



UNIVERSITAS
GADJAH MADA

ANALYSIS OF BUSINESS STRATEGY OF PT GARUDA INDONESIA IN OBTAINING SUSTAINABLE COMPETITIVE ADVANTAGE

Elsa Andriana Mulyono, Suryadi D., M.Sc.

Universitas Gadjah Mada, 2008 | Diunduh dari <http://etd.repository.ugm.ac.id/>

TABLE OF CONTENTS

	Page
Title Page.....	i
Approval Page.....	ii
Declaration.....	iii
Acknowledgement.....	iv
Table of Content.....	v
List of Table.....	ix
List of Figure.....	ix
Abstract.....	x

CHAPTER I : INTRODUCTION

1. Background	1
2. Problem Formulation	4
3. Research Objective	5
4. Research Limitation.....	5
5. Thesis Organization	6

CHAPTER II : LITERATURE REVIEW

1. Overview	8
2. Resource-Based View of The Firm	10
3. Core Capabilities or Distinctive Competence	12
4. A Conceptual Model of Sustainable Competitive Advantage	15
a. Sources of Competitive Advantage	15
b. Competitive Positional Advantage.....	15
c. Barriers to Imitation	16
d. Performance Outcomes.....	17
e. Reinvestments in Resources and Skills	18
5. Resources of Sustainable Competitive Advantage in Service Industries	18
a. Scale Effects	18
b. Const and Demand Synergies	19
c. Product, Process, and Managerial Innovations	19
d. Brand Equity	19
e. Relationships/Precommitment Contracts.....	20
f. Spatial Preemption	21
g. Communication Good Effects	21
h. Corporate Culture	21
i. Organizational Expertise/Producer Learning/Experience Effects.....	22
j. Information Technology.....	22



ANALYSIS OF BUSINESS STRATEGY OF PT GARUDA INDONESIA IN OBTAINING SUSTAINABLE COMPETITIVE ADVANTAGE

Elsa Andriana Muljono, Supriyadi, Dr., M.Sc.

CHAPTER III : RESEARCH METHODOLOGY

Universitas Gadjah Mada, 2008 Diumumkan di http://ejournal.repository.ugm.ac.id/	
1. Type of Method	23
2. Data Collection	23
a. Primary Data	23
b. Secondary Data	24
3. Analysis the Data	24
a. The External Environment Analysis	25
1) Industry Environment Using Porter's Five Forces Model	25
a) Threat of New Entrant	26
b) Bargaining Power of Supplier	29
c) Bargaining Power of Buyer	31
d) Threat of Substitutes Products or Services	31
e) Rivalry among Existing Competitors	31
2) Macro Environment	32
3) Political Governmental and Legal Forces	33
4) Economic Forces	33
5) Social Forces	33
6) Technological Forces	34
7) Assessment of Opportunity and Threats	34
8) Key Success Factors	34
b. The Internal Environment Analysis	35
1) Value Chain Analysis	35
a) Primary Activities	36
b) Support Activities	37
2) SWOT Analysis	37

CHAPTER IV : THE AIRLINE INDUSTRY IN INDONESIA

1. Overview	39
2. Macro Environment Analysis	40
a. Political and Legal Factors	40
b. Economic Factors	45
a. Gross Domestic Product (GDP)	45
b. Interest Rates	45
c. Inflation Rates	46
d. Value of the Dollar	49
c. Social Factors	52
d. Technological Factor	54
3. The Industry Environment Analysis (Five Forces)	55
a. Threat of New Entrant	55
a. Economies of Scale	55
b. Product Differentiation	55
c. Capital Investment	56
d. Access to Distribution Channel	56
e. Government Regulation of Entry	57
b. Rivalry among Existing Competitors	58



ANALYSIS OF BUSINESS STRATEGY OF PT GARUDA INDONESIA IN OBTAINING SUSTAINABLE COMPETITIVE ADVANTAGE

Elsa Andriana Muljono, Supriyadi, Dr., M.Sc.

Universitas Gadjah Mada, 2008 | Diunduh dari <http://ejtd.repository.ugm.ac.id/>

d. Adjusting Capacity and Frequency	58
c. Quality and Service Differentiation	60
d. Exit Barriers	61
c. Threat of Substitutes Products or Services	61
d. Bargaining Power of Buyer	62
a. The Amount of Passenger	62
b. Switching Cost	62
c. Customer Loyalty	63
d. Access of Information	63
e. Buyer Benefit	63
e. Bargaining Power of Supplier	64
4. The Key Success Factors Of Industry	66
 CHAPTER V : STRATEGIC ANALYSIS	
1. Company Profile	69
a. Vision	69
b. Mission	69
c. Garuda Indonesia Group	69
2. Garuda Back To Take Off	71
3. Issues in the Airline Industry	74
a. Competitive Fares	74
b. Frequent Flyer Programs	75
c. Brand Name Recognition	76
d. State of the Art Aircraft (New or Old Aircraft)	77
e. Availability Of Routes	80
f. Service Quality (Onboard And Ground)	81
4. The Internal Factor Analysis	81
a. Primary Activities	81
1) Operations	81
2) Distribution and Outbound Logistics	82
3) Sales and Marketing	84
b. Support Activities	85
1) Product R&D, Technology, and Systems Development	85
2) Human Resource Management	85
5. The SWOT Analysis	87
a. Strengths	87
b. Weaknesses	88
c. Opportunities	88
d. Threats	89
6. Corporate Culture	89
7. State-Owned Airlines	92
8. Garuda Indonesia's Resources	94
9. The Core Capabilities of PT. GIA	94
10. Strategies of Garuda	95
11. Preparing for Privatization	96



UNIVERSITAS
GADJAH MADA

ANALYSIS OF BUSINESS STRATEGY OF PT GARUDA INDONESIA IN OBTAINING SUSTAINABLE COMPETITIVE ADVANTAGE

Elsa Andriana Muljono, Supriyadi, Dr, MSc, Garuda Indonesia

Universitas Gadjah Mada, 2008 | Dinduh dari <http://etd.repository.ugm.ac.id/>

a. Financial Restructuring	97
b. Cost Reduction	97
c. Network and Fleet Rationalization	97
13.Discussion	98

CHAPTER VI : CONCLUSION AND RECOMMENDATION

1. Conclusion	106
2. Future Industry	108
3. Managerial Implications	109
4. Future Research Recommendation	111

BIBLIOGRAPHY	113
---------------------------	------------

APPENDIX	116
-----------------------	------------