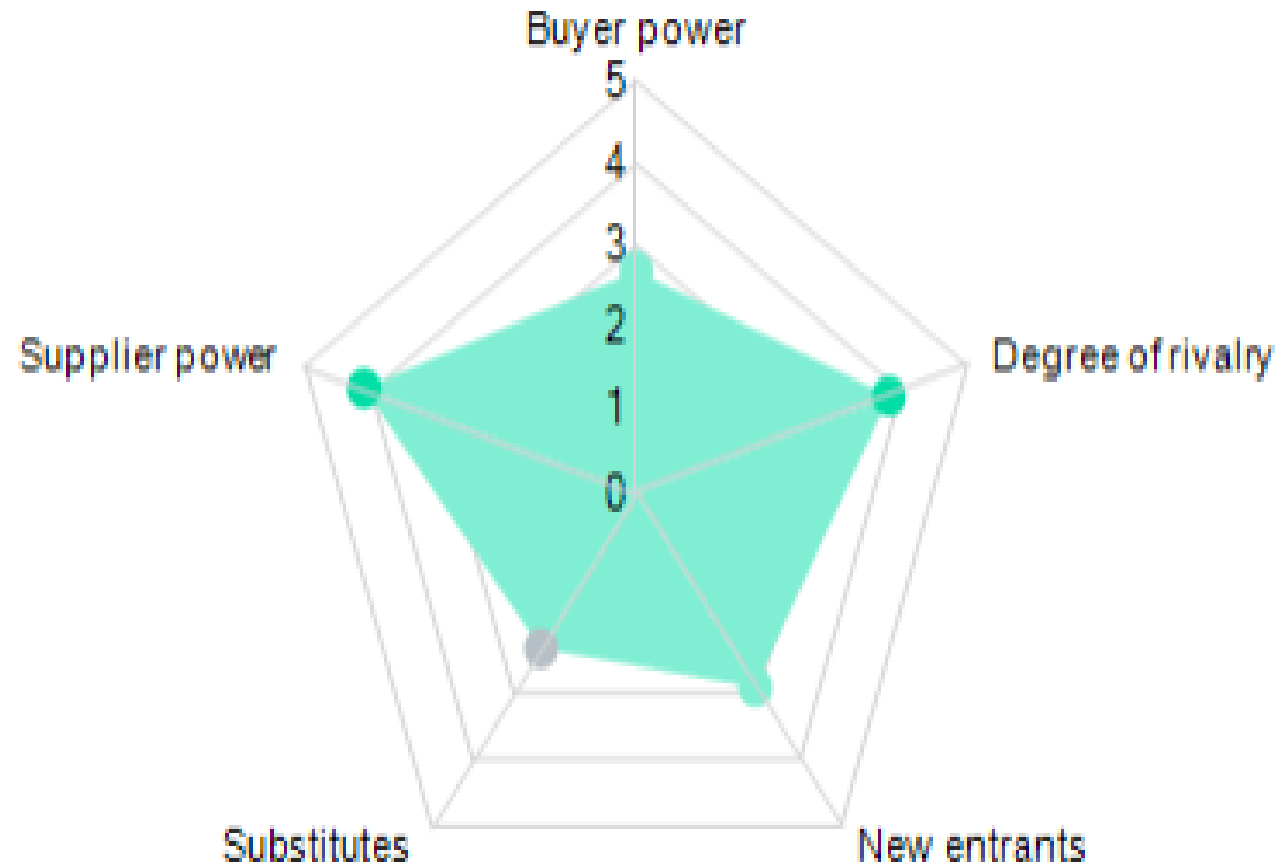
Environmental

- The airline industry's high amount of carbon emissions has a significant impact on climate change
- Pressure on airlines to modernise its fleet to be more fuel efficient
- The increased demand for air travel in recent years increases pollution and the industry's carbon footprint

Industry analysis - Porter's five forces



Forces driving competition in the global airline industry

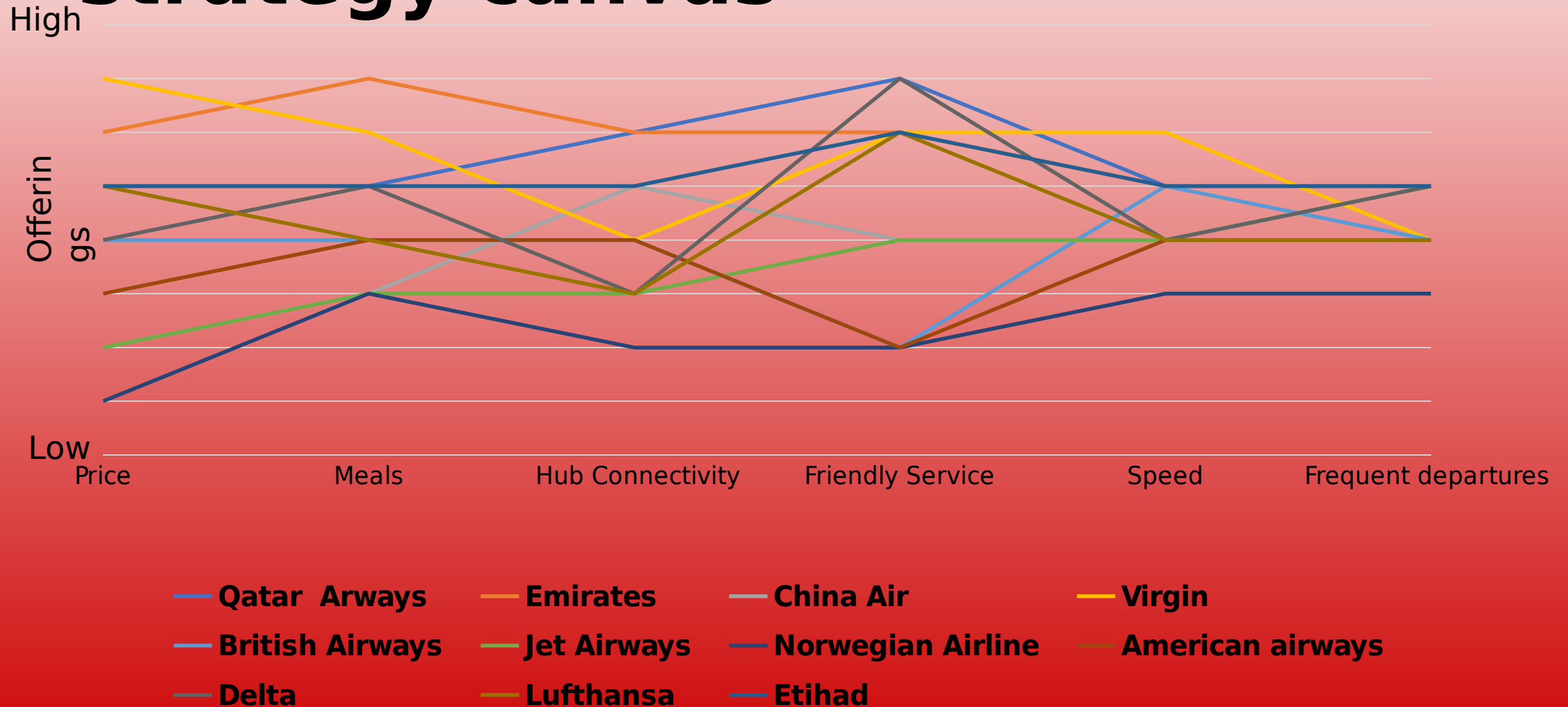


(Source: MarketLine 2, 2019)

Market Position - Perceptual mapping of global airlines



Strengths of airline offerings - strategy canvas



(Adapted from: Mauborgne and Kim, 2005)

Qatar's internal capabilities and resources - VRIO model

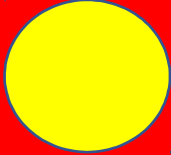
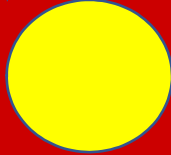
Resource/Capability	Valuable ?	Rare?	Hard to imitate?	Organized to capture value?	Competitive implications
Financial resources	Yes	Yes	Yes	Yes	Sustained competitive advantage
Employees	Yes	Yes	No	No	Temporary competitive advantage
Customer experience	Yes	Yes	No	No	Temporary competitive advantages
Location of Hamad International airport	Yes	Yes	Yes	Yes	Sustained competitive advantage
Brand name	Yes	No	No	No	Competitive parity

(Adapted from: Barney, 1991)

Qatar Airways SWOT/TOWS matrix

	Strengths 1. Financial strength due to strong profitability and growth 2. Consistent support from the state of Qatar 3. World class airline offering a premium service 4. Global network coverage with huge modern fleet and well trained staff	Weaknesses 1.Brand image not unique enough 2.Too dependant on business travellers and not focused enough on holiday travellers
Opportunities 1.2022 world cup in Qatar to fuel aviation growth 2.Development of Doha as a financial centre, tourist destination and connectivity hub for airlines 3.Technological advancement continues to provide opportunities for the aviation industry 4.Air travel demand from emerging and developed countries has grown in recent years	Strengths and opportunities strategies 1. Promote flights to Doha for world cup 2. Enhance premium service using advanced technologies 3. Implement strong marketing activities to target emerging market middle class population	Weakness/opportunities strategies 1. Use world cup event to boost brand image 2. Implement new marketing activities to target holiday makers rather than business travellers
Threats 1.Terrorism and political factors could impact on travel demand to and from Gulf countries 2.EU lobbying groups trying to implement restrictions on gulf airlines 3.A fall in oil prices will have a negative impact on Qatar's economy as a whole 4.Uncertainty around Covid-19 pandemic having a huge impact on travel demand	Strengths and threats strategies 1. Create more environmentally friendly fleet to reduce carbon footprint 2. Aggressive marketing	Weaknesses and threats strategies 1. Focus on building a brand which is more environmentally friendly than other airline companies

Strategic direction - Ansoff Matrix

Market Penetration Low risk 	Product development Medium/high risk 
Market development Medium/high risk	Diversification High Risk

(Adapted from: Ansoff, 1957)



Conclusion and strategic recommendations

The 2022 World Cup Strategy:

Launch aggressive marketing strategies for the 2022 world cup by exploiting advanced technologies and creating partnerships with external companies



The environmental awareness strategy:

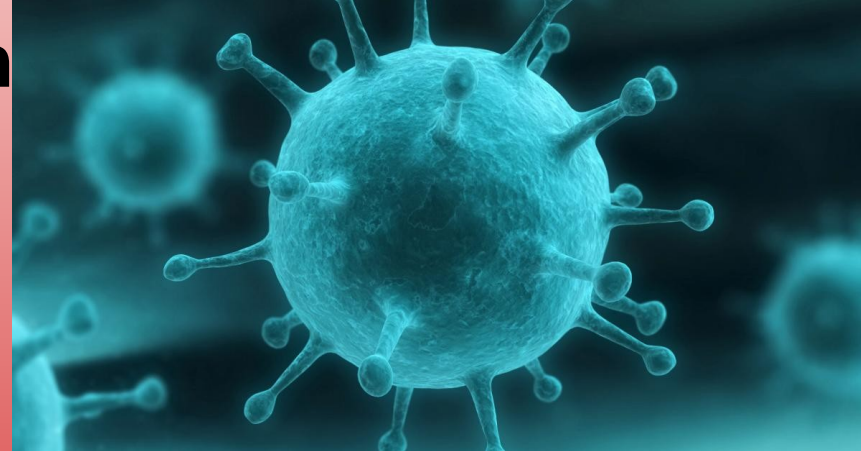
Create an environmentally friendly company by scrapping plastic products and becoming the first fully electric fleet airline.



Additional recommendation

Emergency Covid-19 strategies

- Reduce operational costs
- Lay off staff
- Grow cargo business



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