

APPENDICES

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MALAYSIA AIRLINES, hereafter referred to as MAS The 'door to door' plotting to the renewed future of Malaysian Airlines

With thanks to hereafter listed information centers, I refer to:

1. HAMBRICK 5 Forces Analysis

Arenas/differentiator

New turn over can be seen clearly when MAS setting the target of to be the leading travel aviation service company (not just an airline) with the projection return of capital investment by 2022. Based on assumption that take into consideration of green zone and the relax movement control order to specific area. PWC forecast on domestic passenger traffic could yield to 70% - 80% of 2019 level by 2021 and it will take longer period more to forecast for international market travel return so long the border still close.

With the door-to-door service policy or as what been announced by MAS of end-to-end policy may meet the goal as Premium Asia Pacific service provider and recapturing the domestic and ASEAN market by exploring potential commercial partnership, diversifying revenue stream and fully go on digital business landscape. Understanding the true DNA of MAS in the logistic and transportation ecosystem, understanding the true customer behavior and restructuring business model by allocating its resources based on key function as well as cost structure without comprising its quality standard could help MAS position itself back in the market distinctive than its other rival.

Vehicles

In order to win the battle in the new norm and a very competitive market on the ground, cooperation with other stake holders so does the competitors is way to go. Either in the existing supply chain or outside the supply chain with the focus to 'door -to door' policy. The logistic industry had evolved over time, especially with the capitalizing digital approach in the business model drives by high demand in last-mile delivery service for example. It is forecasted that country economy will growth between 5% and 6% so does the logistic and transportation industry. With this changes in trend due to demand changed amongst consumer, time to make concentric diversification of current service to the community at large by conquering 'door-to-door service policy' focusing on customer demand through establishing Hi-tech strategic logistic hub (passenger) as a solution since there is no rooms for opportunity to growth in the existing market 'airport-to-airport' business landscape.

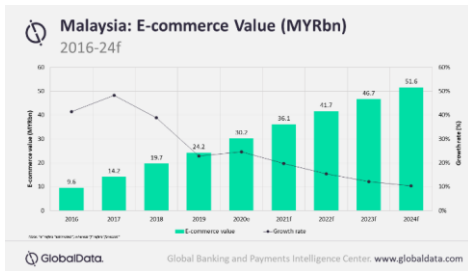
Commented [NA1]: a growth strategy in which a company seeks to grow and develop by adding new products to its existing product lines to attract new customers; also called convergent diversification.

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Staging and pacing

Being the trend setter as reliable chain supply in transportation and logistic (in term of passenger) amongst 32 millions population by offering 'door to door' experience solution to the customer. How to do that? Malaysia has strong digital infrastructure with 25.84 million active internet users, which is 80% of the total population with high rates of mobile phone market, makes Malaysia attractive in Southeast Asia amongst the e-commerce market, and it is projected to reach RM51.6 billion by 2024.

E-commerce Hi tech solution hub in the strategic location business area may help to reduce the load traffic at the airport and also traffic on the road with proper planning of the journey ahead and utilizing the e-platform as mode of communication as well as enabling all types of mode transport on the ground makes the delivery promising. In this, multiple customization options based on customer demand can be place in the menu card in term of 'hassle handling' (baggage and airport transfer) and all can be done in prior at the hi tech hub that fully equipped with customer service including call centre, security and customer clearance, airline check-in tagging system and transportation arrangement (from home/hub to the airport and vise versa). This seamless hassle free travel experience can be ordered via online is the signature 'menu' for MAS, parallel with the title as national flag high class full service carrier.



Economy Logic

By having hi tech solution hub, not only mark MAS as the pioneer in the airlines industry that serve its client door to door, makes them truly unique and distinguish from their competitors in term of pricing and helps to draw less traffic at the airport and switch the burden/congestion to other strategic location identified based on geographic, demographic and infrastructure factors.

Smart partnership or collaboration with other partners in the entire chain logistic and transportation industry is a bonus for Malaysia Airlines. Not much investment needed as the existing infrastructure, manpower, tools and technology are already there. All it need is to gear everybody up for the same aim to reach the same objective, being the winner together. By sharing pie with others, it boost confident and trust among business community while Malaysia Airline once again being the captain in this journey.

Government play role in term of giving more support to MAS in being the leading door to door logistic and transportation service provider in the country in term of licensing and barrier of entry to the potential new comer in the same service cluster to the certain point it will be able to generate yield and having a healthy cashflow index.

Airports in Malaysia	Domestic (Mil)	International (Mil)	Total (Mil)
KLIA	17.397	44.928	62.326
MAHB airports (excluding KLIA)	34.505	8.337	42.842
Senai	3.625	0.645	4.27

Above figure explained the market share that MAS could penetrate as main player in the door to door service. – source : Sobie Aviation

2. <https://focusmalaysia.my/opinion/a-strategic-case-for-malaysia-airlines-and-airasia-merger/>

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