SUMMARY

ERNAWATI SURJANA. Defensive Strategy of Sriwijaya Airin National Airlines Industri (case study Sriwijaya Air). Supervised by BUNASOR SANIM and IMAM TEGUH SAPTONO.

The competition in the aviation services industry is getting tight for this time, the passengers quantity growth are followed by an enterprise quantity growth of airline operating, ASEAN market liberalization with enactment of ASEAN Open Sky Policy this will increased the competition at the regional level. The aim of the research is to identify and to analyze the internal and external factors that affect to the strategic position of SRIWIJAYA Air which is a domestic airline with still low levels of market share, then performed the evaluation through the company's strategy that is running at this time and the relation in responding of the external and internal factors. Stages of strategy formulation in this study being used were David's three stages (Input, Matching and Decision). The analytical tool in this research is using Five Porters tool to identify the external factors and resource based view or VRIO (Valuable, Rarity, Imitability, Organization) approach to identify the internal factors, both identification result as an input to get the SWOT analyses, then reprocessed by Blue Ocean approach with using the tool of Canvas Strategy, 4 Action Frameworks and ERRC Grid. By Blue Ocean strategy formulation is hoped to know the new alternatives strategic that are Blue Ocean in the airline industry that can be applied by the company.

Research to Analysis external factor have resulted that: the intensity of rivalry among firms currently is high, the threat of new entrants is low leads to being, threats of substitute products is low, the bargaining power of customers is high and the category high bargaining for power of suppliers.

Results for analysis of factors internal to the resources currently owned Sriwijaya Airs generally competitive parity, which means having the same competitive to other companies, but there are some that have the advantage of temporary (temporary competitive advantage) and one the resource does not have the advantage (competitive disadvantaged).

Final results of strategy formulation with the concept of Blue Ocean Strategy generating alternative strategies, namely to: reduce the route that many competitors, creating new innovations and new indicators that do not exist in industri with creating the concept of legacy airline market niche. Alliances and cooperation, improve service levels, increase passenger connecting, increase promotion and increase foreign currency earnings based

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