

Air asia and malaysian airline marketing

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



Thesis statement: While both Airasia and Malaysian Airline are airlines service provider, Malaysian Airline is a semi-government organization that focuses on providing high-class service to enable it to emerge as world class national flag aircraft carrier whereas Airasia focuses on promoting its low cost or budget airline.

Introduction

History of the organization

1. 1. 1 The first air service route is conducted between Penang and Singapore during the colonial of British and this led to the incorporation of Malaysia Airways Limited (MAL) in year 1937 by the British government. With the emergence of Malaysia in year 1963, the airline changed its name to Malaysian-Singapore Airlines then to Malaysia Airline Limited in year 1973 and eventually to Malaysia Airlines in year 1987.

1. 1. 2 AirAsia was set up in 1993 and started up its business on 18 November 1996. The founder of Airasia was a government-owned conglomerate DRB-Hicom. Airasia has incurred a lot of debt and liability at that time and former Time Warner executive Tony Fernandes's company Tune Air Sdn Bhd decided to purchase Airasia based on market share price at time of RM1 on 2 December 2001.

Mission and objectives

Malaysia Airlines' vision is to become " An Airline of Excellence". Its mission is to become a consistently profitable growth airline through the strategy of business transformation plan and its objective is to flying to win customers

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and convert the airline's IT operations to deliver fantastic internal customer experience.

The mission of Airasia is to form ASEAN brand of Airline Company that is widely known around the globe and to arrive at the lowest cost so that everyone can afford to fly with AirAsia. It also aims to keep its company on track with the latest industry developments and to incorporate excellence practices into their operations that will benefit their customers.

The brands or products manufactured

Malaysia Airlines

Domestic benefits, international benefits, annual benefit travel insurance

Malaysia Airlines management team has offer three product plan options: Basic Plan, Value Plan and Premier Plan for domestic traveler, overseas traveler, and frequent traveler.

Frequent flyer program

Malaysia Airlines has two frequent flyer programs: Grads for Students (Grads) and Enrich. Grads is a frequent flyer program with benefits designed for students whereas Enrich is specifically designed for frequent travelers especially businessman will enable them to gain privileges of obtaining discount or free flights when travelling around the world.

Airasia

1. 3. 2. 1 AirAsia Insure Travel Protection is exclusively designed to protect and insure the respective traveler during the duration of flying with Airasia. It comprises In-Flight Plan and Comprehensive Plan. In-Flight Plan was insurance program specifically designed for one-way journey passenger. However, Comprehensive Plan was devised for two-way journey passenger.

Types of products

Malaysia Airlines offered products such as travel insurance, air cargo services, international and domestic flight services, classes of cabin seats, MAS magazines, MAS souvenirs and value fare packages like “ Get-the-Deal”, and “ Balik Kampung”.

Airasia is offering products such as Airasia courier services, Airasia souvenirs, Airasia credit card, Airasia self-produced magazines and Airasia cargo delivery service.

Logo and tag-lines

The appearance of the corporate logo is designed to be moon kite, with a sheared swept-back look. The word “ MALAYSIA” is italicised to lean parallel with the logo to emphasize on speed as well as direction. The letters MAS bear red clippings in the font style to symbolize the initials of the statutory name of the airline, Malaysian Airline System (MAS). The introduction of blue to the original red to the moon kite logo has national meaning. Moreover, the red and blue divide equally in the middle has a sense of equilibrium.

Moreover, the tag-line emphasizes that “ MH is more than just an airline code; in fact MH is Malaysian Hospitality”.

Airasia logo is “ Airasia” in italicized form with the characters shaded by red color background whereas its tag-line is “ Now Everyone can fly”. The red color logo is a strong message to the world about environmental problem.

Current business development

Type of business

Topic Sentence: Both Airasia and Malaysia Airlines engaged in trading and services industry.

2. 1. 1: Malaysia Airline is a Malaysia-based company service whereas Airasia is a Thai-based company that engaged in air transportation and their related services.

2. 1. 2: They engaged in operation such as cargo and courier service, goods retailing as well as passenger carrier.

Strategies

Topic Sentences: In order to be competitive in the industry, Airasia has practised cost leadership strategies whilst Malaysia Airlines(MAS) involved in business transformation plan.

2. 2. 1: Airasia tend to focus on short route to a certain destination in order2 to reduce operating cost.

2. 2. 2: Business transformation program is competitive strategy used by MAS to fight over the big threat such as intense competition, rising cost of fuel in airline industry

2. 3 Investor relations

Topic Sentences: Airasia and Malaysia Airlines are public listed company traded on the main board of Kuala Lumpur Stock Exchange.

2. 3. 1: The stock of Airasia and Malaysia Airlines are ordinary shares offered to be transacted in primary market and secondary market.

2. 3. 2: Airasia recorded revenue of RM941 million year over year with a 26% growth while Malaysia Airline incurred an operating loss of RM 286 million in the second quarter of year 2010.

Public relations

Topic Sentence: Air Asia and Malaysia Airline perform public relation by fulfill their corporate social responsibility as a contribution to society.

2. 4. 1: Airasia has supported Mercy Malaysia's relief mission to help those refugees in Padang, Indonesia.

2. 4. 2: MAS provide students with academic tour to Malaysia Airlines and tourist spot in Kuala Lumpur and Putrajaya because they are concerned about the academic progress of students in Malaysia.

3. 0 Marketing strategies.

3. 1 How do they market their products?

Topic Sentence: They market their product by using different strategies in order to gain competitive advantage in the markets.

3. 1. 1: They use market segmentation strategy to split out the market they want to serve. For example, Air Asia segments the market with different income groups and serves the low income group. However, MAS serve the high income group initially, but because of the emerging of Air Asia, it also moves into serving the low income group of customers.

3. 1. 2: In order to serve the market they have targeted, they positioned themselves differently to gain a different brand image in the mind of customers. Air Asia is using price or quality positioning strategy. On the other hand, MAS tend to use product class positioning at first, but it changes to a mix positioning strategy of price or quality and product class.

3. 2 How do they compete with their competitors?

Topic Sentence: They compete with their competitors with 4P strategies which are commonly applied in marketing.

3. 2. 1 They use different price strategies that reflect their positioning strategy and price objective to compete in the market. Air Asia is using everyday low price strategy and trying to compete in Blue Ocean. However, MAS use prestige pricing strategy at first, after then which it change to mixed pricing strategies included meeting competitors pricing.

3. 2. 2 They use different product strategies, so that they can provide different kind of services to compete. Air Asia provides non-frills services in order to keep the cost as low as possible. While MAS provides excellent and luxury services at first, after which it also come out with low price product to compete with its competitors.

3. 2. 3 They use different promotion strategies to fight against their competitor's promotion strategies. Both come out with a variety of special promotions to attract customers. For example, MAS come out RM 1 for ticket to compete with free seat of Air Asia and sometime the fare of MAS is even lower than Air Asia.

3. 3 Advertising methods

Topic Sentence: Advertising methods have played an important role to attract the attention and perform the function of informing, persuading and reminding the customers.

3. 3. 1 They are involved in different advertising channel like television, newspaper, MATTA fair, sponsorship, internet, radio and even performing corporate social responsibility to grab the public attention.

4. 0 Conclusion

4. 1 Challenges/Crisis

Topic Sentence: The unpredictable changing environment and fierce competition are challenging their company stability.

4. 1. 1 The increase of fuel price globally has challenged their ability to control the operating cost. Both companies' performance was also seriously affected.

4. 1. 2 The management of resources has to be managed effectively and efficiently to remain agile in the market. Air Asia has to control the

punctuality index and customer services which were resulted from the behavior of over save cost. In contrast, MAS has to control its behavior of being uneconomical.

4. 2 Recent Development

Topic Sentence: Recently, both of them have developed so well to proceed to their vision, mission and objective.

4. 2. 1 They have made a lot of improvement on customer services standard to please their beloved customer. Air Asia has adopted complex information system such as state-of-the-art booking system to process various booking. At the same time, MAS has also invested few hundred millions on passenger service system to shorten and provide faster services.

4. 2. 2 They have expanded their service world-wide in order to provide more choices to customer. Air Asia has joined VietJet airline from Vietnam, and Jestar airline from Australia to expand their routes. However, it also involves in other business, like hotel sector, online purchase and so on. MAS also expand their routes to more area, and involve in online shopping.

4. 2. 3 They have performed corporate social responsibility to contribute to the society. Air Asia has supported MERCY Malaysia's relief mission in Padang, Indonesia whereas MAS has put effort to reduce the carbon dioxide emission to promote a greener environment.

4. 3 Future Plan

Topic Sentence: They are continuing their effort to achieve their vision and promise to do better!

4. 3. 1 Both companies do not reveal any specify future plan about 2011. But by referring to previous ongoing plans, we tend to know fairly how and where these two companies will move in their future plan. MAS will continue their steps of business transformation plans 2 in this case, such as maintaining 5 stars quality of services and low cost, attracting more customers, building up the network and capacity through service providing. In the future, Air Asia will provide more low cost journey and increase the regularity of fly. It will also continuously keep the cost as low as possible and enable more people to fly!

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