



Analysis of Strategies Implemented by AirAsia to Cater to the Covid-19 Effects

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ABSTRACT

During the global pandemic, AirAsia reported an annual loss of RM5.9 billion (\$1.4 billion) in 2020. The uncertainty of the COVID-19 outbreak, travel restrictions, and border controls had led to weaker air travel demand, which had impacted AirAsia's operation badly. This paper depicts how Covid-19 impacted AirAsia and the strategies implemented by AirAsia during the pandemic in the marketing aspects. This paper also focuses on how AirAsia can anticipate a strong recovery in the airline industry while expanding to other industries. In extreme and under pressure circumstances, AirAsia implemented many strategies to cater to the effects of Covid-19. However, other strategies, such as focusing on their business in the food industry, should be expanded throughout Malaysia.

Keywords: AirAsia, Covid-19, Marketing Aspects, Strategies

JEL Classification Codes: M30, M31, M39

INTRODUCTION

The Covid-19 pandemic has impacted many people, organizations, and companies. Many companies in the tourism sector were affected including AirAsia. AirAsia is a low-cost Malaysian airline (Skytrax Ratings, 2020). Mamrina et al. (2020) reported that, even though the price was low, it did not affect the quality of service offered to AirAsia customers. AirAsia valued customer satisfaction more than profit. AirAsia at first belonged to Diversified Resources Berhad (DRB-HICOM) and was later purchased by Tan Sri Tony Fernandes in 2001. On 20 December 1993, AirAsia was founded and started its business on 18 November 1996. It has its first hub situated at the International



Airport of Kuala Lumpur. It has been in the industry for long. Currently, It is trying to adapt to the new normal.

During the early years, AirAsia experimented and implemented ways for diversification of its product market, being one of the lowest cost airlines and competing with other airlines (Poon & Waring, 2010). A previous case study has discussed how the leader of the company developed AirAsia into a popular airline and won awards. For instance, in 2009, AirAsia was nominated in the World's Best Low-Cost Airline (Fickry, Kee, Sallehuddin, Nabila, & Nuraishah, 2020). AirAsia has been awarded Asia's leading low-cost airline for the eighth consecutive year. It resulted from the dedication of its CEO, Tan Sri Tony Fernandes that made Air Asia one of the most famous airlines around the world (AirAsia, 2018).

The charismatic founder and CEO of AirAsia vowed that he will not stop until everyone can afford to fly at reasonable prices (The Sun Daily, 2017). It has provided world-class services to more than 600 million guests around the world at a low price (Airasia, 2020a). It proved that a low-cost airline could also provide high-quality services. Besides, AirAsia continued to expand its business, such as courier service and food delivery service. The growing success is evident throughout its journey since the early years. It has carried the capacity of 60 million people and gone up to 110 routes with its strategy of being a low-cost airline (Ahmad, 2010). Going forward, AirAsia expanded by opening another three hubs in Malaysia to gain a greater market share on domestic air flights. It also invested in regional aviation to its neighboring countries such as Thailand, Indonesia, and the Philippines. This eventuality allowed AirAsia to have low-cost airlines flying to the countries (Karim, 2013). However, in November 2020, AirAsia Japan became the first airline company that faced bankruptcy in respect of the outbreak of Covid-19. It filed bankruptcy proceedings in the District Court of Tokyo (Noguchi, 2020).

The tourism sector was impacted when the pandemic of Covid-19 hit the world. Physical mobility was restricted, and borders were closed, disallowing citizens from traveling (Baum & Hai, 2020). This issue further caused some companies to suffer losses and even shut down their operations. Besides, economic activities were directly impacted, as some tourists try to avoid locations or regions deemed risky (Uğur & Akbıyık, 2020). In 2020, the passengers' traffic of Southeast and South Asian Airlines dropped 66 percent, and this has been recorded as the steepest decline in aviation history. The industry's average passenger load factor was 64.8 percent in 2020, which was down 17.8 percent from the previous year. At the end of December 2020, AirAsia announced improved operating metrics. This is mainly due to the increase in domestic travel in its main markets (Whye, 2021). AirAsia has made cost-cutting measures as well, for instance, negotiations with vendors. According to Shankar (2020), analysing from a financial perspective, Malaysia's AirAsia Group Berhad lost 804 million ringgits (\$188 million) in the first quarter ended 31 March 2020 and the main reductions were from Malaysia and the Philippines. The COVID-19 pandemic has caused traveling restrictions and closure in borders at most of AirAsia's main markets, including Malaysia, Thailand, Indonesia, Philippines, China, and India (AirAsia, 2020a).



The declining demand in the airline industry has put some of the major airlines in Malaysia, including AirAsia at the risk of bankruptcy. This resulted in the airlines seeking aid from the government (Foo, Chin, Tan, & Phuah 2020). A few stimuli were introduced such as tax incentives and postponements of payments. For instance, in Malaysia, no penalties were imposed for late tax payments and submission of tax returns between March and June 2020 was extended by 2 months (Zulkarnaen & Leonandri, 2020). Analysts believed that a variety of funding choices would be needed. Without the help of the shareholders, it would be quite impossible to borrow money from the banks (Cirium, 2020). AirAsia CEO Fernandes remained optimistic that his company would be able to solve what he viewed as the company's most challenging challenge since its founding in 2001 (Zainal, 2020).

One of the great initiatives implemented by AirAsia during the pandemic is the introduction of Santan Restaurants. Due to travel restrictions, the traveling sector was badly affected. However, AirAsia did not give up and worked on the major issue which the company was facing. AirAsia, a Malaysian airline company has been diversifying to the food industry. The strategy of introducing restaurants was inspired by their in-flight meals. AirAsia meals can be purchased at Santan Restaurants and T&CO Cafe in Mid Valley Megamall. They serve rice and noodles menu at a reasonable price (Zainal, 2019). They offer Malaysian food such as Nasi Lemak, and rendang (Marcus, 2019).

The word "Santan" refers to Malaysian's coconut milk which is frequently used in cooking some of the most famous Malaysian dishes. It is a symbol of pureness and a reminder to adopt simplicity. AirAsia has envisioned putting in effort and introduced and started as "AirAsia Cafe". However, after that, they introduced Santan to deliver the valuable experience of dining in a cafe to the public while flying. In 2019, to deal with and cater to the effects of Covid-19, AirAsia finally established restaurants in Kuala Lumpur as their first step. Customers could now purchase the in-flight meals through the restaurants (Hosie, 2020).

Ourshop is the e-commerce platform of AirAsia, which attracts many visitors. Products purchased from the platform will be shipped via Teleport, AirAsia's logistics division. AirAsia has been a part of the e-commerce industry since 2018. With the use of this platform, the customers can place their order through AirAsia's website and opt to choose whether to pick up the goods on the flight or at the airport (New Straits Times, 2020). Besides, as an initiative to help up the local businesses during the MCO started in March, it promoted home delivery service under its campaign, Save Our Shops (S.O.S) (Tan, 2020).

Some customers prefer purchasing on online platforms compared to physical stores (Singh et al., 2021). This campaign also allows local merchants to sell their goods on this e-commerce platform with zero commission and listing fee. Accordingly, AirAsia launched another new tab "Fresh" inside their website. Under this online grocery marketplace, customers were able to purchase groceries in bulk from AirAsia partner, Ourfarm, which employed former airline workers who had been laid off. This method not



only aids the laid-off employees but also helps people living in Klang Valley and certain cities in West Malaysia to buy fresh goods contactless (AirAsia Fresh, n.d.).

There is another tab of AirAsia called "Health", within which customers can find many health packages at a discounted price. It covers aesthetics, health screening, wellness, and fertility. Until now, AirAsia's "Health" has connected around 400 cities with world-class healthcare services in Asia (The Sun Daily, 2020). Furthermore, it provided Covid-19 screening promotion which allows customers to receive the swab test at a fair price. The customers are entitled to choose the type of the test, RTK-Antigen Test or RT-PCR Test. Additionally, they claim to get the result within three hours after the screening Asia (Sunway City, 2020).

Initially, AirAsia Group started with a great performance in January 2020. However, due to the pandemic of Covid-19, traveling restrictions were implemented to curb the major issue faced by the world (Baum & Hai, 2020). This led to low demand for traveling. Besides, the uncertainty caused by the pandemic has also caused AirAsia to face many issues. AirAsia cut their capacity by 19 percent across their units. Besides, due to the outbreak, the percentage of passengers decreased by 22 percent in the first quarter of 2020 (Cirium, 2020). Despite the challenges, AirAsia started implementing strategies to minimize costs and manage the cash flow. AirAsia restarted its operations and managed them domestically (AirAsia, 2021a). Also, AirAsia will focus on their operations in ASEAN and later in Asia when the traveling restrictions are lifted.

The AirAsia Group went through some restructuring and was able to reduce the cash expenses by 50 percent (Cirium, 2020). Besides, in terms of financing, the group needed MYR 3 billion to finance its operations and maintain a "good cash position" according to Malaysian equities research firm CGS-CIMB. As part of the financing and to increase liquidity, AirAsia applied loans and financial assistance in operating countries. This was rather an unfortunate step to be taken especially when the employees lost their jobs. The chief executive said that the Group had to take such decisions to minimize costs. The management and senior employees volunteered to reduce their salaries from the range of 15 percent to 100 percent (Ong, 2020).

Due to the influences of Covid-19, many companies have collapsed one after another. However, in this harsh environment, instead of stopping there, AirAsia stepped forward by expanding its business to a food delivery service named AirAsia Food. According to Dzafri (2020), AirAsia began to get involved in food delivery service, which is different from its core business, a low-cost carrier, in May 2020. It purposely helps small local food and beverage businesses to survive through this epidemic. Unlike other competitors, Airasia does not levy any commissions to the merchants they work with. This undoubtedly helps in this difficult time. As at dine is not allowed during the MCO period, merchants can have more opportunities to sell their food through this platform (Tan, 2020). Besides, the co-founder and CEO of AirAsia has revealed that the company's food distribution arm, AirAsia Food, has plans for expansion to Singapore. With its core business, AirAsia has diversified its portfolio to mitigate and adapt to the



new standard (Baharudin, 2021). Following that, AirAsia food works similarly to Grab, with a few differences, such as listing each variation of an item in its line. A menu will slide up from the bottom of the screen if the users need to add more amounts in the same order. Customers can choose between BigPay or credit card when it comes to payment. Besides, the customers might also choose to redeem the AirAsia Big points to save some money (Tan, 2020). This means that the order can also be sent as a present to a separate destination using the platform.

AirAsia Food platform will send live updates via WhatsApp messages to customers about the driver's location. It might result in a better customer experience since its features are outstanding as compared to its competitors (AirAsia, 2020b). AirAsia food was launched in Singapore on March 3, 2021. Between March 2 and March 16, 2021, customers received unlimited free delivery for eight kilometers from the order point in Singapore. AirAsia Group's CEO considered this expansion into the Singapore market as an important achievement for the AirAsia super app preparation. Moreover, the merchants that were interested in becoming one of the food partners could register and start their operation within 48 hours with zero registration fee (AirAsia, 2021b).

RESEARCH METHOD

This paper employed a literature review and SWOT analysis to comprehend better the nature of AirAsia. SWOT analysis is a useful framework to assess the company in terms of the strengths, weaknesses, opportunities, and threats. This enabled us to further analyze the input of the analysis in relation to the overview of strategies implemented by AirAsia.

RESULTS AND DISCUSSION

Table 1 shows the literature review related to AirAsia. The articles helped us to understand AirAsia background, culture, multiple achievements, growth, and challenges throughout its journey, especially during the pandemic of Covid-19.

Table 1. Related Literature Review about AirAsia

No. #	Author(s) (Year)	Title	Method	Major Findings
1	Mamrina et al., (2020)	Case Study of Critical Success factors of AirAsia	Survey analysis on 110 respondents.	Transformational leadership has a positive direct impact on innovation, profitability, and growth,



				Innovation positively impacts growth and profitability.
2	Fickry et al., (2020)	Leadership and Organizational Success – A Case Study on AirAsia	Literature Review	Transformational strategic leadership through environmental uncertainty perception affects strategic change and innovativeness significantly. Strategic vision improvement through environmental uncertainty perception also has a significant effect on strategic change and innovativeness. Without environmental uncertainty perception, the path coefficient between transformational leadership is innovation.
3	Poon & Waring (2010)	The Lowest of Cost Carriers – the Case of AirAsia	Literature Review	AirAsia became one of the lowest cost carriers and set a good example to the rest, under the hands of the founder and CEO, Tony Fernandes.
4	Ahmad (2010)	Airasia: Indeed, The Sky's The Limit!	Literature Review	Journal review on how AirAsia's success is evident from the early years



5	Baum & Hai (2020)	Hospitality, Tourism, Human Rights, and the Impact of Covid-19	Literature Review	Review on how the pandemic restricted individuals to travel and how it impacted the tourism sector.
6	Uğur & Akbıyık (2020)	Impacts of COVID-19 on global tourism industry: A cross-regional comparison	The recording process was conducted by using a specially developed API. All comments containing specific keywords on TripAdvisor forums were used for text mining.	Tourism is affected when there are global crises such as the recent, Covid-19 outbreak, due to travelling restrictions and foregone demand.
7	Foo et al.,2020	The Impact of Covid-19 on the Tourism Industry in Malaysia	Literature review	Journal review on the impacts and the economic stimulus package introduced by the Malaysian government.
8	Zulkarnaen & Leonandri (2020)	Comparative Study of Tax Policy Related to COVID-19 in ASEAN Countries	Qualitative descriptive study	The Malaysian tax incentives and aids were provided to companies during the pandemic.
9	Dube, Nhamo, & Chikodzi (2021)	COVID-19 Pandemic and Prospects for Recovery of the Global Aviation Industry	A mixed-method approach	Impacts of Covid-19 on the global aviation industry and the prospects to recover
10	Ann (2018)	Commercial Nationalism and Competition in the	Literature review	Impacts of commercial nationalism on the



		Airline Industry in Southeast Asia: A Case Study of AirAsia		airline industry in the Southeast Asia
11	Mrázová & Kazda (2021)	The Direction of Airlines Business Models – Up or Down? (Post Covid-19 Crisis – Case Study)	Literature review	Journal review on how the pandemic affected the airlines' business models and how they faced it.
12	Shaari, Masnan, Alias, & Rahim (2021)	How does Covid-19 Affect Economy, Business and Society in Malaysia?	Literature review	Journal review on the pandemic affected the economy and business of airlines such as the booking cancellations, business losses and the flights are forced to reduce.
13	Agrawal (2020)	Sustainability of Airlines in India with Covid-19: Challenges Ahead and Possible Way-outs	Literature Review and Itman Z-score of selected four airlines	Journal review on the challenges faced by Airlines in India and the possible ways-out.
14	Ahmed (2017)	Strategic Sales Management of AirAsia in Bangladesh	Qualitative descriptive	Review on the SWOT analysis of AirAsia. The success of AirAsia as a low-cost budget carrier
15	Dhawan & Yadav (2018)	E-cab Hailing: A Study on Consumer Behaviour	Survey analysis on 120 respondents	Factors that affect consumer behavior while hiring an app-based cab. The e-cab hailing benefited users.
16	Karim (2013)	Inquiry on Role of Youth, Democracy and Community Building	Literature Review	Journal review on the growth of airlines in ASEAN countries.



17	Lim et al., (2009)	Branding an Airline: A Case Study of AirAsia	Literature Review	The branding of AirAsia and what the logo of AirAsia denotes.
18	Singh et al., (2021)	The Impact of AirAsia's E-Commerce Websites on Its Consumer Buying Behavior	Qualitative data collection	Journal review on the impact of E-commerce websites on customer buying behavior. Some customers prefer to make online purchases compared to purchasing from physical stores.
19	Irdina et al., (2020)	AirAsia's Efforts in Maintaining Good Workplace Environment for its Employees During Covid-19	Case study	Journal review on the opportunities for companies to improve their working environment
20	Dias et al., (2020)	Low-Cost Airlines Branding During the Covid-19 Pandemic	A case study using content analysis	Low-cost carriers (LCCs are vulnerable to certain circumstances that can lead to significant financial impacts
21	Gürel, E. (2017)	Swot Analysis: A Theoretical Review	Literature review	SWOT analysis is one of the ways to plan strategically and for organizations to allocate resources efficiently.
22	Abdullah, Cheah, Mulia, & Fatah (2019)	Factors Attracting Indonesian Medical Tourists to Penang	Semi structure in-depth interviews were conducted on 25 participants	Transportation is the most important element when traveling. Thus, the most common use of transportation when



				traveling is e-hailing services.
23	Arumugam, Ismail, & Joeharee (2020)	A review and conceptual development of the factors influencing consumer intention towards e-hailing service in Malaysia	Frequency analysis	Journal review on factors that affect consumer intention to use e-hailing service in Malaysia. The relative advantages on user satisfaction with e-hailing service.
24	Monmousseau, Marzuoli, Feron, & Delahaye, (2020)	Impact of Covid-19 on Passengers and Airlines from Passenger Measurements: Managing Customer Satisfaction while Putting the US Air Transportation System to Sleep	Literature review and proposed passenger-centric metric	Impact of Covid 19 from passenger's perspective and airlines.
25	Suau-Sanchez, Voltes-Dorta, & Cugueró-Escofet (2020)	An Early Assessment of the Impact of Covid-19 on Air Transport: Just Another Crisis or the end of Aviation as We Know it?	Research-based on flight supply data	Journal review on the impacts of Covid-19 on air transport.

SWOT Analysis Strength

AirAsia has a strong brand name. It has a good reputation and a large market around the world. AirAsia had been established more than 20 years ago (Neal & Ahmad, 2006). The brand name played a significant role too. For instance, the color and font in the logo displayed boldness and simplicity (Lim, Mohamed, Ariffin, & Guan 2009). Therefore, it has a close relationship with customer trust. This airline company proved not only popular among the Asia Pacific but also international because of their high-quality services at low fare, providing customers with the greatest value and benefits (Neal & Ahmad, 2006).

AirAsia also collaborated with different partners. For example, the company cooperated with Travelport Global Distribution System (GDS) and Official Airline Guide (OAG) that make it easy for customers to check flight information such as flight prices, schedule,



and ticket booking (Elliott, 2021). Besides, AirAsia has launched an e-commerce platform that enables customers to place orders for different categories of goods via AirAsia's website and supports home delivery services. It has strengthened the brand name of AirAsia during the outbreak of Covid-19 (Yun, 2021).

Besides, AirAsia's management team is so strong that they are good in strategy management and execution. Since the establishment of the company, the management team has always ensured to provide the best and high-quality services to their customers. That is why AirAsia is the leader of Asia's low-cost airline (Lim et al., 2009). During the pandemic, financial and strategic management are extremely important to the company because it is related to its current and future development. This epidemic is undoubtedly the biggest challenge the world has encountered. Fortunately, the management team can quickly come out with solutions and execute them, so that the company can continue to operate without being forced to shut down in the crisis time (The Edge Markets, 2020). When AirAsia suffered losses due to the low demand for air travel, the company started to implement few strategies and reduce the costs. AirAsia as an airline company has been diversifying into other industries such as the food industry. This shows the creativity and ingenuity of AirAsia's management team in facing challenges and solving problems (Tan, 2021). In addition, AirAsia's low and affordable price allows all customers with different income levels to enjoy affordable aviation expenses (StudyMoose, 2021). Therefore, customers are willing to choose this airline than other high-priced airlines.

Weakness

Low-cost airlines are vulnerable to certain circumstances such as certain restrictions, as they operate in restricted cash flow levels (Dias, Allis, & Martellota, 2020). This is an event that may lead to a significant financial impact. AirAsia was able to satisfy their popular tagline "Everyone Can Fly". AirAsia's administration consolidates low-cost operations. The working costs were the same as the least wage. Thus, to maintain lost costs in operations and to satisfy the tagline, it would result in low profits (Bhasin, 2019). In any case, due to the reduced toll of working by AirAsia, the benefit assets are restricted. The challenge of maintaining the service and at the same time ensuring the pricing is reasonable arises. Restricted airships might occur when there is an issue within the operation. Due to the constrained number of human assets, AirAsia may not handle sporadic circumstances such as when there's a high demand from clients, they cannot satisfy each request due to limited specialists, it causes a few of the clients to go to other carriers (AirAsia, 2020c)

Opportunity

Even there are many obstacles during Covid-19, yet, where is a will, there is a way. AirAsia noticed that people tend to online shopping via online platforms due to the movement restriction. As a result of this, AirAsia newly launched a product portfolio which is AirAsia beauty. To cope with the rising demand for beauty and skincare products, Airasia beauty was simultaneously launched in Malaysia and Indonesia (Mahru, 2020). As the huge demand for beauty products is discovered in the Airasia shop during Covid-



19 period, AirAsia determined to bring out Airasia beauty as an independent service (Gan, 2021). Users will seek an exceptional online shopping experience through this portal, which offers direct personalized beauty advice, customer reviews, and top recommendations from AirAsia employees and other users. In addition, the CEO of AirAsia disclosed their plan to expand throughout Malaysia and Indonesia, accompanied by other ASEAN countries (Hew, 2021).

Apart from that, Tan Sri Tony Fernandes planned to combine airlines with ride-hailing services, as the customers who book flights with AirAsia are more likely to have their transportation enable them to travel to and from the airport (Aziz & Goh, 2021). As Covid-19 continues to wreak havoc on the airline business, the AirAsia Group intends to operate a drone delivery service as well as an air taxi service as its diversification. Meanwhile, new proposals along with the air taxi service were established and the testing operation is expected. CEO of AirAsia said at the Youth Economic Forum 2021, the air taxi will have four seats and one pilot (Posts, 2021). Furthermore, the airline's logistic division is currently reviewing the urban drone delivery service together with the Malaysian Global Innovation and Creativity (MaGIC). Thereupon, this drone delivery service is expected to run its first delivery before year-end (Solhi, 2021). Subsequently, the launch of 'Redbeat Academy' was originally prepared to multi-skilling and enhance AirAsia AllStars. It provides a collection of technology workshops covering mostly IT-related topics. Nevertheless, it now opens to the public (New Straits Times, 2020). Apart from that, during the pandemic, another opportunity opened for AirAsia. AirAsia should take the chance to improve and work on other aspects of the organization. For instance, they can improve on the working environment such as the working hours and the job performance of the employees as a joint effort of the employees and top management to go through the critical times (Irdina et al., 2020).

Threat

One of the threats is competition. In a market consisting of many airlines, competition will exist. This would drive them to provide better for their customers, yet at the same time poses a threat to AirAsia. The airlines are Air India, Singapore Airlines, Malaysian Airlines, and Malindo (Bhasin, 2019). Unexpected circumstances can deeply influence and in fact, be a threat to firms. The Covid-19 pandemic impacted the airlines because certain measures including the travel restrictions had to be made to control the situation (Monmousseau, Marzuoli, Feron, & Delahaye, 2020). One of the impacts was the reduction of passengers. During the first quarter of 2020, AirAsia group recorded 11 percent layoff (Business Today, 2020). Another threat is the vulnerability of being an independent low-cost carrier (LCC). Facing Covid-19, some companies have the advantage, which AirAsia does not have. Difference between receiving support from the government would exist (CAPA – Centre for Aviation, 2020). Table 2 shows the summary of the SWOT analysis.



Table 2. Summary of the SWOT Analysis of AirAsia

Strength <ul style="list-style-type: none"> ● Strong brand name ● Strong management team ● Low and affordable price 	Opportunity <ul style="list-style-type: none"> ● Rising demand in beauty and skincare products ● Movement restriction leads to online shopping trend ● First drone delivery service in Malaysia
Weakness <ul style="list-style-type: none"> ● Low profits ● Low assets 	Threat <ul style="list-style-type: none"> ● Competition ● Unexpected circumstances

Based on the inputs and data obtained from journals and articles, it shows AirAsia's initiative for continuous recovery from the impact of the pandemic. AirAsia faced many challenges, such as restricted traveling conditions, low demand, and significant financial impacts. However, the management and employees of AirAsia continuously worked together from the start of the pandemic to go through the challenges. We obtained information on the strategies that are being implemented and some strategies that are planned. However, the implementation of the planned strategies would depend on the pandemic and recovery from Covid-19. Two of the main strategies planned are increasing diversification in the food and beverages industry and e-hailing.

Food and Beverage Industry

As uncertainty still lingers, AirAsia's strategy for the future would be to diversify its operations on a higher level. AirAsia wished to open another 100 Santan restaurants (Minter, 2020). Statistically, by 2025, AirAsia plans to reduce the rate of flying passengers from 80% to 40% (Minter, 2020). Furthermore, AirAsia's in-flight menu brand is expected to contribute about 10 percent to 15 percent to the company revenue (Yusof, 2020). The restaurant opened by AirAsia serving in-flight food also plans to expand its business in Malaysia and worldwide (Hosie, 2020). The demand for Santan continued to increase according to the Domestic Trade and Consumer Affairs Minister Datuk Alexander Nanta Linggi. Besides, according to the general manager of Santan Restaurant and T&CO Café, Catherine Goh, 65 outlets will be opened by 2021 and over 100 outlets will be opened by the first quarter (Q1) of 2022. Based on their plan, Santan outlets will also be opened on international platforms such as in China, United Kingdom, Australia, and the Philippines (The Malaysian Reserve, 2020). However, the implementation of these expansions would also depend on the pandemic.

E-hailing

Loh (2021) reported that the CEO of AirAsia confirms their strategy to move into the e-hailing business. Since their main service is not available due to certain circumstances that arose during the pandemic, initiatives such as moving into the e-hailing business are



big steps to cater to the effects of Covid-19. The CEO also stated that logistics is one of the main aspects of digital transformation. It was also stated that AirAsia wants to be the “best delivery guy” in the town (The Edge Markets, 2021). Airasia showed optimism in moving to the e-hailing industry. In Malaysia, e-hailing services are getting more well-known in society, as these services have mobile applications that consist of many interesting features and show many options to the users. The issue of ‘time arrival’ with public transportation also motivated individuals to use the e-hailing services. This is because some individuals preferred to plan their journey in a proper manner (Arumugam et al., 2021). Ride-hailing applications have been working well in many countries, thus with the growing technology, the service is easy to use (Abdullah et al., 2019).

CONCLUSIONS

AirAsia is the well-known leader of one of the low-cost airlines in Asia. It provides high-quality services at a low cost, providing its customers with the biggest value and benefits. However, the sudden outbreak of the Covid-19 pandemic has affected many people and companies around the world. During the pandemic, AirAsia implemented a few strategies to face this big challenge. For instance, Santan restaurant inspired by in-flight meals, e-commerce platform, cash flow and cost management, and AirAsia Food. During the pandemic, people are not allowed to dine in the restaurant, so food delivery has become an essential element. AirAsia Food not only allows merchants to sell their food through this platform but also provides an opportunity for the public to become a rider delivering the food amidst the pandemic. AirAsia also has two main strategies planned, diversification in the food and beverages industry and e-hailing services. It aims to expand its Santan restaurants in Malaysia and across the world. This plan can help to improve the performance of the company to generate more income and to help promote Malaysian cuisines.

In addition, AirAsia is planning to expand its business to e-hailing services. It is a great strategy to cater to the effects of Covid-19. In the era of technological development, people nowadays prefer to use e-hailing because they are easily available via mobile applications and the users are provided with many options. Therefore, if these strategies are successfully implemented in the future, they can be beneficial in many aspects. In conclusion, it can be said that AirAsia is creative and ingenuity in facing challenges and solving problems. They came out with strategies that have greatly promoted the development of the company. The strategies that are being implemented are not only to make sure that the company continues to operate but also serve as a platform to help the local businesses to tide over the difficulties. It shows that AirAsia is a conscience company planning some strategies for the future. Therefore, AirAsia can undoubtedly cater to the effects of Covid-19 and take low-cost airlines to another high level.



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