

**AIRLINE BUSINESS ON THE WEB
AND
CHALLENGES FOR AIRLINES
IN SRI LANKA**

By



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The Dissertation was submitted to the Department of Computer Science & Engineering of the University of Moratuwa in partial fulfillment of the requirement for the Degree of Master of Business Administration.

Department of Computer Science & Engineering
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DECLARATION

“I certify that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any University to the best of my knowledge and belief it does not contain any material previously published, written or orally communicated by another person or myself except where due reference is made in the text. I also hereby give consent for my dissertation, if accepted, to be made available for photocopying and for interlibrary loans, and for the title and summary to be made available to outside organizations”

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To the best of my knowledge, the above particulars are correct.

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Supervisor

(Mr. Chatura De Silva)

.....
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TABLE OF CONTENTS

ACKNOWLEDGEMENT.....	v
LIST OF FIGURES.....	vi
LIST OF TABLES.....	viii
ABSTRACT.....	ix
1. INTRODUCTION	1
1.1 Research Focus Area	1
1.2 Importance of the Study	5
1.3 Definition of the main problem	6
1.4 Objectives	6
1.5 Brief Method of Study Adopted	7
1.6 Literature Review	7
1.7 Research Outcome	9
2. LITERATURE REVIEW	10
2.1 Foreign Research	10
<i>Regional online ticket sales</i>	14
<i>Distribution Costs</i>	17
<i>Travel Agency Sites</i>	18
3. METHODOLOGY OF STUDY	20
4. OBSERVATIONS, RESULTS, DATA	22
4.1 International Airlines Web Sites	22
4.2 Web Sites of Domestic Airlines in Sri Lanka	51
4.3 Observation Results	53
4.4 Data Collection	55
4.5 Questionnaire Results	56

5. ANALYSIS AND DISCUSSION OF RESULTS	59
5.1 Model for an Airline's web site	59
5.2 Comparison with Airlines in Sri Lanka	63
6. CONCLUSION AND RECOMMENDATIONS	65
6.1 Customer Value Proposition	65
6.2 Cost Saving for the Company	66
6.3 Web Site Design Decisions	67
6.4 Applicability to Domestic Airlines in Sri Lanka	68
6.5 Challenges for airlines in Sri Lanka	69
6.6 Suggestions for Future Research	72
REFERENCES	73
APPENDIX - QUESTIONNAIRE	75



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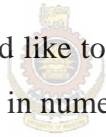
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LIST OF FIGURES

	Page	
Fig 1.1	B2C and B2B functions of airlines	1
Fig 1.2	Pax transportation product	2
Fig 1.3	Agency versus direct sales process comparison	3
Fig 2.1	Online channels used to sell airline tickets	11
Fig 2.2	Anticipated timing of when 50% of organization's total ticket sales will be made via web based channels	12
Fig 2.3	Anticipated timing of when 50% of organization's total ticket sales will be made via e-ticket sales	12
Fig 2.4	Airlines distribution costs	18
Fig 4.1	http://www.singaporeair.com	22
Fig 4.2	http://www.emirates.com	25
Fig 4.3	http://www.nwa.com	27
Fig 4.4	http://www.srilankan.aero	29
Fig 4.5	http://www.britishairways.com	31
Fig 4.6	http://www.britishairways.com.lk	31
Fig 4.7	http://www.jetairways.com	33
Fig 4.8	http://www.catheypacific.com	35
Fig 4.9	http://www.southwest.com	37
Fig 4.10	http://www.qatarairways.com	39
Fig 4.11	http://www.jal.com	40
Fig 4.12	http://www.thaiairways.com	42
Fig 4.13	http://www.malaysiaairlines.com	44
Fig 4.14	http://www.aa.com	46
Fig 4.15	http://www.klm.com	48
Fig 4.16	http://www.klm.com	48
Fig 4.17	http://www.delta.com	50
Fig 4.18	http://www.serendibexpress.com	51
Fig 4.19	http://www.serendibexpress.com	51
Fig 4.20	http://www.expolanka.com	52

Fig 4.21	Methods of passenger ticket booking	56
Fig 4.22	Methods of passenger ticket sales	57
Fig 4.23	Most appealing factors for customers	58
Fig 5.1	Model for an airline's web site	59
Fig 5.2	Most active countries in accessing SriLankan Airlines web site	64
Fig 5.3	Hits in hour of the day for SriLankan Airlines web site	64



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Electronic Theses & Dissertations
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LIST OF TABLES

		Page
Table 2.1	Regional differences in online ticket sales	14
Table 2.2	Airlines distribution costs	17
Table 2.3	Travel agency sites ranked by the visits	19
Table 4.1	Availability of a company web site	57
Table 4.2	Reasons for maintaining a web site	57
Table 4.3	Available features on the web site	58
Table 5.1	Web sites' features comparison	63



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ABSTRACT

The Internet is creating opportunities for airlines beyond the traditional air travel business. There has been no turning back from the Internet revolution, and many leading Airlines believe their online channels are vital in reaching out to their customers. The challenge now for Airlines and other companies within the travel sector is not whether to go online, but when and how to obtain the best and fastest return on their investment. It is a proven fact beyond doubt that e-commerce works.

Many International & domestic airlines in other countries in the world use their web sites as well as online travel agents sites to earn revenue with high degree of market competitiveness. In Sri Lanka such usage is very low due to various reasons such as technical, investment, economical, social. Also a biggest challenge remains how to use these channels more effectively to cut costs and create new revenue streams.

It is important to provide significant new insights into the development and implementation of web business strategies that will lead airlines in Sri Lanka to a competitive advantage. In this process it is possible to assess the current usage of Internet in airline business in Sri Lanka against the usage of other airlines in the world. With this can identify factors and challenges for introducing and developing web e-commerce strategies for airline business in Sri Lanka. This thesis proposes possible strategies to improve market competitiveness in airline business in Sri Lanka using web.

Domestic airlines in Sri Lanka can focus on having a web site with at least flight schedule updates, flight booking and FFP as an initial step. Further they can analyze web site access and booking data and decide on future path. National carrier in Sri Lanka needs to plan a web site strategy for next three years. Also it will have to decide on timelines of the project and decide on outsourcing with data security terms.

The model identified and explained in this thesis will be helpful in assessing the existing web site strategy and also to focus on future direction for an airlines web site.