

# Classic airlines and marketing-mkt 571

[Business](#), [Marketing](#)



Classic Airlines and Marketing WK 1 MKT 571 University of Phoenix Classic Airlines is the fifth largest airline carrier in the world with 375 airplanes that service 240 cities with more than 2,300 flights each day. Since its inception 25 years ago, Classic Airlines has more than 32,000 employees. Last year the company had a net income of 10 million dollars (Classic Airlines, 2010). Current challenges Although the company is making a good profit, it has also encountered some major challenges. The downturn in the economy has caused net income to decrease.

This year the company had a net income of \$10 million, however; the previous year had a net income of \$71 million. The company has experienced a 10% decrease in share prices. Classic Airlines has the highest labor cost in the industry (Classic Airlines, 2010). These challenges have caused employee morale to hit an all time low. Classic Airlines is in the process of solving their current challenges and evaluating their current position in the marketplace. Product and services marketed and marketing concepts Classic Airlines needs to have the net profit increase each year.

This can be accomplished by developing an effective marketing plan. The marketing plan should be centered on increasing passenger activity by rewarding its current customers and enticing new customers. The marketing plan should select potential markets and getting, keeping, and growing new customers by delivering superior customer value (Kotler & Keller, 2006). Classic Airlines should continue performing customer surveys. Through these surveys the company can obtain valuable information on how to keep existing customers and obtain new ones.

These surveys can be a tool that can assist Classic Airlines implement their new marketing plan. Through these surveys the company can determine what services should be offered. Current corporate culture Classic Airlines has a mixed culture. They pay their employees top salaries, while competitors are cutting pay to employees. The company has one of the best retirement plans in the industry. However, the company plans a 15% across-the-board cost reduction over the next 18 months. Employee morale is lowest in the company's history. Conclusion

Classic Airlines has some major challenges including a \$61 million dollar decrease in net profit, 10% decrease in share prices, a downturn in the economy, and a need to reduce costs by 15% over the next 18 months. The company markets a frequent flier program to increase business and reward its loyal customers. The company needs to update the current rewards program. The corporate culture has been impacted by the lowest employee morale in the company's history. The company is in the process of solving their current challenges and evaluating their current position in the marketplace. References

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