

Market segmentation and customer profile marketing essay



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Firefly is one of the Malaysia Airline that owned by Malaysian Airline System Berhad on 3rd April 2007. The name of Firefly comes from a mandarin word Fei ying, Bahasa Malaysia Kunang-Kunang which describes the characteristic of Airline which are agility, brilliance, charm and fun.

The vision of Firefly is to be trusted brand known for offering safe, reliable, accessible premium travel experiences that resonate with passengers. For the mission of Firefly is to be strengthen our footprint by exceptional services and sustaining our profitability above industry average. While we continue to dominate our routes, we also take pride in aligning our business model and work culture to our social conscience.

Originally, it operate in Penang and expand to Subang Airport as their headquarter on 29th October 2007 and it provide connection to various countries such as within Malaysia, Singapore, Southern Thailand, Sumatera of Indonesia and so on. The reason of Firefly expand to Subang is to avoid conflict with others Malaysian Airline in Kuala Lumpur International Airport (KLIA). Since KLIA is the main Airport in Malaysia, Firefly is very difficult to compete with their competitors such as Air Asia which also depart at KLIA. It is also very difficult for them to manage their system and provide customer a good service. Therefore, Firefly chooses to monopoly at Subang airport. By doing this, they can store many aircraft due to its small size of aircraft compare to others Airlines aircraft.

SWOT analysis and main problems face by Firefly Company

SWOT analysis is a planning to identify the organization strength and weaknesses. Firefly Company also uses SWOT analysis to manage their company. Under SWOT analysis, it involves four elements which are internal factor such as strength and weakness and for external factor are opportunity and threats.

Firstly, the strengths of Firefly are they are using low maintenance fees such as low cost maintenance services for the aircraft and limited quantity of aircraft. Moreover, fewer management level is needed, since they do not have to recruit many employees, therefore training becomes more simplified. Besides that, they only require low cost on operations. Therefore, they could save up on cost such as fuel cost. At the same time, they charge their customer at low price since their operation cost is low. Firefly also provide customer services such as free beverage and snack to customers as in flight dining and also provide larger compartment such as more weight on baggage check-in compare to local airlines such as Air Asia. Firefly Company actually tends to recruit more employees that are capable to communicate in various languages and person who can understand and respect cultures of others.

The weaknesses involved in Firefly airline is customer complaints that seats provided by the company is limited which is only below 100 seats. Besides that, lack of systematic of public transportation to and from the airport which may cause inconvenience for the passengers. Therefore, it will affect the profit earn by the company. In addition, Firefly Company did not advertise <https://assignbuster.com/market-segmentation-and-customer-profile-marketing-essay/>

much about their business to the public, therefore their brand is not famous compared to other airlines.

Follow by the opportunities of the Firefly airline, the company will implement new technology such as kiosk machine that can provide fastest service for their customer. This actually brings benefit that helps to save up a lot of time as customers do not have to queue up for services. Other than that, Firefly airline can upgrade their plane to more advance aircraft which allows them to be more efficiency and secure. The company can also attract more customers by providing them more places to travel such as Sabah and Sarawak. The other opportunities for Firefly airline is by expanding service that can include services for different classes. Classes such as business class, first class and economy class therefore customer will have more selection.

The threats of Firefly airline is the price of fuel keep increasing from time to time due to the inflation. This has lead it become the greatest cost for the company. At the same time, if the price such as fuel price that keeps on increasing, it will lead to destabilizing the business model. The company also has to compete with different competitor by promoting the budget airline. Besides that, due to the excessive of customer using online purchase ticket it will cause a disruption towards the system. The next threat of Firefly airline could be facing is the terrorism problem. The terrorist might attack anywhere in the world which could bring a negative effect towards the airline image and also the security of the airport will be influenced.

However, the main problem for Firefly Company is insufficient provided to the customers. Second problem is the lack of public transportation for the customer travel to the airport. The last problem is the branding is not quite famous to the public. Thus, these problems lead us to form a new CRM strategy to keep our customer satisfaction.

Market segmentation and customer profile

Firefly Company targets their customers through several segmentations. Segmentation is actually defines as the process of dividing a huge group of customers into small group. Firefly targets their customers through demographic segmentation which depends on the age group of customers. For example, the age group between seventeen (17) to twenty-five (25) years old can be recognized as student which they are studying in different states in Malaysia, so that they can easily travel with firefly at a cheap and reasonable price. The age group of twenty six (26) and above is the business traveler, they might travel within Malaysia to operate their business locally. Therefore, by giving them a low price and efficiency travel promotion, it might attract them to take firefly rather than other airlines.

Besides, both groups of customer may have a low income which could only afford the flight ticket price. High income group should be able afford in this price level and can even help them to save more cost.

Geographical segmentation is also very important for firefly, since it cannot only target in individual place. By targeting more areas of customer, it allow firefly to bring in more customer to enhance their profitability. For example,

Firefly provides more convenience services which allow customers to depart and arrive their destination easily.

Our CRM objectives

Our objective to form new CRM strategy is to enhance our customer satisfaction and create long term relationship with customer. Due to our main problems which customers argue that our seats provided are limited for them so Firefly can take the consideration to upgrade their flights to accommodate more passengers. Another issue of Firefly is lack of public transport to destinations therefore Firefly can provide shuttle bus to town and taxis to the airport. In addition, due to the branding not recognize by others. IT department should be more aggressive to improve the layout of user interface and do more advertising to attract customers. Moreover Firefly has to improve on on-time flights and also improve the market negative perception. Eventually it saves the certain amount of money and reduces airport charges.

Our CRM plan to achieve our objectives

In order to achieve the CRM plan objective, we have to take into considerations of all the weaknesses and threats. One of the weaknesses are limited seats and to overcome this matter we can upgrade our aircraft for a certain flight which are travelling to a destination of higher demand to a much bigger capacity so that more passengers could fit in. This plan is quite costly because it needs us to come out a huge amount of money to purchase new aircraft. Besides, we also need to take in the account of monthly maintenance fees for new aircraft and also fuel cost. Employ new pilots is also needed since we had new aircraft.

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Secondly, Firefly Company could co-operate with public transportation company such as Rapid bus. The main purpose on doing this not only enhances our customer relationship. It also provides an additional shuttle for them travel to airport for free. There are also customer complaints about hardly to get public transport to the airport and cause them to be late. By using this plan, it actually be in win-win situation for both our company and our cooperate company. This is because they can have more customers to increase their sales and at the same time we might enhance our customer satisfaction. At the same time, we can also place some advertising on the bus both interior and exterior. For example, we can request to decorate their bus in orange color which is our company logo main color and also place a big banner on the bus to get customer attention.

Moving on to the next issue, our company should advertise through several ways such as sponsorship, word of mouth, flyers and posters, exhibitions and so on. This may influence our company brand equity. Brand equity is defines as the value of our brand in the market. We need to become a strong brand that recognize by more peoples. This may bring us a more competitive advantage compare to our competitor. By having a strong branding, our company might has a probability to become “ top of mind awareness” in customer mind. For example, when they think about airline, the first idea come into their mind is our brand. Advertising method is actually quite costly but it brings us more advantage to compete with our competitors such as Air Asia. We can actually sponsor a few schools and colleges for them to travel for free. This will excite the student in which leading them to influence their family and others who around them. In return, it becomes another form of

advertising which is word of mouth that helps us to spread about our services. Also by doing exhibitions and public events such as sponsoring a marathon provide a lucky draw where the winner receives a free flight ticket to a certain destination.

Evaluation and monitoring methods to evaluate the performance of the plan

Through our observation, after applying all the CRM plan we found out that we are now able to serve more customers, developed transportation method and have enhanced our brand name.

We know we are serving more customer based on our time-line analysis. By comparing to previous report we served less amount of customer per day traveling to a destination. After providing more seats we are able to serve more customers per day. For example, we previously serve 60pax per flight that can only fulfill 60 customer's demand, after upgrading we are now serving 120pax per flight which able to fulfill more than 60 of customer's demand.

According to observation, customers used the free shuttle provided by Rapid to get to the airport rather than driving own vehicles or using public transportation. In the past, customers tend to use public transport such as taxi which is very costly.

Based on our surveys, we found that more people now know about Firefly when compared to the past. Through the advertising method we used, our company became better known to the public. For example, by doing face-to-face interview, currently 80 out of 100 people know about our brand. By <https://assignbuster.com/market-segmentation-and-customer-profile-marketing-essay/>

comparing to historical result, only 25 out of 100 people know about our brand.