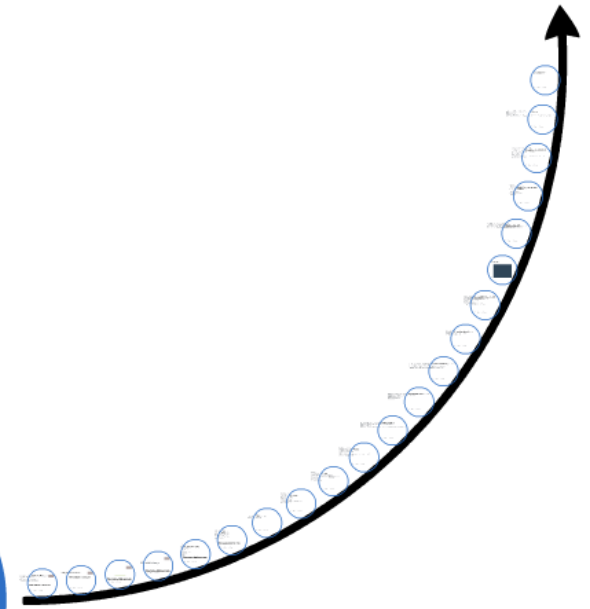


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*Case Analysis on Southwest Airlines*



Tri

Southwest Airlines Started as an intra-state operator in the state of Texas in 1971  
haul, high frequency, low cost strategy, and point to point route system  
1994 southwest held 4.1% Market Share%  
Southwest  
the expansion to become a major carrier  
lowest operating cost in the domestic airline industry  
low cost philosophy served,



## Southwest airlines

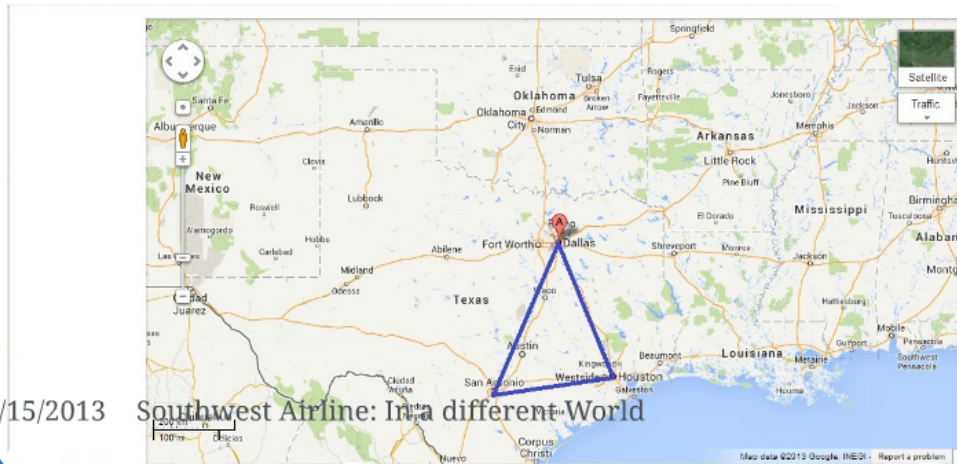
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# Triangular Interstate Route



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Estimated Market Share for Major U.S. Carriers in 1994 Based on Revenue Passenger

| Rating | Carrier                | Market Share % |
|--------|------------------------|----------------|
| 1      | United Airlines        | 22.1           |
| 2      | American Airlines      | 20.2           |
| 3      | Delta Airlines         | 17.6           |
| 4      | Northwest Airlines     | 11.8           |
| 5      | Continental Airlines   | 8.5            |
| 6      | USAir                  | 7.8            |
| 7      | Trans World Airlines   | 5.1            |
| 8      | Southwest Airlines     | 4.4            |
| 9      | American West Airlines | 2.5            |

Source: Southwest Airlines company records. Figures rounded

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# 8 Keys of Marketing

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Core

Air travel

Supplementary

Customer oriented

Point to point route system

Direct Non Stop flights

Quick arrival

Low cost

Low fee on changing the flight

Satellite based internet service

"Bags fly free" policy


Smokeless cabin

# Product (Intangible)

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Low cost leadership strategy  
Single class of service  
**Price**  
Flies only similar types of fleet  
No seat assignments  
No meals - Free Snacks only  
Started with smaller airports  
Paperless Tickets

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