Southwest Airlines was created on March 15, 1967 by Rollin King and Herb Kelleher. The maiden voyage took place on June 18, 1971 in Love Field in Dallas, Texas. In 1974, Southwest carried its 1 millionth customer and spent $400,000 to remodel their terminal in Houston's Hobby Airport. Southwest won the airline industry's “Triple Crown Award” consecutively from 1992-1996. Southwest introduced DING! and allows customers to now check in online 24 hours in advance in 2005.

Southwest’s Business Model

- To provide a low cost product by utilizing its resources efficiently, while providing record levels of reliable service.

Potential New Entrants

- High: Skybus Airlines
- Medium: Frontier Airlines
- Low: Airlines limited to few cities

Bargaining Power Of Suppliers

- High: Airport Terminals
- Medium: Airplane Manufacturers
- Medium/Low: Staff of SW Airlines

SBU: Southwest Airlines

Rivals: American Airlines, JetBlue, Continental

Bargaining Power Of Buyers

- High: Business Travelers
- Medium: Families, Teenagers
- Low: Infrequent Travelers

Substitute Products And Services

- High: Trains
- Medium/Low: Busses/Public Transportation

ISM 050
Adam Larkin
How Has Southwest Managed to Constantly Stay on Top

- Revolutionized the way airlines run
- Constantly accepting and innovating changes in IT
  - One of the first airlines to have a website
  - The first airline to allow online check-ins
  - Implemented touch screen ticket readers powered by Dell OptiPlex desktops
  - Developed two programs to help increase online sales and interest
    - DING!
    - SWABIZ
  - Developed in-house software that run its operations

How Has Southwest Managed to Constantly Stay on Top Cont.

- Annually have 75-100 projects in the works and have approximately 900 IT employees
- Have differentiated themselves from the competition since day one
- Have been able to popularize their online site by offering rewards to people who purchase tickets online

Conclusion

- In conclusion Southwest Airlines is one of the most profitable and successful airlines in existence today. It is because of their ability and willingness to both adapt to and innovate new I.T. and business strategies that has led them to win countless awards and be the only American airline running today that has been profitable every year since 1972. Since their creation in 1967 they have been pioneers in the airline industry and still continue to do so to this day.