INTRODUCTION

The environment in which firms are operating is particularly challenging. One of the examples of these outstanding challenges is globalization, which has triggered heightened competition because firms in different regions can now operate seamlessly. Another challenge is the market dynamic nature, which is characterized by economic downturns that pose different challenges to operations. At the same time, market regulations have also been increasing over time, calling upon firms to align their activities with the laws to avoid costly penalties. Based on such a scenario, it is plausible to argue that firms’ mode of operation will no longer is business as usual—firms will need to adopt strategies to keep abreast the challenges more than ever. This view is widely acknowledged, but the problem has always been about what strategies would be the most suitable. Operation management has been lauded as the most critical point to enable firms to address the impending challenges. Nevertheless, even this strategy is marred with a raging debate on what should inform an elaborate operation management strategy. One of the notable notions has been that since organization environments are unique, such as by virtue of their goals, size, and culture, it is necessary for firms to adopt an operation management strategy tailored to their goals. Therefore, the issue of particular intrigue is how firms are placed to keep abreast the market challenges.

Airline business, like other vibrant sectors, is characterized by different forms of challenges that call for adoption informed management strategies. One of the approaches to competitiveness is to use the key leading airlines as the benchmarks. Emirates Airline lends itself as one of the top performing companies whose operation strategies, if understood, could serve as the success model for the young, as well as struggling Airlines. The purpose of this paper is to explore the key success factors to suit young and struggling airlines, focusing on the strategies of Emirates Airlines with respect to its competitors.

Overview of Emirates Airlines

Emirates Airlines is headquartered in Dubai, in the United Arab Emirates. It is part of the Emirate Group and it is fully owned by the government under the Investment Corporation of Dubai. The airline is currently the largest in the Middle East region, serving over 154 cities in over 82 countries in the world, and operating over 3,620 flights on weekly basis. Apart from being the leading airline in the region, it also ranks as the fourth largest in the world in terms of passenger traffic, as well as revenue [1].

The history of Emirate Airlines traces to mid-1980s when Gulf Air, the dominant regional Airline, started cutting trips to Dubai. The government responded by unveiling the Emirates in 1985. The company was funded with $10 million as start-up capital to operate independently without any further government subsidies. It would then embark on a journey of adopting strategic operations to realize...
growth and profitability, and it is now rated as one of the top leading airlines in the region and the world beyond. Despite these successes, the Emirates Airlines is still committed to pursuing further growth through innovation and hopes to become the largest and leading airline in the world [2]. Certainly, company’s operation strategy serves a potential model to inspire other airlines to success. Therefore, it will be interesting to examine different factors responsible for the airline’s success.

Company and Organization Assessment

In examining the success strategies that Emirates Airlines, it is of particular interest to assess the market structure and the operation activities that the organization is putting up in response to the market demands. To be able to accomplish this process, three types of assessment tools will be used: PESTEL analysis, Porter’s Five Forces Analysis and SWOT. It is hoped that these tools will effectively shade light on pivotal points that the new and struggling airlines can emulate to keep abreast the market challenges.

PESTEL Analysis

PESTEL analysis is an analytical tool utilized in assessing and monitoring the potential impact of external market environment on an organization to identify the areas of weaknesses and strengths. The components of this analysis include political, economic, social, technological, environmental, and legal factors. The analysis of these elements with respect to Emirates Airlines is presented in the sections below.

Political

The Emirates Airlines operates in an environment characterized by various political challenges that affect its operation negatively. One of the outstanding challenges is that the airline is based in the Middle East, a region that is marred with political conflicts and terrorism. This challenge typically causes travelers to cancel or reschedule trips to vulnerable regions, translating to unpredictable traffic and low profitability. In some cases, the situation compels the company to undertake costly security steps that constrain its competitiveness. The effect of the political instability does not stop there - the political instability presents various market uncertainties that limit the opportunities for the regional airlines to enjoy the opportunities of joining an international alliance with other leading airlines in different regions such as the American Airlines, which consider them highly risky. However, the company strives to ensure that it chooses to fly to destinations that a characterized by high political stability such as Europe, America, and Australia, a move that is aimed at minimizing the risks associated with political threats [3].

Economic

The regional economic environment in which Emirates Airlines operates can be argued to be relatively supportive. The most notable economic development that the airlines enjoy is the governments’ commitment to improvement of transport infrastructure, which has been characterized by construction of modern airports to meet consumer demands. For instance, Abu Dhabi and Dubai are planning to channel investment in development of airports in the region, motivated by the fact that the success of its local airlines relies on having modern technologies supported with latest state-of-the-art technologies. According to Black [4], UAE’s total investments channeled towards the improvement of air transport will be over Dh-72 billion in the next two decades. The motives behind airport improvement stimuli include improving the economy, cutting down dependency on oil sector, and boosting tourist. However, the airline faces other economic challenges that cannot be solved through improvement of airport infrastructure. In particular, the global economy is marred with challenges such as the currency fluctuations and global financial downturns that will certainly affect the profitability of any multinational companies such as Emirates Airlines. Flights global [5] notably observes that the 2008-2009 had the worst of economic implications on airlines, having resulted in a reduction of discretionary expenditure and high oil prices that resulted in low profitability. To overcome this problem, the company is embracing different forms of risk management methodologies that it prides on.

Social

The social environment is subject to three notable forces: increasing global populations, the need for speed, and globalization. Firstly, the growing population implies that potential increase in the number of travelers who will use air transport. For example, the UAE’s population in 2002 was 3.754 million, but which now stands at over 9.346 million people, a number that has correlated to increase in the number of passengers using the air transport by over 14 percent. Secondly, society is highly conscious about time and tends to prefer the use of the airways to other modes of transport such as such roads, railway, and sea. In this regard, such a social preference serves as an incentive for operating Airlines such as Emirates to pursue growth. According to Emirates Airlines [2], the importance of air transport cannot be disputed. Air transport rates as one of the fastest and reliable forms of transport. It is particularly suited for transport of people and goods, especially those that are sensitive to urgency and need to move over long distances. Lastly, globalization has been characterized by the continued interactions of people and regions across the world. Air transport lends itself as one of the reliable means of transport to overcome the distance decay barriers. However, the consumers are demanding quality services that are assured through provision of convenient, comfortable, reliable, and secure and safety services. Interestingly, the Emirates Airlines has been faring well in providing quality services focusing on these aspects.
Technological

Innovativeness and technology are paramount to meeting its core goals-efficiency, safety, sustainability and environmental protection [6]. The company acknowledges that the market is characterized by a high level of competition and that success is essentially a war of technologies and innovations. In light of this point, the organization is overly reliant on technologies in supporting the operation management. Examples of technological tools that the company uses are enterprise resource planning system. In addition to the use of innovative technologies in operation management, it is also at the forefront in implementing sustainable technologies in the different process of firm operation, including scheduling, human resource, and security management. Many of the processes are being automated, a process that is reported to have evidenced reduced costs and increased the efficiency in the delivery of services. Flights global [5] notes, the airline is now striving to improve its organization structure and culture to open communication to encourage idea sharing in the attempt to promote the technological capacity and innovativeness. The company is also focused on training and development, a move that is expected to play a crucial role in helping the company to keep abreast with the technological changes while fostering technological and innovativeness capacity, too.

Environmental

Like any other businesses of the contemporary world, Emirate Airlines is operating in a society that conscious about the environment. The society expects every person, organizations and business entities to exercise due care to protect and conserve the environment. This consciousness has been orchestrated by the concerns that the society will not be able to achieve its sustainability goals if it does not conserve the environment. Indeed, the criticality of the environment to sustainable development is indisputable because adverse effects such as famine, disease, and global warming have been consequences of massive pollution and environmental mismanagement. The airlines, like other business entities, are expected to support environmental sustainability by engaging in practices that minimize harm to the environment. Emirate Airlines has been faring relatively well by upholding different forms of corporate social responsibility directed at environmental protection and conservation, including using carriers that with limited air emissions and noise. Besides, the airline is also involved in initiatives of supporting environmental protection through charitable activities such as funding, research, and innovations aimed at fostering environmental sustainability. This step has played a crucial role in earning it a competitive advantage through self-regulation and avoiding penalties associated with flouting environmental conservation laws [7].

Legal

The operation environment in which Emirate Airlines operates is characterized by different forms of laws and regulations that different companies observe. The examples of laws include environmental protections, tort laws, contract laws, affirmative action, and occupation health and safety, among others. Emirate Airlines acknowledges that consequences of failing to observe the rules and regulations are far-reaching (including fines, negative reputation, and license revocation); it is committed to aligning its operations with the different jurisdictional demands. The operational management goals of the company are set out and can be seen to be oriented towards four elements. The first element is efficiency, which is concerned with minimizing congestions and delays at the facility. The second element is safety, concerned about preventing harm on passengers and cargo because of contact with the facility environment. The third element is sustainability, which is focused on assuring the return over investment. The last element is environmental protection, which is concerned about minimizing harm on the environment. Moreover, the airline further acknowledges that the process of realizing the goals underpinning the four components largely relies on how the products and processes are designed and rendered, and that it is its responsibility to integrate all the areas operation activities [8].

Porter’s Five Forces Analysis

The environmental forces that could constrain the market performance of Airline’s span internal and external factors. The Porters Five Forces of market analysis serve as a framework for evaluating the market environment in which the Emirates Airlines operates [9]. The framework considers a group of five critical elements: substitute product threats, the threat of new entrants, the bargaining power of suppliers, the bargaining power of customers, and the threat from existent competitors. The airline faces the threat of competitors whose operations are based in the region and the world beyond. Some of the notable regional competitors include Singapore Airlines, Virgin Australia, Jetstar and British Airways, among others. Such competitors are vibrant and their market presence has a significant impact on the sales and profitability of Emirate Airlines. This calls upon the company to embrace strategies to counter the effect of the competitors. Indeed, the airline has essentially been relying on informed marketing strategies and product design to subdue its competitors. For instance, the company strives to offer services that satisfy the value for money. Secondly, the company produces both low cost and executive services to include customers with different economic classes. The Emirates Airlines relies on the 4Ps of the marketing mix to design and tailor its

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products to the consumers and expand its market share [10].

**Threats from New Entrants**

Apart from the existent competitors, the Emirates Airlines faces threats from the new entrants. The threat of the new entrant is motivated by the prospects that the air transport and cargo industry provides. It is worth noting that the entrants may not necessarily occur from the local market, but from other regions across the world. The availability of alliances and joint ventures with local companies, however, weak they can be, may serve as a platform for the new entrants to destabilize the order of the local market. Emirates Airlines responds to the threats of the new entrants using the techniques employed in dealing with the existent competitors [11].

**Consumer Bargaining Power**

Emirates Airlines is subject to high consumer bargaining power. Such a bargaining power is motivated by the fact that there are different airlines that the consumers choose to use. Consumers demand for quality services, including safety, reliability, convenience, security and safety, affordability, among other aspects of cost-effectiveness. Therefore, in party, success depends on how any airline will be able to address different demands of consumers. In line with the point, the Emirates has been striving to be responsive to different customer needs, an act that has been reflected in its product design, delivery, and marketing. In all these processes, the airline strives to appease the consumers to attract their loyalty and avoid problems with the law [12].

**Threats from Alternative Products**

Airline operation suffers from the threat of external products. In particular, some travelers are to abandon air travels, while favoring teleconferences, and other forms of electronic communications. The travel demand has also been weakening considering tourists have been postponing tourist plans, waiting for the travel costs to be appealing. In response to the falling demand, as well as rising competitions, the airlines have been compelled to slash the prices of its products. The heavy reductions, as well as increased discounting practices, have resulted in the increase, as well as stabilization in the number of passengers. The regulations have created a leeway for the other airlines such as Emirates Airlines to capitalize the market by consolidating the positions within the industries. Now that new groups of airlines with low costs, such as China Southern and AirAsiaX have emerged, the state of Emirates Airlines market command would be particularly threatened. Recently, the monopoly of Jetstar Airlines in the domestic operations was subverted following the entry of Virgin Australia with premium products. This has added to the potential problems to competitors such Jetstar and Qantas, and Emirates Airlines. The latest index from the government shows that the entrance of Virgin Australia in the local market resulted in the drop of fares by as significant as 40 percent [13]. However, the operations of these airlines have evidenced some weaknesses such as lack of flexibility to reach all destinations and safety and minimized delay. Another challenge that competing airlines suffer is that it is unable to participate in the trending technologies such as 777X. Failing to participate and explore the current aircraft technological trends limits the firm from competing effectively with other airlines [13]. Therefore, if Emirates Airlines keenly studies and employs survival strategies of existent firms while learning and tailoring its services to the interests and needs of the consumers, the threat of substitute products would be lessened.

**Supplier Bargaining Power**

The suppliers’ bargaining power describes the relative power that suppliers can command in the market environment to influence the success and performance of firms. In essence, the bargaining power of the suppliers is always a critical element to inform the investment choices. The components of suppliers’ bargaining power relate the nature and distribution of raw materials, source of energy and labor dynamics. The target environment presents suppliers as having low bargaining powers. This would certainly serve as an advantage for Emirates Airlines to exploit. Different companies are venturing in the manufacture and sale of airlines. These are competing to the extent that they have made the aircrafts affordable to the airlines. The consulting services are also relatively cheap, a trend that follows from globalization that has created the allowance to seek services from firms across the globe. The labor dynamics are also favorably. The global population has been growing at a faster rate, compared to the rate of growth of job opportunities. This trend implies limited job opportunities for trained personnel. Emirates Airlines has the power to command in terms of the skilled workforce to employ, as well as the labor compensation schemes to offer. The energy aspect may pose a challenge. The prices of oil have been assuming an upward trend because of the increasing demand. Emirates Airlines will need to come up with measures to ensure that this does not affect its success. This is possible. Indeed, Emirates Airlines is presented with the choices of enhancing the bargaining and negotiating ability with suppliers by creating alliances and partnerships with interested parties [14].

**SWOT analysis**

The PESTEL and Porter’s five force analysis creates the allowance to envision Emirate Airlines as presented with a myriad of strengths and opportunities that motivate it to remain on top of the market, which the new and struggling airlines could emulate. Nevertheless, the analyses also present different forms of weaknesses and threats that the new and struggling airlines should beware. The chart below summarizes the SWOT analysis findings derived from the analyses.

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The airline success over other rivals is hinged in different strategies that the company adopts. For instance, Emirates’ resource management strategy is the optimization to sustain operation requirements. Success in realizing the goals underlying its activities is guided by an array of factors, ranging from the external and internal factors, which are treated as interrelated and must all be reflected in the operation management process. In essence, the resource management technique largely conforms to the principles of one systems approach, which lays emphasis on treating elements as a system of interrelated items, as opposed to distinct elements. In line with this point, the airline acknowledges that effective management of the human and non-human resources are all crucial to support the company to realize its short-term and long-term goals. Nevertheless, it further acknowledges the paradigm shift towards humanistic approaches, which requires firms to treat the workforce as the most special resource to be able to leverage competitive advantage. To achieve this, Emirates has endeavored to engage engaging its employees through ways such as motivation, training, and development to support them in improving capacity to work effectively [2].

This approach differs from those that are typically employed by young airlines in which resource management process, while it exists, has a narrow scope and is essentially focused on risk avoidance, using the multiple path methodologies. The use of multiple paths in managing risks is limited, especially in handling large and complex projects. This is because of the high number of activities involved, and the demanding nature of this approach. For this reason, multiple paths approach requires complex software for efficient management, which may subsequently call for higher operational costs for the organization. Indeed, it has been noted that using multiple paths would require an overhaul in case changes are to be effected as the project is execution. In the management of risks, the firm tends to classify risks as low, medium and high. Indeed, while the classification is important to the organization because it points out areas that require an immediate response, it is limited because some risks perceived to be critical may be inherently overlooked because they were erroneously designated as low-risk. This situation may have far-reaching consequences on the outcome of the firm. In most cases, it is likely that non-critical risks will be overlooked because their implications may take a relatively long time to surface. The outcomes can be adverse to the point that the business or an organization may fail. It has been noted that non-critical risks have the ability to curtail performance of an organization. In addition, it is likely that the organization would lose its reputation if it does not manage non-critical risks. Some of the common non-critical issues in businesses include delays in the delivery of goods to the clients, unresolved issues affecting organizational staff, information technology failure in an organization among others. As such, it is important for young airlines to maintain its good reputation through ensuring that the nothing is overlooked as a minor issue in the organization. The information technology system should be maintained to the standard needed, while services should be delivered at the right time. It is also necessary for the organization to ensure that unresolved issues, however less critical, are addressed correctly and on time. Besides, employee engagement through training and development should be adopted [15]. According to Loh and Ching [16], the Emirates marketing strategy is vibrant and is the source of competitive advantage. It can be conceived based on the 7Ps of marketing.
Product

The airline strives to ensure that the services meet the expectations of the customers. For instance, cargo and passengers are ferried at the satisfactory time, and on more strategic and convenient routes than what the competitors offer. Communication channels are maintained and notifications to customers about airlines schedules should be done in good time, informing customers of the changes to prevent inconveniences.

Placement

The services of Emirates Airlines are made accessible to all its potential consumers through segmentation. The airline segments its services to accommodate diverse customer interests. This step is necessary because its potential customers have diverse interests. For instance, the Generation Y, the baby boomers and persons with disabilities have different demands that will need to be considered. The airline uses different marketing strategies to target different consumers. For instance, it could use social media to target the Generation Y, and use magazines and newspapers to target the baby boomers.

Price

The pricing conforms to value-for-money principle. It is noteworthy that this point does not necessarily mean Emirates Airlines offers the cheapest products, but strive to balance quality with price. This strategy is effective because customers are usually happy when they pay a little more for something that works really well for them [17]. Ideally, British Air Young airlines will need to consider the pricing strategies of other competing airlines and come up with a pricing strategy that differentiates it from them.

Promotion

Advertising through online, mass media and print media is guaranteed to reach large masses of potential customers. In most recent times, social media such as Facebook, Instagram and Twitter are all essential communication tools for an organization. These tools are used by the airline to put across the organization’s message to the target consumers in the manner they would most like to understand. In addition to advertising, the Emirate Airlines has adopted a vibrant Customer Relation Management programs to engage its clients.

People

All companies are reliant on the people, who run them, starting from front line sales staff to the management teams [16]. Having the right people is essential because they are as much a pivotal component of organization resources and sources of competitive advantage. Emirates Airlines strives to recruit skilled workforce. It can strive to improve the capacity of the existence workforce to elaborate training and development programs.

Physical Evidence

Physical evidence implies the various aspects that help in the formalization of the respective aspects of a given place. The Emirates operates in different airports across major towns and cities across the globe, especially in the regions beaming with commercial businesses reliant on air transport services. The company is also considering opening branches offices in different locations across the globe to communicate their physical presence. Young airlines should consider locating its offices in these regions to assure an element of physical evidence.

Processes

Emirate Airlines focuses on efficiency to avoid delays, which is one of the major causes of dissatisfaction among air travelers. As documented by Costa, Harned and Lundquist [18], the application of quantitative risk analysis is appropriate where the estimation of the risk incurred is measurable in a numeric form. In this regard, the resource value is defined in figures, the frequency of a risk occurring is evaluated in numbers, and probability is applied to determine the chances of a failure happening in an organization project or business operation. The values are used to describe the chances of the risks occurrence, and as well determine the suitable action to address the risks based on the organization’s priorities. Certainly, this management approach is relatively limited to assure the desirable standards of total quality management process.

Ethics and social responsibility play a crucial role in enhancing the competitiveness of the organization. The derivative competitive advantage is manifested in two ways [11]. In one way, ethics and corporate social responsibility serves as a way of self-regulation to avoid penalties from the community and the government. In another way, it is a way of marketing through reputation building. According to Hayward [17], consumers, suppliers, and investors conceive ethical and socially responsible firms as trustworthy.

Emirates Airlines has also included total quality management in its operation management processes. Like any competitive firm, the source of its competitive advantage is quality, which it must strive to safeguard through informed quality management processes [19]. With these strategies, the company can still survive without government interventions and support. The Emirate Airlines operates in both Boeing and Airbus. The airline is one of the few airlines operating the wide-body aircrafts. Currently, the airline is the largest operator of Airbus A380 carriers. The use of both Boeing and Airbus is aimed at satisfying different consumer interests.

GCC trains its pilots, but relies on the partnership with other institutions and aircraft.
manufacturers beyond to produce well-trained pilots. The legal environment is encouraging — it exists to ensure order for the best interests of the consumers and firms, rather than subvert limit operations [20]. Typical rules and regulations pertain to anti-monopoly laws, industrial relations and employee rights, which are not demanding. Therefore, any young airlines can always pull through by observing these laws. Emirates supply chain is vibrant and is underpinned by total quality control that lays emphasis on a number of areas, including systematic and strategic management, continuous improvement, evidence-based decision-making process, and communication. One of the significant aspects of Emirates quality management practice systematic and strategic management that is oriented towards enabling the company to realize the goals, vision, and mission. This process entails formulation of plans while integrating quality in operation management process. The continuous improvement process involves deploying the creativity and analytical skills to find ways of increasing competitive advantage, as well as meet the stakeholder demands. Lastly, fact-based decision-making process is aimed at averting the risks, while communication is aimed at fostering understanding and avoid conflicts.

The 7s Mc Kinsey Analysis of the Emirate Airlines based on the analyses can be summarized in the table-1 as follows.

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<td>Focus on Quality (Value for money)</td>
<td>Vertical Communications</td>
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<td>The use of technology and Innovativeness</td>
<td>Participatory leadership</td>
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<td>Internationalization</td>
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<td>Diversity</td>
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<td><strong>Systems</strong></td>
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<td>Engagement with all the shareholders in making decisions (suppliers, consumers, shareholders)</td>
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CONCLUSION AND RECOMMENDATIONS

In conclusion, the aim of this paper has been to explore the key success factors to suit young airlines, focusing on the analysis of Emirates Airlines as the model to emulate. It has been established that its success is attributable to its strengths, as well as the ability to see and explore opportunities in the marketplace, and address the threats inherent to the market.

The most outstanding threats include high level of innovativeness, large regional and global market share and presence, vibrant marketing and promotion strategies, emphasis on quality and provision for value-for-money, technology consciousness’s, environmental social responsibility and upholding the laws and regulations. Moreover, Emirates supply chain is vibrant and is underpinned by the total quality control that lays emphasis on a number of areas, including systematic and strategic management, continuous improvement, evidence-based decision-making process, and communication. The opportunities the company has been exploiting include the promising political environment, the presence of new modern airports fitted with state-of-the-art technologies, the prospective social environment driven by the need for speed, globalization and growing population and evolving technology and innovative environment. The Emirates marketing strategy is vibrant and is the source of competitive advantage and it is essentially informed by 7Ps of marketing.

The notable threats that the company has been keen about include growing regulations, financial downturns, threats from competitors, and threats from new entrants, threats from existent products and political conflicts and terrorism. What can be predicted from the analyses is that the Emirate Airlines is on the correct track of safeguarding its market share and realizing further growth through differentiation. The ability to achieve these only relies on persistence and leadership commitment. Therefore, young and struggling airlines are encouraged to emulate the Emirate Airlines operation strategies, focus on exploiting the available opportunities, beware of the threats, and rise above the weaknesses such as addressing weaknesses.
Conflict of interest

There are no conflicts of interest in conducting this research

REFERENCES