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How airline managers assess their competitive positions: A case study in Turkey

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How airline managers assess their competitive positions: A case study in Turkey

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Abstract

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Keywords

airline strategy, strategic management, strategic positioning, SWOT analysis, air transport, strategy formulation

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How Airline Managers Assess Their Competitive Positions: A Case Study in Turkey

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Abstract

This study focused on how airline managers perceive their competitive positions. Based on the perceptions of the airline managers, strengths-weaknesses-opportunities-threats (SWOT) analyses were carried out. All scheduled and unscheduled passenger carriers in Turkey were used as sample for this research. The data were acquired through qualitative research by semi-structured interviews with senior executives of the airlines. This research demonstrated how airline managers assess their competitive positions in the market. The similarities and differences related to each airlines' strengths, weaknesses, opportunities, and threats were put forward. Interviews among managers of the airline companies operating in Turkey revealed varied perceptions on business models and airline service factors. A criteria framework for the airlines to apply a SWOT analysis was proposed.

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Introduction

One significant problem facing strategic management in any field is a highly competitive environment where sustaining competitive advantage is a big challenge. To achieve extraordinary objectives, strategies must be implemented that outperform the competition (Soloducho-Pelc, 2014). The distinct features of competitive advantage are to force flexibility, cope with ambiguity, and demonstrate a proactive approach towards competitors (Dimoska & Trimcev, 2012).

Strategic management is an ongoing process of making decisions that enable an organization to succeed in its goals, and is one of the critical tasks for an executive. Top managers need to perceive the environmental changes correctly for responding adequately. Managers who misperceive the environment may fail to compose sound strategic decisions for their organizations (Ansoff & McDonnell, 1990; Wang & Chan, 1995). Executives also need to match external opportunities and threats with the internal strengths and weaknesses of the company.

Ansoff (1972) defined environment as a structure that can cause change in a system's state when a change occurs in any of a set of elements that are not part of the system or in their properties.

Liberalization and increased international competition have markedly changed the environment of the airline industry. Nowadays, the airline industry is a competitive global market and acts in a turbulent business environment. A deregulated environment allows airline managers more alternatives to make choices than a regulated one, and business strategy significantly influences firm performance for the air carriers under deregulation (Goll et al., 2008).

Turkey is one of the fastest-growing markets in terms of air transportation. Deregulation in the Turkish domestic market in 2003 accelerated this growth in terms of passenger numbers and air services. According to the International Air Transport Association (IATA), by 2036, Turkey will be the world's fifth fastest-growing market in pursuit of China, the United States, India, and Indonesia. IATA (2017) forecasted that Turkey would reach 196 million passengers in 2036, with 119 million new passengers. With this tremendous growth and increasing competition, Turkish airline companies' strategic management processes and strategic choices have become much more important than in the past. . Therefore, the Turkish airline market has been chosen as a case for this study. However, these numbers and forecasts belong to the pre-COVID era, and our research focused on the same period. The impact of the pandemic on air transportation, in general, has been significant. According to the International Civil Aviation Organization (ICAO), the impact of COVID-19 has resulted in a decrease of international passenger traffic by 60% in 2020 that equates to 2003 levels globally. Global seat capacity has decreased by 50%. The number of airline passengers decreased by 60% to 1.8 billion. Airlines have suffered financial losses of approximately \$370 billion due to the effects of COVID-19 (ICAO, 2021). The fragility in world aviation makes it challenging to predict the future for all countries. International organizations report that the adverse effects of COVID-19 on aviation and return to the pre-COVID-19 growth figures is foreseen to occur, at the earliest, in 2024 (Eurocontrol, 2021).

Matching internal and external crucial factors is significant to forming potential alternative strategies. A strengths-weaknesses-opportunities-threats (SWOT) matrix is a tool that acquires information from the input phase of any potential strategy to match external (opportunities and threats) factors with internal (strengths and weaknesses) ones. In this paper, a SWOT analysis based on manager perceptions was executed to determine the position of each passenger-carrying airline owning the Air Operator Certificate (AOC) of Turkey. Research questions of this study follow:

- How do airline managers assess their competitive positions and benefit from SWOT analysis in competitive positioning?
- Which factors in SWOT should be included for a template for airline-specific SWOT analysis?

This paper proceeds as follows: first, a literature review is presented with brief information about the Turkish air transport industry and the airline companies carrying passengers in Turkey. Next is a description of a SWOT analysis of all airlines carrying passengers in Turkey that was carried out as a part of strategy to determine the positions and perceptions of the airlines in this manner. The final section discusses the results and proposes a criteria framework for the airlines to apply SWOT analysis for research and managerial implications.

Conceptual Framework

Strategy Formulation and SWOT Analysis

Analysis of the business environment is essential to the strategic management process. For this purpose, David (1989) proposed a strategic management model and separated strategic management into three phases: strategy formulation, implementation, and evaluation. The decision-making process of strategy formulation also has three stages: input stage, matching stage, and decision stage. The SWOT matrix is one of the strategy formulation techniques and is best integrated into the matching stage where alternative strategies are created (David, 2011).

The SWOT analysis is an accepted tool of strategic management which examines the internal strengths and weaknesses of organizations and reveals the opportunities and threats to the environment. The traces of the first use of SWOT can be found in the Development Planning Department of Lockheed Aircraft Corporation in the 1950s (Puyt et al., 2020). However, the actual application of SWOT analysis was encountered by a group of scientists (Marion Doshier, Otis Benepe, & Albert Humphrey) led by Robert Stewart at the Stanford Research Institute (Lukianov et al., 2020). They applied a model in the acronym form of satisfactory-opportunity-fault-threat (SOFT) to explore the organization of strategic planning of Fortune 500 companies. This model was later modified and named SWOT (Humphrey, 2005).

Dobson et al. (2004) defined SWOT as “the final step in situation analysis to determine the firm’s strategic position by considering whether the present strategy of the firm is capable of dealing with the changes taking place in the business environment” (p. 46). The primary goal of a SWOT analysis is to determine how a firm is positioned. In this way, the firm will take advantage of the opportunities while avoiding and mitigating environmental threats. Results from a SWOT analysis provide beneficial information regarding a company’s strategic choices (Hitt et al., 2017). Nyarku and Agyapong’s (2011) comprehensive review on SWOT analysis deduced that strengths and weaknesses encompass Porter’s generic strategies, the marketing mix components, and the value chain. The threats reflect Porter’s five forces model and the PESTLE (political, economic, social, technological, legal, environmental) analysis, while the opportunities reveal Ansoff’s growth strategies, Porter’s generic strategies, and the marketing mix.

SWOT is simultaneously very controversial when deciding whether it is beneficial or not for businesses to begin strategic formulation. Some authors (David, 2011; Lynch, 2015; Whittington, 1993; Valentin, 2005) have some criticisms and claim drawbacks. Valentin (2005) strongly opposed SWOT and proposes a different technique as defensive/offensive evaluation instead of SWOT. Valentin (2005) claimed that SWOT analysis has shallow theoretical roots. Moreover, he also stated that neither the SWOT matrix nor its conceptual fundamentals shed light on how essential particulars must be identified and classified correctly or how strategic implications are derived. Valentin (2005) listed the drawbacks of SWOT as

- Typical SWOT guidelines encourage superficial scanning and ad hoc classification instead of methodical questioning.
- The SWOT framework does not readily adapt to tradeoffs.
- SWOT guidelines generally confuse achievements and strengths.
- SWOT guidelines often lack criteria for prioritizing SWOTs.

Lynch (2015) mentioned the misunderstanding and wrong implementation of SWOT with this statement:

Probably the biggest mistake generally made in SWOT analysis is to suppose that it is sure to be 'correct' because it comprises every possible issue and is genuinely comprehensive. Nothing could be further from the truth. This illustrates a real lack of thought and strategic judgment about what is required of that organization. Another common error is to provide a long list of points but little logic, argument and evidence. A shortlist where every point is well discussed is more likely to be credible (p. 270).

David (2011) also explained the limitations of SWOT. First, SWOT does not give any clues on accomplishing a competitive advantage. That analysis should be the starting point for discussing how proposed strategies lead to competitive advantage besides cost-benefit considerations; however, it is impossible to manage that with SWOT. Second, SWOT is a static evaluation over time. As conditions, competencies, risks, and strategies change, a single matrix may be insufficient to demonstrate the dynamics of a competitive environment. Third, SWOT analysis may lead the business to overestimate any internal or external factors when formulating strategies. The network of relationships among these factors, which may be necessary in strategy development, cannot be revealed by SWOT.

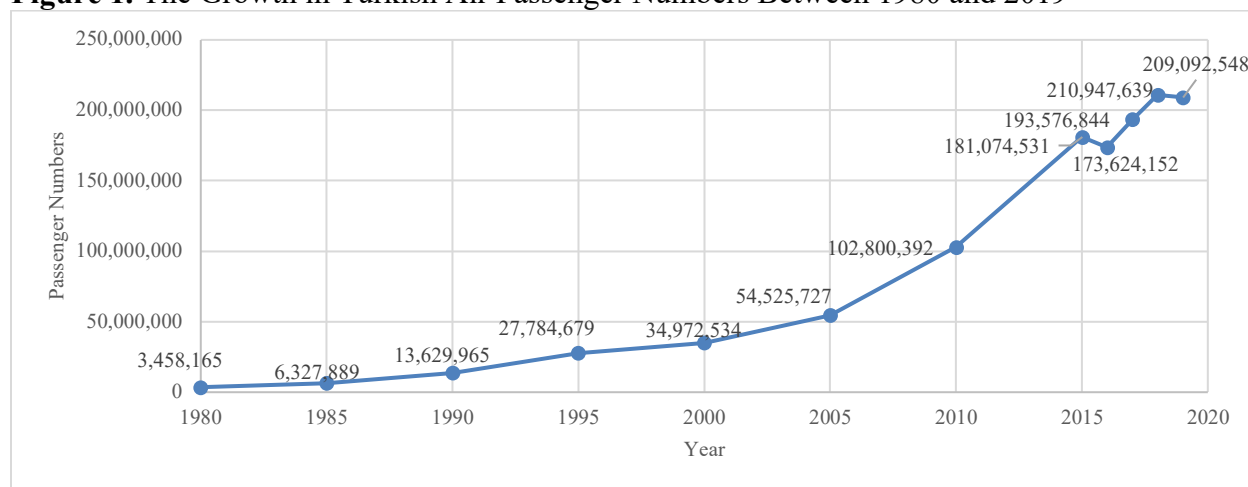
Despite all drawbacks, conflicts and criticisms, owing to its simplicity, SWOT is one of the essential tools for corporate/business executives to prepare themselves to pick up a more feasible strategy for implementation in their businesses. In the literature, there are several studies using SWOT analysis in different fields such as agriculture/farming system (Ommani, 2011; Zhang et al., 2019), tourism (Akca, 2006), production (Arslandere & Ocal, 2016; Hill & Westbrook, 1997), community (Hovardas, 2015; Singh, 2010), banking (Habimana et al., 2018), health system (Dutta, 2018; Kordeve, 2018; Olyaeemanesh et al., 2018). Some studies about the fundamentals and theoretical roots of SWOT analysis (Gurel & Tat, 2017; Nyarku & Agyapong, 2011; Sammut-Bonnici & Galea, 2015) also exist. Benzaghta et al. (2021) also analyzed the literature on SWOT applications in five different sectors- management, education, health and care, marketing and social media, and agriculture. Moreover, it can be encountered to very long SWOT analysis reports by governmental foundations, private companies and NGOs as an example: SWOT Analysis Report in the title of *Preparing long-term training and capacity building strategy for disaster risk reduction in India* under National Cyclone Risk Mitigation Project (SEEDS Technical Services-Knowledge Links, 2013).

However, it is rare to encounter SWOT analysis in the airline industry. Parton and Ryley (2012) examined and compared the different periods of SWOT analysis of a charter airline company in the UK. A few studies carried out in Turkey used SWOT analysis in air transport. While Sevkli et al. (2012) aim to put forward the SWOT analysis of the eight airlines and determine the similarities and differences of their SWOTs, Bakir et al. (2017) examined the Turkish aviation industry within a SWOT framework. Our study concentrated on the passenger market, and SWOT was applied through the views of the airline executives. Since the airline industry is one of the most dynamic industries, it also aims to reveal the current situation of the airlines in the Turkish market in terms of their SWOTs.

Understanding the Turkish Air Transport Industry

Turkey is a country with 84.680.273 people as of 31 December 2021 (Turkish Statistical Institute, 2022). Although this growing population is an advantage for the air transport demand, air transport growth started with the legislation of *No.2920 - Turkish Civil Aviation Act* in 1983. Turkish air transport has seen considerable changes due to liberalization measures introduced in 1983, 2001, and 2003 (Uzgor & Sengur, 2022). Until 1983, Turkish Airlines was the single domestic market player as a flag carrier. Although this legislation, which allowed private entrepreneurs to enter the domestic routes, was a step for domestic deregulation, instabilities and bankruptcies led to a new Decision from Civil Aviation Authority, which brought some route entry restrictions favoring Turkish Airlines. Turkey's air transport industry developed slowly during this period (Dursun et al., 2014). With the liberalization of price tariffs in 2001, the withdrawal of the Decision and the subsidies from the government, deregulation was spread to the country and led to new business models, increasing competition (Kuyucak & Sengur, 2011), and competition in ticket prices (Torlak et al., 2011). Decreasing ticket prices and increasing routes led to enormous growth in domestic demand. The growth in passenger numbers can be seen in Figure 1 (General Directorate of State Airports Authority [DHMI], 2019).

Figure 1. The Growth in Turkish Air Passenger Numbers Between 1980 and 2019



Source. DHMI, 2019

With this market restructuring, Turkey has recently shown significant improvements in the field and contributed to the development of the aviation industry globally, particularly in the Middle East and European region. In many reports published by international aviation organizations, it has been presented that Turkey has been one of the top developing countries in the world aviation sector in recent years. According to the 20-year forecast report prepared by the IATA, Turkey is estimated to rise to 9th place globally by 2036. It is expected to be the 5th fastest growing market by increasing the number of passengers by 119 million in the 20 years (IATA, 2017).

According to the ICAO Annual Report (2019), Turkey's ranking in the world:

- 12th place in the Revenue Passenger-Kilometers (RPK),
- 9th place in the Revenue Tonne-Kilometers (RTK),
- 9th place in the Freight Tonne-Kilometers (FTK) ranking.

In line with the Eurocontrol data, Turkey added the newest traffic in European airspace with 286 average daily traffic, including overflights in 2017. The second country was Spain, with a daily average of 217 traffic (Directorate General of Civil Aviation [SHGM], 2017). As of 31 December 2019, eleven airlines are operating in Turkey, licensed by the SHGM for scheduled and non-scheduled flights. Three of these airlines out of the scope of this study are only freight/cargo forwarders-MNG, ULS, and ACT. However, one of these airlines, AtlasGlobal, declared bankruptcy in February 2020. The other eight passenger airlines with short information are shown in Table 1 (SHGM , n.d.), even if AtlasGlobal went bankrupt. It is counted in Table 1, AtlasGlobal was an active airline company, and its executives were interviewed when the research was carried out.

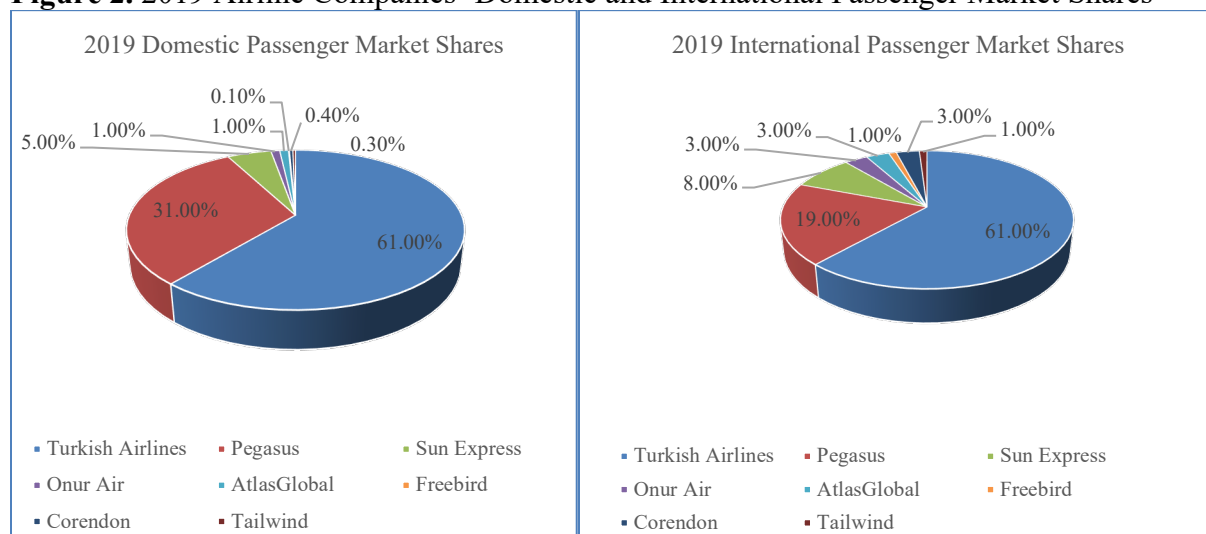
Table 1. Passenger Airlines Licensed by SHGM

Airline Name	Foundation Date	Fleet	Operation Type
Turkish Airlines	1933	325 (155*Boeing, 170*Airbus)	Scheduled
SunExpress	1989	70 (64*B737-800, 6*A330)	Scheduled
Pegasus	1990	70 (40*B737-800, 30*A320)	Scheduled
Onur Air	1992	25 (10*A330, 8*A321, 7*A320)	Scheduled
Freebird	2000	7 (A320)	Charter
AtlasGlobal	2001	25 (1*A319, 8*A320, 16*A321)	Scheduled
Corendon Airlines	2004	10 (B737-800)	Charter
Tailwind	2006	5 (B737-400)	Charter

Source. SHGM, n.d.

In the 2019 domestic passenger market shown in Figure 2, Turkish Airlines (with Anadolu Jet) received a 61% share. Pegasus received 31%, Sun Express 5%, Onur Air 1% and AtlasGlobal 1% share. In 2019, Turkish Airlines alone received a 61% share in the international passenger market. Pegasus received 19%, Sun Express 8%, AtlasGlobal 3%, Onur Air 3%, Corendon 3%, Freebird and Tailwind 1% each share (DHMI, 2020). As seen in Figure 2, considering the shares of the airlines in Turkey, Turkish Airlines, as a flag carrier, dominates the whole aviation market. According to the 2019 passenger shares of the foreign airlines operating in Turkey, the highest number of passengers was transported by Azur Air with 8.1% and by Nordwind Airlines with 4.8% (DHMI, 2020).

Figure 2. 2019 Airline Companies’ Domestic and International Passenger Market Shares



Source. DHMI, 2020

Methods

In this study, qualitative research methods are used to put forward the SWOT analysis of airline companies carrying passengers in Turkey's AOC. Data were gathered through a qualitative research based on interviews with top executives of the airlines (scheduled and charter). In these interviews, the executives asked semi-structured questions except Turkish Airlines. Besides the interviews, general information about airlines was obtained from secondary sources like airline web pages and journals of airlines.

The first step of strategic planning/management of the airline companies and the perception of the preparation phase of strategic planning processes by top executives have been tried to be determined by these questions. In the interviews, the executives were asked to explain their companies' SWOTs and give some information about the core competencies of these companies. Subsequently, senior executives were asked whether they did a SWOT analysis and, if they did, how they did it. Then, available SWOT analyzes were requested to share.

Within the framework of this study, all of the private scheduled and charter airlines as passenger carriers operating in Turkey were included. Turkish Airlines was not in the scope of this study due to its monopolistic situation as a flag carrier. Although Turkish Airlines is a privatized airline company, the state still supports it. It can also fly on non-profit international routes as required at the request of the state to improve reciprocal relations. Even though it is legally claimed that the perfect competition market prevails in the aviation industry, Turkish Airlines is still under the auspices of the state against competition and hold all grandfather rights due to its flag carrier position. Hence, Turkish Airlines does not compete. The other seven airline companies in Turkey compete among themselves and against Turkish Airlines.

The universe of this study is all private airline companies, except Turkish Airlines, just carrying passengers licensed by the SHGM. These seven airline companies operating in Turkey are SunExpress, Pegasus, Onur Air, AtlasGlobal, Corendon, Freebird, and Tailwind Airlines. AtlasGlobal executives were already interviewed before bankruptcy, so its data were not omitted from the scope of this research. The interviews were carried out by the general directors or vice presidents, and senior managers of the airline companies' strategic or corporate planning, trade and marketing departments. These executives were chosen because of their mastery of strategic planning and airline implementation issues. Due to the reluctance of the senior executives and the difficulty of reaching them, only 12 senior executives could be interviewed between October 2017 and January 2018. Interviews were executed at the centers of the airline companies in Istanbul, Izmir and Antalya. Once the data collection had been completed, the interviews were transcribed. Interviews with more than one senior executive in the same airline company have been combined. The transcriptions were carefully studied by the authors and analyzed.

Findings

The elements taken into account in the SWOT must affect the business in terms of strategy and strategic planning. Every feature specified in the SWOT might not have the utmost significance for strategic management. The indicated articles inside the SWOT should be discussed, separated, and eliminated if necessary according to their weight for the firm's strategy. The core

competencies stated by the executives of the airline operators were included in the tables as strengths.

This study aimed to understand how the private airlines of the industry evaluate their competitive positions and industry structure. SWOT analysis of all passenger carriers in Turkey was put forward consecutively according to the data gathered by the interviews with the airlines' executives. Their core competencies and strengths and opportunities were asked to the executives and evaluated inside the SWOT. However, as the core actor in the industry, Turkish Airlines shapes the industry structure. Therefore, Turkish Airlines was not interviewed because of its monopolistic behavior as a flag carrier. The airlines were denoted by letters like A, B, C, D, E, F, and G. The operators' SWOT analysis findings are presented in the seven tables below.

A: The executive of Airline A indicated that airline A carried out SWOT analysis seriously in each firm unit. SWOT analysis of Airline A exists in Table 2.

Table 2. SWOT Analysis of Airline A

<p>Strengths:</p> <ul style="list-style-type: none"> • A robust product when compared with the European operators • Fixed business cabin • Free food and drink service in flight, and also flying chef • Free baggage allowance • Fly & bus service • Fast decision making and low response time • Raising own pilots • Self-contained maintenance infrastructure and team • Flexibility due to being a boss company • Owner's ambition to the aviation and including himself to every activity • Reasonable financial control and high bargaining power • Single fleet type (A320 family) • Tour company (ETS)'s owner is the boss' twin, so they also support each other • Government support (unofficial) 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Lack of brand perception/awareness in Europe
<p>Opportunities:</p> <ul style="list-style-type: none"> • Turkey is a growing market • B airline pulled out of Paris and Amsterdam lines • A crisis is an opportunity. Some slots become available • Due to the crisis, some European airlines (Air France, KLM, and Air Serbia), reluctant to enter the market alone, requested to cooperate • Since Monarch Airlines and AirBerlin went bankrupt, an excess of aircraft appeared in the market. Airline A has the same type of fleet as these airlines, and the renewal period of aircraft encountered the same time • Air Serbia went into the crisis and handed over its traffic rights 	<p>Threats:</p> <ul style="list-style-type: none"> • Terrorism (the most severe threat) • Turkey's geographical and political situation • Iraq is the largest market for airline A. Since Suleymaniye and Erbil airports were closed to international flights, and airline A lost the most important market and lines in Iraq • Istanbul is the operation center of airline A, and it carries risks

B: Executives of Airline B did not give enough clues to evaluate the firm in terms of SWOT. Instead, they put a big emphasis on being a low cost carrier. SWOT analysis of Airline B exists in Table 3.

Table 3. SWOT Analysis of Airline B

<p>Strengths:</p> <ul style="list-style-type: none"> • Low costs • Always competing in prices • Speedy decision making and short response time in operations • No bureaucracy • Flexibility • Trying to change people's flying habits 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Low cost concept for the public in Turkey has not been settled yet
<p>Opportunities:</p> <ul style="list-style-type: none"> • Still growing firm 	<p>Threats:</p> <ul style="list-style-type: none"> • Political conjecture in Turkey • The infrastructure is not adapting to growing

C: Executives of Airline C primarily emphasize the weaknesses of institutionalization of their firm in the interview. SWOT analysis of airline C exists in Table 4.

Table 4. SWOT Analysis of Airline C

<p>Strengths:</p> <ul style="list-style-type: none"> • Being a Low Cost Carrier compared to the others in the same airport • Experienced crew • Connection abundance • Commercial flight times • IT penetration/sensibilities • Utilization rate, downtime 1 hour 15 minutes • Owning a technic hangar and taking care of own maintenance • A single type of fleet • Operational flexibility in capacity management according to the demands because of the different capacities of planes (A320-321 and A330) • Fast decision making and quick response • Good interrelationship with partners for wet lease in case of a crisis • Differentiation 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Overnight stay costs • East connections • Deficiencies in standardization • Not to be focused on infrastructure needs • Thinking about the short-term • Not to increase revenue with additional services
<p>Opportunities:</p> <ul style="list-style-type: none"> • Interline traffic • Leisure passenger • Laborer transportation • Domestic connections • New Istanbul Airport 	<p>Threats:</p> <ul style="list-style-type: none"> • Political imbalances • Terrorist activities • Transit flow problems • Process management

D: SWOT analysis of Airline D exists in Table 5.

Table 5. SWOT Analysis of Airline D

<p>Strengths:</p> <ul style="list-style-type: none"> • Being a 28 year-long established airline • Being a low cost leisure carrier according to the cost structure • Robust sales network in Europe • Having the know-how of the two largest airlines in Europe and utilizing them cheaper than the other airlines 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Less brand awareness in Turkey compared to Europe • Seasonality
<p>Opportunities:</p> <ul style="list-style-type: none"> • Growing of Turkish aviation sector • Increased demand for Turkey • Arab tourists • Consolidation of airlines in Europe • Some airlines (like AirBerlin) are out of play 	<p>Threats:</p> <ul style="list-style-type: none"> • Terrorism • Political uncertainty and instability • Shortage of qualified licensed personnel • Fuel prices

E: SWOT analysis of Airline E exists in Table 6.

Table 6. SWOT Analysis of Airline E

<p>Strengths:</p> <ul style="list-style-type: none"> • Fast decision making and low response time • Good business reputation and well-known brand name • Experience in full-charter and wet lease operations • Long term business relations with strong partners (Detur, KTAI, Vezir Holidays, Fibula, etc.) • Flexible operational capabilities combining different business models (full charter, split charter, wet-lease, scheduled) • Good price-quality balance • Having own tour company • Having sister airlines with European AOC • A single type of fleet (B737 NG) 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Seasonal operation • Diverse/too many operational bases per fleet size • Single type fleet, lack of option • Registered in Turkey (TCO) • Some competitors have a newer fleet • Lack of seat only sale organization
<p>Opportunities:</p> <ul style="list-style-type: none"> • Growing global tourism and aviation market • New Istanbul Airport • Low fuel prices • Availability of global wet-lease options • Operational cooperation with European AOC holders 	<p>Threats:</p> <ul style="list-style-type: none"> • Geopolitical risks of Turkey and surrounding regions • Eco-taxes may affect Turkish operators • Open skies agreement with the EU may increase competition

F: SWOT analysis of Airline F exists in Table 7.

Table 7. SWOT Analysis of Airline F

<p>Strengths:</p> <ul style="list-style-type: none"> • Experienced in leasing aircraft • Experienced technical and pilot crew • Having a strong financial structure • High service quality • Owning a simulator center • Being small brings better control • Affiliated holding serves many fields of aviation 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Marketing • High prices • Institutionalization
<p>Opportunities:</p> <ul style="list-style-type: none"> • Split charter and wet-lease operations 	<p>Threats:</p> <ul style="list-style-type: none"> • Being stuck in Turkey

G: The executives of Airline G stated that there was no opportunity in the sector to utilize since they try to sustain the present situation of the firm. SWOT analysis of Airline G exists in Table 8.

Table 8. SWOT Analysis of Airline G

<p>Strengths:</p> <ul style="list-style-type: none"> • Having a corporate culture • Experienced management and low outflow of employees • Having the experience and infrastructure to be able to analyze the risks of the sector • Operational flexibility • Service flexibility • Verbal agreements and oral discounts besides the contracts • Long term business relations with strong partners • A single type of fleet (B737-400) • Permission for the charter flights to Russia • Umrah flights 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Old aircraft • High maintenance costs • Fuel prices
<p>Opportunities:</p> <ul style="list-style-type: none"> • Not mentioned! 	<p>Threats:</p> <ul style="list-style-type: none"> • Security concerns arising from political issues • Terrorism • Other airlines to provide scheduled flights to the charter lines • Fuel prices rise • Early summer transfers of qualified licensed personnel

It should be noted that the SWOT analysis is based on the company itself; it is not an industrial or sectoral analysis. However, there are inevitably similarities in businesses within the same sector. When the enterprises' strengths are evaluated, the characteristic of the airlines using a single type of aircraft is one of the most outstanding strengths. All scheduled airlines except flag carriers claim that they have a fast decision-making mechanism and low response time to the impacts. Although this feature is not distinctive, it appears as a common feature. Common strengths of charter airlines are operational and service flexibility and strong relationships with tour operators.

When the weaknesses of airlines are investigated, it is seen that each airline has different points. According to some of the executives, brand awareness and brand perceptions in Europe are the most notable weaknesses of the airlines. Airline C lacks eastern connections and standardization, has not focused on infrastructure needs, plans and thinks short term, and does not earn from additional services. It is understood that the most significant weaknesses of Airline C are predominantly long-term/strategic thinking and lack of institutionalization. Charter operators and airline D consider seasonality as a common weak side. Airline F listed its weaknesses more generically as marketing, high prices and lack of institutionalization. The weaknesses of charter

airline G are the age of the aircraft and high maintenance costs. Since most executives do not mention these weaknesses, they are also creating troubles for some airlines.

Discussion and Conclusions

SWOT analysis is used for businesses to start sounder strategic planning in the strategy formulation stage. This study was designed to determine the SWOTs of the airline operators in Turkey. Results have been obtained in line with the opinions of senior executives of all airline companies operating in Turkey. Our results revealed that the perceptions vary on business models, airline service, etc. When comparing all airlines with each other in SWOT tables, it can be seen that charter airlines show different characteristic features from the scheduled operators. The most notable point in the tables is whether all items affect strategic management/strategic planning or they are just features of airline operators. As of 5 February 2019, Germania became the last airline operator to go bankrupt because of cash shortage before the pandemic. The chief executive officer of Germania mainly counted three reasons for bankruptcy: steep kerosene price increases over the summer of last year, the fall of the euro against the US dollar, and a high number of technical services required by its fleet of aircraft (The Local, 2019). These three reasons are strategically crucial for the airlines and must be considered through the SWOT analysis. As checked in the SWOT tables, these items can also be seen in the evaluation. Turkish Airlines has a special place as a flag carrier in aviation. The state might request flights to some points due to bilateral agreements even though they are not profitable since the Government considers these places to be strategically crucial for the country's interest. Either so, the Government subsidizes Turkish Airlines officially or unofficially; it seems that there is covered support. In addition, some non-competitive privileges by the state can make the flag carrier monopolistic in a highly competitive sector. Torlak et al. (2011) concluded that Turkish Airlines was the most competitive carrier across a range of criteria in deregulated Turkish domestic market.

The main contribution of this study is revealing external and internal factors for Turkish airline companies. It gives insights into the competing airlines in the air passenger market in Turkey and reveals the competitive positions of airlines based on the perceptions of their managers. Applying SWOT analyses provides a good synopsis of the companies and makes it easy to determine major problematic areas. Although SWOT analysis is used for business scale in this study, the results also give some insights for assessing the industry and competitive structure. While the single-type fleet is considered a strength, all airlines consider the new Istanbul Airport an opportunity. Besides, the gap and capacity arising from the airlines going bankrupt in Europe or Turkey have been set as opportunities. Charter airlines evaluated their operational and service flexibility and strong relationships with tour operators. According to Aldemir et al. (2021), scheduled airlines in Turkey are more likely to use hybrid analyzer-defender competition strategies, while charter airlines are more likely to use Miles and Snow's pure strategies. From this current study, it is understood that the threat perception of airlines is also common. Political uncertainty and instability, geopolitical risks and threats, security problems and safety concerns, terrorism, and shortage of qualified, trained, and licensed personnel are specified as threats. A situation often encountered in times of crisis is shifting capacity from charter and scheduled flights to wet-lease. Remarkably, one airline manager mentioned eco-taxes that might affect Turkish operators as a threat. Climate change and environmental concerns are becoming more and more critical in the international airline industry agenda. An eco-management mindset leads to cost savings, an improvement in the company's position and image in the community, long-term profit growth, and, eventually, business

excellence (Cristina & Yui-Yip, 2018). It can be said that the ecological awareness among airline managers in Turkey is increasing. The proposed SWOT criteria presented in Table 9 is one of the main theoretical and also practical contributions of this study. Based on the SWOT analysis results, a generic framework can be drawn for airline companies. A generic framework is drawn for airline companies based on the SWOT analysis results. This checklist can be used for competitive analysis of other airlines from other countries with some modifications according to their specific features. Some items might be ignored, or some new ones might be added to this list according to the context and region/country/airline-specific situations. Since strengths and weaknesses are in the same category for the internal dynamics of the airline operators, it was taken into account by combining. It should also be considered that today's strength might be a weakness in advance or vice versa. The same case is valid for the opportunity and threat.

Table 9. SWOT Analyzing Criteria for Airlines

Criteria for Strengths and Weaknesses:	
<ul style="list-style-type: none"> • Institutionalization • Marketing • Corporate/organizational structure and culture • Financial structure • Business model (differentiation, low cost, or focus) • Long term business relations with strong partners • Sales network • Application of the innovations • Brand awareness • Product quality • Owning exceptional facilities (maintenance hangar, simulation center, an academy for pilots, etc.) • Social responsibilities • Experienced and long-term management and experienced pilot and technical crew • Connections • Route structure 	<ul style="list-style-type: none"> • Type of fleet • Age of aircraft • The number of aircraft • Maintenance costs • Ancillary revenue • Having expertise in some operations (split charter, wet-lease, etc.) • Ticket prices • Commercial flight times • The loyalty of the passengers • Having sister airlines with different AOC • Affiliation • Decision-making process and response time • Having the know-how • Seasonality • Flexibility (operational or service) • Overnight stay costs
Criteria for Opportunities:	Criteria for Threats
<ul style="list-style-type: none"> • Growing global tourism and aviation market • Utilizing the crisis (ex: some airlines might be reluctant to enter into the markets alone) • Because of the airline bankruptcies • Availability of the capacity • Availability of the aircraft • Disclosure of traffic rights • Government support • Operational cooperation with other AOC holders • Consolidation of airlines • Leisure passengers • Ethnic transportation 	<ul style="list-style-type: none"> • Geopolitical risks and surrounding regions • Terrorism • Security concerns • Political instability and uncertainty • Intensive competition • Open skies agreement • Fuel prices • Euro/dollar parity • Shortage of licensed personnel • Risk/crisis management • New fees and taxes (ex: ecological, etc.) • Climate change

This table aims to give an insight and draw a frame for the executives of airlines and academics to analyze the airline operators with SWOT. As airlines become highly fragile and sensitive in the crisis, no criteria have been prioritized. The priority order of the criteria in Table 9 may vary depending on the type of crisis. The number of criteria in Table 9 might increase or decrease according to the airline operator's situation. It should be noted that some of the criteria overlap as if a weakness present might be a threat or a strength in advance. Also, a criterion counted in strength now might be a weakness or a threat in the future. This series of analyses should be renewed frequently according to the changing circumstances.

The main limitation of this study is that it is based on the views of airline managers. This limitation creates subjectivity for the research. Managers might not be willing to mention their weaknesses while easily voicing their company's strengths. The flag carrier Turkish Airlines was not included in this research due to its monopolistic situation in competition. Besides the limitations, the study explores airline companies' external and internal factors carrying passengers in the Turkish market. It can also give insights into other airlines and newly deregulated markets due to the Turkish market's deregulated structure and high-speed growth. In addition, our proposed framework for airlines' SWOT analysis might be helpful for other airlines and other industries.

In conclusion, this study, conducted before the pandemic, revealed the importance of SWOT analysis in strategic management and planning. The effects of unexpected crises in extremely fragile sectors such as the airline industry are seen so quickly that many airline companies, including flag carrier airlines, went bankrupt during the pandemic. Although the recovery of Turkish aviation from the COVID-19 crisis was quite fast, it should not be forgotten that the effects of the pandemic on air transportation, in general, were significant. Therefore, repeating similar studies in the future will shed light on the current situation of the period and the sector. Also, as a result of this study, the template created for airlines to use in SWOT analysis includes criteria that could be considered by all airlines for external analysis. Since the importance of different criteria will come to the fore in each crisis, no prioritization has been made for the criteria. In future studies, this criteria prioritization could be made by researchers.

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