

The blue train stakeholder analysis marketing essay



**ASSIGN
BUSTER**

In modern business world travel and tourism is one most popular and competitive industries. The success of an organisation in this industry depends on the innovative services and creating satisfaction in the customers' minds. Here my Project is based on The Blue Train, one of the most luxurious trains in the world, the best train services in South Africa. It has become a phenomenon in transport industry because of its innovative services, modern facilities, and technological advantages..

Task1

1. 2 The Blue train travel and tourism

The Blue Train is one of the most luxurious and recognised train in the world. It transports passengers from one place to another and in the same time it is used as travel leisure resort for travel loving people. It fits with travel industry as it is involved in travelling people from place to places.

The Blue Train is one of the most luxurious and recognised train in the world. It transports passengers from one place to another and in the same time it is used as travel leisure resort for travel loving people. It fits with travel industry as it is involved in travelling people from place to places.

1. 3 The Blue Train Stakeholder analysis

Stakeholders can be anybody who is related to an organisation, project or strategy. They can be internal or external by who company is launched. Some example are given bellow who suggest that stake holders are who have the power of impact an organisation in some way

“ People or small groups with the power to respond to, negotiate with and change the strategic future of the organization’ (Eden and Ackermann 1998: 117).

As Bryson states this is a somewhat restrictive definition because it excludes those who are affected, but who don’t any power to respond to or negotiate with an organisation. Bryson prefers a more inclusive definition that extends to all stakeholders who are affected by a changes, this wider definition is more compatible with notions of democracy and social justice stakeholder management. (Bryson 2004: 22).

After scanning the above arguments it can be address that, any organisation who have power and who haven’t power both in the small or large organisation during the implementation but may do so for business as usual. Internal and external stakeholder’s description are given bellow.

<http://www.penumbraconsulting.com/images/R&I%20Stakeholders.gif>

Figure 1: Typical set of stakeholders (Kaplan and Norton 1998)

Internal stakeholder

Their main interests

External stakeholders

Their main interests

STAFF

Maintain the brand value.

They have to maintain rules and regulation and got payment.

Have to good knowledge about marketing strategies which will affect them.

Suppliers

Need to closely with suppliers.

Match demand with capacity.

Need to presented image of their own brands

DIRECTOR

Provide the strategy and objective for the company.

Provide the strategy and objective for the company.

Good communication with staff who are effected by marketing strategy and objective.

Customer

Interested in product and brand what organisation promised to provide.

Effect on the brand image.

Use the quality full product and service

Managers

Maintain the

Managers

Same interest like staff.

good knowledge marketing strategies, objective .

apply marketing strategy where fit.

Shareholders

Only interested in profit.

May be little bit interested in brand image.

Staff:

Internal staffs can buy the share holders and can be a part of the Blue Train.

They can take part in taking very important decision regarding new promotions, new marketing strategies.

Directors:

The directors are owners of the most of the stakes of the company who can take any important decisions regarding finance and dividends with the support of other stake holders. They own more than 51% stakes and they are the board of directors who run the Blue Train with the help of others.

Managers:

The blue train have five categories of managers who run the blue train working in different section such as executive manager, key account manager, finance manager, engineering manager, and marketing and communications manager.

External stake holder

Customer: The blue train customers are the main external stake holders. They possess a large part of the stakes of the share.

Suppliers:

The suppliers of the Blue Train are the external stake holders who supply the required equipments, technology, products and other necessary stuff.

1. 4 The blue train pestle analysis

Pestle analysis is a MACRO environmental frame work which is used to determine the external influence of environmental factors on an organisation and it is used as strategic technique to find out the weakness and strength of an organisation and to take proper steps to bring success for the organisation. This technique was introduced by Francis Aguilar (reference missing) who used ETPS which are Economic, Technology, Politics and Social but later on Legal and Environment were added with them which comes PESTLE analysis.

<http://ignitestrategicsolutions.files.wordpress.com/2011/07/pestle-analysis-diagram.jpg>

Figure 2 – The Blue train PESTLE analysis

<https://assignbuster.com/the-blue-train-stakeholder-analysis-marketing-essay/>

Source: Reid and Bojanic(2006)

Pestle analysis work in the blue train are given bellow

ISSUE

IMPACT ON THE BLUE TRAIN

POLITICAL

Growing political focus and pressure on the blue train.

Increase pressure on price.

a different type of rule and regulation comes with different political team or government.

Economical

Financial stability of the country plays vital role on the blue train.

Customer willingness to spend money for the service provided by blue train.

National inflation determines the ability of people to afford to get the service to blue train.

Employment also plays important role for the success of blue train.

Social

Social factors are the cultural and demographic aspects of a country which makes an effect on the expansion of the blue train.

Age profile reflects on the transport service.

Education and attitude of people make an effect on blue train.

Diversity of different colour, race, religion, customs of people play important role in blue train.

Technology

Technological factors affect the cost and quality of blue train

Automation of processes influences the progress of Blue train.

Changes of software affect the effectiveness of Blue Train to control and monitor the activities of the staffs, sales, costs, plans and implements.

Communication technology improves the relationship between customers and the staffs of Blue Train

Environment

Employee Engagement reflects on the progress of Blue Train

Organizational behaviour reflects on the effectiveness of customer services of Blue Train

Organizational culture influence Blue Train

Legal

Legal factors influence the operational activities and costs of Blue Train.

. Consumer law, antitrust law, employment law, discrimination law and health and safety law influence success of blue train

1.5 The blue train marketing issue

In the corporate business world all the organisations have to face challenges from external and internal environments and the competitors. Some other new trains are entering the market with cheap price and many other facilities and so The Blue Train has to follow the right strategy to keep the market share and make the stake holders happy. The main marketing issue is that they have only 2 trains which is not enough to cope with the extended demand of rising customers and the price of the tickets is very high which many of the general passengers can afford. They have created demand in the market by the innovative services but supply is not enough. So they should introduce more trains to fulfil the increasing demand and they can increase sales and reduce unit costs which will allow general people to buy tickets. The Blue Train provides almost all modern amenities and facilities but they do not provide internet options which can bring more comfort and ease to the travellers.

Task 2

2.1 Segmentation, targeting and positioning strategy

Segmentation means division of customer among their needs. In the Blue Train every passenger is different and their attraction feel is different may be some groups of customers like the blue train view, entertainment style, feel the true luxury, service, food quality and so many thing. Market segmentation is defined as the subdivision of a marketing to distinct subset

of customers where any subset may conceivably be selected as at a target market to be reached with a distinct marketing mix (Kotler, 1996).

Four criteria of segmentation are effective for the success of Blue Train which are; Demographic; Geographic; Behavioural and Psychographic.

Figure 3: Market segmentation (Lecture Notes)

Geographic Segmentation

The segmentation which is performed segmenting markets by a region of a country or world, market size, market density or climate. Market density refers to the number of people living in the unit of land as an example; census track. Marketers use climate for geographic segmentation as it has dramatic impacts on the needs and buying behaviour of the customers. Snow blowers, water and snow skis, clothing and heating all have different appeals on the basis of climate.

Demographic Segmentation

Demographic Segmentation refers to the segmentation that is based on the age, gender, ethnic background, income and life cycle of the customers. Demographic segmentation is commonly used by the marketers it is largely available and is quite involved with the buying and consuming behaviour of the customers. Different terms are used by the marketers to segment different age groups and these terms include newborns, infants, young children, teens, young adults, adults. Gender is also very important for segmentation because now a day's 75% of family finance and purchasing decisions come from female. 65% travelling decisions come from

female and 75% of drug purchase, 51% of electronic purchase decisions are taken because of the influence of female and marketers offer different deals to attract the female customers for an example Ford Motor Car offers eye shadow and nail polish according to the colour of the cars while General Motors sponsor cooking classes for female persons.

Psychographic Segmentation

Age, gender, ethnic background, income, family-life cycle and other demographic variables are used to improve segmentation strategies but it can provide the entire picture of the market and to have the complete picture of the market psychographic segmentation is required. If demographic segmentation is the bone of human body psychographic segmentation is the meat of it.

The Blue Train follows demographic and psychographic segmentation strategy to promote their business. They segment on the customers on the basis of beliefs, education, income and socioeconomic characteristics. They appeal to the customers with motives of comfort, luxury and social status of the customers and The Blue Train also appeals to the customers with modern life style with modern restaurant with varieties of food served by special crew members cooked by special chefs, bars with varieties of drinks and one of the famous African wines. There is conference room which is called cable car where the passengers can arrange conference. It has also special television with viewing camera where passengers can view the sights widely on large screen and it also goes through wild life and they are able to experience wild life lively. All modern enjoyments like musical party where singers sing on the stage and passengers can also participate. All those

<https://assignbuster.com/the-blue-train-stakeholder-analysis-marketing-essay/>

services and facilities make an psychographic appeal to the customers and customers of the Blue Train are not only from South Africa they are from the whole parts of the world

Targeting means selection of customers who are spending money on product or service through an organisation, all the customers are potential to whom a business wants to sell product or services. Segmentation is involved in targeting strategy, at first segmenting the market, chose which segment is appropriate for businesses, and determines the product which will be offered in each segmentation. The segmentation of the Blue Train is based on targeting the travel loving people of the different parts of the world and they arrange all the equipments, facilities and services which can give comforts to the passengers of the Blue Train.

Positioning is the process by which organisation try to create own image or identity to the consumer mind. After segmentation and targeting an organisation reaches their products or services to the customers which fulfil the demands of those selected customers. They ensure the availability of their services or products through their marketing channels.

According to Lumsd (19970), positioning lies ultimately in the eyes of the consumer and represents the way in which an organisation locates itself in the market place through segment. Thus a products position is the result of a complex set of perceptions, impression of feelings that tourists as consumers have for the product as compared with competing products (Zafar, 1991).

Travellers in the world have a fancy on travelling on The Blue Train because they have made an impression in the minds of the customers. It has been <https://assignbuster.com/the-blue-train-stakeholder-analysis-marketing-essay/>

possible due to the segmentation, targeting and travelling experience of the passengers. They have made an impression that spending money for Blue Train journey is worth of their money and it can give the service what the customers expect and that experience is passed through passengers to passengers through oral advertising and that has also made the customers loyal to Blue Train.

The Blue Train is one of the most luxurious train services in the world which attract the elite class people living in further corner of the world who love travelling with comfort and luxury. They send their message to the customers through using marketing strategies and advertising. It has become not only a matter of travelling but also a matter luxury and social status of the users. It has arranged almost all the modern facilities of modern world for the passengers so that they still feel they are at home.

2. 2 The blue train main Product and services

The Blue Train is one of the leading luxurious trains in the world. My project is based on the Blue Train and the service with modern catering and facilities is the core product of it. It provides the best service to the passengers and makes them happy professionally and personally. It has become the synonymous of modern luxurious travelling train where the kings and presidents of different countries fancy on travelling. It has charter THE Blue Train where strategic meetings of an organisation or the inaugurate programme of a new brand product, VIP cocktail parties, VIP breakfasts, lunches and dinners, weddings can be held. Passengers can also book a golfing or safari charter.

It has observation car which offers panoramic views of the passing landscape as the train travels along with its journey and this can be used as the conference room of 22 guests. It has the best audio visual and technical equipments which is helpful for business persons for any conference. This car can be used as a small conference room or meeting room.

The Blue Train has also other facilities and equipments which are as follows:

PC compatible overhead projector for DVD or CD ROM presentation

Slide projector 35mm slide

Electronic pananboard with photocopy facilities

Video (VHS) facilities

CD player for personal use

Catering and bar facilities

2. 3 Pricing strategy of the blue train

Pricing is a marketing strategy used by the marketers who has market power. The contemporary market is interested to set a price at the value of the products or services at the hands of the consumers rather than merely reference to cost. There are different types of pricing strategies:

Figure4: pricing strategy {field work}

Cost is set by adding a profit element on top of the cost of making the product. It is an old fashioned strategy but still it has been used widely in

world market. Customers are not too much bothered about the price but they are interested what the value the products provide them. The advantages of this strategy are that the company that costs of the organisation is covered but the disadvantage is that it becomes uncompetitive.

Price is set by the organisation who believes customers will be prepared to pay. There are different types of customer based pricing such as Penetration Pricing, Price Skimming. The purpose of penetration price to increase the market share by increasing sales and the price is set lower than the competitors so that it helps the customers to switch to the new products and it is short term strategy to fulfil its objectives and when the objectives are met the new price is set. Price Skimming is set before other competitors come in to market where there is low completion or no competition at all. This is a short term strategy because the rivals come with new products with lower price.

Price is set comparing the set prices of the competitors.

My organisation The Blue Train follows cost based pricing strategy and the price of the service is higher than the competitors but still customers are keen to have the service from it bec

ause the price of the service is worth of its value. They can have the best quality services, facilities and luxurious equipments to have the best experience of the journey of the consumers.

2. 4 the blue train promotional mix

<https://assignbuster.com/the-blue-train-stakeholder-analysis-marketing-essay/>

Promotion is one kind of marketing media which is used to describe all marketing communication. Promotion is one kind of marketing media which is used to describe all marketing communication activities and includes advertising, self promotion, direct marketing, public relationship, personal selling, trade fair, and sponsorship. Promotion needs to be specifically managed and integrated in to the business global message, it's called integrate marketing communication (IMC). The promotion mix (the marketing communication mix) is the specific blend of promotion tool that the company uses to persuasively communicate customer value and build customer relationships. (Kotler, 2010)

The Blue Train uses promotional mix to promote by them. To communicate with the customer, promotional mix is very important. By promotional mix customers get the update information about the Blue Train. Promotional mix is media by whom passenger get all the important news and other hand the Blue Train gets feedback from customer which help the Blue Train to find out any shortcomings of them and arrange more facilities to keep the customers happy and thus they become more popular to the customer.

In order to get these messages, traditional media, such as print and broadcast, radio can be used to create brand positioning and awareness of the brand diamond as well as the use of the internet (Fill, 2002).

The blue train promotional mix description is given below;

Figure5- blue train promotional mix strategy (field work)

Advertising:

The Blue Train uses advertising to promote themselves which is paid communication. Advertisement is used to create awareness, develop attitude and transmit information in order to response target market. The Blue Train uses lots of advertisement media such as

News papers (local, national, international, free, trader)

Magazines

Books

TV (satellite, terrestrial, local)

Journals

Cinema

Outdoor advertising (poster, bus side)

Webpage

Blog and

Personal selling:

Personal Selling is an efficient way to handle personal customer relationships. The sales person acts on behalf of the business. They tend to be well trained in the approaches and techniques of personal selling.

However sales people are very expensive and should only be used where

<https://assignbuster.com/the-blue-train-stakeholder-analysis-marketing-essay/>

there is a genuine return on investment. Personal selling has 5 processes which are given below:

Prospecting

Marketing first contact

The sale call

Objection handling

Closing the sale

The Blue Train also uses expert personal selling teams who reach all the promotions to the customers and impress the consumers to make purchase decision. The sales teams are paid by the organisation and they also get commission on their sales and it motivates them increase sales.

2. 5 Distribution strategy

Distribution strategy refers to the strategy how the organisation gets through their products or services to the users or customers. Tourism and travel industry uses different travel agents, holiday agents as their distribution channels where customers can buy tickets change the dates of the tickets or they can cancel the tickets. But The Blue train does not have any third party distribution channel directly but they have unique web site where customers can get all specific information about price, offer and destinations. Anybody can pay on line in their website Electronic Communication and Transaction Act is maintained. They accept all types of

cards and customers can buy phone as well and they have office in Pretoria and Cape Town. Customers can get any information if they mail the following email-info@bluetrain. co. za They have representatives in UK which is Ethos Marketing based in the Horsham

2. 6 the blue train 3ps

The Blue Train uses 3 Ps effectively which are-Process, Physical Evidence and People

Marketing mix is very important of any business , at first marketing is broken in 4ps then it has extended in 3 Ps so total marketing mix is 7ps, which are given bellow;

[http://www. sales-and-marketing-for-you. com/images/marketing-mix-structure. jpg](http://www.sales-and-marketing-for-you.com/images/marketing-mix-structure.jpg)

Figure6: Promotional mix {lecture notes}

Southern Africa is full of adventures and romantic haven, which is decreeing worldwide travellers who already travelled South Africa land as much comfortable as possible. BUT it was not possible till 1928, after that the luxurious train started their journey between Johannesburg and Cape Town.

The blue train is extraordinarily elegant train which was voted for the” worlds luxury train at the prestigious, world travel awards for five consecutive years. The blue train is luxurious five star trains which is full of romance, and surpassed luxury . the blue train have luxurious accommodation, fine cosine, and personalized butler services of the highest standard and routes that offer breathtaking views of countryside.

<https://assignbuster.com/the-blue-train-stakeholder-analysis-marketing-essay/>

Staffs are trained by personal officer in - house to maintain the high standard of five stars throughout. In the blue train each journey is very important all the activities are provided by a team who are highly qualified and specially trained hospitality staff that includes a train manager, a room division manager, restaurant supervisor , an executive chefs, souse chefs, butlers and kitchen staff . the sophisticated , opulent atmosphere, gourmet menu and finest south African wines sourced from boutique vineyard , make dinning on the blue train a magnificent experienced.

The blue train food is delicious which is create by trains own chefs and also create the Manu to delight the most disc mining palate. The freshest ingredient maintains the blue train standards. In the blue train meal and sneaks are prepared in streamlined kitchen which is a masterpieces of stainless design with walk in cold rooms and freezers to make sure the optimum holding temperatures and combination of electric, gas and microwaves oven. Guests are always important in the Blue Train; they are offered a choice of entrance which are given bellow:

Soup

Desert

Fish

Cheese platter

Meat dishes

Coffee/tea

In the blue train south African cuisines are also included, different types of African food are available. In the Blue Train three types of food are provided on request which is as follows:

Vegetarian

Kosher

Halal Meal

In the Blue Train breakfast, lunch and dinner are the main meals and high tea is served in afternoon in main lounge . The Blue Train is famous for South African wines , which completes the course on the menu after meticulous consultation with south African top wine experts.

In the blue train 11 guest coaches can accommodate up to 82 customers and 2nd one have 10 guest coach where 72 passengers can use. Blue train also have the conference room which is situated in 2nd coach and can hold 22 delegates, all the standard facilities are providing in the conference room such as computer, overhead projector, video slides, and modern technology that can cater for various types of meeting. Conference car can be used as a third lounge if not use for conferencing.

All the blue train set is 380 meters long and has 18 carriages. Each suite got own en suite bathroom, with private shower or bathtub. Passengers may choose their own room between deluxe and luxury suite , double or twin beds with telephone, remote controlled television, a safe for values, and hair dryers on request. 24 hours butler service, butler look after luggage, laundry service , polish of shoes etc.

<https://assignbuster.com/the-blue-train-stakeholder-analysis-marketing-essay/>

The blue train providing high quality of photograph and gold leaf letting design, stylish brochure which will make the feel of true luxury

TASK 3

3. 1market research

Market research is the process by which an organisation takes all important decisions regarding any marketing issues. Any market research has some specific target and the market research on the Blue Train has specific goal to improve the service of and to cope in the highly competitive travel industry. The market research on the Blue Train has some questionnaires and objectives which will fulfil the research goal. The market research process on the Blue Train is shown below:

Define the problem

The conductor of the research

The methodology of research

Data collection process

Preparation and analysis of the result

Generalisation of the report and make presentation

Define the problem

The research on the Blue Train starts with finding problems in market and some questions arise on the basis of which the market research will reach its goal. The questionnaires of the research are given as follows:

What specific marketing strategy does the Blue train follow?

What are the segmentation strategies of the Blue Train?

What are the distribution strategies of the Blue Train?

What are the roles of stake holders?

What price strategy does the Blue Train follow?

How is the use of 3 Ps in the Blue Train?

The research objective

The objective of research defines the goal of a market research which helps the organisation to find their weakness and strength in the market and shows what they need to improve to enjoy success. The market research objectives of the Blue Train are given below

The marketing strategies of the Blue Train

The segmentation strategies of the Blue Train

The distribution strategies of the Blue Train

The stake holders of the Blue Train

The pricing strategy of the Blue Train

3 Ps in the Blue Train

The conductor of the research

The researcher is the person who is a management trainee in the Blue Train.

The managing director wants to explore in detail about the customer satisfaction levels and it has been assigned to one of the management trainees in the organisation. To understand the customer satisfaction level for the Blue Train it is necessary to identify the service areas where the customers are happier and the aspects for which the customers are unhappy.

Research design

The research design presents the different steps it takes to reach the goal of the research. It shows what methods the research will undertake, what type data will be collected and how the data will be collected. It also shows how much the research will cost and how long it will take.

The Research Methods

There are different types of research methodologies and it is necessary to select the right type of methods to fulfil the objectives of the research whether it can be qualitative or quantitative. As the Blue Train is one of the luxurious train services in the world and the success of it depends on customer satisfaction, it will follow the qualitative methods. As the objective is to find out the customers satisfaction, qualitative methodology will show the nature, attitude and behaviour of the customers. For that purpose customers of the Blue Trains will be conducted with some valid question

which will give the right information about customer's satisfaction and so the question of the questionnaires should be easy and simple to the customers but the wrong questionnaires will not be able to give right information.

Sample

Many of the researches are done by survey which is based on sample which represents the satisfaction of whole customers. Sample method is followed because it saves the costs and times of the research. Survey can be categorised into probability samples and non probability samples. However, only probability samples can be used to draw statistical inferences (Weisberg 2005). In a probability sample each member of the target population has a known and non-zero probability of inclusion in the sample (Kish, 1965). For the research purpose the customers of the Blue train will be conducted through posts and emails.

Timing

It is very important to select the right time to conduct the customers for survey when the response rate is more positive than any other time.

Normally people like to travel in summer time and during the weekend days and if the survey is done on that time it is possible to get more accurate satisfactory answers from the customers as the customers have enough time and mentality to answer the question regarding the services of Blue Train but if it is done during week days it is not possible to get accurate answers.

Costs

To conduct the survey it costs money to the conductors and the money cost in different stages of the research is given below

For research design it costs money for designing survey, incentives and facility charges

For sample it costs money for identifying sample

For data collection it costs money for conducting people through on line

For data analysts it costs money to analyse the data

For reporting it costs money for making an executive summary, reports in details and formal presentations.

Data collection and analysis techniques

The data collection is the important phase of any research process. The accuracy of data will decide the research credibility. The data can be either primary or secondary in source. The primary data will be from the prime source like direct interview, survey, sampling and questionnai