

Kingfisher airlines marketing and management strategies

[Environment](#), [Air](#)



Kingfisher Airlines based in Bangalore India at Bengaluru International Airport, is one of the main airlines in its section of the world and has more than 400 flights per day. Kingfisher Airlines has a five star rating from Skytrax, and is one of only six airlines in the world to have such a rating is deemed to be the most admired airline in the Asia-Pacific region. During February of 2009 there were 904, 000 passengers who flew on Kingfisher, giving it the highest market share in India. Kingfisher Airlines has 74 domestic destinations and 8 international destinations across Asia and Europe till date and gradually expanding.

This first part of the report represents Kingfisher Airlines various textbook analysis, current marketing strategies and management operations.

Whereas the second part of the report sheds light on one of their classes “Kingfisher First”, and discusses a comprehensive marketing plan in order to increase their share in the international air.

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Introduction

Kingfisher Airlines is a private airline based in Bangalore, India. The airline is owned by Vijay Mallya of United Beverages Group. Kingfisher Airlines started its operations on May 9, 2005 with a fleet of 4 Airbus A320 aircrafts.

Emirates followed with 10. 3% air traffic share, with third highest aircraft movement. Jet, which had the second highest aircraft movement, is third on the passenger movement list with 9% market share. Kingfisher, which started international operations from the end of 2008, figures at number 46. The airline currently operates on 8 international destinations and almost all the major cities in India. The destinations covered by Kingfisher Airlines internationally are London, Hong Kong, Dubai, Bangkok, Kathmandu, Colombo, Dhaka and Singapore.

In a short span of time Kingfisher Airline has carved a niche for itself.

Kingfisher Airlines has a five star rating from Skytrax, and is one of only six airlines in the world to have such a rating is deemed to be the most admired airline in the Asia-Pacific region. During February of 2009 there were 904, 000 passengers who flew on Kingfisher, giving it the highest market share in

India. The airline offers several unique services to its customers. These include; personal valet at the airport to assist in baggage handling and boarding, accompanied with refreshments and music at the airport, audio and video on-demand, with extra-wide personalized screens in the aircraft and three- course gourmet cuisine.

Kingfisher Airlines currently operates with a brand new fleet of 8 Airbus A320 aircraft, 3 Airbus A319-100 aircraft and 4 ATR-72 aircraft. It was the first airline in India to operate with all new aircrafts. Kingfisher Airlines is also the first Indian airline to order the Airbus A380. UB holdings Ltd, has acquired 26% stake in the budget airline Air Deccan and has option to buy further of 20% stake from the secondary market.

Brief History on Kingfisher Airlines

Kingfisher Airlines is a subsidiary of the UB Group, one of the largest beverage companies in the world. The branding of the airline is linked to that of Kingfisher Beer, India's largest brewery. The airline initially operated a single class service but subsequently introduced a highly acclaimed First Class, allowing it to compete with Jet Airways for the high yield corporate market.

In just over two years, Kingfisher Airlines has achieved a market share of 10% and has one of the most aggressive expansion plans of all Indian carriers during 2007. In Jun-07, it dramatically increased its influence in the market with the acquisition of a 26% shareholding in India's largest LCC, Air Deccan, for approximately USD130 million. The combined Kingfisher/Deccan

group has a domestic market share of just over 30% and a product range spanning from the price-sensitive, first-time flyer, to the high yield business traveler, making it a dynamic airline industry.

Mission Statement and Objective of the Company

Kingfisher Airlines passion is to deliver a world-class experience to its flyers. And since work and play can go hand-in-hand, they want to make sure that guests get some time to relax in the skies after several pressing commitments and stressful work obligations.

Their objective is to be personally involved and ensure that every Kingfisher aircraft meets the global standards that I have set in terms of safety. They have also introduced a brand-new fleet which incorporates the latest technology available and in spite of the personalized entertainment system for personal viewing and listening pleasure, they manage a unique class price between low cost carrier and contemporary competitor's class. Creating an environment that feels first class but is in the budget.

PART 1

Current Marketing Strategies of KFA

KFA has always positioned themselves as a budget carrier and not as Low Cost Carrier (LCC). Till this year they have created their recognition through very cost effective yet classy services both domestically and internationally. They have followed uniquely fun marketing strategies to make it one of the leading airlines in Asia.

It came up with a very appealing promotional line “ Fly the good times” and it reflected in the experience the company offered to its passengers.

KFA is also launched Kingfisher RED in order to tap into the growing Low Cost Carrier (LCC) segment.

The company gave best services to its customers that were like providing world class interiors, and in-flight entertainment systems.

The company came up with only one class airlines by combining combine Business Class experiences and Economy Class experiences in one rather than other airlines that had Business Class; Economy Class.

Having a single class freed up more leg space for passengers when compared to normal economy class flights.

The company started addressing its customers as “ GUEST” rather than passengers.

KFA’s promotional strategy team showcased the airline as “ the new flying experience”.

Advertisements hoardings at airports depicted the stylish interiors of the “ Funliners”, which conveyed youthful, fun-filled, and world class image.

KFA made use of various fashion shows, celebrity golf matches, New Year parties all to build its “ Kingfisher” brand.

The UB group's monthly magazine called " Pegasus" published information about KFA along with other information related to UB group.

KFA launched many attractive offers to promote its sales like the " King Card" in association with ICICI Bank, in August 2005. This was meant to create loyal customers for KFA by providing benefits like privileged access to lounges, restaurants, free refreshments at airports, access to 180 golf clubs across India, special invites for lifestyle shows.

KFA targeted the frequent fliers business traveller segment, which was dominated by Jet Airways. By offering a " King Saver Booklet", This booklet contained six free flight tickets and was presented as a free gift if the passenger bought two such booklets each worth Rs. 26, 999. Passengers could avail off this offer if they showed there Jet Privilege Member (Gold or Platinum) card.

Marketing Mix

Product

Kingfisher Airlines offers unparalleled service to its guests. The success of this airline in a very short period of time can be attributed to the novel services introduced by it e. g.

Roving agents: A roving agent is a check-in counter on the move. The guests with hand baggage are not required to stand in the queue at the check-in counters. The roving agents come to the customers and assist them.

Different check-in options: The airline allows its customers to do a web check-in from its website apart from the option of the airport check-in.

Special care for unaccompanied minors, senior citizens and those with reduced mobility: The airline takes the responsibility of escorting the children safely to their destination. The ground crew assists in check-in and boarding process. Guest with disabilities can expect a personalized and caring treatment. An escort with a wheel chair can be assigned to the Guest. Help in check-in, boarding and disembarkation can also be availed by guests.

In-flight entertainment: Every seat is treated to an individual TV with Live TV as well as well as pre recorded in-flight entertainment channels and Radio.

Place

Connectivity: Kingfisher Airlines flies to 38 destinations across India. These 38 locations cover a wide geography of the country and connect all the metros and the major cities.

Booking of tickets: The customers have an option of booking tickets at the airport, by calling the customer care, through travel agents and by logging on to their website.

Price

Kingfisher Airlines has been termed as the “ first full frills-true value carrier.” The airline has a very well defined target audience which is the Sec A and Sec B+ of the Indian economy and that falls within the age group of 25-45 years with high disposable incomes. This section of the population is modern,

trendy and upwardly mobile looking for a great flying experience. They have traveled extensively and are aware of the international flying trends. This segment really doesn't mind shelling out the money as long as they get the experience they are looking for.

Promotion

Kingfisher Airlines has adopted a well rounded approach to reach out to their customers. Their objective is to create a place in the minds of their customers for their brand and to ensure that the message gets across effectively. Kingfisher Airlines has a 360 degree promotion strategy in place. They reach out to their customers through all media of communication such as television, radio, print, outdoor, malls and multiplexes, clubs and pubs and their in-flight magazine. They ensure that they communicate with their customers at multiple touch points.

King Club is the airline's loyalty program. As a member of King Club, customers enjoy a range of exclusive privileges and benefits for each membership level. The more a customer flies with Kingfisher Airlines the more he will be rewarded.

People

Kingfisher Airline's cabin and ground crew is the hallmark of their services. The real winning factor for Kingfisher Airlines is the quality of staff service being provided to customers. The crew undergoes rigorous training programs. Kingfisher Airlines has also instituted the Kingfisher Training Academy to cater to the growing demand for trained Service oriented

professionals. The academy provides intensive training on Airlines Orientation covering Airline Rules & Regulations, Cabin Familiarization and Announcement Delivery.

Process

Following are the processes that add to the satisfaction experienced by Kingfisher passengers:

Kingfisher Airlines facilitates easy booking of tickets. The passengers can book their seats by calling their 24/7 customer care, by logging on to their website, designated travel agents and at the airports.

Personalized valet service at all airports across the country. The valet service staff assists the passengers' right from the time they reach at the airport till they check-in and also upon arrival at the destination they provide assistance with their baggage.

Physical Evidence

Fleet: The airline has a brand new fleet of aircraft comprising of 18 ATR 72s, 4 A 319s, 13 A 320s, 8 A 321s, 2 A 330s.

Interiors of the aircraft: All the aircrafts of Kingfisher airlines have designer interiors. The moment a passenger enters the aircraft, what strikes him is the bold use of red color and leather. Including the state of the art GPS monitor attached in front every seat along with their entertainment gadgets.

Cleanliness inside the aircraft: All the aircrafts are well maintained for cleanliness and a pleasant experience.

Internal Analysis of Kingfisher Airlines

SWOT Analysis

Strengths

Operating in a niche market: domestic luxury segment

“ Kingfisher” itself is a well established brand

The customer service provided is personalised and exceptional

Highly trained and attractive staff.

Weakness

Unable to generate expected returns on the investments

Investments are more than turnovers, high break-even point

Loads are lesser than that of its biggest competitor Jet Airways

Opportunities

Aviation industry is a growing industry

Large number of international untapped routes

Growth in the disposable income

Threats

Fierce competition from well established intl. airlines

Major rise in fuel prices

Cost cutting has become a prime need in the aviation industry due to the preference of low cost carriers

Drawbacks of recession

External Analysis of Kingfisher Airlines

PEST Analysis

Political

India's political environment – Tension with Pakistan, Government's inability to control issues (riots etc)

September 11th – huge drop in air traffic due to safety and security concerns

Trade relations with other countries have to be good

Economic

Recession- airlines are considered as a luxury

High operation costs due to low demand

Resulted in laying off employees

Social

People from varied income groups have to be catered

Destination, kinds of food served have to be chosen carefully

Technological

Use of Internet- online ticket booking, updated flight information & handling of customer complaints.

Restructuring the existing airports to world class appeal

Integrated Marketing Plan for “ Kingfisher FIRST”

Kingfisher Airlines introduced Kingfisher First in 2006 offering first class service at business class fares. It had its own personal valet service on the ground to assist the First class passengers from baggage handling to boarding, exclusive lounges with private space, accompanies with refreshments and music. In Kingfisher First each and every service has been designed to perfection. Culinary works of art with an exclusive three course menu complete with a kingfisher sparkling welcome drink, signature dessert and freshly brewed coffee on board, world-class service experience at the hands of a superbly trained and hand-picked cabin crew/models.

Kingfisher First cabins includes a social area comprising a full-fledged bar staffed with a bartender, a break-out seating area just nearby fitted with two couches and bar stools, a full-fledged chef on board the aircraft and any-time dining. A turn-down service includes the conversion of the seat into a fully-flat bed. Even though Kingfisher First is an impressive combination of outstanding marketing mix, there is still one major drawback the overall airline is posed to, which is their recent entry in to the international market. Even though Kingfisher Airlines has been dominating their domestic air for quite a long time, with their cutting-edge technologies and services, in the

international market they have to come up with much efficient marketing and operational strategies against similar competitors in order to increase sales and gain market share.

Kingfisher Airlines plans to establish itself as a niche player in the long-haul market of business travel. Below are some of the marketing strategies that could lead to successful recognition of the airline internationally:

1) Sales and Marketing Strategy

Corporates: Kingfisher First is a business to business airline. It should focus its efforts on targeting corporate travel managers directly through a strong sales force, partnerships with credit card companies, or other entities that have access to corporate clients. Kingfisher First should offer flexible pricing to suit companies' travel requirements.

End-users: In order to attract the traveller directly, Kingfisher First' marketing strategy should focus on the lifestyle and convenience rather than price because in many cases price is not the primary issue for the business traveller. Kingfisher First should only use electronic tickets which should be distributed through agents, the Internet, and our call center. Kingfisher First should also distribute through travel agents as they still have a significant position in the corporate market.

Other recommended strategies include:-

2) Management and Culture

Blending experienced airline professionals with a young creative management team should be a successful combination which should

continuously look for innovation while maintaining a high level of professionalism. Getting the right combination should be the key in executing this venture successfully. The company should also focus on building a strong corporate culture that should help to differentiate itself from the competition and sustain a high level of motivation while maintaining cost control.

3) Strong Sales team

Kingfisher First should market its services to companies directly. Its ability to acquire corporate clients should be extremely important to the success of the venture. Kingfisher First should offer discounts for volume travel and should also partner with selected hotels in order to offer all-in packages.

4) Low Cost Operation (Reducing their range of fleet)

As a new airline, Kingfisher First should have a significant cost advantage over the existing airlines that have large overhead expenses. By focusing on a single type of aircraft, a single class of travel, and initially a single route, systems should be simple and costs should be kept to a minimum.

5) Low Break-Even Point

By operating a Boeing B757, Kingfisher First should have lower operating costs and a low break-even point (50 passengers/50 percent load factor) significantly reducing the risks associated with traditional airlines. Focusing on a single aircraft type enables the company to minimize the costs of training and maintenance. With such a low break-even point, Kingfisher First should be able to make it through economic downturns with less pain than

its competitors. It should also enable Kingfisher First to consider medium and low density routes on a long-haul basis offering more point to point services.

6) The Internet

Maximizing the potential of the Internet should be the best tool in keeping low distribution and administrative costs. Kingfisher First should have a strong Internet presence and should use the Internet for customer interaction as well as internal functions.

Conclusion

In conclusion Kingfisher Airlines is one of the largest and most cutting edge airlines not only within its country but internationally as well. It has strong alliance with many other airlines in aviation sector. Kingfisher Airlines offers world class services to the customer at a nominal rate. The national carrier takes immense pride in having successfully played a pivotal role in making various facets of India popular with the people of the world and acting as the country's cultural ambassador. The airline uses the services of one of the advanced plans been operated in the world. Lastly, Kingfisher Airlines is serving its customer in an appreciated way and going to be in the list of best services providers in coming years.

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