

Case study: quantas airlines

Business



**ASSIGN
BUSTER**

The market demand for a product is the total volume that would be bought by a defined customer group in a defined geographical area in a defined time period in a defined marketing environment under a defined marketing program (Kettle 145). It is not a fixed number, but rather a function of the stated conditions.

How are market demand, market potential, and sales forecasting related to each other? When companies want to estimate the current market demand, they attempt to determine total market potential, area market potential, industry sales, and market share.

Once marketers have estimated the demand, they will choose the level of marketing effort based on the expected level of sales. The company sales forecast is the expected level of company sales based on a chosen marketing plan and an assumed marketing environment. Might the information given influence the revenue and earnings that Quanta's could achieve in the future? The fertility rate of Australia could be a factor in future earnings for Quanta's, but not so much as the competition of Virgin Airlines and rising oil prices.

Santa, facing increasing competition on some of its busiest routes from Virgin Atlantic Airways, Singapore Airlines Ltd. And Dublin-based Emirates, is also losing domestic customers to Virgin Blue Holdings Ltd.

“ People are concerned that OLL prices will have a larger impact on Santa' fuel costs than initially thought,” said Michael Birch, who owns Santa shares among \$72 million of assets he helps manage at Wallace Funds Management in Sydney. “ When fuel price goes up the way it has, there will come a time

when the cost of the hedge outweighs the future benefit” (Bloomberg. Mom). How might Quanta’s employ such a tool as the Anions product/market expansion grid in developing its growth strategies? Nations matrix offers strategic choices to achieve the objectives. There are four main categories for selection.

Market Penetration Here, Quanta’s markets their existing products to their existing customers. This means increasing their revenue by, for example, promoting the product, repositioning ten Drawn, Ana so on. However, coast is not alter EAI Ana teeny 00 to seek any new customers.

Market Development Here, Quanta’s markets their existing product range in a new market. This means that the product remains the same, but it is marketed to a new audience.

Exporting the product, or marketing it in a new region, are examples of market development. **Product Development** This is a new product to be marketed to Quanta’s’ existing customers. Here, they develop and innovate new product offerings to replace existing ones. Such products are then marketed to their existing customers.

This often happens with the auto arrest where existing models are updated or replaced and then marketed to existing customers. **Diversification** This is where the Airline markets completely new products to new customers.

There are two types of diversification, namely related and unrelated diversification. Related diversification means that they remain in a market or industry with which they are familiar. For example, a soup manufacturer

diversifies into cake manufacture (I. E. The food industry). Unrelated diversification is where they have no previous industry nor arrest experience.