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Analysis of competitive strategies of companies in the air transport industry in Vietnam

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Abstract

This article analyzes the competitive strategies of the aviation industry, one of the industries represented by large enterprises in Vietnam. This article outlines how private enterprises in this industry should compete with state-owned

enterprises in the context that the aviation industry market is integrating and developing rapidly after a long period of economic crisis. Covid-19 pandemic raged.

Keywords: Competitive Strategy, Small and Medium-Sized Companies, Tourism Industry, Vietnam

1. Introduction

1.1 Research problem overview

Bamboo Airways overtakes the elder brother" Vietnam Airlines. When having heard and read through the articles about these two airlines in the market, almost everyone wondered about the above statement. Is this a sign of the service of the two airlines in recent times? Vietnam Airlines has been present in the aviation market for nearly 30 years (1993). And Bamboo Airways has only been born for about 5 years (2017). The difference in time also tells us about the thickness of experience of these two airlines. Bamboo Airways is a domestic Startup airline, under the management and administration of the large corporation FLC. Bamboo Airways was built in 2017 and its head office is located at Phu Cat airport in Binh Dinh province. The main colors in Bamboo Airways' identity are green and blue.

Bamboo Airways is the first hybrid airline in Vietnam - a model of low-cost flight service with high-quality aircraft, combining resort tourism with many special incentives, especially when combining the same time of travel. services: flights, resorts and many consecutive flights. Vietnam Airlines is the national airline of the Socialist Republic of Vietnam, established in 1956 with its headquarters located at Noi Bai International Airport. The main colors of Vietnam Airlines are blue and yellow. At the present time, Vietnam Airlines operates 5 lines of modern and modern decorated aircraft, including: Boeing 787, Airbus A330, Airbus A321, Airbus A350. Vietnam Airlines operates flights to all provinces of the country.

1.2 Urgency of the research problem

Since the establishment of Bamboo Airways, the airline has continuously offered discounts on fares and registered membership cards with many attractive incentives. Up to now, Bamboo Airways is recognized as the leading airline in punctuality compared to other airlines in Vietnam. With the enthusiastic service of the crew also bringing customers the comfort of the flight, Bamboo Airways has recently been the first choice when it comes to aviation services. However, loyal customers with Vietnam Airlines still hold their position in terms of airline choice. So far, Vietnam Airlines has always done well in terms of service and flight time, and the airline is considered the national airline of Vietnam, so it has more flights, accounting for almost 100% of routes in the market. In the aviation market, it is not outstanding, but the airline always silently brings the best services to customers, customers can experience the airline's services from the most popular to the most advanced, with a service experience that is favored by the airline. Cheaper price helps airline customers can use more services.

1.3 The significance of the study for management practice

Comparing services and incentive programs shows that both airlines have similarities, so why is there a saying "Bamboo Airway overtakes the eldest Vietnam Airlines". Are customers deliberately comparing the two airlines to give priority to the new airline to help Bamboo Airways surpass the leader in the aviation industry? Through articles and stories about the services, we can see what the two airlines are doing to bring customers the best experiences and services during the journey to conquer the sky. But it is undeniable that the contributions of the new airline Bamboo Airways, although recently launched,

have also contributed to the aviation industry to have more companions in the sky.

1.4 Objectives of the study

The objective set out in this research paper is to better understand the services of the two airlines, which in the past time have had many conflicting opinions, and also compare the quality of these two airlines.

2. Theoretical basis

2.1 Basic Competitive Strategies

Basic competitive strategies that businesses can use:

- Cost leadership strategy
- Differentiation strategy
- Cost Concentration Strategy
- Differentiated focus strategy

A cost leadership strategy is a strategy that focuses on scaling up production and selling products/services at low prices to capture as much market share in the target market as possible. Differentiation strategy is a meaningful strategy in business activities of enterprises. When the differences bring awareness and are clearly reflected in the products manufactured and distributed by enterprises in the market. The differences bring uniqueness to the perception and create a higher buying demand of the customers. A cost-concentration strategy is a competitive strategy aimed at meeting the needs of only one customer group or a few market segments. A differentiated focus strategy is a solution that focuses on creating a competitive advantage on the basis of choosing a narrow competitive niche in the industry. A business that chooses a focus strategy selects a segment or group of segments and adjusts its strategy within that area without regard to other segments.

2.2 Competitive strategies in industries with many small and medium-sized companies

5 strategies to improve competitiveness for medium enterprises:

- Expand the market with suitable niches.
- Creation of high and independent values
- Have a long-term vision for development
- Enhance product competitiveness.
- Competition based on speed factor

Expanding a market by niche segmentation also known as a niche market is a sub-segment of a larger market that can be defined by needs, interests, or identities. particularity of that market that sets the market apart from the market as a whole. To research the niche market, experts will rely on the following factors: Price: Market research through many factors to decide on the issue of price. Demographic research to visualize the niche of the market. For example: gender, age, locality, income level and education level... Assess the quality level of products through demographics. The study of psychology is based on preferences, attitudes, and tendencies. From there, launch marketing campaigns for the niche market. Use geography to understand the needs of your niche for creation of high and independent values. Small and medium enterprises with limited resources often fear the advantages of size and financial strength of large enterprises. In fact, even large enterprises have always avoided head-to-head price competition. The essence of business activities is to create value for the community, specifically for customers. The greater the value created, the greater the profit, prestige, customer loyalty. Therefore,

small and medium enterprises need to focus on understanding the needs of society and customers, must have their own business strategies, ensure to create high and unique values for customers. Have a long-term vision for development. Vision in English is called Vision. Many businesses set a vision as the ideal the future wants to achieve. In other words, it is the company's long-term goal, which can last about 5-10 years, or even longer. Competitiveness of an enterprise (DN) is the ability to maintain and enhance competitive advantages in consuming products or services, expanding the consumption network, attracting and effectively using factors production to achieve high and sustainable economic benefits. Competition based on speed factor. In the current era of globalization and digitization, the victory always belongs to the companies that promptly satisfy the needs and requirements of customers. Whoever is closer to the customer, grasps it faster, responds well to this change and makes the customer happy will be chosen.

2.3 Competitive strategies in industries with a few large companies

- Low-cost strategy
- Differentiation strategy
- Central Strategy
- Low-cost mix strategy/differentiation
- Low-cost strategy

A company is said to adopt a low-cost strategy when its set of goals and actions is aimed at producing products or services that are acceptable to customers at the lowest prices relative to competitors. competitor. In other words, by applying a low-cost strategy, it will give businesses a competitive advantage over competitors by establishing a lower overall cost. Low-cost strategy enables companies to provide quality products compared to competitors but at a lower cost, so the company must pay attention to the combination of features and services. that the buyer considers necessary. Besides, the low-cost strategy is considered successful when it is difficult for competitors to copy it. Being a low-cost supplier in the industry is an effective approach to competing in the market for products for which buyers are highly price-sensitive. Therefore, the application of a low-cost strategy will be more suitable for businesses dealing in relatively standardized products, popular features with many consumers, and low competitive prices. A company can adopt a low-cost strategy to gain a competitive advantage from its competitors and gain profits through two ways:

Using a low-cost strategy will attract a large number of price-sensitive customers, thereby increasing the company's revenue and profit.

- By cutting product costs, a low-cost strategy will help the company increase its marginal profit per product relative to its competitors (because the company's cost per unit is lower). of competitors), thereby helping to increase overall profits compared to competitors.

In fact, many companies want to implement a low-cost strategy to gain competitive advantages for themselves. However, to successfully implement this strategy requires the company to have an overall, long-term strategy and an integrated management system. A differentiation strategy is a set of actions taken by a firm to produce a good or service (at an acceptable cost) with unique product attributes that

differentiate it from its competitors. that customers find attractive and valuable. While low-cost strategy focuses on price-sensitive customers and ignores the need for product differentiation from competitors, differentiation strategy is aimed at customer groups. Customers have a need for product differentiation from other competitors' products in the market, they appreciate products manufactured to serve their own needs that are distinct from other products. other on the market. Differentiation strategy requires companies to differentiate their products from competitors but also requires a competitive price to reduce price pressure on customers. If the price is too high, even if the product is very different, it will be difficult to reach the target customers due to the great price pressure.

It can be said that successful product differentiation requires businesses to carefully study consumer needs and behaviors to find out what customers consider important, what they think is valuable, and what they are willing to pay. A differentiation strategy always requires businesses to uphold customer value issues. This strategy is considered successful when an attractive number of customers find the customer value prospect attractive and loyal to the differentiated attributes of the product and the business. A successful differentiation strategy helps businesses achieve the following benefits:

- Adjust a higher price for your product
- Increase sales (due to attracting customers by the different features of the product).
- Gain buyer loyalty to your brand (due to their attachment to the differentiated features of the company's offering).

Differentiation enhances profitability whenever a company's product has a sufficiently high price point or the unit sales are larger enough to include additional costs to achieve differentiation. A company's differentiation strategy fails when buyers do not perceive the unique value of the brand and/or when those distinctive features are easily copied or overtaken by competitors.

Focus strategy – low cost

The low-cost focus strategy aims to secure a company's competitive advantage by serving customers in its target market segment at a lower cost and price than its competitors. This strategy has great appeal as the company can significantly reduce costs by restricting its customer base to only a predefined market segment. The methods to gain a cost advantage over competitors while also serving a target market segment are the same as those used by companies pursuing a low-cost strategy: better management than competitors compete on keeping the costs of value chain activities to a minimum and looking for innovative ways to bypass certain value chain activities. The only difference between a low-cost strategy and a low-cost-focused strategy is the size of the number of customers the company tries to attract. The low-cost strategy offers products that appeal to nearly all customer groups and market segments, while the low-cost focus strategy only meets the needs of customers in that segment. small segment of target market

Central Strategy – Differentiation

The focus strategy - differentiation aims to secure a

company's competitive advantage by focusing on product design to appeal to the special preferences and needs of a small, pre-determined group of customers (different from differentiation strategy is to target many customers and many market segments). The success of a focus-differentiation strategy depends on the presence of a customer segment seeking special product characteristics or seller capabilities and on the company's ability to stand out. firm against the competition of competitors in the same target market segment.

Most markets have segments of customers willing to pay a lot for the best product, so it opens up a strategic opportunity for a number of companies pursuing a focus-differentiation strategy to serving the top segment of the market.

Low-cost mix strategy/differentiation

A low-cost/differentiation mix strategy is a combination of the pursuit of low-cost advantage and differentiation, between attracting customers across the entire market and across a target market segment. This strategy is aimed directly at the sometimes very large volume of customers who want to find good products/services at low prices. This type of customer usually does not like cheap products as well as overpriced products, but they are willing to spend a reasonable amount of money to buy products that they find attractive and useful. The essence of a low-cost/differentiation strategy is to bring customers more value for their money by satisfying customers' needs for service, quality, efficiency, product characteristics and charge less than competitors.

In order for a low-cost/differentiation strategy to be profitable, a company must have the resources and capabilities to incorporate attractive, superior features into products at a lower cost than competitors. When a company can do this, it has achieved "best cost" status, as a provider of products/services with special characteristics at a low cost. A company pursuing a low-cost/differentiation mix strategy can use its low-cost advantage to sell at a lower price than its competitors while still making a profit.

With the mission of connecting tourist lands on the S-shaped strip of land, enhancing the image of the country and people of Vietnam on the international map, Bamboo Airways started the journey of reaching far, with cooperation with Vietnam Airlines. the world's leading brands in the field of aviation.

With the desire to bring the dream of flying closer to all Vietnamese people and foreign tourists, we have developed diverse and flexible ticket class policies including: Bamboo Economy, Bamboo Premium, Bamboo Business. Regarding the interior of the aircraft, with thousands of small details gathered on Bamboo Airways aircraft, we believe that every element in the interior can make a difference for passengers. From the selection of color, seat type, fabric, leather to the design space in the passenger compartment and the arrangement of the seats, all show efforts to serve and create a feeling of comfort and convenience. best for customers.

3. Research methods

3.1 Data sources and methods of collection

▪ Secondary data collection method

Primary data is data that is not yet available, collected for the first time, collected by the researcher himself. In fact, when the secondary data does not meet the requirements of

the research methods in the thesis, or the appropriate secondary data cannot be found, the researchers will have to collect primary data. Reputable national newspapers are useful sources, which often summarize the results of recent government reports. Textbooks on specific topics can provide a clear indication of what secondary data sources are available in your field of study, for example in small businesses. Tertiary documents such as indexes and catalogs can also assist you in locating secondary data. Full catalogs of these data can be accessed and searched on the Internet. Data on the Internet can be located through the use of portals and search engines, which help find all the possible places that match keywords related to the Internet. research question or purpose.

▪ **Methods of primary data collection**

- **Observation method**

Observation is a method of collecting data by controlled recording of events or human behaviours. This data collection method is often used in conjunction with other methods to cross-check the accuracy of the collected data.

- **Mail interview method**

This method of data collection is done by sending a prepared questionnaire, enclosed with a stamped envelope, to the respondents by post. If all goes well, the subject will answer and return the questionnaire to the investigating agency by post.

- **Telephone interview method**

When conducting this data collection method, the investigator will conduct telephone interviews with the respondents according to a prepared questionnaire. Apply when the research sample includes many subjects who are agencies, enterprises, or people with high income (because they all have cell phones); or the research subjects are dispersed in many locations, the cost of interviewing by phone is lower than that of interviewing by mail. It is recommended to use a combination of telephone interviews with other data collection methods to further increase the effectiveness of the method.

- **Thematic group survey method**

The enumerators conduct group interviews, usually from 7 to 12 people with knowledge and experience on a certain issue, through free discussion in the group to highlight the problem in many areas. profound aspects, thereby helping the researcher to see the problem thoroughly and comprehensively. Applied in the development or implementation of a questionnaire for use in future quantitative research; serve as a basis for creating hypotheses to be tested in the study.

3.2 Research methods

Individual responses in surveys and group interviews are sometimes inconsistent with people's actual behaviors. When you observe customers' actions by recording them while they are in the store, at work or at home, you can observe how they buy and use products. This will help you paint a reliable picture of your customers' shopping behavior and usage habits. The development of technology allows businesses to easily observe customer behavior thanks to cameras, sensors, even via wifi, thereby observing customer behavior better, such as knowing the interest. their

location, the dwell time at each location, heatmaps, the last stop before shopping for a service. Put new products into a select few stores to test customer reaction. products under actual selling conditions can help you refine your product, adjust pricing, or improve quality. Small businesses should try to build relationships with local retail store owners and shopping sites so they can test their products in the market.

4. Research results and discussion

4.1 Overview of competitive strategy of Vietnam's aviation industry

Over the past 10 years (2008-2018), Vietnam's aviation industry has experienced remarkable growth. In 2008, Vietnam only had 60 aircraft, but now it has more than tripled to 192 aircraft. Previously, the fleet was mainly only Vietnam Airlines, but now there are many private enterprises such as Vietjet, Bamboo Airways, etc. Also in 2008, international flights mainly flew via Noi Bai, Da Nang and Da Nang. Danang, Tan Son Nhat, are now connected with many other airports, including: Cat Bi, Cam Ranh, Lien Khuong, Phu Quoc. This has created a relatively solid and sustainable development for the industry. International organizations also assess that Vietnamese aviation is among the fastest growing in the world, with a growth rate that always reaches double digits (about 29%). Mr. Tran Minh Phuong, Deputy Director of the Department of Planning and Investment (Ministry of Transport) said that before, we only had one national airline. Then there were other airlines, from the joint stock companies of the national airline, Vietjet Air and Bamboo Airways, ie the number of airlines increased and the capacity to operate the terminals also increased. Both the perspective of user demand and service provision have evolved. As the airline "piece of cake" is increasingly targeted by domestic and foreign private enterprises, the competition of airlines will become increasingly fierce. Currently, Vietnam Airlines and Vietjet Air almost occupy the entire domestic market share. The appearance of Bamboo Airways with the model of combining aviation with tourism, focusing on exploiting airports that are not yet operating at full capacity has brought a new "breath" to the market.

Regarding the issue of competitive pressure, Mr. Dang Tat Thang, Bamboo Airways Standing Vice President, said that Bamboo Airways' point of view is to compete to develop together, not to weaken competitors. Because of the latter, in order to increase competitiveness, the company chooses separate directions. One of Bamboo Airways' most basic strategies is to exploit the "niche market", that is, instead of all flights to Tan Son Nhat and Noi Bai, the airline will operate flights connecting localities with tourism potential, populous population such as Thanh Hoa, Quang Ninh. The industry's competition increases when there is the entry of an enterprise with a slight resonance from the advantages and fills the "gap" of the two. The above model is Bamboo Airways and has brought about impressive market share growth in just 3 years of operation, Bamboo's competitive strength has been promoted even more in the recent epidemic situation. Fierce market share competition: By 2018 with the additional participation of Bamboo Airways, with a new business strategy, which is especially effective in times of market risk of epidemics, Bamboo Airways has quickly dominated the market share of the two airlines above, showing a rather fierce competitive picture of Vietnam's air transport industry.

4.2 Competitive strategies of airlines for each stage of industry development

- Before 1914: Early period. Aviation appeared in the early 1900s when aircraft designers in several countries succeeded in testing the first flights.
- Period 1914-1918: Aviation industry during World War I. Development and improvement of technology and engine, at the end of War I, the supply of aircraft was still abundant, many The aircraft manufacturer declared bankruptcy. The airline industry fell into recession.
- Period 1918-1963: The era of Airmail (Parcel sent by plane). Revenue from Airmail service is the foundation to continue to build and develop the industry in the coming years.
- Period 1964-1973: Development. During this period, the aviation industry began to thrive. The number of passengers and cargo transported by air has increased sharply and continuously.
- Period 1974-1993: Oil crisis and policy changes World oil crisis and the abolition of binding regulations from governments, made the world aviation industry fiercely competitive.
- Period 1994-2002: The development of low-cost airline model. The world entered the phase of globalization, redefining the business model.
- Period 2003-present: Recovery and growth. After the recession in 2001, the world aviation recovered and grew again. Officially formed in 1956, but Vietnam's aviation industry only really started to develop in 1993 when Vietnam Airlines was established.
- Period 1993-2004: Vietnam Airlines was established
- Period 2004-present: The low-cost airline model was born.

4.3 Competitive strategies of airlines in the current context of Vietnam Airlines and competitive strategies by game theory

- **Cost maximization strategy**
Cooperation with Singapore Technologies Aerospace Ltd (ST Aerospace): In 2018, Vietnam Airlines signed a Cooperation Agreement with a Singaporean partner. The cooperation to participate in the economic "game" with STA will help Vietnam Airlines perform maintenance; repair aircraft equipment right in Vietnam. Shorten time and save costs much more than having to send abroad. Cutting food service costs: Taking service quality as the core of development, defining advanced international standards. Vietnam Airlines always gives priority to bringing traditional cultural elements into its product and service system. Vietnam Airlines has selected the famous Chef: Luke Nguyen to become the airline's Global Culinary Ambassador.
- **Strategies to take advantage of science and technology**
Maximize service: together with Skyteam alliance members. Vietnam Airlines has successfully implemented SkyTeam Rebooking in Hanoi and Ho Chi Minh City. Accordingly, any passenger with a ticket of a member airline in the alliance has flight irregularities. Vietnam Airlines can help customers rebook and re-issue tickets on its own system in Hanoi and Ho Chi

Minh City. Vietnam Airlines – the most secure airline. Many domestic and international aviation incidents occurred consecutively. Vietnam Airlines pays special attention to aviation security and safety. The airline continues to promote the Culture - Safety program. Application of technology to operate the safety management system. Rely on safety data for forecasting; identify risks. From there, handle and prevent risks in a timely manner. At the same time, strictly follow the approved standard mining process; Reasonable arrangement of aircraft resources, pilots, technicians, equipment at the airport.

- **Bamboo and its competitive strategy by service quality**

When asked about its strategy in a highly competitive market like aviation, Bamboo Airways' Standing Vice President said that the airline determines "competition by service quality, by safety, by many new products". "We are on the threshold of huge growth opportunities. Instead of telling the story of competition and competitors fighting with each other, we have never thought about attracting customers, but always determined to do a good job first, do our service well. and be creative," he said. Specifically, Mr. Dang Tat Thang said that Bamboo Airways' basic strategy is to exploit the niche market, instead of focusing on crowded airports such as Tan Son Nhat and Noi Bai, the airline aims to connect destinations with high potential. tourism potential but not fully exploited.

- **Differentiated Competitive Strategy: Discounts Aren't Everything**

Bamboo Airways has a direction that is considered very different, which is discounting not all. If Vietnamairline, Vietjet air or Jetstar pacific all simultaneously open sale promotions for cheap air tickets from only VND0, VND 1,600,000 VND 1,800,000. Then Bamboo Airways goes hand in hand, combines promotions and discounts tickets as well as developing luxury resort combos. Some of the airline's ticket-free ticket offers include: Fly Bamboo carefree on Wednesdays, buy 1 get 1 free, unlimited flight cards. Besides, the combos of airfare + room FLC hotel also gives customers a high-class experience with outstanding service quality such as: "Moving home to the sea" - Rent a whole villa for a whole month, save up to 80%, "Home away from home" - Resort combo safe from only 1,690,000 VND. All of the above incentives are focused on building quality and convenience for customers. Highlighting a competitive discount strategy isn't everything.

5. Conclusions and recommendations

5.1 Conclusion

Based on in-depth data and overview, we can see that Vietnam Airlines has done a very good strategy. The constant growth numbers over the past few years are the clearest proof of the results of a smart and well-executed strategy. On the basis of the theory and the actual situation of Vietnam Airlines, the essay has focused on building synchronous solutions to improve the efficiency of the airline's freight business, which is an overview to contribute

to helping the airline. Vietnam Airlines has the right strategies and orientations in the coming time. Vietnam Airlines as well as the aviation industry in general of Vietnam in recent years have been developing strongly. With the advantage of being the national airline and a long history of development, Vietnam Airlines has achieved remarkable achievements. When Vietnam's international integration deepens and deepens, the demand for air transport is increasing, Vietnam Airlines is facing great opportunities and challenges. The improvement of the company's competitiveness becomes urgent. Recent developments of Vietnam Airlines show that the business is on the right track in business development to meet the increasing integration needs of the economy as well as the industry. However, inadequacies due to the old management mechanism, weaknesses in human resources, capital, science and technology, service experience are still restraining the development of Vietnam Airlines in the face of increasing competition. domestic and foreign markets. Vietnam Airlines needs to seriously innovate its management model, increase efficiency, control waste, etc. to maintain its position in the domestic market, and expand its brand name in the international market. The essay has contributed to perfecting the theory, selectively systematizing the main contents of business efficiency, giving criteria for evaluating the efficiency of air cargo transportation business. Through secondary data, the essay has fully assessed the advantages as well as difficulties, challenges, and subjective limitations of Vietnam Airlines (Vietnam Airlines). On that basis, the essay has researched, analyzed, evaluated and achieved the following results:

- Systematize the theoretical basis of competition and characteristics of the air transport industry.
- Analyze and evaluate the current competitive situation of Vietnam Airlines.
- Proposing solutions to enhance competitiveness for Vietnam Airlines.

5.2 Recommendations and suggestions

Huge challenges such as high gasoline prices, scarce aircraft rental market, and fierce competition among airlines on international routes. It is noteworthy that the competition in the aviation market is increasingly fierce, with the participation of many major international airlines and a number of low-cost airlines.

Vietnam Airlines should persistently implement long-term strategic orientation, combined with flexible and proactive operating policies to diversify products as well as fares to improve competitiveness and operational efficiency. Measures to maintain growth while consolidating and sustainably developing the whole system.

- Firstly, concentrate all resources on investment in developing the aircraft fleet in the direction of going straight to new and modern technology, increasing the proportion of aircraft owned, suitable in terms of types and in sufficient quantity as required by the market.
- Second, invest in developing specialized human resources that require high technology such as pilots, engineers and high-level technicians who are able to absorb, operate, operate, and maintain new types of aircraft on their own. grand. In parallel, it is investing in the development of facilities providing technical and commercial maintenance services in a synchronous

manner.

- Third, planning the development of international and domestic flight network according to the axis - spoke model, prioritizing the development of routes to source and key markets, serving the economic development and tourism of Vietnam, turning Vietnam into the gateway of Indochina countries..
- Fourth, consolidate and improve service quality, in the direction of ensuring the stability of product and service quality.
- Fifth, on the basis of practical experience of more than 10 years, focusing on consolidating the organizational system and new management processes in order to improve labor productivity, production and business efficiency in the direction of continuing to equitization and implementation of management model in the form of parent - subsidiary company.

In air transport, taking safety as the top goal, improving the quality of products and services with the principle of "customer orientation", gradually increasing the proportion of high-income customers; Striving to become the preferred airline in Asia in terms of air and ground service quality. Ensuring sustainable development through focused investment policies in key business lines, creating competitive advantages and improving the quality of air transport services of Vietnam Airlines Corporation and other companies. have capital contribution.

5.2.1 For directors of Vietnamese airlines

Affirming the key position of Vietnam's national airline in the Vietnamese market, attaching importance to economic efficiency to ensure the interests of shareholders, together with the good implementation of political tasks assigned by the State, plays a key role in air traffic, is a reserve force for national security. Striving to achieve the goal of becoming an advanced airline, one of the leading airlines in the ASEAN region in terms of scale, holding a dominant position in air transport in the CLMV Sub-region; building Vietnam Airlines into a prestigious brand of Vietnam in the market. Combined with airlines in Vietnam Airlines Corporation - JSC, creating advantages of scale in combining product promotion, training, training, aircraft maintenance, improving competitiveness.

5.2.2 For leaders of departments at governments at all levels

Remove barriers and obstacles in the mechanism of natural monopoly. In particular, we hope to receive the support of leaders at all levels to remove bottlenecks in the operating mechanism, the operation mechanism of relevant agencies in coordination such as port authorities, airports, customs, security, etc. immigration, quarantine. Remove difficulties related to ground services at the airport. Create conditions for airlines to participate in airport infrastructure planning, participate in coordination in flight management capacity improvement programs. Faster and clearer resolution of procedures for foreign workers. Proposing the Government and Ministries to support building a healthy and fair competitive business environment so that private airlines can confidently and strongly make breakthroughs, make common successes, and make positive changes for airlines of Vietnam and the region, contributing to the budget, bringing practical benefits to the people and the community.

5.2.3 For researchers on business strategy and competition in Vietnam's aviation industry

In order to improve the competitiveness of Vietnam Airlines, some general strategies of Vietnam Airlines are as follows: Joint venture and association strategy: This strategy aims to overcome the main weakness of the airline, which is small size and financial potential. Mainly, lack of business experience. Differentiation Strategy: This strategy aims to improve the quality of passenger service, develop a variety of services, create opportunities to approach and attract customers. Low-cost strategy: to compete with low-cost airlines in the region to attract tourists as the regional and domestic tourism industry develops at a high speed. Strategy for human resource development, technology transfer: take advantage of opportunities to seize new technologies and support from the State to strengthen fleet capacity, avoid the risk of lag behind, and improve service quality passenger.

5.3 Solutions to improve the competitiveness of Vietnamese airlines

- Solutions to increase freight revenue
 - Develop appropriate freight rates policy
 - Development of a dedicated cargo fleet
 - Fix empty cargo compartment loading and transport refusal phenomenon
 - Expanding sales channels and markets of Vietnam Airlines
 - Enhance advertising and marketing campaigns to build VNA's image
- Solution to reduce freight costs
 - Save on fuel costs
 - Save on aircraft spare parts and distribution costs
 - Automate the freight sector and reduce training costs
- Solution to increase revenue faster than cost growth
 - Regularly check financial indicators and business performance indicators
 - revenue, costs, profitability, especially profit margin.
- Some other solutions
 - Development of multimodal transport
 - Developing high-quality human resources

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