

# **Star Alliance: A Leading Global Airline**

## **Executive Summary**

One of the major mechanisms used to conduct economic activity is transportation. For the better part of the last century, air travel has been a major part of the economic landscape in the developed world. As regulations over time evolved and airlines looked to expand globally, global airline alliances, collaborations between different airlines around the world, were created. This report looks to analyze the advantages and disadvantages of being a member of the largest alliance, Star Alliance.

The approach used to analyze this alliance followed a two pronged approach, conducting an Internal and External analysis. The internal analysis involves the review of the organization's strengths and weaknesses. On the other hand, the external analysis identifies the opportunities and threats posed to Star Alliance by external elements. By conducting these two analyses, an understanding of the benefits and consequences of joining Star Alliance can be developed.

Through the internal analysis conducted, it was found that there was a clear competitive advantage for airlines to join Star Alliance. Streamlined operations and technological systems, coupled with marketing programs and initiatives that span across the globe all provide airlines with reduced costs and access to larger markets. The external analysis resulted in similar findings. It was identified that participating in a global airline alliance is crucial to the sustained growth and success of airlines in the existing environmental conditions.

Based on the internal and external analysis the recommendation was made that for a large airline to stay competitive and to sustain growth, being a member of a global airline alliance is a necessity.