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BUSINESS STRATEGY TO INCREASE THE REVENUE OF ABC AIRLINE

Indriasputri

Institut Teknologi Bandung, Bandung, Indonesia.

Corresponding Email: indriasputriindriyanto@gmail.com

Abstract

ABC is Indonesian full-service airline serving both domestic and international destinations. ABC got into a competition with both local and foreign airlines which are ambitious enough to get a piece of the Indonesian market. Unfortunately, ABC is not fit enough due to its weak performance. Focusing only on ABC's business as a full-service airline, this research was conducted to find feasible solutions to increase its revenue by understanding its current business model and effectiveness, then, identify the problems that cause the weak performance.

AFI framework is being used in this research to organize a strategic plan for ABC. Interviews and questionnaires were collected to get insights from internal users, third party, and customers perspective. The research shows that ABC effort to achieve its target revenue is relatively effective but not yet efficient. The sources of this weak performance are the cost which is outgrowth the revenue, insufficient process of new implementation, low confidence on its own product, too focus on market acquisition, weak monitoring & control function, and uneven information distribution. However, ABC has strong competitive advantages such as its strong brand position, acknowledged service quality, dan its broad network. Therefore, ABC should retain its differentiation strategy and improving its internal quality.

Keywords: Airline, Business Strategy, AFI Framework, Revenue, Differentiation.
