

## Article

April 2004

### Focus & Differentiation

Southwest Airline is a darling among strategy writers. Not only because it is very successful, but also because the business model clearly demonstrates two key success factors—focus and differentiation.

The changes in the airline industry during the last 15 years, make it easy to forget how Southwest's focus on only three things - friendly service, speed and frequent point to point service, was so revolutionary. (West Jet uses a similar model). At its inception, the rest of the industry was competing on many other factors including food, lounges, comfort and rewards. In fact many still are.

The company's limited focus meant avoiding costly investments required to provide additional services. This created the opportunity to differentiate where they thought it mattered most, in the prices of tickets. In fact their fares allowed them to compete against the cost of regional automobile travel.

You may wish to consider several questions. What are the offerings of your organization that customer's actually experience? Does that result in a clear organizational focus? Does it result in differentiating your organization from competitors, who are trying to attract your target customers?

