

Appendix 3 TOWS Analysis

	<p>Internal Strengths:</p> <ol style="list-style-type: none"> 1.A long history of more than 70 years. 2.An existing robust ecosystem in aviation industry; 3.Adaptability/resilience: they stay up-to-date and resilient to changes; 4.Ready to innovate; 5.Strong sense of corporate's social responsibility; 	<p>Internal Weaknesses:</p> <ol style="list-style-type: none"> 1.No existing relationships with cruise industry and delivery service providers. 2.Incumbency in company and its processes.
<p>External Opportunities:</p> <ol style="list-style-type: none"> 1. Blue Sea market in cruise-airport industry; 2. Room for improvement of luggage handling; 3.High-barrier industry 	<p>SO:</p> <ol style="list-style-type: none"> 1.Using brand reputation and business expertise to form new and sustainable relationships. 2.Use existing relations and knowledge to overcome the high barrier 3.Use high barrier as extra time to come up with a good solution. New entrants also have to face the same barrier 	<p>WO:</p> <ol style="list-style-type: none"> 1.Building new relationships to diversify into the blue-sea market thereby reducing volatility and risks. 2.Use existing technical capabilities to innovate and optimise the cruise line to airport delivery.
<p>External Threats:</p> <ol style="list-style-type: none"> 1.Slow recovery from pandemic; 2.Find early Adopter 3.Stakeholder management 	<p>ST:</p> <ol style="list-style-type: none"> 1.Adjust movements and company strategy according to trends (S3T1T2). 2.Using expertise and technology for product differentiation. 3.Using existing relationships with airports to facilitate direct luggage transfer. 4.Use lower passenger count for demo purposes since solutions can now be showcased on smaller scale. 	<p>WT:</p> <ol style="list-style-type: none"> 1.Trying to build up relationship with companies in cruise industry as fast as possible; 2.Leverage the recovery time to iterate products with less costs. 3.Establish innovation labs/ skunk-work set up to enable creativity and fast development.

Table 2 - TOWS Analysis

Additional explanation of SWOT analysis: (the number of the point in the white background is corresponding with the SWOT matrix with light grey background above)

Strength

1. A long history of more than 70 years: this means expertise/reliability of SITA with big brand reputation towards clients;
2. An existing robust ecosystem on aviation industry: around 2500 airlines, airports, ground handlers and governments, all working closely with SITA; they have services provided to around 200 countries and territories globally; and they have covered 95% international destinations;
3. Adaptability/resilience: they stay up-to-date and resilient to changes;
4. Ready to innovate: They have strong inhouse innovation department, with more than 365 patents and the newest technology implementation (e.g., biometrics, digital ID, AI and computer vision) in different business areas;
5. Strong sense of corporate's social responsibility: they are committed to sustainability in everything they do and have been certified by CarbonNeutral® in Sep 2021, which means they have already achieved carbon neutral;

Weakness

1. No existing relationships with cruise industry and delivery service providers.
2. Incumbency in company and its processes: there is already a variety of existing products and processes, therefore SITA can move less fast than a smaller company could do; this incumbency makes a research and innovation process more expensive.

Opportunities

1. Blue sea market in Cruise-Airport Industry: seldom companies consider adding cruise into airplane travel experience of luggage transportation system;
2. Development space is large: Luggage mishandling frequency due to human error and process automation, etc. have much space to be improved;
3. High-barrier industry: the high-tech luggage transferring industry has a relatively high barrier of technology development and implementation, while SITA already had a great foundation of this,

making it hard for some competitors to enter this industry.

Threats

1. Slow recovery from pandemic: business travel will take longer to recover; it is estimated that it will only likely recover to around 80% of pre-pandemic levels by 2024.
2. Find early adopters: it is a quite niche market, so to find out appropriate early adopters (e.g. an appropriate cruise line to start with) and to build up a strong and long-term relationship with them is the basis of SITA's further scalability and success of this new business.
3. Stakeholder management: if the ecosystem and the business model is not well-established with barriers, even the stakeholders could take over some parts of the business and become the competitor of SITA. And the contracts with stakeholders need to be carefully think of to let them take good responsibilities within the system.