

Continuing success of emirates airlines marketing essay

[Environment](#), [Air](#)



The continuing success of Emirates Airlines has raised questions that in what ways have the marketing strategies and overall strategic marketing plan contributed to its growing business. Emirates Airlines is certainly cruising at high altitudes and continues to grow tremendously owing to its exceptional marketing and grand ambitions. Despite of the difficulties in its operating environment, the airline is adding developments over the course of years.

The paper outlines the formalized and effective marketing plan characterizing the realization of Emirates Airlines' overall marketing efforts. The essence of the plan is that it starts with general to the specific, from defining background to the objectives, moving down to the exploration of external analysis and understanding of macro environment, especially of social, cultural, economical, technological and political factors. The plan then moves to the internal analysis and SWOT analysis for each aspect of the overall organization. Following to this, the paper seeks to define implemented marketing strategies subject to impact overall demand, supply and the entire competition of the company. Moreover, a precise description of marketing mix strategies has been provided.

Overall these factors are contributing towards the Emirates Airlines' phenomenal growth, but this seems unlikely with a strong and stable implementation and control of these adopted marketing strategies. Eventually, financial forecast is discussed to prepare estimations of financial outcomes of the company. Indeed, the creation of marketing plan of Emirates Airlines is an interactive process that ensures amendment of each of the stages influencing the overall outcomes of the plan.

Introduction

Background

Emirates Airlines is the international aviation organization based in the United Arab Emirates providing commercial air transportation services across the world. It is operating as an independent entity under a common management referred to as the Emirates Group. Emirates Airline, headquartered in Dubai, UAE was founded in the year 1985 with its first flight initiating from Mumbai and Karachi. The airline characterized by high efficiency and flexibility has helped strengthen Dubai and the UAE as a premium world class hub not only for trade and business but also for culture and sports. The airline is essentially a pivotal link between continents, drawing on the highly advanced civil aviation infrastructure in the UAE. Emirates Airlines has raised to the prestigious ranks as one of the top international airlines. This has been accomplished as a result of the adoption and encouragement of fair competition, transparency and an open skies policy (Annual Report , 2010-2011)

Emirates Airlines operate in more than a hundred destinations across 70 countries worldwide and has driven Dubai in getting established as a commercial center and aviation hub of the Middle East. The company operates 1200 flights on a weekly basis across six continents from its base Dubai International Airport. The phenomenal growth in its market operations is reflected in 170-plus aircraft in a rapidly expanding fleet, comprising of the latest Airbus and Boeing Aircraft. Moreover, Dubai's state of the art Terminal 3 is used solely for the Emirate's airlines flight. In the previous year, the

company booked travelling of 34 million passengers of different nationalities. (Annual Report , 2010-2011)

Purpose & Objectives

The purpose of the airline company is to become the most admired and innovative airlines across the world through spanning excellence in every aspect of the industry. In order to sustain its global reputation in dynamic travel and tourism operations, the company is spreading its hands to become best in the business of aviation industry (Shikoh). With the aid of highly researched and uniform marketing plan, the company aims to achieve a set of objectives:

To establish itself as a truly global provider by delivering high quality service.

To boast as one of the youngest and most advanced fleet by winning loyal customers worldwide.

To sustain the market leadership through innovative and calculated marketing ideas and to maintain the steady growth rate despite of plagued aviation industry across the world (Shikoh).

Analysis of the Environment

An analysis of the working environment of the company was done in order to understand the external and internal factors which influence the functioning of the organization. The external factors are the factors outside the organization influencing the functioning of the organization (David L. Loudon,

2004). The internal factors are the factors are those factors inside the organization which influence its working.

External Analysis

It is important to understand the external environment of the organization in order to plan the future of the organization. The threats and opportunities of the organization need to be analyzed in a proper manner. The external analysis of an organization can be done by understanding the political, social and economic issues related with the organization. The changes or the influential factors related to politics, economy, social factors and technology (David L. Loudon, 2004)

Macro- Environment

Demographic, Cultural & Social

The emirates airlines are functioning in the Dubai city. The culture and the society of the city provided the organization with some unique features. Most importantly the city provides the organization with a large number of people intending to travel by using passenger services and cargo services (Saxena, 2009). Hence putting to use the resources of the company. The ideal points which the airlines connect are Asia, Europe and Africa. The culture of Dubai is an open culture where the people of different nationalities, culture live together in a developed environment (M. C. Cant, 2009).

Political

Negotiated agreements are made when air travel has to be carried out between different countries. There are certain rules and regulation between

the governments concerning the aviation facilities and the operation of the airlines. The market of Dubai is unprotected. The open skies policy of Dubai has helped Emirates to change into a carrier. The Emirates Airlines has the potential to compete with the largest airline of the world. The reason behind the growth of the Emirates Airlines is the tough competition which the company has to face. The Emirates airlines have taken full advantage of functioning in the international market by connecting some of the destinations such as America, New Zealand etc. In the case of the aviation industry liberalization is increasing to a great extent. This has resulted in an increased competition in the market (Saxena, 2009).

Economic

In the case of the airline industry the current scenario of the economic conditions has a great deal of impact on the functioning of the organization. The growth of the Emirates Airlines has taken place in the UAE which has always been known for its strong economy. The market which has been chosen by the company to function is also powerful and stable. The stable economic growth of a region is an important factor contributing to the success of the organization (J. Paul Peter, 2010). There has been economic downturn recently which has influenced the industry on a great scale. The demand of air travel has decreased. There are many airlines which have to decrease their capacity both domestic and internationally. The challenge which stands in front of the Emirates Airlines is to function well even during the time of crisis.

Technological

The recent trends which have taken place in the technology have triggered success in the airline industry. There has been a great need of advancement in technology for a long period of time. In order to create a lucrative business it is important that the advancements in the technology are adopted by the company efficiently and in an effective manner. The Emirates Airlines have complete knowledge about the principle of investing in the technological developments in order to function properly in the market of airline industry. In commercial aviation the Emirates airlines is the youngest and in future it promises to be the most technologically advanced company (M. C. Cant, 2009). The Emirates Airlines has signed agreements with the Aero Mobile in order to incorporate the technological advances and provide the best technology to the passengers. In order to appreciate the technological advances of the Emirates Airlines the company has been awarded best in flight entertainment, Best IT Developer awards etc.

Market

The changes in the market which have been witnessed are the increase in the prices of the fuel and the increase in the availability of the natural resources. Due to the changing scenario the manufacturers are facing problems in the production of the vehicles. They have to form vehicles which are small and friendly to the environment. A lot of investment has been made by the airline companies in order to develop a fuel which would contribute to the development of the environment. It has become important that the market is driven by the environment friendly resources. Hence the

change in the market leads to the change in the production strategies (Saxena, 2009).

Competition

Due to various changes such as technology, economy and other globalization scenarios there are a number of airline companies emerging. Due to the increasing competition it becomes important for the airline to function in accordance so that the competition could be faced. The Emirates airlines have become a brand and due to the change in its name as a brand the competition does not pose much threat to the airline. However, the company keeps changing its strategies in order to keep up to the competition in the market (David L. Loudon, 2004).

Internal Analysis

Performance

The performance of the Emirates airlines has improved with time. During the starting years of the organization the only focus was to add up the number of destination. Slowly and steadily the company connected a large number of destination. Then as globalization happened issues related to flexibility arose and it became important that the functioning of the company is flexible so that it can adapt to the changes in the market. The company hence developed to be a flexible organization covering as many nations around the world as possible. The performance of the organization influences its position in the global market. The increment and decrement in the ranking of the company in the international market depends on the performance of the company (J. Paul Peter, 2010).

Management & Staff

The employees of the organization are highly skilled labours. For the different positions in the organization the people who have been recruited at various positions are qualified and possess the necessary to perform the job role related to the specific position at which they have been recruited. The leaders and the managers of the organization are highly skilled in managing the human resources of the company. The employees and the managers of the company play an important role in the performance and the success of the company. It is important that besides being skilled and qualified the employees of the organization are motivated to work for the company in order to achieve its mission. The employability rate of the Emirates Airlines is high. The company provides job to a large number of individuals in different department for different job roles. Hence it becomes more important that the performance of the employees is as per the expected results (Saxena, 2009).

Infrastructure & Delivery

The infrastructure of the Emirates Airlines provides the employees with all the possible facilities both for recreation and for working. The proper resources are made available in the infrastructure of the company. The employees of the company are motivated and feel comfortable when working in such an environment. The delivery of services is as per the need of the customers. Sometimes the airlines have to add up an extra flight to the same destination due to the demand of the customers or the passengers. The good infrastructure keeps the employees motivated and the excellent

delivery of services has a great influence on the priorities of the consumers or the passengers (M. C. Cant, 2009).

Customers

The customers of any organization are responsible for the position of the organization in the global or the domestic market. The customers of the Emirates airlines are the passengers who travel in the airlines. The passengers consume different services which are offered by the organization. The feedback which is given by the passengers is important for the company. Using the feedback which is given by the passengers the company can develop its services. If there needs to be any modification in the existing strategies it is done using the feedback. The services which are offered to the customers play an important role in developing the reputation of the organization in the market. The Emirates airlines have been known for providing the best services to the customers in the best possible manner (J. Paul Peter, 2010).

SWOT Analysis

Strengths

The Emirates Airlines has been recognized globally in the airline industry. With the passage of time the company has been able to develop a strategic position in the market. The company holds a strong position in the global market.

Significant Size of the company:

To streamline their business, the company had the strong benefit of size. The company then earned profit for many consecutive years and counted to multibillion. Due to this the company has gained a competitive edge over its competitors thus emerged as a model firm.

Focusing on Diversified Mark:

The company decided that it would concentrate on different divisions of the market and would also enter into the cargo shipping services.

Flexibility with change in the market:

The market analysts have characterized the company as possessing the ability to be flexible. The emirates airlines can function as per the changes in the market and can maximize its profit.

Corporate Culture of the company:

The Emirates Airlines holds a special position for the passengers and the customers. They provide proper time to the customers to give feedback about the services being offered by the company. Hence the company has developed very high standards of corporate culture.

Focus on Customer Services

The company changes the services being offered and changes them in a better manner so that the customers need and requirement may satisfy (J. Paul Peter, 2010).

Weakness

Unsuccessful strategies:

Some of the modifications and strategies adopted by the Emirates Airlines have been unsuccessful. The unsuccessful strategies can be considered as the weakness or the flaws of the organization.

Risk Bearing Strategies:

The risk taking policy of the company may influence the present functioning of the company in negative direction. (Saxena, 2009).

Opportunities

There are different opportunities which lie ahead of the company.

Expanding Location:

The city of Dubai is always expanding. The company can increase its different services to various dimensions (passenger, cargo, travel, hospital) without any hesitation.

Best Tourist Place:

The city of Dubai has developed as a favourite destination for the tourists. There have been many cases in which the tourists become interested in initiating a business and expanding it in the Dubai city. Hence this provides the Emirates Airlines with new opportunities of cooperating and expanding.

Economic Liberalization:

During the recent years, it has been noticed that economic liberalization is occurring at a very fast pace in the UAE and If there is a growth in any part of the region it would eventually lead to the growth of the airlines business (David L. Loudon, 2004).

Threats

There has been an increase in the competition to Emirates Airlines. The business base has been threatened by the domestic competition.

New Entrants:

Etihad Airlines is expanding at a rapid rate in Abu Dhabi. Etihad Airways poses the most sincere threat to the Emirates Airlines. The quality maintained by Etihad airways is high and the price offered is also competitive.

Budget Airlines:

Due to the financial position of the customers they are more concerned about the price which they have to pay. Therefore, they are slowly shifting their priority towards the budget airlines such as the Arabian Airlines. The cost which they charge is less than the rate which is being charged by the Emirates Airlines.

Domestic Airlines:

It is important for the Emirates airlines to function in such a manner that it can stand against the domestic and the low budget airlines (J. Paul Peter, 2010).

Fundamental Marketing Strategy

Emirates Airlines attempts crucial and detail studies of the market and also investigate several aspects to serve the aim of the organization. In this context, the management of the Emirates has always been analysis over all status internally and externally. Accordingly fundamental marketing strategies are designed which enables to determine their strength and eliminates their weakness in order to sustain the competitive advantage. (Emirates Airlines)

Supply Strategy

Airbus and Boeing are the two main suppliers of the Emirates Air lines. There is an apparent and observable competition between them but this competition is not repulsive to the company. In order to provide the services to the customers the organization has adopted the strategy of supply on demand. The company supplies the services as needed by the consumers. When the consumers demands for the services the company frames a strategy to provide the service. Hence it can be understood that the supply strategy of the Emirates Airlines is dynamic in nature. The prices of the strategies being asked by the customers is kept moderate with respect to the economic condition of the consumers (David L. Loudon, 2004).

Demand Strategy

Emirates airlines place its demand in a very proper manner. The company follows its values and business ethics when placing its demand. The company generally demands of the resources which are needed by the airlines. The resources which would be needed by the airlines are first listed and then asked for. Emirates plans demand strategy very effectively that involves cost cutting, cost management of the value chain activities with respect to the certain or uncertain demands. As Bureaucratic costs may also hamper the cost efficiency which is involved in managing operation from inputs to outputs (M. C. Cant, 2009).

Positioning Strategy

In order to maintain its position in the market revaluation and modification of the marketing strategies and the services offered by the company is being done. Internal resources and operational structure are the key functions to modify the positioning strategy. It consists of restructuring of organizational resources, cost management by reducing of bureaucratic costs, national and fleet validation. Dubai airport is the well position hub that allows the Emirates Airlines to serve the customers profitably to the secondary destination. It also connects the major part of the UAE via the Global Dubai Hub.

Competition Strategy

The airline industry is very competitive and initially high competitive industry earns low returns because of high cost of competition. In low cycle times, this can create the disaster but Government of the Middle East provides

moderate to this period of low cycle. The major competitor of the company is the Qatar Airways and Etihad airways. In order to stand in competition with the companies the Emirates airlines has adopted flexible pricing of the services being offered and also functions as per the market scenario. Emirates adopt strategy of providing better services and more luxury in order to overcome with the tough competing market.

Marketing Mix Strategy

Product - Emirates Airlines' primary and unique services are designed especially for customers traveling in first class cabin. They offer a superior range of luxury, style and refinement in its services that are planned with the perspective of the customer's comforts and enjoyment. The team in Emirates' comprises of world class crew who are selected to attend the distinguished passenger. Following are the exceptional services that the company plans to endow to its customers -

Inclusion of small cinema hall.

Spacious and large sleeper seat, separated by wide aisles.

Inclusion of advanced controlled leg rest and supported seats with electronic touch controls.

Building of separate reading and night lamps with each seat for the maintenance of privacy hood.

Superior class entertainment and communication by providing video system on a large screen in order and to provide leisure of large views (Executive Summary).

Price - Price value which is charged by the company is flexible. Based on the economic condition and current scenario of the market, the price value charged is being changed. The prices of the services being offered is kept moderate with regards to the passengers (Saxena, 2009). The distinguished part of the Emirates Airlines is the pricing strategy that is provides low cost fares and convenient process for ticketing. Company is providing more than twenty five percent of cheaper fares in comparison to the other Europeans Airlines. Ticking fairs are planned very carefully in accordance with the target airports like Sydney, Auckland, Bangkok, Singapore and Bangkok.

Place - Emirate Airlines provide services at different locations. In different countries the airline offers its services at all the major airports. The convenience of the consumers is the most important priority. The schedule of the flights is also done in accordance with the customers. Emirates Airlines introduces many new routes other than the existing one with the provision of comfort and cost saving procedures. Beside these services the airlines is providing many nonstop flights covering various important destination and planning to introduce many more.

Promotion - As per the current scenario, Emirates Airlines has become a brand and does not need any promotion. But in order to introduce the new strategies and policies of the company the company employs different media

as well as on the airports. The regular customers are informed by personally contacting and telling them about the new strategies of the organization.

Personnel - People who have been employed to work for the organization are highly skilled and qualified for the various job roles. The personnel work in order to perform their job roles in a proper manner and in order to achieve the mission of the company. The services which are provided by the company and the reputation which it has developed are due to the personnel being employed by the company.

Implementation & Control Implementation

The implementation in the case of Emirates Airlines need to done in order to cover up the weakness of the organization. The weakness which lies in the organization is that it focuses on some of the events which may harm the business. In order to analyze the risks which are associated with a certain event the company should form up a risk analysis team and the team would analyze the future venture and predict if the company should go ahead with it or not. A risk can be understood as a threat which has the potential of harming the development of an organization. If the risk becomes real the development of the organization may get damaged and the organization may have to undergo a tremendous loss. The risk analysis team would adopt any of the proactive or reactive strategies in order to assess a particular venture. A risk estimate can be presented to the employees working on the situation. An advantage of such an implementation would be that the company is aware of the risk to be followed in a certain situation. A program can be developed in order to get back from the risk (M. C. Cant, 2009).

Control

The control of the implementation of the risk analysis can be done by the leaders and managers of the organization. It is their responsibility to assess the situation. A framework can be developed by the skilled leaders and managers of the company in order to assess the situation of the risk.

The implementation and control should focus on the weakness of the company. IF there is other weakness which the organization encounters with the passage of time it is important that the company plans and implements the program in order to control the weakness of the company and perform in a better manner (M. C. Cant, 2009).

Financial Forecast

The forecast which has been made for the Emirates airlines is a positive outlook. As per the current functioning of the company it has been predicted that the company would improve a lot. The company has improved its performance over the years and thus contributed to the development of the economy of the UAE as well. There has been a reduction in the prices of the oil which is beneficial for the airline companies. The future of the finance of the company has a bright side. If the company promises to function in the same manner as it is now it is assured that the company would earn huge amounts of profit and would continue its monopoly in the Middle East and will also improve its position in the international market (David L. Loudon, 2004).

Based on the review of income statements and consolidated statement of financial position for past two years (The Emirates Group, 2011), we have made the financial forecasts for income as well as the financial position as follows:

C: UsersAnubhavDocumentsfic. JPG

Figure : Forecasted Consolidated Income Statement for 2012

C: UsersAnubhavDocumentsfcc. JPG

Figure : Forecasted Consolidated Statement of financial position

Overall, the revenues are forecasted to increase nearly by 13% to reach AED 60000 million with the operating profit increasing by nearly 37. 8% to reach approximately AED 7500 million. Also, the equity and liabilities are forecasted to increase nearly 7% to reach approximate figures of AED 70094 million.

Conclusion

In order to function successfully it is important that an organization selects the domain in which it possesses the distinct quality. Using the distinct quality the organization can gain competitive advantage over other organizations. Besides the domain the strategies and the other management strategies adopted by the company further contributes to the development of the company. The strategies which have been incorporated by the Emirates Airlines have helped the company to stand in the competitive market and maintain its position in the market. It is due to the leadership

style and due to the strategies which have been adopted by the company it has been able to maintain its position in the market despite of all the fluctuations. The corporate strategy which has been adopted by the Emirates Airlines has proved to be guidance for the company in the time of challenges and opportunities. In the market environment there are various challenges and opportunities which need to be handled at the right time and dealt in a proper manner. The strategy adopted by the Emirates airlines proved to be the biggest milestone for the company. In order to survive in the competitive market it is important that the Emirate Airlines should consider the fact that the different strategies need to be updated and innovation need to be incorporated in the various strategies. The Emirate airlines should function in such a manner that the new strategy which the company plans to incorporate should be developed in such a manner that the company is able to face the different challenges in an efficient manner. The skills which are needed in the human resource and the technological aspects should be incorporated in the new strategies. It is important that innovation is not left behind when defining new strategies. They should put in best efforts to minimize their weakness and function in such a manner that every action has certain positive consequences for their company. Even when the market is going down the company should not perform in a bad manner instead it should perform in a decent manner. The company is already a brand name, now what it needs to do is to keep up its name and function in an appropriate manner defining strategies properly.