

Analysis and comparison of marketing strategies – american airline marketing stra...

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Analysis and Comparison of Marketing Strategies - Introduction to Southwest and American Airlines:

The category I have chosen for the analysis and the comparison of the marketing strategies is the Airlines. Southwest Airlines is one of the innovators and always one step ahead of its competitor. It is the lowest fare carrier on the shorter routes and attracts its customers with its innovative marketing strategies. The American Airlines is the major airline in the USA. It is basically the largest airline in the passenger miles transported (Aviation Week and SpaceTechnology, 2007). It basically targets the business class with its extra-ordinary promotions.

Marketing strategies of Southwest Airlines:

Southwest Airlines recently launched a “ Freedom from Fees” campaign from the city of Texas. This campaign was commenced in order to differentiate itself from its competitors especially American Airlines. All the other airlines were charging extra fees for the luggage check but Southwest Airlines decided to go otherwise and did not charge any fees for the luggage check. This promotion of the Southwest Airlines was really successful in its return to the company. The Airline’s revenue rose by 8. 5% to 9. 9 billion in the year 2007 (Mya Frazier, 2008).

The latest marketing campaign launched by Southwest in every type of media is “ With the Power of anEducation, the Sky is the Limit”. The Airlines has supported the black community of American in education and other related social activities in the community for a long time. Therefore, this campaign is to celebrate the Black History Month. This ad basically shows a

Black American dreaming about a bright future and emphasizes on how this airlines will help him and others like him in supporting his education and built a bright future (PR Newswire, 2009). Also read which education level has the highest return on investment (ROI)?

Southwest Airlines is the lowest fare American airline which is its competitive advantage. The airline tries to provide cheaper mode of transportation than all the other airlines and providing the same level of quality service (Zellner, 2001). As of December 31, 2007, the Airlines had the largest number of customers in the world and were the 6th highest revenue generator in the USA (Wally Devereaux, 2009). At the same time, the product they offer is very simple. They try to make shorter routes with no meals and consist of only type of fleet. At the same time, they sell their most tickets through website or their own reservation systems. All these strategies in order to cut costs and keep the fares low.

Marketing strategies of American Airlines:

The American Airlines is poised towards targeting the elite and the business class people. In its promotion advertisement launched in 2008, the airline aired a 30 second ad which focused on the luxuries and the next generation business class. The Ad is to inform the customers what the business class is all about.

The American Airlines just recently launched a “ Next Generation Business Class” campaign. This campaign is to target the upper business ventures and capitalists who frequently visit other countries for business purposes, promos or exhibitions. This promotion says that those who buy the business class

tickets from American Airlines official website, AA. com Japan will get a one night free stay at Grand Hyatt Tokyo. The hotel is one of the best in Japan and it promises to make the stay memorable. This promotion was launched on October 1st 2008 and is basically a joint venture of the American Airlines and the Grand Hyatt hotel (American Airlines Japan, 2008).

Another latest marketing promotion “ Remember Me” launched by this airline is to increase the loyalty of its customers. Basically, in this promo, the service will recognize the customer through the number it is calling from. Hence, the call time will be reduced to almost half the time and will greet the customer with their names. This will have a great impact on the loyalty of the customers and the sales of the airline as the customers can book their tickets through the mobile only. The promotion is still in its testing phase (Mickey Alam Khan, 2009)

American Airlines moved towards the target marketing of its customers in 2007. For this purpose, the airline has teamed up with Steve Harvey, the most popular entertainer. Basically, this person promoted the airline in his shows which had a great impact on the black community. At the same time, a new program was aired on radio live in which the representatives from the airline participated with Steve Harvey every month. The show is named as “ American Airlines Travel Segment”. This sign up or the promotion was to attract the African-American customers (Target Market News, 2007).

Comparison:

Both the airlines have had a successful career and are both on their way to market leadership. They use all types of mediums to access their customers

and to promote their services at all times. But Southwest airlines is typically targeting the people on shorter routes and providing them with the best possible service at the lowest possible fares. On the other hand, the product that the American Airlines provide is very sophisticated. They provide the highest possible of services and quality standards. They try to attract the business class and the elite mostly on longer routes.

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