

## Dissertation Proposal Sample - <http://www.dissertationhelpuk.co.uk/>

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## **1. Title**

Title of the study will be as below:

**“Comparative Study of Mergers & Acquisitions within Aviation Industry: British airways & Iberia and United Airline & Continental Airline”**

## **2. Focus**

The study will be focused over the factors that create differences between the mergers of different companies in the same industry. The main emphasis of the study is over the aviation industry in which the trends of merger are so common because of the increasing complexity and force of other factors. Following will be the aim and objectives of the research:

### **2.1 Aim**

The research will be planned at investigating the difference in the post merger performance of an organization in the aviation industry. The aim of research will be achieved by exploring the post merger performance of United Airline & Continental Airline and British Airways & Iberia.

### **2.1 Objectives**

Following research objectives will be achieved through research study:

- To access specific factors that create a difference in the performance of merger in aviation industry
- To determine the relationship between firm specific factors and success of merger & acquisition in the aviation industry
- To compare the performance of firms after merger in context of United Airline & Continental Airline and British Airways & Iberia

The above described objectives will be achieved through the research study that would be effective to achieve the broader aim of the research.

### **3. Context**

In the globalized business environment, organizations in every industry are looking forward to increase their market share and customer base. It is because of the increasing cost of the business and changing demands of the customers (Shaw, 2007). In the aviation industry, it is quite difficult to earn decent returns. Deregulation in airline industry has also caused a rise in low-cost airlines that increases competition in the aviation industry and affects the position of airline companies. To reduce this problem, the organizations in aviation industry are adopting merger strategy as it allows the firms to reduce their business & operation cost and to facilitate a wide range of destinations (Airline Tickets, 2010).

However, at the same time, performance of merged firms is not effective at all as some firms that merged are performing well, while others have failed to carry the merger perfectly or are gaining fewer advantages than the expectations. The mergers in airline industry are carried out to address the changes in dynamic economic conditions. However, some mergers in aviation

industry may go wrong because of the hike in prices, poor service quality of partners, etc. (Economic Watch, 2011).

The research will be quite effective as it helps to determine firm specific factors that create a difference between the mergers of the different firms in the same industry. At the same time, the research will also be effective to determine the strategies that should be followed by the firms to determine the success of merger in their specific industry.

## **4. Literature Review**

This section will include the review and analysis of various literatures related to the concepts and theories of merger & acquisition and also about the factors that would be effective to build a conceptual and theoretical framework to accomplish the research objectives.

### **4.1 Theoretical & Conceptual Framework**

Huyghebaert & Luypaert (2010) have exhibited that most of the firms are focusing towards merger because of their potential growth. At the same time, the merger also helps the organizations to solve their strategic problems as the other entity that is merged helps to facilitate strategic advantage for the firms. The financial synergy is another reason for the increasing focus for mergers. On the other hand, Garfinkel & Hankins (2011) have given a different view related to the motives of merger within the industry as research explains that in the current environment, M&A is the most important corporate event and merger waves are increasing continuously because of the consideration of risk management by the organizations. The merger waves are increasing a vertical integration within the industry that helps the firms to increase their market position and also to face the risk aroused in the industry. Garfinkel & Hankins (2011) explain

that volatility in share price and cash flows are also the reasons that have caused an increase in the merger waves.

Gugler, Mueller, Yurtoglu & Zulehner (2003) describe that most of the businesses consider the merger for three different reasons that are related to maximizing profits & wealth of shareholders, increase in market power, and firm's growth. The different motives of the firm facilitate a different type of impact over the merged firms. Gugler, Mueller, Yurtoglu & Zulehner (2003) opine that mergers increase efficiency along with increased profits and sales of the business. On the other hand, merger for market power increases profits and reduce sales of the business. From the research, it can be exhibited that merger has a significant impact over the market power and efficiency of the business. However, the motive of merger decides the actual gain to the firms that creates differences in their performance (Gugler, Mueller, Yurtoglu & Zulehner, 2003).

Meggison, Morgan & Nail (2004) find the results similar to those of Gugler, Mueller, Yurtoglu & Zulehner (2003) get, as their research states that the long-term performance of merger and corporate focus has a positive relationship. The findings of research explain that change in corporate focus changes the long-term performance of the business as it is the major determinant of the success of merger. Rheaume & Bhabra (2008) define M&A as a mechanism for the business growth. According to them, the integration of corporation merged is the key determinant for the success of mergers.

Barmeyera and Mayrhofer (2008), show that intellectual management has an important role to play in the success of a merger. Cultural differences create the problem in the integration process of cross border mergers that affect organizational ability to achieve the merger objectives. According to Barmeyera & Mayrhofer (2008), the cultural barriers in the success of

cross border mergers can be determined through the intellectual management practices that help to develop strategies and tools to contribute in the success of mergers. Palmatier, Miao & Fang (2007) also describe some strategies for the firms to avoid pitfalls of the merger and to achieve success. The article describes that integration of sales channels after the merger is a major challenge for the business to determine the success of mergers. It is because the customers of merged entities feel comfortable with their existing sales channels.

A change in the sales channels may affect the performance of the merged firms. According to Palmatier, Miao & Fang (2007), to integrate the sales channels, merged entities should appraise strengths, weaknesses and the biases with the sales channels that would be effective to determine the integration of sales channels appropriately for determining success in M&A. Shim & Okamuro (2011) describe quite different views than the views of Palmatier, Miao & Fang (2007) and Barmeyera & Mayrhofer (2008) by stating that the performance of merger is based on the type of ownership. The research exhibited that family firms underperform in regard to an increase in the operating performance in comparison to non-family firms in merger. This is a quite considerable effect as the decision making ability of the non-family firms is more in the comparison of family firms.

Further, this section will include a more in-depth analysis of concepts and theories related to merger and its success.

## **4.2 Literature on airline sector**

To achieve research objective, merger between the leading airlines companies United Airline & Continental Airline and British Airways & Iberia is selected. The merger between United Airline and Continental Airline established a large company in Airline industry. Similarly, merger between British Airways and Iberia also created a leading company in

Europe's airline industry. The revenue of both the merged entities has increased due to synergy gains. The merger between British Airways and Iberia facilitated a multinational multi-brand group that helped the firms to eliminate the impact of economic downturn and rise in low cost carriers (LCC) (British Airways and Iberia merger completed; plan to add more airlines to group 2011). Similarly, consolidation between United Airline and Continental Airline also facilitated a big company that caused an increase in the strategic decision making and reduced the overall cost of the organization. It is because of the change in the routes in which they are giving competition to each other (United, 2011).

The overall merger performance of both the mergers is good but at the same time, British Airways got more benefited from the merger in the comparison of United Airlines. It is because of the proper strategic alignment of the companies with each other that helped to gain more synergy advantages and to facilitate effective position within airline industry.

Gillen & Gados (2008) exhibit some factors that create the possibility of a merger within the airline industry. The research depicts that deregulation, target to demand of unsatisfied customers, increase in the demand of customers, and increasing trend of internet booking are some of the important reasons for adaptation of merger strategy within airline industry. At the same time, increasing competition from globalized organizations forces the firms to adopt a merger to become competitive within the industry (Gillen & Gados, 2008). Brueckner & Pels (2005) opine that the merger provides higher profits to airline companies, but at the same time it reduces the social surplus for the customers, which affects their value. The research also explains that the accomplishment of merger objectives depends upon the model of M&A due to the competitive business environment of airline industry.

In the airline industry, there are several factors and motives that help the firms to achieve their strategic objectives effectively and gain a significant market share. Further, this section will include the analysis of the case companies and will also analyze their performance after the merger in a comparative mode. At the same time, this part of the literature review will also analyze more literature related to the airline industry to achieve the research objectives.

## **5. Research Methodology**

In this section of dissertation, a detailed research methodology will be explained through the proper justification and arguments for the chosen methods, models, and concepts. Research methodology is the strategy that is significant to determine the way through which research objectives could be accomplished effectively (Goddard & Melville, 2004). In other words, research methodology is the way to approach the research problems in an effective manner. It is also a design that is developed to reach a conclusion to resolve the research problem (Ethridge, 2004). Following are some methods and approached that would be used in research:

### **5.1 Research philosophy**

Research philosophy is an important element that is significant to determine the rationale for the collection and investigation of data to achieve the research objectives (McNabb, 2010). For this research study, interpretive research paradigm will be selected as it is quite effective to observe social reality and to produce a generalized result. This paradigm gathers information from the analysis of different concepts and theories that would also be effective to achieve the research objectives. Positivism philosophy is not used as it is based on some unrealistic assumptions and also requires more accurate data to generate a law (Jones, 2009).

## **5.2 Research approach**

Research approach is an important element required to develop research design that enhances effectiveness of the research process. There are two approaches that are used in researches: inductive and deductive. In this research study, inductive research approach will be used, as to achieve research objectives, the researcher will collect data related to the theories, concepts and factors of M&A and then a theory will be developed. The deductive research approach will not be used in this research study as it is based on some theories to develop hypotheses that are rejected or conformed from the collection and analysis of relevant data (Wemken & Eckert, 2007).

The nature or design of research also matters for the organization as it could be qualitative or quantitative in nature. The research design is completely based on the availability of resources and also on the research aims & objectives. For this research, the study will be designed purely on the basis of qualitative nature. It is because all the information will be collected through the literature review and case study analysis only (Zikmund, 2008). It will be effective in increasing research credibility as it will include evidence from the study of previous researches and also from the real world companies. It would be effective to compare the merger performance of selected companies.

## **5.3 Research method**

The research will be completely based over the secondary data method. To collect data, literature review and case study method will be used that would be effective to improve the understanding about the merger performance of United Airline & Continental Airline and British Airways & Iberia. The secondary data collection methods will also be effective in accomplishing the research objectives in determined schedule and budget. Primary data methods will not be

selected as they will not be appropriate to conduct this research study as from the interview, surveys, questionnaire the facts about merger performance could not be obtained effectively. The analysis of literature, company websites, books, periodicals, company reports would be quite effective to enhance the research effectiveness (Cooper & Schindler, 2007).

## **5.4 Sampling**

The research study is based over the secondary data collection methods so this sub section is not relevant with this. The companies in case are selected based on their performance and also their dominancy in the industry.

## **5.5 Method of data analysis**

The secondary data collected will be analyzed through the thematic analysis method and will be presented in tables and graphs. Although there is no primary data collected so it will not be analyzed. It is because the comparison will be made through the analysis of secondary data only.

## **6. Ethical Consideration**

For the accomplishment of research objectives, it is essential for the researcher to eliminate all the ethical issues that may affect the validity and credibility of the research. To eliminate the ethical issues in the research study, information will be presented with the consent of information source. At the same time, credit will also be given to all the information sources to avoid the charge of plagiarism. Similarly, the confidentiality and privacy of the involved person and organizations will also be maintained. Without the permission of information source,

the information will not be presented in the research study that will also be effective in determining the research credibility and validity and increasing its accuracy.

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## 8. Appedix: Gantt Chart

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Supervisor Meeting	■	■																									
Submission of Proposal	■	■	■	■																							
Data collection					■	■	■	■	■	■	■	■															
Literature Review					■	■	■	■	■	■	■	■															
Meet with Supervisor													■	■													
Reading and Exploring															■	■	■	■	■								
Analysis																				■	■	■	■				
Final Draft																						■	■				
Finalizing Project																									■	■	
Submission of Project																											■

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