

# [Demands that pegasus customers demonstrate marketing essay](https://assignbuster.com/demands-that-pegasus-customers-demonstrate-marketing-essay/)

## Question: 1

Give examples of needs, wants, and demands that Pegasus customers demonstrate, differentiating these three concepts. What are the implications of each for Pegasus’ practices?

## (20 Marks) 400 Words

## Answer: 1

Examples of needs, wants, and demands that Pegasus customers demonstrates:

## Needs:

The need of the Pegasus customer is to have a save travel through airlines to reach their international destination. The customer also needs to have a low cost airline which they can afford.

## Wants:

The Customer wants that their journey should be safe and economic which they can afford. They want that their airline should be low cost, provide various facilities such as easy check post, safe journey, good food and other facilities, good hospitality etc. Beside this the customer want that they should be provided with such services which would save their time and not make them troubled much and their grievances should be solved as early as possible. They also want to have social network and also expects to be supported by the electronically follow up which can update them time to time.

## Demands:

The customer demands for the low cost airlines which provides safe journey and provides the effective services with their core services.

Pegasus provides following services in order to meet the needs, wants and demands of the customers:

Electronic Ticket policy which provides information on email and SMS to the customers for effective customer communication.

Ticket pricing Strategy which gives benefit to the early booking customers.

Credit Loyalty cards which facilitates the customers to get reduction in insurance rates.

Customer Guarantee policy through which customer with prompt refund for the delays to make the customer feel ease and not to get troubled.

Other amenities such as parking facility, Hotel partners, discounts & offers, in plane bulletin, etc.

Effective hospitality through efficiently trained crew.

Low cost airlines as per the customer demand.

Facilities for the expatriates and migrants.

Social network relationship to remain stay in touch with the customer for effective CRM and enriching their loyalty.

Strategies such as Viral Marketing and word of mouth depict the loyal customers and convert the potential customers into loyal one.

It offers great destinations and easy access to international hubs.

With all the above strategies and facilities, Pegasus tends to fulfill all the needs, wants and demand of the customers and provide them the international travelling experience which makes them satisfied and loyal customers of the company. The Company provides all the augmented products that are beyond the customer’s imagination and thus they helps to delight the customers through effective value chain strategy (Pegasus Airlines).

## Question: 2

Define each of the 5 marketing management concepts? Which one(s) of those 5 concepts best applies to Pegasus? (Justify your answer)

## (30 Marks) 600 Words

## Answer: 2

The 5 marketing management concepts are the production concept, the product concept, the selling concept, the marketing concept and the societal marketing concept and their description is as follows:

## The Production Concept:

The Production concept is the oldest form of the concepts related to the business.   This concept is based on the fact consumers prefer those products which are widely available in the market and are economical in price.  The managers which focus on the production concept are more concerned towards accomplishing high efficiency in production, low costs and distribution of products at mass level. This type of concept is successful in most of the developing countries, where consumers are more concerned in acquiring the product than in its characteristics.

## The Product Concept:

According to the product concept, customers favor only those products and services which offer the augmented quality, effective performance or innovative characteristic features. The Managers focusing on the product concept are more concerned towards creating superior quality of products and improving them periodically.

## The Selling Concept:

The selling concept is based on the fact that the customers and businesses, if left alone, will usually not purchase adequate amount of the selling organization’s products. The company should therefore carry out an insistent selling and promotion strategy. The selling concept assumes that the customers usually show disinterest or resistance towards purchasing the products and they should be persuaded towards buying by the company. It also presumes that the organization has ample amount of resources pertaining to the effective selling and promotional tools in order to stimulate more and more purchasing. The firms are executing the selling concept when they possess overcapacity.  Their main objective is to sell what they produce rather than producing as per market demand.

## The Marketing Concept:

The marketing concept is more effective in the creation, deliverance, and communication of values to its targeted customers and in the accomplishment of organizational objectives and in having competitive advantage over others. The Marketing Concept focuses mainly on the requirements of the customers and is based on four key elements i. e. customer needs, target market, integrated marketing and profitability of the business.

## The Societal Marketing Concept:

The societal marketing concept states that the task of the business organization is to determine the requirements, wants and tastes and preferences of the target market and to offer and deliver the products and services in such a way so as to satisfy the customers more efficiently and effectively in comparison to competitors. Moreover it focuses on preserving the interest, well being and welfare of customers and society as a whole (Hospitality Sales Management).

The Societal Marketing Concept is best applicable in the Pegasus Airlines, the company is continually developing its business operations to meet passenger expectations and priorities.

As per as the pricing strategy of the Pegasus Airlines is concern, it implements a yield management strategy pertaining to the ticket pricing just like Southwest Airlines of North America. It adopts the concept of Supply and Demand along with the Time in its pricing strategy related with tickets, for example: if a customer made the booking of tickets before the time period of 60 days or more than 60 days then the airlines provides certain discounts, on the other hand the customers who books later have to pay the present fare charged by the competitors. Pegasus offers a credit/loyalty card, which provides a wide range of benefits to customers including reduction in insurance rates. It returns back the amount of ticket in case of flight delays.

Hence from the above examples it has been cleared that the Pegasus Airlines is more concerned towards providing customized products and services along with various welfare benefits to the customers (Pegasus Airlines).

## Question: 3

Explain how Pegasus airline have used each of the 4 P’s of the marketing mix to achieve their success?

## (20 Marks) 400 Words

## Answer: 3

The 4 P’s of marketing mix comprises of Product, Place, Price and Promotion. The Pegasus Airline has implemented the 4 P’s of the marketing mix in order to execute its business operations and accomplish success in following manner:

## Product:

Pegasus Airlines offers a wide range of services pertaining to the airlines in the form of product. It offers augmented airline services at reasonable rates i. e. low fares. It ensures unbeatable services rendering through proficient management techniques and world class training to its employees which ultimately lead to safety of customers through out the journey. Pegasus is more concerned towards providing great importance and attention to the customer needs and requirements as per the latest travelling trends and patterns. Its services of flights booking, post-purchase evaluation in the course of standard customer relationship management and ethereal value creation makes it top most low fare airline brand (Pegasus Airlines).

## Place:

Pegasus Airlines provides its customized services on the scheduled time on regular basis by offering various innovative destinations. Pegasus share its air planes with Air Berlin and Izair, moreover it provides the scheduled services associated with charter to almost 70 airports in Europe and Asia. It also operates flights to Georgia and Lebanon on a regular basis, offering supplementary destinations outside the Europe and hence maximizing the short flights opportunities in Turkey. The standard services to Tbilisi (Georgia) and more than 19 destinations in the turkey enable it to have competitive advantage over others in the local market (Pegasus Airlines).

## Price:

As per as the pricing strategy of the Pegasus Airlines is concern, it implements a yield management strategy pertaining to the ticket pricing just like Southwest Airlines of North America. It adopts the concept of Supply and Demand along with the Time in its pricing strategy related with tickets, for example: if a customer made the booking of tickets before the time period of 60 days or more than 60 days then the airlines provides certain discounts, on the other hand the customers who books later have to pay the present fare charged by the competitors. Pegasus provides further options of customer service together with a 10 percent discount to its customers on international flights who book advance in-flight meals before 48 hours. Pegasus offers a credit/loyalty card facility to its customers which avail a wide range of benefits together with insurance rate reductions (Pegasus Airlines).

## Promotion:

The importance of promotional strategies in the success of Pegasus Airlines can hardly be overemphasized; it begins its promotional strategy with the development of social network relationship with its customers including those who are not travelling frequently. For Example: It offers various benefits to its customers like free winning of ticket, discounts on tickets etc. through Face book and Twitter. It developed a special campaign in association with Vodafone known as “ mobile phone fly”, in which each customer get 5 per cent discount in ticket price against accumulation of single message (SMS). It follows the “ word of mouth” publicity as the tool of promotion. Moreover it created a special Web Site known as “ Write to US” in order to enhance its service improvement and publicity (Pegasus Airlines).

## Question: 4

Research on what is meant by Viral Marketing that was discussed in the case and gives a few examples? (Justify your answer)

## (15 Marks) 300 Words

## Answer: 4

## Viral Marketing:

Viral Marketing may be defined as the marketing phenomenon which assists and encourage the customers to pass a marketing message to various other people. Viral marketing bases on a high pass-along speed from individual to individual. If a large number of recipients forward any marketing message to a large number of friends, then the overall growth in the selling of products increases very quickly. In relation to the Internet, viral marketing may be referred as a technique of marketing which persuades the Web sites or users to transfer on a marketing message to different other sites or users, and thus making a exponential growth in the effect and visibility of message potentially (Viral Marketing).

In order to utilize the concept of viral marketing, the Pegasus Airlines develops the social network relationship with its customers including those who are not travelling frequently. For Example: It offers various benefits to its customers like free winning of ticket, discounts on tickets etc. through Face book and Twitter. It developed a special campaign in association with Vodafone known as “ mobile phone fly”, in which each customer get 5 per cent discount in ticket price against accumulation of single message (SMS). These sources help the airline in transferring various messages to the target and untargeted customers

The Viral Marketing concept can easily be observed in the promotion strategy of Pegasus Airlines i. e. the “ word of mouth” publicity. Moreover it created a special Web Site known as “ Write to US” in order to enhance its service improvement and publicity. This website is used for the purpose of viral marketing through various debate competition and messages (Pegasus Airlines).

## Question: 5

Do a research on local UAE company and find out what are their business marketing challenges and How could they apply some of the Pegasus marketing strategies to the company you researched?

## (15 Marks) 300 Words

## Answer: 5

Emirates Airlines is voted as 3rd best airlines in 2005 (Global Branding The Emirates Way, 2010), 2nd best airlines in 2009 and 8th best airlines in 2010 (Emirates Airlines- The Star of the Middle East, 2010). In spite of all such achievements, Emirates Airlines is facing various challenges due to global economic downturn. The main issue faced by the organization is sharp fall in the demand due to global economic crisis. Through it is the only profit making airline in recession among the whole airline industry yet, it is facing various issues such as it is considered as the high cost airlines. Due to global economic crisis, the customers have reduced their expenses by adopting low cost airlines which had disturbed the demand of Emirates a lot. Beside this, the airline is facing huge competition from the local competitors which result to price war and intensification of traffic rights in different countries. Fluctuation in the oil prices is also the other issue faced by the Emirates which could disturb the financial administration of the company and thus could result to high cost which can affect the strategic capability of low operational cost. Budget airlines is also one of the big issue faced by the Emirate as it cost high, customer expects highest quality form the airline and if the company fails to deliver high quality, it could affect the goodwill of the company (samthomasuae).

Pegasus Marketing Strategies can help Emirates Airlines in combating against the challenges emerged due to the global economic recession:

The low price strategy of the Pegasus Airlines can helps the Emirates to face the challenge efficiently and effectively as the customer expects the low cost of fair due to the fall in income caused due to recession. Thus if the low cost strategy is applied to the company then it could enhance its global customer reach.

Social network strategy and electronic network strategy of Pegasus can also helps the company to built great customer relationship and sustains them effectively. Through social network, the company is able to provide various facilities and amenities which customer expects as the augmented product of their usage and thus makes them loyal customers of the company.

Diversification strategy of Pegasus can also helps the company through providing various facilities such as parking, tie up with hotels, prompt action plans on delay, lucrative offers etc can satisfy the customer’s expectations.

Customer mouth of word is the great strategy of Pegasus and this is the only point where the Emirates lacks, due to its image as the high cost airlines, customer expects high class service and failure to deliver such service leads to bad mouth of words, so the company need to improve in this respect which leads to the positive word of mouth from the customer.

Facilities to the migrants can also help the Emirates airlines to combat the challenges as UAE is the great hub for business and expatriates and thus able to take the competitive advantage of the UAE market (Pegasus Airlines).