

# Classic airlines marketing concepts

[Business](#), [Industries](#)



Classic Airlines Classic Airlines is facing many monumental challenges. The key word is monumental as immediate future decisions will determine the fate of Classic Airlines in terms of surviving in the airline industry, filing for bankruptcy, or bought out by the competition. Classic Airlines is at a fork in the road. As the airline industry shares the pain with rising costs, particularly in fuel and labor, Classic Airlines is struggling internally. They are bleeding in regard to customer retention, which is decreasing by approximately 20%.

Classic has one of the highest labor costs per seat-mile as they pay top salaries to pilots and other employees, even while competitors are cutting in those professions. To counter any further financial crisis, the board of directors recently mandated a 15% across-the-board cost reduction over the next 18 months. The deepest wound to keep from hemorrhaging is the internal strife between Senior Management. The entire management group needs to work cohesively and fast before the company flat lines.

How will Classic Airlines find a way to survive these pressures? First and foremost, Senior Management at Classic Airlines needs to embrace the marketing concept. According to Kotler and Keller (2006), the marketing function needs to be seen as one of several equally important functions in a check-and-balance relationship (p. 16). As seen with Amanda Miller, CEO of Classic Airlines is described as, " Her pragmatic approach to operational excellence often leaves her little patience for " soft" business disciplines such as marketing. This does not sound good and to make matters worse, Catherine Simpson, who is CFO is described as, " Catherine is " driven by numbers," and her practical philosophies about business are frequently in line with Amanda's. " This says potential disaster in flashing lights. Luckily,

Classic Airlines is showing some glimmers of hope with other department heads. Kevin Boyle, who is Chief Marketing Officer, believes that marketing is critical to the company's ability to move forward profitably.

Renee Epton, who is Senior Vice President of Customer Service, is described as, " As the top management's view of customer service becomes more operations-based, Renee has frequently found herself battling for the customer. " John Hartman, Senior Vice President of Human Resources, believes frontline employees represent the organization's face to the customer and are critical to customer service and marketing effectiveness. These three individuals sound like the bright, shiny stars of the company. The second strategy that would be helpful to Classic Airlines to boost additional revenue is a marketing concept called strategic alliance.

Strategic alliance allows a company to form an alliance with domestic or multinational companies that complement or leverage their capabilities and resources to obtain greater sales impact at less cost (Kotler and Keller, p. 57, 2006). In the case of Classic Airlines, it would be in their best interest to form an alliance with the top Latin American airline as Kevin and Josef are trying to negotiate. It looks like Classic Airlines is already engaging in this strategy with their frequent flier program as a member can earn miles and take advantage of hotel stays or car rentals with partnering companies.

With the Classic Airlines scenario, Kevin Boyle has notes from customer conversations. This is an example of collecting marketing research. According to Kotler and Keller (2007), marketing research is defined as the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company (p. 42). In the <https://assignbuster.com/classic-airlines-marketing-concepts/>

case of Classic Airlines, the leaders of the company need to discover why the customers are unhappy and shopping elsewhere. Conclusion The vitality of Classic Airlines resides with the decisions and attitudes of Senior Management.

Classic Airlines has talented, intelligent, decision makers that can pull the airline through the tough times. Profit maximization and shareholder wealth will come from executing sound marketing practices as discussed. If those goals can be achieved, Classic Airlines could rise to be an industry leader. References Kotler, P. , & Keller, K. (2007). A Framework for marketing management (3rd ed. ). Retrieved from The University of Phoenix eBook Collection database. Kotler, P. , & Keller, K. (2006). Marketing management (12th ed. ). Retrieved from The University of Phoenix eBook Collection database.