

Jetstar digital marketing report assignment

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Starters Airways (which comprises of Australia & New Zealand) are a part of the rater Starters Group. Starter's mission statement is to " offer all day, every day low fares to enable more people to fly to more places, more often" (Toaster, 2015) Starters Group consists of Starters Airways, Starters Asia, Starters Pacific, Starters Japan, and Starters Hong Kong. Starters has flown over 140 million people since it's inception in 2004. Whilst Starter's strategy is focused on providing a low cost service to their customers, they do offer both economy class and business class.

Business class is inclusive of all meals and beverages, in-flight entertainment, and includes an increased baggage allowance, none of which economy class are privy to. Starters have been highly successful in achieving their objective of providing a quality low cost service, made evidential by winning the Best Low-Cost Airline in 2011, 2012, 2013 at the Changing Airline Awards, Best International Budget Airline 2011, Best Low Cost Airline Australia 2009, Low-Cost Carrier of the Year 2007, 2008, and Best Low- cost Airline worldwide 2007 toaster, 2015).

Starters as a subsidiary of the Santa Group, have a substantial financial backing, a healthy growth rate, a skilled work force (award for Best Cabin Crew, 2007), and a inanely good reputation, as supported by the aforementioned awards, however, the airline industry in general is facing an uncertain future as low cost airlines such as Starters are currently embroiled in a price war where there are several players in the field aggressively competing for customers by lowering their prices (Harvey & Turnbuckle, 2010).

This strategy means that any small amount of poor service, or scheduling issues with the planes can very quickly turn into bad press for Starters as it is easy for the public to associate low cost with a poor product. 1. 2 External Analysis 1. 2. 1 Political & Legal Implication The industry overall is influenced heavily by various rules and regulations relating to a number of issues; terrorism, disease (Bola for example), international trade, for example.

This creates a need for Starters aircraft to adhere to these political and legal requirements provided. The most important factor is passenger safety so legal restrictions are implemented to ensure that. Starters make it clear on their website the rules to follow to enforce the safety of the passengers As with most airlines, Starters have safety demonstration videos, complete with booklets that describe the actions to take in perilous situations. Starters ensures they are adjusting to different cultural climates if need be 1. 2. Economic Issue The levels of disposable income for the average person strongly affect the individual's ability to engage in air travel for leisure. As unemployment decreases and the average income increases, it allows individuals from a larger range of socioeconomic backgrounds to travel by air. Industry is still recovering from the backlash from the SGF, which led to an increase in fuel prices for aircraft. The added demand from more financially capable consumers enhances the price war f the low-cost airline, driving down prices further, while the ability to fly increases.

If the average disposable income is increasing as a result of business and industry growth, this will increase the airline industry for both business and leisure consumers. 1. 2. 3 Socio-cultural/Demographic Growing trend amongst Australians to seek out and purchase the lowest cost airfare <https://assignbuster.com/jetstar-digital-marketing-report-assignment/>

Australia is multiplying aggressively Already Starters, Tiger, Air Asia, Virgin Blue, for example, are low-cost airlines and are established in the Australian domestic market. This creates the need to differentiate to survive.

Increasingly more demanding consumer in terms of service and standards. 1. 2. 4 Technological The transition is almost complete to exclusively digital for airline ticket purchasing Online check-ins are improving the efficiency of the way airports are run Starters must adjust and adapt to the most forward-thinking technological developments, to ensure they are operating at optimal efficiency, to save fuel consumption and run at the lowest cost. Starters, as a low cost company, must be able to differentiate, and in the current digital age, being technologically innovative is integral. . 2. Natural Climate change is a serious issue for all industries Carbon emissions and greenhouse gases are released by all aircraft in large portions. Starters introduced a passenger Carbon Offset scheme in 2007 in accordance with the government's "Greenhouse Friendly" initiative (Starters has been engaging in a number of fuel efficiency strategies to minimize fuel consumption, as well as focusing on reducing the weight of the aircraft to also improve its environmental impact. 2. Current Marketing Strategies Considering the price competitive nature of the industry in current times (Stains, 001), marketing is integral to Starter's success, and as such its brand image is of utmost importance to position itself appropriately enough to strive for success. 2. 1 Punctuality Promise Campaign Starters pride themselves on their efficiency and thus last year implemented their " Punctuality Promise" campaign, which aimed to highlight their strengths in performing on schedule with their domestic flights.

The campaign stipulated that customers would receive a \$25 voucher with Starters if a domestic flight arrives more than 10 minutes later than it was scheduled, even if it was out of their control, for example influenced by the weather (Kerr, 2014). Starters and the Tasmania Government forged a partnership in 2014, committing to engage in a co-operative marketing strategy, investing approximately \$600, 000 together to increase the visitors to Lancets and Hobart specifically.

Whilst enjoying success in the past with Tasmania, carrying over 11 million passengers in and out of the state, this particular strategy focuses on increasing visitation outside of the peak times of the year. This collaboration with Tourism Tasmania has been established in the hope that an increase in visitors will result in boosting Tasmania economy, creating jobs and also an awareness for tourists to keep coming back.

The cooperative nature of this partnership resulted in marketing messages from Tourism Tasmania delivered to Starters passengers through a range of mediums, for example in-flight entertainment, magazine features, TV, print, digital, radio and social media (Cradle Coast, 2015). 2.3 Digital Strategies Starters in 2010 made a bold move to allocate 40% of their marketing budget to social media, which goes to show the importance of social media for firms these days, and in particular, the target audience Starters are going after (Toaster, 2010).

Social media marketing became an obvious avenue, due to the expensive nature of other forms of media, coupled with perhaps not getting as much reach or generating as much awareness. This tactic works especially well in

the current state of airline ticket purchasing whereby a consumer may be influenced by advertising via a social media marketing campaign, and they are merely a few clicks from purchasing a plane ticket to their desired destination.

Starters has a Youth Channel as well as using Twitter, Instating, and Backbone to reach their target audience, and inform them of special offers, current happenings with the company, announcements, and responding to queries. Starters have also developed an extremely user-friendly app, which also eases the process for browsing schedules and making the purchase as painlessly as possible. In May of 2009, Starters conducted a Twitter-only sale campaign which offered 1, 000 seats for only \$0. 02, which sold out almost immediately (Toaster, 2010).

These sorts of campaigns are the kind of things that encourage consumers to engage with the page, follow it, and check it regularly to ensure they won't be the one's to miss out next time. The key areas where digital marketing technology will impact Starters and the industry will definitely involve social media increasingly over the coming years. It has become an addiction for millions around the world, and the cost effective nature of this type of digital marketing means firms will be saving massive amounts of their marketing budget in exchange for greater results.

Starters specifically have a younger target audience than some other airlines in the overall industry, which suits social media marketing even more so. 3. 1 Competitors The airline industry over the last couple of decades in Australia and around the world has become increasingly more competitive as new

startups enter the market attempting to provide a cheaper service. Every airline company is searching for a way to differentiate from their competitors, whether it be customer service, facilities, entertainment, for example.

An example of the ways a few companies are attempting to differentiate themselves from the market, is catering to the more technology inclined consumer. As each aspect of modern life becomes increasingly digitized, airline companies need to innovate and avoid falling behind, as to be perceived as guards and negatively influence their brand identity. A major feature that has become popularized over the last five or so years is providing on-board Wi-Fi service, making it available sometimes for free, and sometimes for a specified fee (Mackenzie, 2005).

Mongo (2012) argues that on-board Wi-Fi is a competitive advantage, particularly for those that are traveling for business, in which case allowing them to do their work, send e-mails, make Wi-Fi enabled phone calls, whilst they fly to their destination. As this is a relatively new addition to the industry, whilst the technology itself may not be pristine and faultless, it certainly still adds a point of difference and would garner additional clients for the airlines that have enabled it.

Another recent digital trendiest airlines have focused on that Vive personally experienced is installing at least one USB port per passenger either in the arm of their seat, or in the console directly in front of them. This is extremely convenient for not only the business clients of the airline, but also the leisure clients, allowing them to use their phone (or digital device) as much as they

please, knowing they can operate their digital devices thin the plane, with their batteries being charged mid-flight.

These features suit the needs of the tech savvy consumer, and as society continues to evolve further into complete technology dependence, there are a quickly growing number of consumers where these features suit an increasing amount of consumers needs. In 2011, Starters also became the first airline to offer passengers pads for use as an in-flight entertainment tool. The pads came prepared with a variety of movies, games and digital magazines, which were available for a small fee in economy class, and came as part of the business package.

This has become a trend with other airlines since, showing the inventive forward-thinking Starters have been engaging in to differentiate from their competitors. Toaster, 2011) 3. 2 Customers Generally speaking, there are two different types of customers in the airline industry; people that travel for business, and people that travel for leisure (Dresser, 2006). Aching-Nan, Mocker and Dolomite (2009) contend that the two most influential factors and unsurprisingly, price.

Over the last decade as more airlines initiate themselves into the ongoing price wars between airlines, it has caused potential customers to come more aware, and also more demanding of a competitive price for the service they receive. The proliferating popularity of websites like Webbed and Scanner, who provide consumers the opportunity to compare prices for specific flights online, either via website or an easy to use app (Scanner, 201 5), create a more demanding consumer, and could do damage to brand loyalty,

particularly in the leisure section due to consumers choosing only based on price not brand.

With a number of fare compare online opportunities for consumers, it allows them to peruse every available option and select the option that best suits them based, on a range of variables such as time availability, prices, stopovers or any other factor that may further enhance the experience to their tastes. Scanner took part in a survey of 1 , 523 respondents in 2014, which showed that whilst 64% of flight bookings come from desktops, bookings on mobile phones increased by a rate of 88% to 18%, and tablets increased by a rate of 31% to 18% (Scanner, 2014).

Analyzing their global data, it showed that across the world, flight searches on hand held devices with Scanner increased by phenomenal 152% in 2014 alone. A report back in 2012 by John Gucci, managing director of Webbed, mentioned that “ Roughly 20% of our search volumes come through mobile devices” (Webbed, 2012), which has no doubt increased markedly along with Scanner, as the landscape for flight searching and booking continues to evolve drastically each year. Another digital trend for customers is that online e-tickets in the industry have become vastly more preferred over the physical ticket from a travel agent (Aching_Nan et. L, 2009). As online booking continues to expand at a startling rate, e- sickest are an incredibly efficient and stress-free way for the consumer to organize their air travel (Williams, 2006). 3. 3 Suppliers Suppliers stem from a fairly oligopolies industry whereby the vast majority of airlines are supplied by only a few firms. Starters uses Airbus and Boeing as its two major suppliers for its

commercial aircrafts, its fleet consisting of an Airbus A320neo Family, Airbus A321neo and Boeing 787 Dreamliner aircraft (Toaster, 2015).

As mentioned, this part of the industry doesn't offer many options to choose from, but this partly comes as a result of the fact they are clinical and keep the airline firms satisfied. Digitally and technologically speaking, the expectation from the suppliers is that they will be receiving an innovative, top class product, that provides the appropriate blend of safety and entertainment that the consumers require. Starters rolled out its first Boeing 787 Dreamliner in 2014 (Toaster, 2013) which offered top class fuel efficiency and a sleek external and internal design (Emery, 2010).

Airbus and Boeing will no doubt continue to adapt and evolve their digital components of their aircraft as society continues to demand and expect innovative and sophisticated technology. 3. 1 Target Market Starters was created by Santa in response to the threat by Virgin Blue, it is a low-cost airline that targets lower socio-economic consumers that are still capable of using air travel (Danger, et al. , 2011). A precise example of the sort of consumer they would be targeting would be young adults, both male and female aged between 18 and 25, ideally participating in some form of higher education.

These targeted individuals known as "millennial" are considered very media savvy. N. Y, socially aware, and extremely prevalent social media users, spending heavy amounts of time using applications such as Facebook, Twitter, and Instagram (Lenient, et al. , 2010). 3. 2 Objectives To revolutionize Starter's social media presence. This would include accumulating 90,000

new Backbone “ likes” on the Starters Backbone page to reach 500, 000, increasing the Twitter Followers by 10, 000, and increasing Instating followers by 40, 000.

Increase regular repeat purchases of airline tickets through Starters by 20% in the next two years. Increase the awareness of Starters services to 95% of the target audience over the next year To consolidate the brand identity and brand image of Starters, and identify features that suit our target audience, whilst still being able to remain a low- cost service for the intended consumers. 4. 3 Online Direct Marketing 4. 3. 1 Email Subscription List This strategy would be used to create awareness of Starters services, as well as generate interest in online sales promotions that Starters may be trying to market.

Incentives consumers from our target audience to subscribe to the Starters mailing list is a great avenue to generating awareness and also relaying them significant pieces of information that may benefit them, such as upcoming promotional deals, ewe in-flight services and new destinations for example. The frequency of these emails should be controlled as there is a fine line between generating awareness and frustrating the target consumers with “ spam” mail. 4. 4 Online Advertising 4. 4. 1 Website advertisements This tactic would contribute towards increasing awareness for who Starters are as a company and the service they provide.

By first researching the sort of websites their target audience would be spending the most time, then choosing to advertise on them would maximize the impact of this particular recommendation. Starters websites for example.

. 5 Online Sales Promotion A possible online sales promotion that Starters could undertake is offering an attractive discount for high school or university students wanting to fly with them. This would be coupled with targeting specific times of year to heighten the intensity of the sales promotion, using online advertising, online direct marketing, and social media marketing.

These periods would be specifically May/June and October/ November, when the exam periods are concluding for University students. These are the two times of year that university students in particular are looking to go on an ass holiday that isn't going to hurt them too much financially. Another potential digital marketing strategy for this particular sales promotion could be through the animated screens that are installed at train stations and bus shelters for advertising.

Being in a stressful environment at a stressful time of year means this would be the perfect time to hone in on the psyche of the target audience to encourage spontaneous travel with Starters. 4. 6 Social Media Marketing As mentioned earlier, Starters came to the realization in 2010 that Social Media Marketing was extremely effective and financially beneficial for the company if executed properly. Backbone, Twitter, Instating, Blobs, for example, have become an extremely useful marketing tool, and considering Starters target audience, it is no surprise they directed such a large portion of their marketing budget towards social media.

Instating is a simple tool that is really good for generating awareness of the brand, and enhancing brand identity. It should be aimed for at least one post

a day. In April they only posted 13 times, so this figure should be increased, as the more an account posts, the more followers it attracts, thus enhancing Starter's social media residence. Starter's Backbone page could also use improving. A promotion on the page could be creating a quiz to collect feedback on things such as marketing campaigns or flight schedules for example, with the incentive of winning a \$200 Starters voucher, or a return ticket to a state of their choice.