

Navigating through crisis

Strategic decision-making in a pandemic

Case Study of WorldTicket

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Abstract

COVID-19 pandemic has had an enormous impact on the aviation industry affecting everything from passengers to cargo, incoming revenues, and even other companies connected to this industry. The experts are expecting the recovery to take place in 2024, therefore, a long path lies ahead for everyone. This thesis focuses on the IT solution sector of the aviation industry with WorldTicket as the exemplifying case, where we examine the decision making process through a combination of Crisis Management, Bounded Rationality, and Contingency theories. The research was conducted with a Marketing Environment analytical framework which also functions as its structure. The data collection includes semi-structured interviews of WorldTicket's management team and financial analysis that will add up to a richer conclusion. We concluded that WorldTicket successfully implemented strategic decisions corresponding to the crisis.

Keywords: Aviation industry during COVID-19; IT software solution; Decision making; Crisis Management; Strategic Decisions

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1 Introduction

Over the years, there were many situations of crisis. The panic of 1873, the Great Depression of 1929, the oil crisis in 1973 and the Dot-Com bubble burst in 2000 (Kunsch and Seifzadeh, 2020). All of them impacted local and global economies and shaped society but none of them did it as suddenly and widespread as COVID-19 (Ibid.). The COVID-19 pandemic challenged the global political and healthcare systems and impacted the global economy at a pace and depth never experienced before (Ibid.).

Based on the learnings from the previous situations of crisis, what we could have expected as one of the outcomes of the COVID-19 pandemic is re-imagination of how business is done and appearance of new ways for companies to apply their strategies (Ibid.). Using new strategies has been essential for many businesses as many industries were affected by the pandemic. For example, the oil and gas industry has experienced the biggest price collapse in the last 30 years (Barbosa et al., 2020). Restaurant and hotel businesses globally experienced almost 100% fall in number of customers for more than 3 months (Statista, 2021). And the aviation industry suffered ‘the worst year in history’ for air travel demand, as COVID-19 has emerged and governments acted to manage and contain the spread of the virus by grounding nearly all international travel (Richter (a), 2021).

While some companies adopted a ‘wait and see’ attitude, others forged ahead and used COVID-19 as an opportunity. According to multiple analysts, the 2020s are expected to be filled with uncertainty. Hence, winning businesses will be the ones that can adapt to any type of unexpected emergency (Harvard Business Review, 2020). In theory, there are many strategies that companies can adopt, such as changing focus, creating new partnerships, reshaping their portfolios and finding new ways to become resilient. Thus, it comes down to how the supporting decisions in a situation of crisis are made to change the strategic approach of the company.

In order to find the answer for this question, this study focuses on the decision-making process in a company, which profitability relies on the industry that has been impacted by COVID-19 the most, the airline industry.

2 Problem Area

The unforeseen crisis that has hit air transport in 2020 has been referred to as both a disaster and a chance for a reset. According to Alexandre de Juniac, IATA's Director General and CEO, *"Last year was a catastrophe. There is no other way to describe it."* (Richter (a), 2021). Based on information from IATA, the global passenger air transport measured as revenue passenger kilometres declined by 65.9% compared to 2019 (Ibid.).

Already in the past, international travel experienced disruptions, for example, in 2009, the N1H1 influenza virus outbreak caused a 4% decrease globally (Matiza, 2020). Since the COVID-19 has been even more disruptive, we cannot fully rely on old explanatory models (Sigala, 2020). Thus, we can explore the recovery and response strategy to overcome a crisis and how to build resilience to address future crises.

Considering new strains of the virus and current severe global travel restrictions, IATA predicts that air travel demand in 2021 will only reach 50% of the 2019 level (Ibid.). Going forward it would mean that the airline industry would not reach pre-pandemic levels again until at least 2024 (Cheer et al., 2021). Even though air transport represents only a small share of the aviation industry, it has strong inter-industry linkages with sectors that make it an important part of the economy (Ibid.). This includes support activities to air transportation; the operation of airports, aircraft manufacturing and rental and leasing services (Ibid.). The crisis has had an enormous impact on the whole industry, putting many jobs and survival and success of businesses at stake (Ibid.). Tourism research can advance our knowledge for fostering, shaping and even leading transformations enabled by the crisis (Sigala, 2020). Because if we do not, tourism suppliers will just experience one crisis after another without having the power and strategy to react (Ibid.).

One of the companies that relies on the success of air travel is IT solution company, WorldTicket (WT). WorldTicket is a Danish company that has been on the market since 2002 as a PSS (Product Service Solution) provider for more than 65 traditional, start-up and virtual airlines on 5 continents (WorldTicket, 2020). The company is selling software for airlines, an industry, which was affected by the COVID-19 crisis due to the restrictions of travelling. WorldTicket offers multiple online Passenger Retail Solutions with its main product - booking system Sell-More-Seats, which is built to improve airlines' customer experience (Ibid.). WorldTicket's software solution offers small airline companies a platform,

where their customers can purchase tickets and in return, WT then receives a certain amount for every sold ticket from the airline company.

Many Software Solution companies were not negatively affected by the COVID-19 pandemic, because they offer services and products for customers that are needed even under exceptional circumstances like lockdowns and restrictions. Unfortunately, that has not been the case for WorldTicket. Even though WorldTicket is a software company and could therefore be expected to thrive during lockdowns, offering a solution connected to the aviation industry puts the company into a more complicated situation.

The main product of the company, Sell-More-Seats software makes the company's profit dependent on contracts and the number of tickets sold by the airline through the software. Thus, WorldTicket has been directly affected by the crisis. The focus of this thesis is therefore on the management decisions and changes in the strategic approach that were needed to be made to continue in operations and successful functioning of the company during the crisis.

2.1. Problem Formulation

During the last year, WorldTicket's business environment has undergone numerous changes that the company's decision-makers had to react promptly to. Considering all restrictions introduced by governments, lockdowns and changes in customer behaviour, WorldTicket has had to adjust to a 'new normal' in their business field. We are interested in understanding the experience of WorldTicket and their reaction to these changes while keeping their business running. More specifically we want to look at the company's ability and rational basis to manage the crisis on a business level, in order to investigate whether the COVID-19 affected the company's strategy leading to changes in marketing practices and financial performance.

We aim to analyze the decisions made by WorldTicket during the COVID-19 as well as the impact of these decisions on the business. Understanding decision-making processes in WorldTicket will help us reveal the role of strategy in a fast-changing business environment in a time of a crisis. This research aims to contribute to the current literature regarding managing a business in a crisis, with a particular focus on decision-making regarding risks and opportunities during a pandemic. Therefore, the study is centred around the following research question:

How did WorldTicket change its strategic approach in order to adapt to the crisis of COVID-19?

3 Literature Review

3.1. Strategy Decisions

A strategy is the direction and scope of an organisation over the long term, which achieves an advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations (Johnson, et al., 2017, p. 56). Overall strategy aims to answer the questions of ‘Where do you want to go?’ and ‘How do you want to get there?’.

Traditional approaches focus on answering the first question by selecting an attractive market, choosing a defensible strategic position or building core competencies (Eisenhardt, 1999). Yet in today’s fast-changing environment, the overemphasis on analyzing and predicting which industries, competencies or strategic positions will be viable and for how long might result in not developing effective strategies (Ibid.).

To create a series of shifting advantages in a highly competitive and changing market, a company requires effective strategic-decision-making at several levels: operational level, business level and corporate level (Management Study Guide, 2021). Decisions on the operational level are routine decisions that help or rather facilitate strategic decisions or operational decisions (Ibid.). Operational decisions are technical decisions that help the execution of strategic decisions (Ibid.). To reduce cost is a strategic decision that is achieved through the operational decision of reducing the number of employees and how we carry out these reductions would be an administrative decision (Ibid.). The highest level of the decision making chain are the strategic decisions, which will affect both administrative and operational decisions. That is one of the reasons why the thesis and the research question is centered around strategic decisions.

Strategic Decisions	Administrative Decisions	Operational Decisions
Strategic decisions are long-term decisions.	Administrative decisions are taken daily.	Operational decisions are not frequently taken.
These are considered where The future planning is concerned.	These are short-term based Decisions.	These are medium-period based decisions.
Strategic decisions are taken in Accordance with organizational mission and vision.	These are taken according to strategic and operational Decisions.	These are taken in accordance with strategic and administrative decision.
These are related to overall Counter planning of all Organization.	These are related to working of employees in an Organization.	These are related to production.
These deal with organizational Growth.	These are in welfare of employees working in an organization.	These are related to production and factory growth.

Figure 1. Levels of decision making (Management Study Guide, 2021)

The most effective strategy decision-makers built collective intuition, stimulated quick conflict, maintained a disciplined pace and defused political behaviour which led to fast, high quality and widely supported choices (Eisenhardt, 1999). Key drivers for change are environmental (PESTEL) factors that are likely to have a high impact on the success or failure of strategy. The approach that combines the questions of ‘where’ and ‘how’ to create a continuous flow of temporary and shifting competitive advantages (Ibid.).

3.2. Marketing Management

Marketing refers to different kinds of business activities closely related to selling, delivering, and advertising products or services (Twin & Drury, 2019). Looking at marketing as a discipline, it relates to all activities a company may take in order to acquire customers and maintain the relationship with them (Ibid.). This fundamentally defines marketing practices’ close connection to every business activity including sales, distribution, promotion and profit. Chernev (2018, p. 1-2) points out that marketing is often misunderstood, when in reality it is designed to support sales. He defines the discipline of marketing as a growth engine of an organization that encompasses the entire business. In that sense marketing is more than just sales, as it involves all means to develop the offering to be sold (Ibid.). Marketing is more than tactical specialized activities, which also involves strategy and planning (Ibid.).

Thus, strategic marketing and strategic management are two different fields of study, they still interface in the aspect strategy (Piercy et. al. 1997, p. 50), when it comes to planning and

control. There is both a division and an overlap when it comes to the relationship of marketing and strategy, which is problematic related to developing business practices (Ibid). This interface can affect reaction to environmental and structural changes, as well as course of management (Ibid). The common feature of marketing and strategy is the decision-making processes such as analysis and planning.

Strategic marketing management is more related to the process of regulating business activities in terms of planning, implementation and control (Wilson et. al., 2004) (Fifield & Gilligan, 1999). In this process, analysis and decision-making play a crucial part in managing the company, which manifests in the marketing activities. Wilson et. al. (2004) reflects upon 5 stages of management processes within the managerial activities of planning, decision making and control involving market analysis, strategy evaluation and implementation (Ibid., p. 8-9). In relation to strategic or tactical decision-making Wilson et. al argues that one may consider what changes are taking place in the environment and how these affect the organization and its activities to understand strategic positions (Ibid., p. 11). Furthermore, what resources does the organization have to deal with these changes in order to satisfy stakeholders (Ibid.).

Depending on the approach organizations may develop marketing strategies placed on internal capabilities and external positions, in order to achieve a competitive advantage (Aghazadeh, 2015, p. 125). In order to do so, the organization needs to take the changes in both external and internal environments into consideration. As Piercy et.al. (1997) argued both management and marketing are crucial strategic practices to tackle environmental threats of the business.

3.3. Strategic decisions during and after a crisis

One of the essential factors for this research is the situation that the world has been influenced by for the past year. The company, the industry and the global economy have been hit by a crisis. Many researchers looked into how to craft a winning strategy for businesses during and after the COVID-19 era. The main findings include the vitality of uncertainty and thoughtful reaction to it, changes in consumer behaviour and the importance of technology.

While lockdowns and new emerging protectionist policies influenced international trade, widespread layoffs greatly influenced consumer purchasing power (Kunsch, 2020). This leads many scholars to an assumption that continuing in 'business as usual' may not be an option for many businesses in the post-COVID-19 era (Ibid.). However, even though COVID-19 has

impacted businesses and their environment in many ways, it is not going to change the fundamentals of how businesses and economies work (Ibid.). These ‘systematic risks’, like natural disasters, foreign policy, new laws, negative interest rates, have happened many times in the past and are expected to happen in the future (Ibid.). That is why it is important to acknowledge uncertainty when strategizing as we can never anticipate the possible outcome of the universe as well as what will be its effects on the business. Hence, a successful company needs to embrace and strategize for uncertainty as it is a necessary condition for maximizing profits (Ibid.).

Often leaders decide to make quick and frequent shifts in companies’ strategies when a crisis occurs (Ibid.). However, this approach overlooks what elements strategy consists of, such as history, identity, material resources, core competencies and human resources (Ibid.). Thus, companies might not need to change their strategies per se, but make strategic decisions that are needed to align themselves with their environment and to address uncertainty (Ibid.). Strategies that support companies when facing uncertainty are centred around flexibility, adaptability and creativeness (Ibid.), which will be further discussed in the theory chapter.

As touched upon above, conventional strategic thinking might not help companies to plan for the next ‘new normal’ (Patnaik et al., 2021). Instead, they will need to leverage a combination of traditional business strategy with the latest thinking from social science and innovation theory (Ibid.). According to the Harvard Business Review, businesses will need to answer three questions to create strategies during COVID-19: addressing strategic differentiation; ‘How does your business really make money?’, focusing on stakeholders; ‘Who do you depend on to drive the business?’ and the critical question; ‘What will people’s behavior look like after the pandemic?’ (Ibid.). Even though the pandemic is temporary, it is lasting long enough to alter behaviours into structural shifts while some things might return to normal, some never will, which is why it is important to distinguish what area your business is in (Ibid.).

Moreover, no matter what strategy a company picks, it will be crucial for the company to consider its technological environment and possible technological improvements (Kunsch & Seifzadeh, 2020). Many companies report that two years of anticipated development happened in two months last year but it is clear that the necessity brought much-needed adoption (Ibid.). An expected outcome of COVID-19 for the economy is that while some organizations will inevitably fail, others will not only survive but become stronger, which will make competition in certain areas tougher (Ibid.). Strategy is the best tool to support a company to survive the

uncertainty. In the situation of high risk and uncertainty, it is beneficial for companies to be proactive, rather than reactionary (Ibid.). Thus, companies' strategies need to align with the new reality and organizations need to develop a deeper understanding of their resources and capabilities that can help them become stronger (Ibid.).

3.4. Assumptions

Based on the previous research, we have developed two assumptions that will assist us in answering the research question and will be reflected upon in discussion. When it comes to crises, it is inevitable that some organizations will fail, while others will become stronger. The differentiating factors are the company's strategy and reaction time. Thus, the first assumption of the study is:

1. If WorldTicket does not implement suitable strategic decisions at real time, it will ultimately fail.

Moreover, a crisis is a time of uncertainty and new reality. It is essential that a company uses its strengths to intensify its competitive advantage. Hence, the second assumption is:

2. If WorldTicket implements right strategic decisions based on awareness of their resources, capabilities and financial performance it will strengthen its position on the market.

4 Theories

In this section, we present three theoretical conceptions our research is based upon - crisis management, which provides the main ground for the framework, conjoining both crisis emergencies and their management, and two decision-making theories derived out of the concept: Bounded Rationality and Contingency Theories.

4.1. Crisis Management

Coombs (2007, p.3) defines crisis management as an essential organizational process designed to either prevent or lessen possible damage of the occurred crisis to the organization itself and its stakeholders. Essentially, the key elements of a successful crisis management plan include emergency response, crisis recovery, risk management, communication, and business continuity (Ibid.). It is claimed that crisis management is concerned with developing an organizational capability to be flexible and make prompt decisions when unforeseen events occur (Ibid.). The consequences of a poorly handled crisis can be detrimental to numerous organizational features, such as the stability of an organization or its reputation (Ibid.).

The crisis itself is inherent to all sectors of society (political, economic, social, etc.), can be catalyzed by human origin (military attack, financial crisis, corruption), or occur out of natural causes (natural disasters, health epidemics), which may last from several hours, a few weeks to a couple of months (Dayton, 2009, p.2). In general, researchers argue that the situation can be considered a crisis if it covers three aspects. First, the situation is threatening the core values, general principles, and qualities of organizations and society. Examples include threats to genuine accounting processes, disruptions in organizational operations, or political autonomy. Second, the situation is understood to be urgent, and time is short and finite. Third, the situation is perceived to have a high level of uncertainty, leading decision-makers to an incomplete understanding of the current, thereby causing difficulties to act (Ibid.).

B. 'Dutch' Leonard (2020, p.3) compared emergency to the fountain which streams elements that must be thought through: occurred issues, questions, competing priorities, decisions, tasks, etc., therefore, overcoming the occurrence, requires issues to be identified, questions - framed, priorities - clarified, decisions and tasks - presented and carried out. Dutch specified two types of emergencies: routine and crisis. Common emergencies are characterized by familiarity and

typically are dealt with ease since the previous experience grants answers and decisions to the issue. To imagine this, Dutch takes firefighters - when they receive a call about an urban house fire, well-trained professional firefighters can, in general, accurately measure the possible expansion of the emergency, as well as determine the best response (Ibid.). The crisis situation, on the other hand, presents a significant novelty: there is no 'playbook' from which managers could derive guidance, rather, they are forced to engage in real-time problem solving (Ibid., p. 2). A common question among managers is how can we be certain in an uncertain situation, but instead of finding answers for the emergency, the researcher suggests that leaders should focus on an effective process (Ibid.).

Generally, managing a crisis includes four core steps. First, is the identification of the problem, whether the management can spot any upcoming difficulties and can identify how it can affect the organization. Second, preparedness for the situation management should analyze available information to determine needed precautions. The third step to control the situation is that management should implement previously determined precautions, keep an eye on the crisis and make new adjustments if needed. The last stage includes the shift to the initial stage prior to the crisis and situation's evaluation, review of decisions and communication processes, award and motivating staff, etc. (Fener & Cevik, 2015, p.700).

Overall, overcoming a crisis emergency requires confidence in terms of trusting the process. The process consists of a realistic vision when assessing objectives, rapid reaction, rational implementation of activities, cooperation and teamwork, avoiding overreaction but maintaining constant communication (Ibid.). Decisions made in a calm way to avoid ignorance and panic, which are communicated both internally and externally tend to help in terms of crisis management.

4.2. Bounded Rationality Theory

Bounded Rationality Theory was developed based on one of the most prominent, and, in fact, widely used concepts in decision-making processes, namely Rational Choice Theory (Ates & Genc, 2017). Originally, the rational choice theory was developed in the field of economics and based on the notion that people are motivated by money and by the ability to gain financial benefit. The theory claims that before making decisions, humans can evaluate certain actions' costs and what benefits may result before committing to anything (Scott, 2000, p.126). The concept gained traction in other fields and the traditional motivation by money was

revolutionized to become motivation by benefits in general. Hence, the theory argued that rational people would assess which action will give them the most successful outcome and would require minimal input (Ibid.).

However, RCT received several objections. Simon criticized the concept for its lack of emphasis on the cognitive and contextual boundaries that humans encounter when making decisions (Ates & Genc, 2017). He sought to establish a branch that would include a missing aspect of the rational choice theory but essentially would maintain the same objective (Barros, 2010). His work led to the birth of Bounded Rationality Theory.

The RCT viewed people as goal-oriented, although conditions to make decisions were relatively too simple and unrealistic, eliminating any risks and uncertainty creating a perfect environment for a decision-maker. In contrast to RCT, Bounded Rationality Theory differs by three assumptions: satisficing results, limited capacity, and the environment (Ibid.). The theory kept the goal-oriented attribute, however, adding boundaries that would limit decisions and instead of deriving the optimal, it would obtain '*satisficing*' results (derived from 'satisfy' and 'suffice') (Jones, 1999, p.299). The second assumption of limited capacity refers to the cognitive constraints when making decisions, therefore, when organizations encounter crisis emergencies, the occurred problems are simplified in order to understand the issue more effectively, and forecast the needed solutions (Ates & Genc, 2017). Whereas, the third assumption considers the task environment which becomes a mechanism for decision making. Bounded Rationality Theory does not provide a perfect environment model which is considered in RCT, thus decisions are made relying on the knowledge obtained out of forecasting (Ibid.).

In fact, Simon (1972, p.163) distinguished the two most common boundaries that appear while making decisions: the limit of rationality and the lack of information about alternatives. The limit of rationality denotes the struggle of the variety as there can be more than one way to make a decision. As the agent here does not possess perfect knowledge, the made decisions are usually simple as the complex ones appear to be unsuitable and impossible to implement (Ibid.). Uncertainty also limits information for the alternatives. In most organizations, alternatives are not even considered unless the initial decision becomes irrelevant, and even then, they are narrow - usually one at a time (Wall, 1989, p.473).

Consequently, based on the Bounded Rationality Theory, we can assess what constraints WorldTicket faced during the global pandemic outbreak. We will examine whether the

company had a crisis emergency plan in relation to what restrictions hindered achieving optimal results and what effect cognitive constraints concerning the information about the pandemic had for the organization. Furthermore, whether or not the organization used forecasting to persist in a dynamic and unpredictable business environment. In addition, we will also examine the decisions that WorldTicket made, and whether any alternatives were considered in order to survive the crisis.

4.3. Contingency Theory

Contingency Theory was established as an extension to the Excellence Theory which argues that organizations are capable of overcoming and enhancing crisis management if they are practicing public relations (PR) activities (Pang, et al., 2010, p.528). Although the theory was heavily criticized due to its normative ideology that could only be used effectively in a highly stable setting (Murphy, 2000).

The primary idea of Contingency Theory was explicated by Fiedler in his article 'A Contingency Model of Leadership Effectiveness' published in 1964 (Miner, 2005, p.235). The contingency itself refers to an unforeseen event, circumstance, or aspect that could not have been predicted (Donaldson, 2014). The theory is primarily applied in the management and decision-making processes during crisis situations. Specifically, it claims organizational effectiveness including profitability, efficiency, customer and employee satisfaction, and innovation rates, arises from its ability to adapt to the situation. Particularly, it suggests adapting the environment, strategy, and size of the organization to the crisis, as it increases organizational effectiveness in the situation (Ibid.).

Even though all of the aforementioned features are not immune to the crisis, the theory states that the mechanistic organizational environment, which is based on a hierarchical structure where top management is responsible for decision-making processes, is affected more than the organic environment, based on a participatory/innovation-driven structure among all hierarchical levels. Moreover, bureaucratic, large-sized organizations with many employees are more vulnerable in comparison to unbureaucratic, small, or medium-sized organizations with a significantly lower number of employees. The organizational strategy also varies: an undiversified strategy, in which all organizational parts are focused on creating a single product or service will suffer more than a diversified strategy, in which a variety of activities serve various products and markets (Donaldson, 2014).

There are two core notions derived from Contingency Theory: there is always a correlation between contingency and the organizational feature, and organizational fit impacts effectiveness (Ibid.). Following the first aspect, there is an association between certain contingencies and certain structures. The size contingency is correlated to the bureaucratic structure, the strategy contingency to a diversified strategy structure and the technological contingency to the environmental structure. The second aspect of the fit analyzed the relationship between organizational structure, contingency, and performance. The structural variable (environment, strategy, size) fits the level of the contingency, it derives high results of performance, and the variable misfit to the contingency level equals low results of performance (Ibid.).

Overall, the Contingency Theory offers a broad framework, therefore, the factors that seem to be reflecting upon our research problems will be incorporated. The theory allows us to measure which WorldTicket's attributes (size, environment, or strategy) were impacted by the COVID-19 crisis, and how it corresponded to the organization's performance. Contingency Theory will also enable us to examine whether the crisis scenarios altered the organization's features, as a result, forcing them to change their structures in response to the contingencies, and how it affected the company's overall performance.

5 Methodology & Methods

In the Methodology and methods chapter we will dive into the approaches, data collection we used, and extensively elaborate on the actions taken towards answering the inquiry. Our research involves a systematic sequence of steps which will produce reliable and valid data (Clow & James, 2014, p.3).

5.1. Research plan

To explain the steps we have taken in a systematic order we have decided to utilize the ‘onion’ research strategy (Saunders et al., 2014). In the following chapters, we will ‘peel’ off the layers of the onion and explore the reasoning behind our choices as well as their impact on this paper.

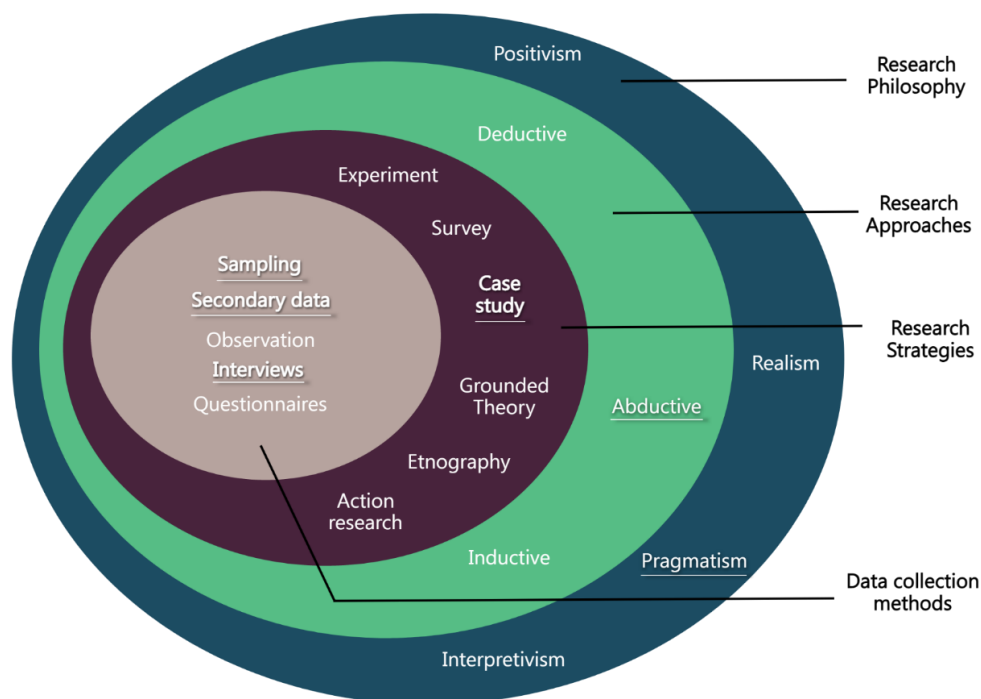


Figure 2. The 'Onion' (Saunders et al., 2014, p. 108)

5.2. Research philosophy

With multiple factors affecting the research, the understanding of reality and the view of knowledge also carry their own weight. Its importance can affect the data selection, reliability, validity, as well as its interpretation. Therefore, the choice of philosophy becomes an important task, which we will discuss in this section.

Pragmatism instead of focusing on the nature of reality focuses on the nature of experience unlike the other philosophies (Kaushik & Walsh, 2019, p.3). Its main argument revolves around the fact that actions cannot be separated from the situations and contexts in which they occur, which means we have to take into account the circumstances of the given responses (Ibid.). Moreover, instead of universal truths, there are justified beliefs as this world is a world of human experiences. These take shape as we again take actions and experience the outcomes (Ibid.). Furthermore, if the circumstances of the actions change, the consequences also change even if the actions are the same (Ibid.). As pragmatism implies, the volatile nature of the COVID-19 situation, managers have to keep in mind that the same decisions bear different results, as there is not a case where we experience the exact situation twice. Ergo, our justified beliefs about the possible outcome are also temporary and due to change later, which likewise means that our beliefs about how to act in a situation are in a way also only temporary. Lastly, the extent of worldviews, which are defined as shared sets of beliefs, can lead to individuals acting in the same way when in a similar situation (Ibid.).

As pragmatism implies, there are no two people who have the exact same experiences, therefore their worldviews cannot be identical. However, there can be a degree of shared experiences which can lead to a different degree of shared beliefs, ultimately leading to taking identical actions. Our choice of pragmatism was primarily due to the possibility of a rapid change of the business environment, and the implication of shared beliefs and motivation behind making certain strategic decisions. Since this study focuses on the extensive use of qualitative data, this choice of philosophy will allow us to gain an insight into the reasoning and impact of the strategic decisions made in WT during the unsettling times of COVID-19. Lastly, this choice of philosophy will create a bridge between the decision making theories we chose, and our data. As pragmatism implies, people take actions based on the possible consequences, these experiences then further help to predict other consequences of actions taken in similar situations (Ibid.). Therefore, with our focus on decision making during a pandemic,

with pragmatism we will better understand how the individuals perceived possible consequences of their actions.

5.3. Abductive approach

Looking at our research, we are utilizing the abductive approach as we combine both deduction and induction. Starting similarly as induction, through partial observation of WT's background. Afterwards, we started creating several plausible assumptions based on existing literature. Furthermore, utilizing deduction, we proceeded to answer the research question by reflecting on the theories and the assumptions with collected data. Otherwise said, we try to conclude this research paper with the most logical possible conclusion based on the data gathered, or simply put with the most 'qualified guess' (Egholm, 2014, p.170).

5.4. Research design

Our main focus is on an intensive examination of the WT settings through qualitative interviews where the participants' observations and decision making will generate a detailed examination of the case and also include quantitative data that will advance the quality of our study.

To further explain, the case of WT should be considered a representative case. With this kind of case, our goal is to objectively capture the circumstances and conditions of an everyday situation (Ibid., p.62). It is the most suitable one due to the fact that multiple companies experience the changes in the business environment, such as changes in regulations, and they need to implement new processes or practices. Our expectations are to provide a suitable context for certain COVID-19 business related queries and we take WT as a fitting 'exemplifying case', as Bryman would call it (Bryman 2016, p.60.). Furthermore, we intend to use our primary and secondary data to improve the verification of this paper, for that purpose we will interview the staff and conduct a financial analysis that supports whether certain decisions had any effect.

Lastly, Yin's model presents 5 parts of case study design, which we will elaborate on further (Yin 2003, p.5).

Strategy	Form of Research Question	Requires Control of Behavioural Events?	Focuses on Contemporary Events?
Experiment	how, why?	Yes	Yes
Survey	who, what, where, how many, how much?	No	Yes
Archival Analysis	who, what, where, how many, how much?	No	Yes/No
History	how, why?	No	No
Case Study	how, why?	No	Yes

Figure 3. Yin's case study (Yin 2003, p.5)

To begin, we started with identifying the concept we are interested in, and searched for our research question. Thanks to Yin's model, we made sure our query could be identified and captured the knowledge gap (Ibid.). In the next step we proceed to create several hypotheses which will be verified during the analysis. Moreover, we identified strategic decisions, financial position, and the implementation of these business decisions as our units of the analysis. They can be further defined as marketing decisions - promotion of services during COVID-19, or management decisions - identification of any prior crisis plans. Last but not least, to find the patterns between the data and the goal of this research we will relate our data with the theories and our query. And lastly, the criteria for interpretation of the findings are challenging to recognize and therefore the researcher must identify the validity and reliability, and converse the produced data in the analysis and the discussion (Ibid, p.41).

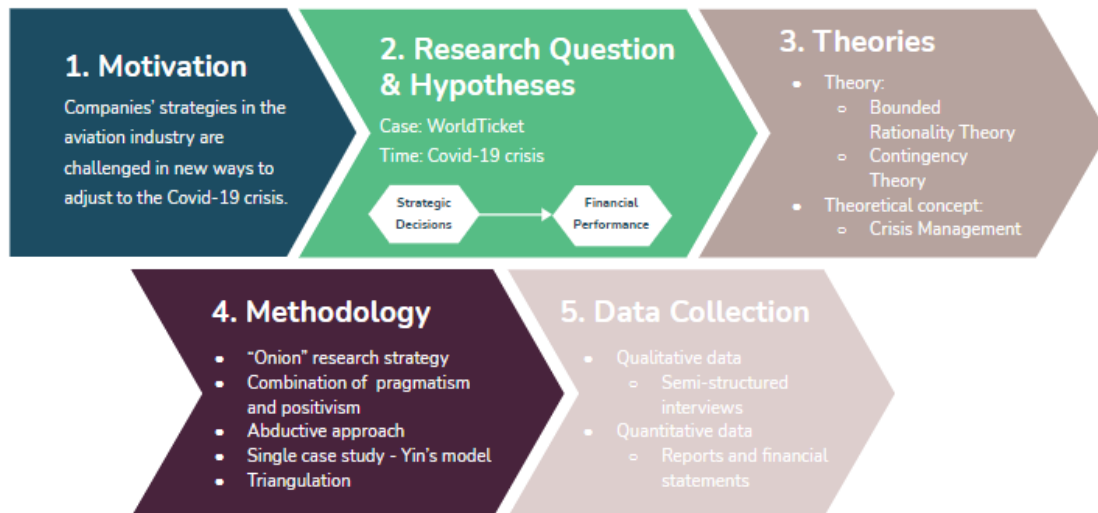


Figure 4. Research design

5.5. Marketing environment

Companies must always adapt to ever changing trends and innovations. Therefore, utilizing concepts such as a marketing environment, which addresses possible threats as well as opportunities, is in their own interest (Camilleri, 2018). We decided to use the marketing environment as a framework for our analysis as we can get insights into both macro and micro structures.

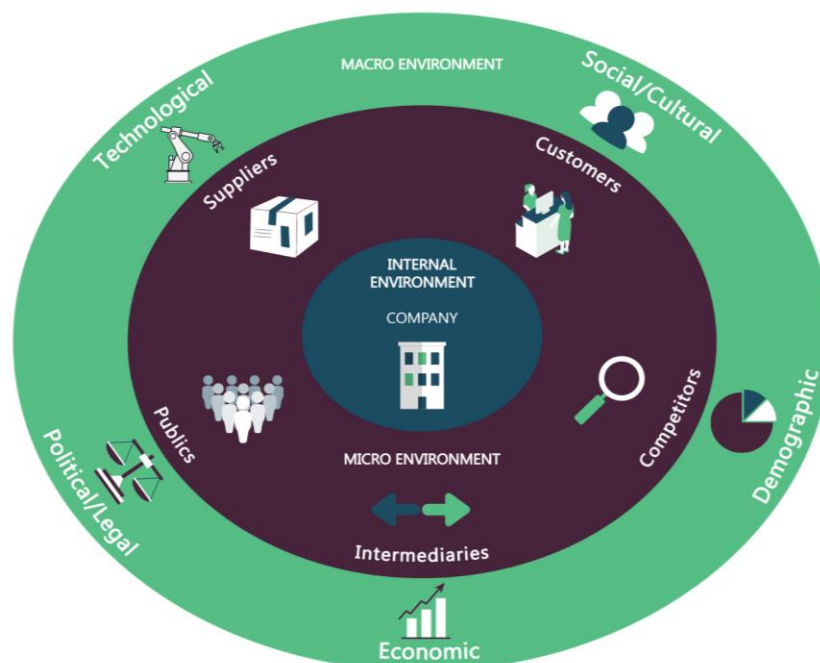


Figure 5. Marketing environment (Academy, n.d.)

The Macro environment takes into consideration the influences of wider society (Academy, n.d.). This can impact the micro environment, however the organisation is unable to control it. Companies must prioritize and focus on the relevant factors as those can have an impact on the way the company operates (Camilleri, 2018). These factors can include technological disruption, a recession, or a spike in unemployment. Macro environment further names aspects such as social/cultural (e.g. cultural differences), technological (e.g. big data), economic (exchange rates), political (trade restrictions) and legal (GDPR) which will be used as first part of the framework (Academy, n.d.). In our paper we will not utilize the environmental factor as WT is an IT solutions company.

Moving onto the micro environment, it includes factors of the company's day-to-day operations which can be somewhat controlled by the business. That includes customers (e.g. B2B), competitors, suppliers, strategic partners/shareholders, and publics (e.g. the media) (Academy, n.d.). Lastly, the framework includes everything inside of the company, the internal environment. The core of this concept takes into consideration staff at all levels (and all the departments), management decisions and influences, financial performance, company policy and logistics (Academy, n.d.).

Using Marketing Environment as the framework for the research of WT provides us with an insight into the macro, micro and internal business environments that the company is in. Regarding the macro environment of the company, we will focus on all the factors that were impacted by COVID-19. For example, in the economic part, we will focus on how COVID-19 impacted the economy of the industry globally and more specifically in the market in Denmark. Regarding technological factors, we will look into the product innovations. Social and cultural aspects will be explored around the changes in the society and around the international business model that the company uses.

In the micro environment, we will look deeper into WT's customers, which include around 60 airline companies, competitors, about 10-15 companies that provide similar solutions as WT does as well as suppliers, partners and publics. Finally, the study will focus on the internal factors of the marketing department of WT taking into consideration their business-level strategies as well as management decisions, financial performance, growth strategy, employee experience and internal communication.

5.6. Research analysis

5.6.1. Financial analysis

The focus of this section is to introduce the financial aspect of the WorldTicket looking at cost structure and revenue streams leading up to the profitability analysis from the year 2017-2019. As we are interested in the financial performance of the company, the financial analysis is one of the most basic forms for such a purpose (Zahariev, 2019, p.44). With various ratios representing the data of statistical significance, the ratios express correlations and compare two values which can be used to evaluate the financial performance of the company (Ibid., p.45). Our reasoning behind its implementation is to add a foundation for rational decision making taking into consideration a company's financial management (Ibid.). Looking at the percentage of ratios, it is easier to observe the overview of the company's financial ability rather than to observe the total revenue, costs, and investments.

We will begin with the cost structure of a business. It refers to all the expenses which are meant to deliver value, acquisition of key resources, execution of key activities, and relationships with important partners (Cortés-Robles et al., 2018, p. 288). Managers may have some impact on investments in these, for example an automation tool to save labor.

On the other hand, the business revenue streams produce profit and give answers to questions such as what are the customers willing to pay for (Ibid). As they categorize the business' earnings from certain mechanisms and channels, we can observe examples such as renting, leasing, advertising fees, etc.

The risk of the financial analysis is possible lack of transparency as the researcher needs to have knowledge about relevant accounting terms and calculations. Lastly, it may be difficult to orientate in the performance sheet as different companies can design their sheets differently. With the financial analysis, we will focus on showcasing the financial situation of WorldTicket and for an in depth overview on the financials we will utilize the ratio based analysis.

5.7. Data collection

5.7.1. Primary Data

Over the past years, interviews have become one of the primary techniques for data collection (Klenke et al., 2016). In qualitative interviewing, the researchers have a unique position as they are the primary data collection tool (Ibid.). We, as both researchers and interviewers, have contributed to the production of the form and the content of the interviews, which we need to stay aware of when analyzing the data (Ibid.). Thus, an analysis of the data from the interviews is sensitive as it is influenced by how the conversation is produced as interviews are social interactions (Ibid.). In our study, we have conducted three semi-structured interviews with employees of WT.

Interviews

In order to gather in-depth data from the decision-makers of WT, we have decided to use semi-structured interviewing as the main data collection method, as it is possible to combine both close-ended and open-ended questions (Klenke et al., 2016).

When creating the Interview Guide (Appendix IV), at first, main topics should be identified (Ibid.), we have done so by brainstorming in groups the topics related to the research question and aspects of the conceptual framework - marketing environment, and theories; bounded rationality theory and Contingency Theory. Then, we developed a list of questions related to the identified topics without fixed wording or order. The content of the interviews should be always focused on issues that are central to the research question (Ibid.), which we have ensured by asking questions regarding strategic decisions made in the company before as well as during COVID-19. Since all our interviewees have different positions in the company, which we knew beforehand, we developed three different Interview Guides, each for one interview. As the interviewees asked to see the questions before the interviews, we have revealed most of the questions to them to get their approval and signature of Code of Conduct.

Semi-structured interviews are a combination of structured and unstructured questions, which allow interviewers to use the guide, but follow an unstructured interviewing process (Ibid.). The flexibility provided in the form of rephrasing the questions and asking further inquiries, was the primary reason why we decided to use this type of interviewing.

To utilize semi-structured interviews properly, we had to admit that interviewing is not a mere data collection technique, but it involves analysis during the process of collecting data (Ibid.), as during the interviews, after hearing the answer, we analyzed it and came up with follow-up questions that could be useful for the study. Moreover, another essential aspect is to focus on the interview process itself, so what the interviewer says is treated with as much attention as possible (Ibid.). We implemented this together with showing our curiosity and openness by always having all four researchers present in an interview, listening and asking follow-up questions, while keeping one person as the main interviewer for each interview.

Considering the current situation and risks connected to COVID-19 pandemic, we have decided to conduct all interviews online via Google Meet, which allowed us to record the interviews on multiple devices and then proceed with transcription.

Sampling

The sampling method used in the study is generic purposive sampling, which Bryman (2016, p.412) describes as selecting respondents according to the criteria of their suitability to address the research question. The criteria in this case meant respondents that are currently employed by WT and have been employed by the company during COVID-19. Moreover, we aimed to interview employees, who have been either responsible for strategic decisions made in the company or implemented decisions. We have therefore interviewed three WT employees, representatives of the Marketing and Sales department, Corporate Affairs and Project Management and Vice President of the company. Each interview was 30-60 minutes long. During the interviews, one of the researchers was the interviewer, responsible for leading the conversation, while the rest of researchers were present in the online call and asked follow-up questions.

Transcription

We have decided to record and transcribe the interviews as it allowed us to fully focus on what the interviewee was saying during the interviews without being distracted by taking notes. We acknowledge that the transcript has an interpretative nature, which is why we aim to identify our biases and collaborate on transcribing and coding the interviews, to maximize the trustworthiness of the study. Documenting the research process supports transparency of the study, which is why we attached the full transcription in the appendix and will strive throughout the paper to give account for the research process.

One way to assess validity of the paper is “*interviewer sharing his interpretations with the interviewees*” (Bryman, 2016, p.383). It increases the validity as the interviewee is then in a position to confirm or oppose the interpretations of the interviewer (Ibid.). Therefore, to ensure that the data from the transcripts are valid, we have decided to share the transcripts with interviewees.

However, qualitative interviews produce a large volume of material, which must be transcribed, condensed, categorized, interpreted and made meaningful (Ibid.). Although transcription has the advantage of keeping intact the interviewee’s words, there is the downside that it piles up the amount of text that needs to be analyzed, which is time-consuming (Ibid.). Thus, part of the analysis involves combining data units based on the same topic, which is in this study further described in Coding (Klenke et al., 2016).

Coding

Coding can be defined as ‘transcribing, recording, categorizing or interpreting of given units of analysis into the terms of a data language so that they can be analyzed’ (Bryman, 2016, p.581). Codes are essential for processing of the data we acquired from the interviews and for creating a foundation of our arguments. Using codes means interpreting the text and breaking it down into meaningful segments (Ibid., p.583). Thus, we had to determine the boundaries that would specify whether text is associated with the code or not. We have therefore decided to use the conceptual framework as a structure.

According to Weaver-Hightower (2018, p.112), strong, well-defined components of a conceptual framework can assist researchers to organize the findings. That means that a model’s major elements can be translated directly into paragraphs and sections (Ibid.). We have decided to apply this structure by using the main elements of the Marketing Environment framework and identifying connected arguments of data from the interviews.

Using a conceptual framework for structuring is an appealing option, because it allows us to rely on the model for the progression, rather than determining the main sections from scratch (Ibid.). However, using the framework might mean overlooking or excluding some data as if it was not fitting the model, we would not pay further attention to it (Ibid.). To overcome this downside, we have decided to firstly code the transcripts by identifying all important information and arguments connected to our research and then identify data connected to the

framework. That is why our analysis is not only structured according to the Marketing Environment framework, but also involves additional sections.

When coding the interviews, we used thematic coding, which makes a distinction between manifest, themes directly observable and latent coding, themes underlying the phenomenon (Ibid.). With manifest coding, the objectivity can be achieved relatively easily (Ibid.). However, objectivity is much harder to achieve with latent coding. Coders provide subjective interpretations of the data, then those judgements are shared across coders, which turn the interpretations into intersubjective and can therefore be presented to readers of the research (Ibid.). Using thematic analysis allows us to encode qualitative information, organize the observations and interpret aspects of phenomenon (Ibid.).

5.7.2. Secondary data

Collection of secondary data began in the early stages of the project development. To determine the main topics of the inquiry, such as strategic decisions, marketing, and tourism during the global pandemic, we investigated several research journals and articles, explicitly explaining the themes. We aimed to use various sources to get better insights and simultaneously maintain the reliability aspect. The methodological section is created purely upon the secondary data using writings of Flick, Yin, Egholm, etc., we gathered needed information to build an appropriate framework that would reflect our research interests. Moreover, the theoretical framework was grounded on secondary data as well: verified articles and extracts from theories, founders' books and other practitioners gave us necessary insights that will be used along with the primary data in the analysis section. When it comes to analysis, we are collecting both primary and secondary data. As for the latter, we will be implementing the financial statements of WT from the years 2017, 2018, and 2019 to get a general overview of the company's financial performance.

5.8. Limitations & Delimitations

Limitations

The research has taken place during the global COVID-19 pandemic, which largely influenced the study in various ways. While it has limited the study in, for example, data collection process, it has also been an inspiration and an essential factor for the topic of the study, WT crisis management.

When collecting data, we had to adjust to the current situation and decided to conduct interviews online in order to protect interviewees' health. Participants chose the place for the interviews according to their preference and comfort, which resulted in all interviewees joining the calls from the WT's office. Thus, their answers might have been impacted by the environment and their surroundings, such as sharing the office with their colleagues.

Moreover, during the time of the interviews, the number of COVID-19 cases in Denmark was neither rising nor falling (Statista, 2021), but the society has been opening up and the restrictions have been on ease (Reuters, 2021). This situation has influenced the study as employees could have answered differently, if the country was still in a strict lockdown or if the employees still worked mostly from home.

The study has also been limited by the company's publicly available financial information. WT has two companies and only one of them is public. Thus, the private one does not share its bookkeeping publicly, which meant we did not have access to it for the purposes of the financial analysis. Furthermore, by the time of the performed analysis, WT's public company did not publish its bookkeeping for the year 2020. Hence, an analysis of the company's financial performance during the time of the crisis could not have been carried out.

Delimitations

In the beginning of the research process, we have conducted interviews with multiple companies and decided to proceed with WorldTicket as our case, because of the extent of pandemic impact on their business compared to other businesses.

The framework used in the research is Marketing Environment. But since not all its aspects are related to crisis management, chosen decision-making theories and studied case, we have only

used the framework to a limited extent. For example, an aspect of distributors was excluded from the analysis as WT is a Software Solution company and its own distributor.

Since WT has its headquarters in Copenhagen, Denmark, where we managed to get in touch with their Marketing and Sales department, we have limited our focus of interviews on employees from this office. Moreover, we have limited our sample to interviewees that have positions related to Marketing and Management as we aimed to get answers regarding their marketing plans, both internal and external processes and crisis management strategy.

Another delimitation of the data collection process was only interviewing WT's employees, no other stakeholders like their customers or investors. The reason behind this decision is missing connection and resources to conduct interviews with other involved groups. However, if we were to make a larger study, we could involve interviewing different stakeholders to enhance the complexity and validity of the research.

5.9. Reliability

Reliability focuses on the extent to which a measurement of a phenomenon offers stable and consistent results (Wilson, 2013, p.145). Our secondary data sources mainly from books published by established authors such as Chernev or Wilson, business journals, and business publications such as Harvard Business Review. Furthermore, in general, it may come as difficult to determine the credibility of various internet websites, however, the material for this paper is sourced from publications such as Sundhedsministeriet or Statista. While there may be some weaknesses in terms of the robustness of the data using this method, utilizing this type of data can function as an addition towards a more thorough, multivariate picture. Additionally, gathering data through this method saves time and resources on obtaining data conducted by other people (Ibid., p.215).

5.10. Validity

Wilson, refers to validity as one of the most important parts of a research. It functions as an assurance for a researcher to measure what they intended to measure (Ibid., p.132). We can identify two types of validity: internal and external (Ibid.p. 148).

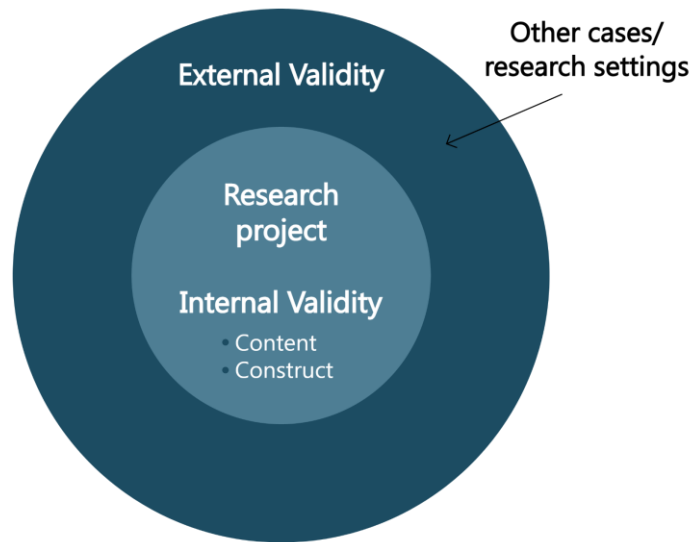


Figure 6, Validity (Wilson, 2013, p.148)

Internal validity further divides into content and construct (Ibid.). The content can be identified with face and sampling factors, the face factor has been dealt with by using a language both interviewees and interviewers are proficient in - English (Ibid.). Moreover, we made sure the interviewees understood every question, and if there was a problem with understanding the question, the interviewees were free to ask for a further explanation. On the other hand, we kept the sampling factor in mind and did not focus only on the internal processes while gathering our data. This point is closely related to our utilization of the Marketing Environment framework and financial statements, as the framework addresses the macro environment which the company cannot influence, the micro environment which the company can influence, and finally the internal environment where we could see how the company responded and utilized the prior. Additionally, we utilized the financial statement due to potential unveiling of factors the company did not want to mention, and which could be taken into consideration during their decision making.

When looking at the external validity, our study can function as a reflection study for other IT solution companies in the aviation industry. Therefore, unlike a positivistic study, our interpretivist approach leads to understanding the case in this particular context to provide new insights which can, in the long run, be used as a starting group for a research that strives to be generalized.

6 Analysis

6.1. Macro Environment

As mentioned earlier in the methods chapter, the analysis chapter will be outlined according to the marketing environment framework. The analysis will start with an encounter of the economic challenges, where we first look at the overall aviation industry then the market and depute it had to face because of COVID-19.

6.1.1. Economic

The impact of the pandemic on the global travel industry is yet to fully unfold since the scale and impact is still rising (Matiza, 2020.). The global tourism industry faces a challenge from both the tourism demand connected to perceived health, social and psychological risk, and supply-side massive fiscal deficits, layoffs and bankruptcy (Ibid.).

Arguably the tourism industry took the biggest hit since international travels completely froze at the time of the outbreak (Ng, 2021). EUROCONTROL's reports from April 2020 shows that at the time of the outbreak the daily network traffic was reduced by over 90% for the largest air operator groups such as EasyJet -99%, IAG Airlines -97%, Air-France-KLM -96%, Ryanair Group -96% and Lufthansa Group -95% (EUROCONTROL, 2020, p.5). In March 2021 there were 9.856 flights which account for 36% of the 2019 levels (EUROCONTROL, 2021, p.1). A year later after the outbreak numbers also show a 65% decrease in traffic for the same week in 2019 (Ibid.).

Interestingly the pandemic completely changed the whole aviation industry including all business which has or had connections to it. Looking at the situation, COVID-19 revealed tight connections in the network of businesses that had to react as one to the crisis, while facing enormous challenges. Eventually, as suggested by Contingency Theory, businesses needed to change to adapt to the crisis in order to survive. In economic terms, the crisis meant less sales for any company in the aviation industry because of travel restrictions. According to crisis management the decisions had to be made consciously and fast to protect itself, which in this context applies to the economy of the industry, employees and the businesses.

As Contingency Theory suggests bigger companies, that refers to international airlines in the aviation industry tend to suffer more than smaller competitors (Ibid., p.16). Small and medium airlines had not such a huge economic down-slide, because of the local services which were needed during the pandemic (Ibid.). Bigger competitors scaled down in favor of smaller airlines since routes for small airlines were allowed (Ibid., p.24). Generally, these airlines in the industry, including WT's customers, focused on finding innovative and more sufficient software solutions to optimize their operations (Ibid., p. 2). The role several airlines transformed during the crisis to deliver efficient solutions instead of mainly handling passengers, which meant more potential customers for WT. This a sign of crisis management and a reaction to the economic crisis that the pandemic caused in the industry in relation to traveling passengers. The prices were pressured even before COVID-19 (Ibid., p.23), but the pandemic situation and the sudden need for software solutions pushed the competition even harder. Since many of WT's competitors also target a niche group of airlines (Ibid., p.17), the market is considerably small with a limited number of global competitors.

Because of saturation on the software market for airlines, prices were decreasing (Ibid., 23-24), stressing the market even more. WT could also feel the pressure from the competitors, which might reflect on their revenue for Fiscal Year 2020. Therefore, many software companies in the industry had a tough year struggling with revenue. WT managed to withstand a strong position on the market despite not being a market leader (Ibid., p.17-18). However, there are still some price sensitive markets such as Asian and Africa, where WT needs to coordinate globally and use a different strategy than in Europe (Ibid., p.22).

6.1.2. Political & Legal

The next few sections will focus on the political and legal aspect of WT's external environment. The World Health Organization (WHO) announced the COVID-19 outbreak as a global pandemic on the 11th of March 2020 (Böhm, et al., 2020, p.62). The same month the pandemic reached Denmark and since no treatment was available at the time, governments and health organizations created guidelines and restrictions in order to reduce the spread of the virus (Ibid.). The situation called for drastic measures, daily institutions and business had to close down, which affected the social life, well-being and economic welfare of individuals (Ibid.). To overcome these challenges, businesses and governments needed to redesign strategies that

would help them overcome the perceived risk and changing values of tourists, like greater responsibility or sustainability from tourism suppliers (Sigala, 2020).

Generally, everybody had to adapt to day-to-day decision making and react quickly to the upcoming threats and regulations imposed by the governments. This meant instantaneous crisis management from the government's side, which took responsibility for setting guidelines that local business had to follow. There were immediate negative consequences in the aviation industry as WT's customers had to deal with travel restrictions. In the beginning, flights were banned, which raised several problems in terms of marketing initiatives promoting travel (Appendix I, p.5). Companies like WT had several legal obligations to the regulations imposed at the time, thus governments and study agencies regulated the whole industry in collaboration (Ibid., p.6-7). Furthermore, sharing of these articles include a social responsibility of following the guidelines. In the case of WT, regulations imposed by the Danish Government influenced the daily operations. International companies like WT, were more challenged with different office destinations and local regulations. The danish national guidelines for COVID-19 friendly operations were long-term, (Ibid., p.7,20), so many companies relied on those instead of immediate crisis management within business. As mentioned earlier WT simply followed the guidelines, which was decided by the government, to control and adjust to the situation. This also meant that businesses skipped several steps in the individual process of crisis management such as identifying, analyzing and preparing for the problem. From a bounded rationality perspective, they could also aim for satisfying results knowing that they had limited capacity and resources to plan internal crisis management, so they choose the government guidelines to be more beneficial.

Luckily, in Denmark the restrictions were partially eased in the middle of April- May 2020 where respectively liberal professions, restaurants, shopping malls reopened (Böhm, et al., 2020, p.62). At the beginning of June 2020, social gatherings of up to 50 people were allowed but then new restricting guidelines were reintroduced in autumn 2020 (Ibid.), which meant that business had to close down again. Due to these challenges, the Danish government has introduced Relief Packages of DKK 17.5 billion to reduce the impact of COVID-19 on Danish Business (Vækstfonden, 2020). This includes partnerships that aid financial support for businesses that seek sustainable development goals (Ministry of Foreign Affairs of Denmark, 2020). This meant that businesses in Denmark could get help as many were struggling to survive due to the crisis. IT companies were indirectly influenced by COVID-19 as mostly

their customers, the airlines were restricted, WT was one of the businesses that got support from the Danish Government by receiving these relief packages (Appendix I, p.20). There are different kinds of relief packages ranging from loans, sickness benefits and compensation for expenses, wages or cancellations (Copenhagen Capacity, 2020). The effect of the possible use of these packages will be reflected upon in the internal financials and financial analysis.

Eventually regional flights were allowed, so WT could generate some revenue in addition to the economic-legal help from the Danish State. Without doubt the efficiency of how well WT adapted to the crisis will be reflected in financial performance and/ or internal innovation. More than a year has passed since the outbreak started but life is still not back to normal for individuals nor their business, thus some restrictions have been eased in Denmark for smaller businesses in March 2021 (Sundhedsministeriet, 2021). However, another wave of the pandemic is on its way (Kuskner, 2020), so we might have to go back to tight restrictions, which would also mean being stuck in the stage of controlling the crisis and shifting back to more or less normal.

6.1.3. Technological

As WT focuses primarily on IT solutions, the scope of the technological section will also focus on IT as aviation technology can go further than that (flight training, aircraft security, etc.) (APAC CIO, 2020).

The aviation industry has been transforming and advancing digitally due to a number of reasons. Either focusing on the customer, to provide better passenger experience, address customer lifetime value, improve customer support, or to enhance the crisis and disruption management (Dykins, 2017). On the other hand, digitalization is capable of bringing business benefits as well. For instance, easier partner or channel integration, insightful business analytics, to protect brand value, or brace against market disruption (Ibid.). Therefore, we can see that the transformation is not just about modernizing the software but also about taking a look at how the integration of a new system helps the airline to better serve its customers, generate value and become more efficient.

WT seems to be aware of the digital disruption and continuous eagerness for improvement in the aviation industry (Appendix I, p.3), therefore we can safely say they should not fall behind the curve that soon. Once the COVID-19 hit, we could observe the aviation industry taking an

immersive hit, however, as the team states, with priorities shifting WT could focus on their existing products, primarily on their user experience enhancement and next generation implementation (Ibid., p.4). The team could see 80% of customers still using the old SMS4 (now SMS5) system which now, also thanks to COVID-19, could be more in focus. As the Vice President (VP) commented, the most important step in the further utilization of their solution was the initial decision of integrating the rest of the customers (Ibid., p.29). WT offered a new version of their product which was an opportunity that came to light because of lowered pressure from airline customers (Ibid.).

We can identify that the management started to think within the crisis management concept, as during the pandemic they thought about utilizing the time to push their innovative product further. Seeing the potential of a new SMS version of the system also signalizes effective leadership, especially during the crisis. Moreover, looking at the situation from the bounded rationality point of view, the company could not predict what would happen. As the situation can change anytime, innovation and implementation of a new product could have had bad results as they unseemingly operated with minimum resources they had, instead of developing new products. Thus, with the Contingency Theory in mind, they had to adjust to the current environment, e.g. governmental regulations, for instance to keep the internal communication to the maximum by utilizing their intranet communication system (Ibid., p.13).

We could notice the COVID-19's impact not only on the way the aviation industry got affected but also how it affected the employees' way of work. Many elements of business are being challenged, from internal processes to the way companies approach their customers. The traditional ways of approaching the customer took a hit, however the unmapped territory of purely digital approach was not counted on by the organizations including WT. Most of the organizations focused their actions on emphasizing empathy and care during the crisis (Dore et al., 2020). However, we will dive deeper into the topic in the Customer section. In WT's case, a big change occurred when their primary way of approaching potential customers shifted from on-sight meetings to online meetings (Appendix I, p.3). This change is not necessarily bad, as it saves traveling costs and makes more meetings possible (from one meeting per day to three or four meetings a day). The switch to online meetings is an effective step towards the most successful outcome with almost minimal input. There are additional ways such as VR meetings that are becoming more popular, however the company would have needed to invest and implement the solution for both ends (the customer and themselves). Furthermore, with the

focus on internal development, WT renewed their website, social media channels, and ways of communication online (interactive videos). Even if it may seem banal, companies are still not utilizing the internet to its full potential which ultimately makes a difference on the market. In that sense, WT brought a new educational platform for the customers, airlines, and travel agents (Ibid., p.14). The platform's main focus is to educate the audience about the new system, as well as exchange knowledge. Customer retention is a complex topic, however with the right asset maximization, it can lead to a massive value creation thanks to technology.

Therefore, we can say that WT is not scared to innovate or step into an unknown territory and gather new experience by exploring possibilities on how to push their current technology forward, and implement it for their customers.

6.1.4. Social & Cultural

In terms of social and cultural analysis we will mainly focus on the target audience in Denmark as WT's HQ resides here. Furthermore, due to WT's high interest in the end customer, and the end consumer's massive impact on WT's business, this section will elaborate on the behaviour of the B2C end customer rather than the B2B customer. With the company's global presence with offices in Denmark, Thailand, Poland, and China, and an addition of the VP's statement about their missing presence only in America, this part of analysis could become too extensive (Appendix I, p.16). Therefore, we will keep the social and cultural aspects in Denmark with notes including correlation between the Danish social behaviour and international customer behaviour changes due to the pandemic.

Denmark portrays an ideal consumer society - its high purchasing power and good quality of life, Danish consumers are attracted by quality and innovative products (Santander. 2021). Which also reflects a high consumer demand ranking it among the most in Europe. With new technologies and access to information consumers take the additional step to evaluate, question, and compare before making a purchase. A positive customer experience is therefore a must, especially with 4.6 million internet users from the country, customers continue making more purchases online to avoid queues or sold out products (Ibid.). With the COVID-19 crisis, the customer confidence dropped, e.i. degree of optimism that consumers feel about their financial situation or overall economy (Ganti & Walters, 2020). Even with the country slowly opening its municipalities, consumers still expect to cut back on spending, excluding groceries and household supplies (Barchet et al., 2020).

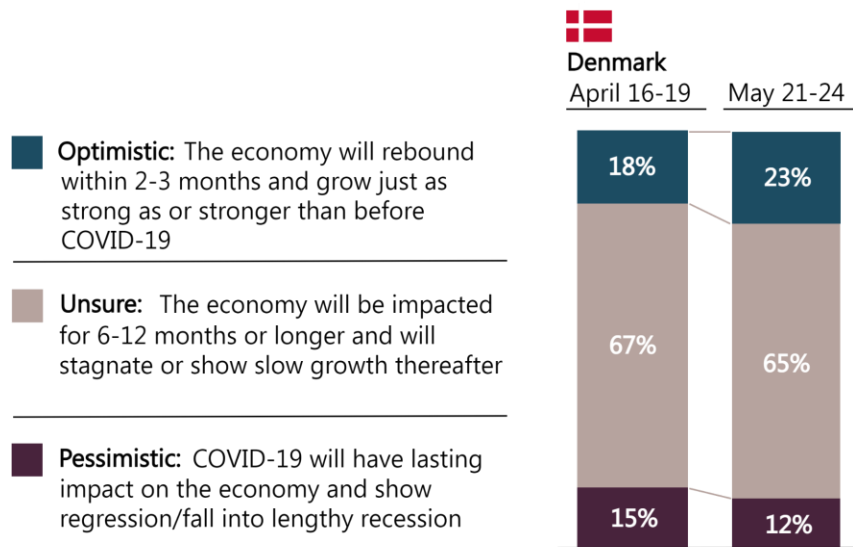


Figure 7 Economic recovery optimism in Denmark, 30 respondent (Barchet et al., 2020)

The graph displays Danish optimism of the economic recovery which can severely affect the customer's incentive on spending financials on various services, including flying. WT had to think of a strategy on how to be efficient, as in a normal situation they would have been able to explore different methods on how to make their B2C customer happy and engaged (as most of their social media strategies are aimed at the B2C customers).

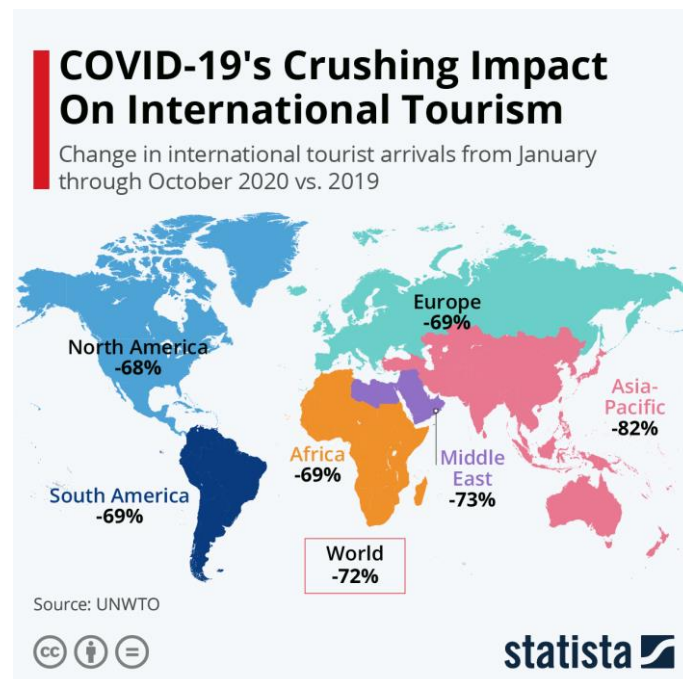


Figure 8, Impact on international tourism (Richter (b), 2021)

However, assuming WT's resources are minimized during the crisis, the company is trying to shift the B2C customer optimism with spreading positive messages throughout their channels which, in the long run, can add to a better opinion of the current situation and affect the customer's confidence to spend on travel as well. We will further elaborate on how WT utilizes their media in the Public's section. Although, we can see that the incentive to travel in the current situation is still rather small (Figure 8). With people seeing the negative effects and ever evolving new types of the COVID-19 virus appearing in various countries, personal safety is another factor that affects customer's motivation to travel. Even though WT tries to spread the positive messages, the negative news appears to overwhelm the aviation industry's incentives to spread positive messages and shift the social implications to the positive side faster.

When it comes to product origin, Danish products are always preferred, however, international products with a long-established brand are not automatically rejected (Santander. 2021). The customer loyalty is achieved through positive customer service and branding, and customers are relatively open to new products. Denmark being one of the most technologically advanced countries, the use of social media makes an impact on consumption. According to a Deloitte study, 61% of consumers confirmed they are influenced by recommendations on social media and 44% by influencers (Ibid.). There are multiple ways to reach a Danish consumer, however, as WT utilizes primarily social media and newsletters we will focus on online opportunities (Appendix I, p.6). According to IAB Europe, Denmark ranks as second out of thirteen EU countries generating internet advertising revenue per user (Santander. 2021).

WT's way of approaching their customers changed a little bit due to the company realizing people did not pay attention to newsletters on a daily basis (Appendix I, p.6). However, during the pandemic they have used the fact that people were staying at home, bored, spending more time online than ever. Which is not necessarily wrong. The decision could have happened due to the awareness of the marketers who themselves utilize the internet more than usual, while feeling bored. On this matter, we can identify the simplification of a contemporary anxiety everyone goes through during the pandemic (Dore et al., 2020). WT simplified the different ways how spending time at home affects each of us to understand the issue and come up with an effective solution for their product awareness. Moreover, based on WT's data the need to travel at least regionally has been present even during COVID-19 (Appendix I, p.24).

This proves to be valuable, as WT's main customers have been identified as the small airlines having up to 4 million passengers per year (Ibid., p.22).

6.2. Micro Environment

6.2.1. Customers

Every company has an objective to establish a certain customer base they could supply with its products or services in order to grow their business. As for WT being an IT solutions provider for the airline industry, the most desired customer segment is air travel companies. As the interviews revealed, the WT market segmentation is generally based on three aspects: the size of a company, geography, and the company's fit to the solutions.

Taking this more particularly, VP referred to the customers of the WT as smaller or mid-sized airlines. The defining factor of airlines size is the approximate number of passengers it transports annually, hence, WorldTicket solutions target airlines with up to 4 million passengers per year (Appendix I, p.22). As for the geography, interviewees revealed that it depends on where the WorldTicket's branch is located. For instance, the sales and marketing representative said that the Danish branch, located in Copenhagen, mainly targets local Danish and Scandinavian airlines, while the Bangkok office is focusing on the South Asian market (Ibid., p.16).

The VP, nevertheless, highlighted the differences between markets: the Asian market is highly price-sensitive, thus to build a stronger customer base, WT has to approach them with a lower price, simultaneously, considering European customers. The latter are less price-sensitive, hence are charged relatively more but not too excessively without compromising their interests (Ibid., p. 22). Furthermore, the third aspect was illustrated by the sales and marketing representative's claim that WT products are most appropriate for start-up companies as they have the potential need of establishing a passenger retail solution. The reasoning behind serving start-up companies is the convenience of the solution: instead of setting the whole IT department, smaller companies can outsource passenger retail solutions from WT, which makes their operations more efficient.

One of the core WT's objectives is to make their customers happy, the mindset is shared throughout all offices (Ibid., p. 12). In light of this, the question arises why a relatively small

company is not operating from one location to save costs. Looking through a bounded rationality perspective, the environment becomes a core mechanism for a decision-maker, however, as is known, is constantly unstable and highly uncertain. For instance, the Danish branch of WT could not fully grasp local Asian markets due to language barriers, thus opening multiple offices can increase efficiency. Having a presence in areas where core customers are located is always worthwhile, just as the WT pointed out, it can become a competitive advantage (Ibid., p.16).

6.2.2. Suppliers

Suppliers are one of the core subjects from the external environment with whom organizations are bounded with economic interaction. They provide necessary supplies for the organizations to produce products and services (Johnson, et al., 2017, p. 56).

During the interview, a Sales and Marketing representative introduced a new strategic concept adopted by the WT - an Intranet, designed to enhance internal communication processes during a crisis. A social media type platform with different channels and boards where the WT members can freely post, comment, inform and give feedback to one another which helps coordinating remote work, forecast duration, and office reopening (Appendix I, p. 9). Even though WT noted that the marketing department is 'the owner' of the Intranet, communication within, and its layout (Ibid., p. 10). WT is not the original creator of the platform, as they are using Google as the supplier of the Intranet.

As crisis management states, in order to overcome hardships caused by the crisis, organizations must clarify their priorities. Marketing and Sales specified that plans for a new Intranet were ongoing even before the COVID-19 hit. However, the crisis became an inevitable circumstance that quickened Intranet's establishment and made it one of the firm's priorities. Therefore, the supplier plays a crucial role here in providing a priority product for WT that contributes to managing the crisis by monitoring internal communication.

6.2.3. Competitors

The airline industry became a life-changing strategic sector: it held an essential role in globalization among other industries, tourism promotion, foreign investment, etc., which, ultimately, lead to economic growth (Nhuta, 2012, p. 433). However, the airline industry is very dynamic, ever-changing, and highly competitive. Generally speaking, in the airline

industry WT is present as a PSS solution provider, therefore competition for the company is milder. As the PM noted WT is operating in a very specific niche up to 4 million passengers per year, where there are 15 competitors on the market, offering either similar solutions or similar target groups (Appendix I, p. 17).

Furthermore, the crisis setting was very unclear in terms of social media, thus they were investigating competitors' social media platforms in line with posting preferences because the competitors' decreased the number of posts on media platforms, WT reduced its own activity accordingly (Ibid., p. 11). When evaluating the competition during the pandemic, WT team's representatives agreed that it got tougher: some of the competitors were struggling more than the others, hence to survive, they aimed to implement new strategies, such as aggressive price cuts. However, the VP explained that instead of copying this strategy, WT opted to observe, then decide (Appendix I, p. 24).

As is known, WT is operating in several offices, although is a relatively small company having approximately 200 employees, while most of their competitors have up to 15 employees (Ibid., p. 18). As the Contingency Theory outlines, larger companies are prone to be more vulnerable in comparison to smaller or medium-sized organizations (Donaldson, 2014), thus, in theory, WT should be affected worse than its competitors. However, WT is practicing a more diversified strategy than its competitors, which minimizes the effect of the crisis. The VP highlighted the company's advantages, such as a global approach, a greater selection of offered solutions (PSS, W2 sub-hosting solution), and FlexFlight airline that their competitors are lacking; thus, the effect of the COVID-19 crisis is lower for WT than for its rivals.

6.2.4. Intermediaries

Frandsen & Johansen (2015, p. 257) suggest a definition for intermediary as being an individual, a group of individuals, or a company from a specific industry or sector, and whose primary role is to mediate activities within the organization, intervene for a sake of the welfare, or guide through uncertainty.

When asked about any intermediaries of WT, the VP outlined that the company has two major investors from America, which can be comprehended as intermediaries (Appendix I, p. 28). The role of intermediaries is not only to support WT financially but also to set guidelines of how to cope with crisis whereas VP noted intermediaries have certain regulations concerning emergencies, as “*they are very prepared for situations like this (crisis)*” (Ibid.).

Following the claim of Bounded Rationality Theory, the environment of decision-making is always uncertain. Indeed, WT incurred contextual boundaries related to the COVID-19 outbreak: as the Project Manager (PM) remarked, the company did not have a crisis management plan, therefore, there was no ‘playbook’ from which they could derive solutions to problems. Nevertheless, intermediaries held the role of assisting WT to minimize contextual constraints as investors' regulations have become crucial guidelines for WT’s decision-making in terms of employee safety (establishing home office) and internal communication enhancement.

6.2.5. Publics

Public relations management is important to organizations as it impacts the growth and welfare of the business (Han, 2014). However, due to the mega clusters and limited information out of interviews, the section's main focus is on media publics, and incorporating customer publics.

The outbreak of COVID-19 changed several of WT’s organizational features, including changes in social media channels, home office implementation and cautious external communication. WT reminisced that social media management used to be looser in comparison to current management tendencies (Appendix I, p. 2). He emphasized that WT’s social media approach was grounded on positivity by sharing personal accomplishment and general industry praise (Ibid.). Thus, four main social media channels (Instagram, Facebook, Twitter, LinkedIn) shared content that would signify a positive message. On Instagram, the company was posting travel destination photos with attractive captions encouraging people to consider the place as the next journey. While on Facebook, Twitter, and LinkedIn the company mainly shared the same content, reposting insights about the air travel industry or sharing their achievements of signing with new customers (Ibid., p. 4).

The pandemic became a great challenge for WT considering its objective of positivity in social media or articles, they would normally share, were mainly highlighting the negative side of the virus: decreasing numbers of travelers, restrictions, and hardships the airlines are dealing with (Ibid., p. 5).

Articles

Once the crisis gained momentum, the approach on social media has been altered: the company was looking for articles that would emphasize positive prospects for the industry, highlighting

the importance of the airline sector and forecasting traveling chances. When sharing articles, the main emphasis went not on the travel promotions but the essence of the industry:

“We wanted to share how globalized our world is and the air travel is needed in order to deliver essential goods (e.g. masks) in a fast, safe, and efficient way. Instead of just promoting leisure traveling, we wanted to show the importance of our industry.” (Appendix I, p. 5).

Even though the sales and marketing representative emphasized the fact that WorldTicket is a B2B company and interaction on social media channels is quite low, there were few occurrences when followers would leave negative comments under the shared articles. The company aimed to address uncertainty by providing facts on certain topics, e.g. how air travel can be safe during the COVID-19.

Instagram

Meanwhile, on Instagram, the hashtag *#stayathome* was implemented to encourage people to abstain from unnecessary traveling (Appendix, p.5). Additionally, behavior on the platform was likewise different: instead of the usual 3-4 posts per week, it diminished to 1, rarely 2, sometimes a week without posts. WT aimed not to overdo traveling promotions to maintain a responsible manner. Moreover, the Sales and Marketing representative underlined a change of lexicon: wording and appropriate terminology became an essential aspect when communicating externally, as the aim was not to get too emotional and remain positive (Ibid.).

We’re trying not to overdo it (posting). We don’t want to be seen as carelessly promoting traveling - ‘just buy tickets, buy tickets’. It would mean going against all the recommendations of the government, which can’t be counted as productive in any sense (Appendix I, p.4).

Considering this from a Contingency Theory perspective, when companies are caught up in the uncertainty, they are expected to make adjustments in their organizational features to maintain efficiency. In this case, the COVID-19 crisis obligated WT to make changes in their social media management strategies to maintain a friendly and at the same time cautious tone, not to overdo with travel promoting, rather highlight industry's importance.

Newsletters

Another communication means WT widely utilized during the crisis, was newsletters. The sales and marketing representative highlighted that newsletters were one of the several products that were redeveloped during the pandemic. The main goal of a product was to communicate a positive outlook, i.e. highlighting chances that crisis brought. The sales and marketing representative gave an example of a small local airline that kept all their operations during the lockdown, a splendid practice example was certainly accentuated in newsletters (Appendix I, p. 8). In fact, WT claimed that before the crisis, newsletters were not reviewed often, however, now it has changed, which created a chance for WT to attract more readers and boost efficiency.

Future overview

In response to whether the company will continue with initiatives set up during the crisis, interviewees were cautious: the crisis is still ongoing, the uncertainty is continuing, therefore, the current initiatives can be replaced with new and more effective ones. However, the VP clarified the crisis helped them to engage with the audience on a more personal level:

“We are on the same boat - it's a challenge for the whole industry. So rather than just being a company that is trying to sell the solutions, we have grown something common with the audience - love for the industry.” (Appendix I, p. 25).

Overall, WT aims to keep enhancing engagement with the users, growing the audience, and maintaining a positive attitude on social media channels.

6.3. Internal Environment

6.3.1. Organization Structure

The structure of a company impacts how efficient a company is, especially in the time of crisis. According to Contingency Theory, this efficiency results in profitability, customer satisfaction as well as innovation rates. WT is not a large company, yet its structure is quite untraditional, as the company has offices in 5 locations around the world (WorldTicket, 2021).

The number of WT employees is in the range of 51 to 200 employees (Appendix I, p. 18), which makes it a medium sized company. Its headquarters and the CEO and leadership office is in Copenhagen, Denmark (Ibid., p.4), where many of the important decisions are taken. However, as the Sales representative revealed in the interview “...all the key people who are

located in different office locations participate in the decision-making process.”(Appendix I, p.10). Thus, WT’s structure resembles an organic environment, where employees from different levels participate in decision-making processes, which help the company with handling the crisis more than if it had a stronger hierarchy.

What makes WT different from other PSS companies and other classic medium-sized companies is how international the company is. Having offices in China, Denmark, Poland, Thailand and Ukraine brings many different cultures together, which needs to be addressed and built upon, to create a strong company culture. Based on the conducted interviews, it seems that the culture in the Danish office is fairly united as when asked about the company's mission, vision and values, all interviewees answered similarly. While the PM claimed that employees from all other offices share the same mission and values, the Marketing and Sales representative emphasized that in the sales department employees have different market knowledge, work in different offices, different time zones and in different languages (Appendix I, p.10). Thus, although having offices around the world is WorldTicket’s competitive advantage as they offer 24/7 service (Ibid., p.10), it also creates challenges for the culture in the organization.

Because of the international set-up, most employees of WT, especially the top management, have already been used to online meetings (Ibid.). Yet there had to be some adjustments made when the world was hit by the pandemic. Although WorldTicket did not have any plan prepared, the American investors that had enough regulations in place were prepared for a situation like this (Ibid., p.28). The support that the investors provided included reacting fast when deciding whether the employees should be sent home as well as communicating clear guidelines to the employees throughout the crisis (Ibid., p.29). WT has limited information, experience and competencies, thus, the information provided by the investors helped the company to interpret the situation correctly and understand the circumstances related to the pandemic.

The company focused on making the organization more efficient by creating a new position, Corporate Affairs and Project Manager (Ibid., p.13) who is in charge of making teams work more efficiently, providing better coordination and supporting managers if there is anything that should be changed within their teams (Ibid.). Addressing the gaps and solving these collaboration and communication issues is important for a company in crisis as efficiency should be the company's priority.

6.3.2. Internal Financials

According to Contingency Theory and crisis management the degree of efficiency during a crisis emergency, can be measured in profitability. Bounded rationality verifies the same point as businesses as well as individuals, are motivated by benefit in their decision making process. We will focus on the financial benefits in this subchapter and dive into the business performance. Firstly, the qualitative data from the interviews will be presented, which will be followed by a financial analysis based on quantitative data.

On a smaller economic scale, several businesses including WT stopped hiring new employees as an effect of the pandemic (Baert et al., 2020, p.2). However, WT chose to fully utilize human capital across departments by offering students full time jobs in marketing and sales for instance (Appendix I, p.1). In this way they could stay efficient and make the most out of the resources on hand. Therefore, no significant changes in staff costs are expected as WT did not have to let go of any employees because of the pandemic (Appendix I, p.19-20). Since the amount of staff cost usually equals around $\frac{1}{3}$ of the revenue, it is a significant cost for WT. If the staff cost and external expenses stay the same while revenue decreases, the chances of loss for Fiscal Year (FY) 2020 are high. WT has the legal opportunity of applying for relief packages provided by the Danish Government. The types of packages that would give the best benefit for WT would be compensation for expenses or wages. The latter would however require a minimum of 30% of the total staff or more than 50 employees to be sent home (Boesen & Pedersen, 2021). This would give WT an opportunity to improve their performance.

The way WT handled the crisis was to mainly focus on internal projects (Appendix I, p. 1, 7), which will hopefully lead to less other external expenses that had a significant negative effect on their profit in 2019-2016 (Annual Report, 2017, p.7). This also means that they spent more money on improving internal products than marketing for customers. In terms of crisis management this could be an emergency response. In relation to internal development and innovation WT invested in the existing website, new products, customer intranet and community website (Appendix I, p.25-26). Therefore an increased budget for product development is expected for FY 2020 and proposedly also 2021. Since the events were cancelled (Ibid.), WT's usual opportunity to close more contracts in social circumstances was gone. This meant that they could not present themselves for many potential customers at the same time, the way they used to. The issue lies in if they were able to close enough contracts with customers who reached out to WT during the FY 2020 in comparison to before where a

significant number of contracts were sealed during social events. There were no cuts in marketing budget despite no events being held leading to reduced marketing costs (Ibid.). WT expects to increase the budget in FY 2021 for marketing events to make up for the postponed events (Ibid.).

WT argues that there was no significant drop in revenue but there was less sales because of the pandemic (Appendix I, p.15). It is not completely certain how the pandemic affected WT. Thus, they expect less revenue than the year before but the pandemic's direct influence on sales is unclear as no customers were lost. Some interviewees expected the same performance on sales as a lot of contracts were closed, while others were more skeptical. This can be explained by the price pressure from the market that could result in less revenue despite a lot of closed contracts and sales. The company has the advantage of low distribution costs, which will not take even more toll on the revenue.

6.3.3. Financial Analysis

Income statement DKK'000			
	Group (Consolidated)		
	2019	2018	2017
Revenue	77.309	69.398	89.080
Other operating income	0	12	0
Other external expenses	-35.678	-44.270	-50.507
Gross profit	41.631	25.140	38.573
Staff cost	-26.814	-23.512	-28.387
Amortisation/depreciation and equipment of intangible assets and property, plant and equipment	-9.237	-8.494	-6.251
Other operating expenses	-81	0	0
Profit/loss before net financials (Resultat før rente)	5.499	-6.866	3.935
Income from investments in group enterprises	0	0	0
Financial income	1.118	1.108	1.012
Financial expenses	-1.894	-1.501	-4.013
Profit/loss before tax	4.723	-7.259	934
Tax for the year	-1.201	1.345	454
Profit/loss for the year	3.522	-5.914	480

Figure 9, Income Statement, Appendix V

Looking at the financial statement for WT, there are small fluctuations in revenue in contrast to the expenses and costs. Specifically, other external expenses and staff costs are very high compared to the revenue, which has a great impact on the profit/loss. Even though the other external expenses are declining 2017-2019, it is still not enough to compensate especially if staff costs increase like in 2019. Only by examining the income statement we can already conclude based on these 3 years that the profit has not been stable.

In 2020 there were two registered companies due to restructuring, whose performance will be examined in the financial analysis. The following analysis will reflect the consolidated performance of WorldTicket Group which includes the parent company WorldTicket A/S and WorldTicket Ota Aps.

Return on Equity (ROE) is an indicator that showcases how good the company is at generating profit (McClure, 2021). It measures profit-generating efficiency in terms of the earnings generated from the assets, which can help investors identify profitable stocks (Ibid.). Companies that are good at generating profit from operations typically gain a competitive advantage (Ibid.). However, it is recommended to use ROE carefully as it can be influenced by several factors and does not take intangible assets into account nor liabilities like Return on Assets (ROA) does (Hargrave & James, 2021). Steady growth in ROE indicates that shareholders get more for their money and that the management is using the investors' capital sufficiently (McClure, 2021). In 2019 ROE was 117% for WT, which has changed drastically compared to (-) 387% in 2018 (Appendix V). The percentage over 100% is caused by the relatively low amount of equity and loss for the year 2018 due to external expenses and staff costs (Appendix V). ROE also means that WT is able to increase earnings fast without borrowing funds or selling shares off (McClure, 2021). ROE was 11% in 2017 which is considered more normal. Generally, ROE over 15% is considered good (Ibid.), but if we look at 2019-2017 the performance in ROE is unstable.

Return on Assets (ROA) indicates how profitable the business is related to its total assets while taking debt into account (Hargrave & James, 2021). Furthermore, it also functions as an indicator of how efficient the company's management is at utilizing assets to generate earnings (Ibid.). It was only 4% in 2019, which is considered very low, but still better than in 2018 where ROA was -7 % since the net income was negative due to major external expenses and staff costs (Annual Report, 2019, p. 9). In 2017 ROA was 0,5 %, which is low but considerably better than 2018. In 2019 the external expenses were reduced, compared to the year before

(Appendix V). The staff costs increased in 2019, however, WT was able to present a positive profit. Generally, ROAs over 5% are considered good and over 20% is superior (Hargrave & James, 2021). Since WT is a software company it is challenging to determine the company's efficiency, as they do not have many assets like car manufacturers or energy suppliers (Ibid.).

Return on Investment (ROI) measures the amount of return on an investment relative to its costs (Fernando & Mansa, 2021, a). ROI helps to understand how well the investment is performed but does not consider the opportunity costs of investing elsewhere (Ibid.). If ROI is positive, then the investment is worthy. WT's ROI had both been positive 11% in 2019 and 2017 (Appendix V). Unfortunately 2018 was not as good because ROI was -15% (Ibid.), which implies net loss. Generally, a negative ROI does not look appealing for investors because it indicates that the company made a bad investment.

Debt-To-Equity Ratio (D/E) is a gearing ratio that measures the extent of financing operations with debt or owed funds (Fernando & Mansa, 2021, b). In other words, it showcases the ability of shareholder's equity to cover the debt, also called leverage (Ibid.). A high score on D/E ratio implies more risks for shareholders. There are also a number of factors that can influence the ratio negatively, such as retained earnings/losses, intangible assets or pension plan adjustments (Ibid.).

It is very common to generate earnings by utilizing debt, but D/E reveals if the cost of debt financing outweighs the increased income (Ibid.). Taking on debt as a means of leveraging assets should not be used aggressively to finance growth, as increased earnings should be greater than the cost of debt (Ibid.). The ratio is mostly focused on long-term debt and assets because short-term debt is usually paid within a year, thus it is also part of the company's leverage. D/E ratios for WT are 43,10 in 2019 and 21,82 in 2017. Both of them are considered high over 2, which shows that the company is not successful in generating additional earnings when working with debt. However in 2018, the ratio shows -53,99 which is not nearly as good as the other two years. Again, the negative number is caused by the net loss, as external expenses and staff costs weighted down the revenue.

Shareholder Equity Ratio indicates the generated assets with equity shares rather than borrowing money. A lower ratio implies that the company used more debt to pay for assets , that represents the shareholders' residual claim on assets (Hayes and James, 2021).

In the case of WT Shareholder Equity Ratio was 2% in 2019 and 4% in 2017, which is considered low. On one hand, the company's assets are funded by respectively 2% and 4%

(Appendix V) issuing stock rather than debt (Hayes and James, 2021). On the other hand, the assets of the company are 98% and 96% financed by debt. This is not good for investors as if the company liquidates they can only claim 2% and 4% of the assets because the rest has to be used to pay off the debts (Ibid.). 2018 was even worse in terms of shareholder equity ratio - 2%, which can happen for different kinds of reasons such as accumulated losses, large dividend payments, large borrowing for covering accumulated losses (Vaidya, 2021). Most likely the negative shareholder equity is caused by the net losses in 2018, which the company has to cover in order to stay in business (Ibid.).

Like previously mentioned 2018 was not a very successful financial year for WT, as the net losses have highly affected the overall financial performance negatively.

Furthermore, the shareholder's equity is really low compared to other dimensions of the company, which affects Return on Equity (ROE), Debt-to-Equity and Shareholder Equity ratio. Return on Assets (ROA) indicates that World Ticket could improve its efficiency by working more with its limited resources. Shareholder Equity Ratio indicates that the company is not financially stable as it could be in the long run.

6.3.4. Management Decisions

As explained in the macro environment, the COVID-19 pandemic has brought many constraints to the aviation industry. When WT had to react, these constraints couldn't be just overcome, but they had to become an integral part of the company's strategy and management decisions. During the whole crisis, WT has been reacting on a day-to-day basis, without making long-term plans (Appendix I, p.20). The management has decided to use this short-term approach as there have been many guidelines and decisions on what to do in place by the Danish government (Ibid.). One of the first decisions WT had to make was closing its offices last March.

“In the beginning, when we were all sent home and everyone was working from home, there was a lot of chaos. Not chaos, but more like - things were unclear.” (Appendix I, p. 14).

At that point, external communications, marketing and sales teams had to focus on handling the customers, while the Corporate Affairs (CA) team focused on internal communication, coordinating the teams and changing the company from within (Ibid.).

One of the big challenges for WT has been sales as there has not been a sufficient number of tickets sold that would normally be sold (Ibid., p.15). The reaction of management was reassuring its employees that they are the priority for them and they aimed to keep all its employees (Ibid.). At this stage, the management of WT had to find the confidence to believe that they forecasted the situation correctly and the company will be able to overcome the crisis by being prepared and controlling the important aspects.

Since the company has headquarters in Denmark, they received substantial financial support from the Danish government (Ibid., p.20). Compared to other countries, Denmark provided WT with financial packages that helped them keep their employees, which helped people to stay motivated and believe in the future of the company (Ibid.). Another challenge that the VP addressed was connected to the international set-up of the company. Having offices and employees in different locations meant being aware of the different situations in different countries and coordinating people on how to work from home and focusing on employee satisfaction while eliminating socializing (Ibid., p.28). VP's solution to this challenge was working closely with the management team to communicate all important things and following the official guidelines (Ibid., p. 28). The management team has also put in place monthly update meetings for all employees to keep each other up to date on how the situation with COVID-19 looks like (Ibid., p.19).

Looking back, the VP admitted that some decisions of management were not ideal (Ibid., p. 28). As WT is an international company and the management did not have any plan of how to handle the situation, their decisions were bound to the information they had in the environment they were in. Having a leadership team in Copenhagen meant they were very aware of the situation in Denmark and could react fast and send their employees to work from home as soon as it was necessary. However, there were missing guidelines about what to do with an office in, for example, Bangkok, when the Copenhagen office was closing (Ibid., p. 28). The employees then needed to follow local regulations and the decisions were made upon them (Ibid.).

Currently, the office in Copenhagen has re-opened and according the Marketing and Sales department,

“We don’t feel like we’re left in a scary and unclear situation - projects work quite clear, managers are interacting daily, and always try to clarify priorities, and steps that will be taken the next time.” (Appendix I, p. 9).

This approach seems that WT managed to take the crisis under control and focuses on coming back to its initial stage while taking the learnings from the crisis forward.

6.3.5. Internal Communication

As communication is one of the most important aspects of a successful crisis management plan, WT decided to focus on enhancing their internal communication. Their new projects included renewed newsletters, creating new sales material, setting up new intranet and making as much content as possible for the intranet (Ibid., p.1). Although there were some plans to create a new intranet before COVID-19, it was COVID-19 that gave it ‘the final push’ (Ibid., p.9). Identifying the problem is the first step when applying crisis management. In the case of WT, one of the problems was their internal communication.

The new intranet was created as a collaborative platform for all internal users (Ibid., p.9). Employees could use it to find all general company’s updates and also to communicate with each other (Ibid.). As everyone worked from home and everything became online, the intranet became an essential tool to keep the company connected (Ibid.). Sharing one platform across all office locations and all teams gave a chance to the employees to update each other and discuss next steps, such as office reopenings (Ibid.). Developing and using a new intranet to a large extent helped WT to gain control over the crisis and united the company. Going forward, the plans and strategies of WT are related to developing the internal communication even further (Ibid., p.7).

6.3.6. Working from Home

Like many other organizations, WT had to adjust to COVID-19 by introducing a new way of working, working from home. As an IT company that has already been working internationally, the impact was not that severe on the business level. However, the employees still felt the effects of the change in the work environment and their work habits.

One of the things that has changed for the employees was how much they travel. Usually, company representatives traveled for sales meetings and events, which has not been an option during the pandemic. On the other hand, according to the Marketing and Sales representative,

“Online meetings also have an advantage. Before, I could make one meeting per day, right now I can meet three or four different clients the same day.” (Appendix I, p.3).

Online meetings have become normal for many organizations during the past year. Since WT has employees in various locations and in different timezones, this change of adjusting to meeting online has not been sudden as these procedures were already in place (Ibid., p.15). However, there has been some learning highlighted during the interviews, which made the company more connected and more efficient. These best practices included having a camera on during meetings, presenting things visually, keeping each other updated via Intranet and having more in-depth feedback sessions (Ibid., p.8). According to Sales and Marketing, all these small things became important although under normal circumstances, they would not have the same role (Ibid.). This has also been connected to adapting to the home office as there were no in-person social interactions.

Working from home also brought some challenges as employees were not easily reachable. The challenging part has also been addressed by the PM, who revealed that working from home was also a challenge on a personal level as there was a lack of social contact and motivation (Ibid., p.15). All these challenges brought by the COVID-19 pandemic did not only impact employees personally, but they also impacted business in the sense of employee satisfaction and mental health, which had to be taken into account when making decisions and developing a strategy. Considering that employees mentioned lack of these aspects, WT did not fully succeed in supporting their employees during the crisis, which should be reviewed going forward as some elements of working from home or a hybrid workplace might stay in place.

6.3.7. Values, Mission & Vision

In order to develop and apply strategy to overcome uncertainty and crisis, it is essential that employees understand and make actions based on the mission of the company.

When asked about the mission and vision of the company, all interviewees answered very similarly. For WT, the priority is the customer (Ibid., p.21). They aim to provide simple and flexible solutions for customers with a great service, maintain their satisfaction and minimize problems (Ibid.). The reasoning behind the mission, PM explained as following:

“In the end, the main goal is to make a customer happy and the airline happy, because when the system works - the airline is happy, and when the airline works - the passenger is happy.”

(Appendix I, p.11).

Another concept that WT developed to connect its employees and create a united mission is the headline ‘I am WorldTicket’. This concept was developed more than 10 years ago and according to the VP, it refers to a personal relationship between WT and its customers, compared to big corporations (Ibid., p.21). VP also translated this concept into the times of COVID-19 as she believes that WT sympathizes with its customers, understands their struggle and is there to help the customers any way possible (Ibid.). Knowing what is the mission and vision of the company and making decisions with that in mind helped WT’s employees to avoid panic and overreaction. Making decisions in harmony with the mission and vision of the company should eventually result in strengthening the company's position on the market.

6.3.8. Growth Strategy

Since the beginning of the COVID-19 pandemic, WT has been working on its organic development by launching a new website with different products for a different target group, releasing a new generation of its IT solutions and investing into external and internal communication and customer community websites (Ibid., p.26). Developing WT’s own capabilities meant minimising disruption and maximizing products’ potential. Another reasoning behind WT’s decision of developing existing solutions is related to feasibility. Although the company has been planning to launch a new generation of their IT solution for a while (Ibid.), they have not done so before the pandemic. As most of their customers were not using the solution to a large extent, the pandemic made the transition more feasible as it did not impact sales of the tickets.

Regarding the growth strategy, WT’s goal is to be global (Ibid., p.16). As the company focuses on small start-up airlines, its target group is very niche. Thus, it is almost necessary to work on an international level. Company’s development started from Denmark to Europe, then continued to the Ukraine and Russian speaking market and recently became active in Africa and South Asian areas (Ibid.). Since WT has been growing by entering different geographical markets while keeping the product the same, it has adopted a market development growth strategy. Considering the future plans of expanding to American and South American market, it is expected that WT will keep market development as the core growth strategy.

7 Discussion

To reflect on our prior assumptions at the beginning of this paper, we contemplated a few possibilities. One of them was assuming that if WT cannot implement suitable strategic decisions at real time, it will ultimately fail. On the basis of reflecting on this assumption, we discussed several strategic factors affecting this premise. First of all, internal communication. As the COVID-19 struck, governmental decisions affected the way people work, therefore a fast reaction was necessary to keep the internal channels going. WT implemented the collaborative platform for their employees, to keep up with company's updates and ability to communicate with each other all under one roof. The company's reflection on intranet was positive, meaning they will ultimately keep the platform as an essential tool for communication.

Another factor was identified as products. With the new version of system SMS5 WT got on the right track improving the user experience and advancing their technology, as well as integrating it for the rest of their users. Therefore, they utilized the time when companies could not connect with customers the usual way and had less pressure from the customer side, so they could focus on the internal improvements.

Next factor includes focus on efficiency. For this purpose, WT hired their new Project Manager who deals with internal projects and seeks ways to improve the processes within the company (Appendix I., p.13). With the above mentioned, implementing new tools for internal good needs an incentive to introduce and manage the first steps. Therefore, distributing tasks such as making sure internal coordination is in check can significantly boost the effectiveness of the whole company.

Furthermore, the crisis made companies think outside of the box and think about various ways to give customers incentive and keep them interested. WT implemented the educational platform to educate the audience about the new system, which puts attention on their solutions and ultimately helps sales. Not only that, but allowing customers to exchange knowledge between themselves keeps them engaged and creates content that the company did not have to invest time into.

Moreover, looking at the pandemic's implications WT stopped attending all the events which saved some financial resources. These resources can be further utilized in other departments or after the governmental regulations allow the sale events, leaving a bigger budget to use for the

time. What is more, WT stopped hiring new applicants, however, they did take a step towards offering full-time jobs to their student workers, which added towards utilization of human capital as the students got familiar with their tasks and instead of training new employees they saved time and resources in this sense.

Addressing the price reduction response which was pushing down on WT from all sides, they did take action as well. The company reduced prices, however, not in all the countries they operate in. Therefore, they measured the price sensitive markets and adjusted the pricing strategy accordingly.

Last but not least, the WT employees had to adjust to a new working environment in their own home. Thanks to the investors' impulse with providing guidelines for the crisis WT was able to take the first step towards taking action. At first, there was noticeable chaos the employees felt, and lack of information, possibly due to multiple offices where governmental regulations had to be mapped out and assessed. Afterwards, the above mentioned tools were implemented so the employees could get updates on the COVID-19 situation and possible office reopening. The employees also addressed a few challenges that came with the home office setting, such as missing social interactions or lack of motivation which could have an impact on the business itself and on the next business strategy.

Lastly, to keep everyone connected and on the same page about the next step, WT holds monthly meetings that add up to efficiency that the management team works towards. All in all, with the points made above, WT did implement good strategic decisions with the focus on marketing and managerial decisions. After a year the company could improve their leadership by creating incentives for their employees and push the efficiency even further.

As both Contingency Theory and crisis management argues, strategic decisions reflect in the business' reaction in the pandemic, where the role of leaders and the top management are particularly important. Therefore it is crucial to fully utilize the resources on hand, such as employees that are already trained in WT protocol and developed products, which can generate more revenue. WT relies highly on the performance of their product, namely W2 and SMS, which is a 2 in one solution. Their product makes them differentiate on the market, that gives them strong capabilities and a good position on the market. Furthermore, timing the transition of the new product solution in 2020 also manifests the considered strategic decisions as the

product was already created in 2019 (Appendix I, p.17). This stresses the adaptation to the crisis, according to contingency theory.

In addition to their unique products they also have a high service level consisting of 24/7 global customer service. Their international company structure is an advantage when it comes to income from different markets but also a challenge in relation to legal COVID-19 restrictions. Nevertheless, operating an international business from Denmark reveals a global approach that is valued and built upon, that adds to their competitive advantage in order to become better and grow.

As Contingency Theory points out effectiveness of a business can be measured in terms of profitability, efficiency, customer or employee satisfaction and innovation rates. Based on the financial analysis their performance has not been stable in the past 5 years as they made both profit and losses throughout the period. When the company is so tightly connected to an industry that suffered the COVID-19, there is a reason to believe that their financial performance also took a toll. In addition to that, the data from the interviews proved that they expect less revenue for FY 2020 because they did not receive their additional fees, when tickets for small-medium sized airlines were not sold due to the restrictions. It might sound like bigger airlines that fly internationally down-sized in the favor of WT's customers but the crisis also affected the demand for domestic travel, as most people stayed home. Furthermore there was a price pressure on the market before the crisis but it caused even more saturation, that could explain why WT is not expecting much improved revenue nor significant drop as contracts were still closed in the period.

Overall, working with too much debt and a lot of costs weighs down their performance. If WT managed to reduce staff cost and external costs to balance their revenue, making profit in FY 2020 would be possible. However, it is difficult to determine their financial performance as their annual report for 2020 is not published yet. Thus, a sudden improvement in revenue and cost reduction after 5 year of fluctuation would be very positive for the company and its investors.

It is also important to point out that the crisis brought a high level of uncertainty and short response time to make decisions and implement them. There is a high risk for WT as one of the companies that had to make organizational and financial decisions without a complete understanding of the crisis. It is understandable as they have never experienced a pandemic

like COVID-19 affecting their business. However, WT appears to believe that they are a professional software company which is very skilled at its work. Therefore relying on a bounded rationality approach to the crisis in terms of aiming for satisficing results because of limited information, could be the right way of crisis management.

8 Conclusion

The following section will provide a summary of the research findings to answer the main research question of how WorldTicket changed its strategic approach in order to adapt to the crisis of COVID-19.

When gathering literature for the research, we defined a strategy as a term, which revealed its focus on decision-making for the long term. However, the concept of crisis management gave us insights that occurred crises carry a high level of uncertainty within, thus, businesses are obliged to adjust certain strategies to persist in the market. Therefore, to figure out what exact changes WT carried out, we used the Marketing Environment model as a ground simultaneously basing upon theoretical concepts. In particular, the model provided us with three core parts of macro, micro, and internal environments, where each of them had sub-components of different organizational areas. The qualitative interviews with three company representatives gave us needed answers to assess changes within each component.

Considering the macro environment, we could see changes within four main areas of economic, legal, technological, and social. As for the economic aspect, a significant price pressure and restrictions put WT's welfare at stake, thus to maintain effectiveness, the company was liable to make price adjustments in accordance with competitors. Consequently, WT managed to maintain a strong market position. The legal aspect required adjusting to new government settings, e.g. transferring activities to the home office and ensuring alignment with regulations around the world. WT made adjustments in the technological area, as well. To keep up with the technological innovations, the company released a newer version of the SMS solution to enhance user experience, while the pandemic prompted to get innovative and redevelop current solutions, as well as develop an internal communication system. Lastly, for a social area, WT aimed to make adjustments in the approach by spreading positive messages about the air travel industry to contribute to customer confidence building during the COVID-19 and consolidate customer loyalty.

Subsequently, primary data revealed certain adjustments that were also made in the micro environment of the company. Even though the model offers five components of customers, suppliers, intermediaries, competitors, and the publics, we noticed that not all parts have been adapted to the crisis, whereas main adjustments were implemented in only two spheres - competitors and publics. Thus, considering competitors, WT aimed not to engage in an intense

rivalry but rather monitor the competitive situation to evaluate how the company can adjust to it to cope with the crisis. Therefore, WT made minor price cuts to keep up with competitors and retain customers. Strategic changes were likewise carried out in the company's public feature, particularly, managing social media channels. The primary goal for WT was to stay positive even in the time of crisis. Hence, the company focused on sharing articles not to promote air travel but to show its essence to a globalized world. Initiatives like hashtags were implemented in order to maintain a socially responsible manner to discourage the audience from traveling.

Moving onto the internal environment, we focused on a few organization's components, which, according to interview data, were the most significantly changed in a strategy due to the pandemic: internal financials, organizational structure, and general management changes. Firstly, as the financial analysis showed, the large external expenses and staff costs affect their profit/loss, which impacts all the financial ratios. Therefore, it is important that they acknowledge the relevance of their performance and make decisions accordingly utilizing all resources. This, therefore, led to an adjustment in the organization's structure. To enhance coordination within the company and ensure work efficiency, a new Project Manager's position was created which altered WT's organizational environment, stimulating lower hierarchical level assistance in decision-making, which, as Contingency Theory asserts, has a lower impact of the crisis. Lastly, we identified changes within the general management decisions, mainly considering home office and internal communication aspects. A crisis, carrying a high novelty within, required the company to create safe working conditions for its employees, thus, following Danish government regulations, WT set up a home office. The adjustment brought up both advantages and challenges. Work efficiency was enhanced as the company could convene more online meetings per day, however, it challenged WT to keep up with customers' reachability and employees' satisfaction. Moreover, the company sought to develop a reliable internal communication system as it was acknowledged as the company's priority that would keep all offices updated on the situation. As crisis management states, one of the successful ways to overcome the crisis is to maintain constant communication within the organization, thus, WT aimed to implement the feature to get control over the situation.

Overall, the pandemic is still current, obligating the company to forecast its possible progress and effect on the business and engage in day-to-day problem-solving. However, as being a company without a general crisis management plan, we can state that WT is coping with the

crisis relatively successfully. Although one could argue the contrary, as we implemented abduction, the research granted us a ‘qualified guess’ which is neither wrong nor right. Moreover, as pragmatism implies, actions cannot be separated from the context, which in this case, reveals that made decisions were corresponding to a constrained contextual situation, managing to provide satisficing results for the company and remaining WT a strong market player even during the global health crisis.

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