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## SOUTHWEST AIRLINES SWOT & PESTLE ANALYSIS

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**Company Name :** Southwest Airlines

**Company Sector :** Aviation

**Operating Geography :** United States, North America, Global

**About the Company :** Southwest Airlines is a major passenger airline based out of the U.S.A., headquartered in Dallas, Texas, which provides scheduled air transport in the United States and international markets near to USA. Southwest started service on June 18, 1971, with three Boeing 737 aircraft serving three Texas cities of Dallas, Houston, and San Antonio. Presently, it operates a total of 723 Boeing 737 aircraft across 101 destinations in 40 states of the USA, and nine international countries near the USA. Based on the data available from the U.S. Department of Transportation (DOT), Southwest Airlines became the largest domestic air carrier in USA in 2003, measured by the number of domestic originating passengers who boarded and has ever since maintained its position. The company's website, southwest.com, is the only platform for customers to purchase and manage travel online. The airline continues to differentiate itself by extraordinary customer service flying 130 million passengers annually and employs around 56,500 employees as of early 2021.

Southwest Airlines USP or unique selling proposition lies in being the largest low cost carrier in the United States, pioneering ticketless travelling, offering free baggage bags-fly-free service (first 2 checked pieces of luggage with size and weight limits applicable) to everyone. The airlines vision is "To become the world's most loved, most flown, and most profitable airline". The mission of Southwest Airlines is dedication to the highest quality of Customer Service; delivered with a sense of warmth, friendliness, individual pride, and Company Spirit.

**Revenue :**

US\$ 9.048 billion – FY ending Dec 31st 2020

US\$ 22.428 billion – FY ending Dec 31st 2019

US\$ 21.965 billion – FY ending Dec 31st 2018

## SWOT Analysis :

The SWOT Analysis for Southwest Airlines is given below:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>1.Good profitability, revenue growth and a strong brand image</li> <li>2.A robust network and highest domestic market share</li> <li>3.Lowest operating cost in the airline industry</li> </ul>	<ul style="list-style-type: none"> <li>1.Increasing operating costs and margins:</li> <li>2.Heavy dependency on Boeing</li> <li>3.Single type of seating offered</li> <li>4.Labor intensive business</li> <li>5.Less than 1% of revenues in freight cargo</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>1.New Reservation System</li> <li>2.Expanded Destinations - domestically and locally</li> <li>3.Use of the latest technologies</li> <li>4.Expanding the Freight cargo services</li> </ul>	<ul style="list-style-type: none"> <li>1.Volatile fuel prices</li> <li>2.Stringent government regulations and related costs</li> <li>3.Intensely competitive industry</li> </ul>

## PESTLE Analysis :

The PESTLE Analysis for Southwest Airlines is given below:

Political	Economical
1.Political interference and control	1.Volatility in fuel prices 2.Challenges in organic growth resulting in limiting strategic plans. 3.Challenges in maintaining cost structure with the competition 4.Impact of Covid-19 pandemic on the economy and Southwest Airlines
Social	Technological
1.Seasonality of demand 2.Surge in disposable income in United States	1.Increasing dependence on technology to operate its business 2.Integrate digitization to offer holistic experiential packages
Legal	Environmental
1.Pending litigations whose results can affect the image of the company 2.Consumer Protection Regulation 3.Aviation Taxes and Fees 4.Operational, Safety, and Health Regulation	1.Regulations by the Government and respective changes

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**[support@swotandpestle.com](mailto:support@swotandpestle.com)**