

PREFACE

Knowing I get a chance to study in the Netherlands, I feel so happy and so fortunate. However, I never thought that the study period would be passed with tears. Passing study period with sweat and fight is an ordinary thing, but with tears it become extraordinary. I passed my first semester period with tears and I almost lost my mind because of drop-out threat that possibly be unto me if I failed and that same tears also accompany me until the end of my study period. On those times I have been reminded to my family's love, friends and ultimately God's love that once I have left, that love eventually makes me stronger and brave to fight until the end.

Therefore, I thank the ultimately to Ida Sang Hyang Widhi Wasa that with His love has given me a lot of life experience during my study period in the Netherlands, helping me finishing my study and thesis and for being a good listener to all my heartfelt and complaints day to day. Without His love and compassion, I would never pass all of these.

The author wishes to acknowledge the contributions of the following people who contributed to improvements in all of the papers:

1. Tukakiang , Tuniang, and my Ancestors in Bali who always guide and bless me during my study and the preparation of the thesis
2. Prof. Dr. Luchien Karsten, my Supervisor and Program Director of MSc International Business Program, Faculty of Management and Organization, University of Groningen, The Netherlands who has been a great help in encouraging and making me to work like hell. His perfectionism made me work hard and create a very valuable thesis
3. Dr. Sari Wahyuni, my co-Supervisor, who always reminding me to stay on the right track, encouraging me when I was lost in nowhere, and helping me so much with my English.
4. My beloved parents Colonel. Ir. Ida Bagus Surya Adikara and I Gusti Ayu Srinadi, and my younger brothers, Ida Bagus Ari Kresnawan, and Ida Bagus Agung Sidimantra for their endless love, pray, support, and understanding.
5. Mr. Wiradharma Bagus Oka, Executive Vice President Strategy & Corporate Affairs, who facilitated and gave the opportunity to do the internship in Garuda Indonesia.
6. Mr. Rajendra (Vice President of Planning and Strategy), Mr. Prijono (Vice President of Human Resources), Mr. Heri, Mr. Amrulloh, all the staff and employees of Garuda Indonesia who helped greatly in answering all my inquiries during my research and internship in Garuda.
7. Mbak Novita (guru EF Jogja), Mr. Lestano, B. Ec., M. Ec. (Hons), Amelia M.N. Tampubolon, B. Bus, MM, MSc BA, dan Steve Soeyanto (ketua PPI Groningen) who assisted me in getting the right English for the improvement of my thesis.
8. Aji Oka who supported me and encouraged me to keep going on.
9. Eyang Begawan who always prays for me, comfort me when I am down and give me valuable advices to keep strong and confident.

10. Tante Alma who let me stay in her lovely house, cooked me nice foods, and always prayed and encouraged me.
11. Mbok Dayu Dalem who always believes in me that I can concentrate and finish my study, that I can get a good girl for life and who always gave me the number of the girls in Bali, although I only called one of them he...he...he....
12. Kusuma, Mbok Gek, Yosef, and Soek who helped me a lot when I did the internship in Jakarta.
13. My big sister, Mbak Lidia, and my younger sister, Anne and Pandu, who always encouraged me to keep move on and keep myself disciplined.
14. Gek Ratna, my lovely and talk active sister in Bali, who always talk to me when I was tired of doing the thesis, although I must admit that she was the one who did the most talking he.....he....he.... “dasar bawel”
15. All my best friends at MM UGM: Tommy, Andi, Jeffry, and Astrid who always encouraged me although we are not together.
16. Gus Permana who delivered my car from Yogyakarta to Jakarta so that I had no transportation problems during my stay in Jakarta.
17. All friends of MSc IB (Doody, Malik, Mita, Tenny, Conny, Thyara, Leo, Regina, Togi and Donny) who always helped each other in completing this thesis.
18. All the students of MM UGM batch 28, Indonesia.
19. All friends of Badan Executif Mahasiswa UPN Jogja, Indonesia, especially Dadag Gurinda, Dian Jambak, Dika, Igun, Rani, Epen, and Erwin Dirgantara for the pray and encouragement.
20. All the colleague of PPI Groningen who always be there for me when I was up and down during my stay here.
21. All friends of PPI Groningen fellowship who always pray for my success although our religion is different.
22. Anak2 kontrakan Janti lama, especially Erik, Nengah, Fauzan, Teyeng, and Bibik.
23. Anak2 kos2an Granadi, Seturan, Jogja, especially Dorkas and mas senen.

This thesis is written to try to look for the suitable competitive strategy for Garuda Indonesia Airline in facing tight domestic airline competition in Indonesia nowadays. In meeting that purpose, six forces analysis, generic value chain analysis, and generic strategic competitive analysis will be use as the means of analyzing in this thesis.

Finally, I look forward for criticism on my work result and may my research be useful to anyone that interested in my research topic. I personally do hope so that there will be another continuous research upon this topic, recalling that there are still a lot of disadvantages in this research that can be more deeply explored.

Groningen, September 17, 2003

Ida Bagus Putu Astawa Suryaputra
International Business Program