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EXECUTIVE SUMMARY The report is about GMG airline. The first part of this report illustrates problem definition, scope, objective, methodology and limitations. Then the second part of the report which is the major one discusses about the industry first, then overview about GMG, their mission, vision, objective, policies, strategies and organizational structures. According to the data provided by Bangladesh Biman, in 1972 it flew nearly 337, 000 passengers in the domestic sector and 367, 000 passengers in the year 1998, which is rather a stagnant figure.

The domestic aviation industry of Bangladesh failed to gain the popularity or reliability of its passengers, due to infrequent flight, inferior standard of service and lack of supply. Thus people were forced to use alternative forms of transport such as buses, trains and other private transport, which was quite inconvenient, when time security and comfort were considered. But after the introduction of other private sector airlines since 1996 and GMG Airlines in the year 1998, the number of domestic air travelers has increased rapidly, as this company was successful in catering to its customers' needs.

But it still remains a fact that the latent demand for air-travel has not yet reached its full potential. GMG Airlines, which is one of the companies of the GMG group, retained a well-known UK based consultant Neil Hansford to study the opportunity in depth and to help GMG implement the business plan. GMG Airlines also further benefited by the fact that the Managing Director and the Chairman were both trained and well qualified commercial pilots and played a vital role in the formulation of the business plan.

After a thorough research and a satisfying and materialistic business plan, attention was diverted to overcome the next crucial step, which was the financing for the aircraft and other infrastructure necessities. GMG Airlines positioned itself as a premium airline with the corporate mission of providing 'First Class all the way' service to its customers. In the phase of tremendous competition in the International Airlines Industry, GMG has to be very careful in choosing its strategies that will give them a sustainable competitive advantage over the other companies.

Therefore a survey has been conducted which details are discussed in chapter three of this report. The target group details have been given as well as the findings with numeric figures and possible assumptions of the results. And at the end of the report some recommendation has been given to make its prominence in the International region. Chapter 1: Introduction GMG Airlines commenced life in 1997, the idea behind its creation was to take advantage of a specific gap that existed in the Bangladesh Air Transport industry for quality oriented local airline but with a global reach.

The repeated failures of the national carrier and the even enhancing shares of foreign air carriers in Bangladesh market only made the country, its intelligentsia and its business community more determined than even before to have an air carrier of Bangladeshi origin, free of state interference that could challenge the hegemony of foreign airlines and help the country to gain its rightful place on the global air transport map. The economic crisis of 2008-2009 resulted in severe losses for the global airlines industry and Bangladesh was no exception.

GMG Airlines however used the opportunity to reinvent itself and learn from the experience. Despite the trail of failed private airlines ventures in Bangladesh, the BEXIMCO Group identified the existence of a gap for a cost rationalized, service oriented airline and decided to financially back GMG Airlines by picking up a majority stake in the carrier. With the entry of the BEXIMCO Group as strategic investors in June 2009, GMG Airlines' vision of expanding its horizons to become a global player with a distinctly regional touch started becoming a reality.

1. 1. Statement of the Problem

With the inaugural flight on September 8, 2004 GMG Airlines has started conducting international flights in the Chittagong-Kolkata-Chittagong route from September 11, 2004. Nevertheless, as going into international destinations with their own crafts, is entirely new to them, in order to predict the reaction of the clientele, and to deduce the possible success of this branch, a study has been performed to envisage the likely future.

1. 2. Scope, Focus, Area of study

a. Forecast of the response that will be generated from this new prospect (Based on GMG's previous reputation and perception of people). . Appeal of these international destinations (Kuala-Lampur, Dubai, Bangkok, Katmandu, Jeddah, Riyadh, Karachi and Kolkata) to GMG's target market. c. Also, keeping in mind the aspect of the airlines, on which people give the most importance/preference.

1. 3. Objectives of the Proposal/study

a. To determine and understand, the airlines selection pattern of the Bangladeshi Nationals, who use international airlines for their desired purposes, and how can GMG participate in the international sector. b. Develop a profile of GMG's prospective regional air travelers. . Understand the Bangladeshi international traveler's choice and preferences, in their

carrier, and what does these choices depend on. d. To determine the factors that drive international travelers to choose a particular international carrier. e. General traveler's perception about the local carriers of Bangladesh and what contributions can GMG Airlines make to improve the situation. 1. 4. Methodology Help from certain proven theories and process, of several branches on marketing has been taken, to increase the probability of the success of the study. a.

A questionnaire has been designed which addresses all the issues that define the purpose of the report. b. The questionnaire has been circulated among 50 people who agreed to respond to the queries that were sought. c. Drawing Samples: Samples have been picked, keeping in mind; GMG's target market in the international flights. In order to avoid the biasness of the report, the questionnaire was circulated among people, belonging to different pools of profession, income and age. (Within a defined boundary) ? Business : ? International Organizations ? Domestic ? MNC ? NGO (private organizations) Government Organizations ? Educational Institutions (Private/Public, teachers/students) 1. 5Limitations a. Only the Bangladeshi nationals are taken into consideration. Tourists, expatriates and visitors from other countries have been ignored. b. The questionnaire has only been circulated among the citizens of Dhaka City. c. The study has been performed by a random selection of 50 samples, which is a very moderate number, considering our populations size. d. Although, all questionnaires were used in the statistical analysis, all respondents did not respond to some of the questions.

But, all of them were considered, keeping in mind that the questions they did respond to, were very valuable and will be unwise to ignore. e. Only the fairly frequent travelers were considered. Chapter 2: Overview 2. 1. Industry Overview: a. The airline industries worldwide are facing a declining stage following the September 11, 2001 terrorist attack in U. S. It caused many airlines to go bankrupt and layoff of millions of employees. But as it is a resilient industry and the global economy needs air transport, this industry recovered quickly. Sooner or later, it is gradually overcome this crisis, though incurring heavy loss.

In Bangladesh it is at the maturity stage and the market is saturated. The competition is intense and local airlines have to compete with foreign airlines. The barriers to entry are great and the growth of the industry has been slowed down. b. But even when the industry was growing, Bangladesh has been able to make very little contribution in this sector. The country has so far failed to address or monitor the reasons that were responsible for this condition. Even, where problems were identified, proper steps have so far not been taken to modify this sector of huge potentiality.

Since previously, no private carriers had the authority to fly international flights, the only airlines that was available for domestic travelers, was the National Carrier-Biman Bangladesh Airlines. But unfortunately, it was not possible for them to meet the huge demand; as a result Bangladesh was deprived of carrying some million dollars of foreign currency annually. 2. 2. The Domestic Aviation Scenario in Bangladesh a. According to the data provided by Bangladesh Biman, in 1972 it flew nearly 337, 000 passengers in

the domestic sector and 367, 000 passengers in the year 1998, which is rather a stagnant figure.

Such was the case because; the domestic aviation industry of Bangladesh failed to gain the popularity or reliability of its passengers, due to infrequent flight, inferior standard of service and lack of supply. b. Thus people were forced to use alternative forms of transport such as buses, trains and other private transport, which as quite inconvenient, when time security and comfort were considered. But after the introduction of other private sector airlines since 1996 and GMG Airlines in the year 1998, as this company was successful in catering to its customers needs.

But it still remains a fact that the latent demand for air-travel has not yet reached its full potential. 2. 3. PEST Analysis a. Political impact ? One of the major problems that were identified for the low efficiency and poor standard of the airlines was due to the government intervention and bureaucratic policies that seems to hamper proper execution of work flow. Thus it resulted in inefficiency and ineffectiveness in the work place, a total lack of control over the policy, which made the entrance of foreign and better competitors much easier. Another point is that a change in government in Bangladesh almost certainly means a change in the policy, because any decision taken by the previous ruling party is not acceptable by the current rulers. Two aircrafts bought by the previous government were not utilized immediately, because after the change of the government, the new authorities concerned, wanted justification from the current employees, that why these two new aircrafts were needed in the first place. But not only does the government make organizations suffers, the private organizations also hesitates to take <https://assignbuster.com/marketing-strategy-of-gmg-airlines-assignment/>

major decisions in fear of a new inappropriate policy changes. . Economic condition The overall economic condition of Bangladesh is fragile condition where the buying power of people i. e. the disposable income has been suffering badly. Only a certain group of people is not as affected as most of the middle-class or even the upper middle-class suffers. Therefore, people who have frequently traveled abroad might reduce the frequency due to their decrease in income. c. Social Only some before, people were used to travelling by bus and trains for destinations within the country.

But this practice soon changed, as travelling by those methods were time consuming and the need for reaching the desired destinations in minimum possible time were increasing. Thus, domestic air travel gained its popularity especially amongst the executive class who faced the most time constrains. Although, Bangladesh's domestic air industry faced little effect after the 9/11 incident, but still the general impact trauma faced by the people of Bangladesh cannot be ignored which might have affected the industry to a certain extent. d. Technology

In order to cope with recent developments, organizations are getting technologically sound. Passengers can now check flight schedules and timings from almost any parts of the world. Although not largely practiced in Bangladesh, some international flights do have on-line booking system, which has made it very convenient for the passengers. The local communicate with their other branches, operating at different places, which reduces the infrastructure costs. 2. 4: Company Overview GMG Group was formed in the year 1956 as a conglomerate of manufacturing companies.

Although, it started as a small to medium-sized, conservative group of primarily manufacturing firms, GMG was the first textile dyeing and finishing unit of Bangladesh in the year 1957. It was also the first steel re-rolling plant, year 1958, and the first and currently the largest razor blade manufacturing unit of the country, which was established in 1958. The formation ??? In the year 1997, the Government of Bangladesh advertised further deregulation of the airlines industry of Bangladesh by inviting applications for license for full domestic airline operators.

Two years prior to this deregulation, the Government for the first time deregulated the airline industry by allowing smaller air taxi or STOL (short take-off and landing) type operation. RMG airlines, which is one of the companies of the RMG group, retained a well-known UK based consultant Neil Hansford to study the opportunity in depth and to help RMG implement the business plan. Hansford provided the much desired industry-specific knowledge.

RMG Airlines also further benefited by the fact that the managing director and the chairman were both trained and well qualified commercial pilots and played a vital role in the formulation of the business plan. Mission To be the most preferred airlines of Bangladesh. Objective To provide better service to the valued customer beyond their expectation, cater to all their needs within company rules and inform the customers if any delay and cancellation of flight. Organogram Policies The policies of GMG Airlines were formulated, keeping in mind to attain customer loyalty of present and potential customers.

So far GMG has been successful to establish its image in both the corporate and the commercial world, which has resulted with achieving 40% of the domestic market share in the aviation industry of Bangladesh. As, established in the aviation industry, customer loyalty grows right before the service is undertaken. Although GMG believes that it already has its own spectrum of loyal customers, but is also aware of the fact that this figure has to be maintained and should be increased as well in order to have the competitive edge against its competitors.

Market Positioning GMG Airlines has been successful in positioning itself as a premium airline with the corporate mission of providing 'First Class All the Way' service to its valued customer. GMG's 'First-class' positioning and commitment to quality service is reminiscent of the 'Jet Airways' model in India. In order to live up to its corporate philosophy and the assurance provided to the customers, GMG took all relative decisions keeping in mind to stand distinctively amongst its customers in order to establish the desired image in the industry.

Few of them are as follows: a. GMG chose the turbo-prop aircraft with the proven track record of 99.38% dispatch reliability b. The company chose to adapt European standards of Engineering confirming to the JAR 145 standard and brought expatriate engineering contractors to fulfill the requirements. c. GMG built its own infrastructure, both in sales and in airport location throughout the country, to ensure the quality of service which was promised to the customers. d.

GMG selected the finest candidates and trained them to international standards. e. GMG introduced the BABS worldwide reservation (purchased from British Airways) to provide efficient reservation domestically and to tap the potential of selling domestic seats from anywhere in the world. The Performance of the airlines is as follows: a) Starting with 1, 100 passengers in the first month, GMG successfully carried nearly 19, 000 passengers in the twelfth month & Carried nearly 200, 000 passengers form January to December 1999.

GMG also managed to drive up the industry yield to unprecedented levels, forcing the national carrier to reduce its subsidies in the main Chittagong & Sylhet routes. The number of passengers, flights and load-factors has all exceeded the original business plan expectations. b) To provide a safe and reliable journey: Passengers has been able to rely on GMG Airlines promise of a safe and comfortable journey, thanks to its aircraft, which is used by more than seventy top operations all over the world with a dispatch reliability of 99. 34%.

In order to further ensure the proper and regular maintenance they have an agreement with a Scottish firm, known as Caledonian Airborne. In addition a considerable number of engineers, both Bangladeshi and foreigners, are engaged in hourly and routine check-ups of the aircraft and management sees to it that they are followed very strictly. c) Interline Connection: Bangladesh Biman's analysis of domestic traffic shows that the majority of passengers travelling on domestic routes are actually passengers connecting from its own international flights.

Thus GMG started to focus on the passengers who travel in other international flights other than Biman. Thus, GMG has taken full initiative to capture this large Pool of passengers who are bound for domestic destinations. Computerized reservation system and current interline agreements with British Airways, Emirates, Singapore Airlines, Qatar Airways, Kuwait Airways and Saudi, Thai and some other international airlines, has helped GMG Airlines to take full advantage this opportunity. As a result, incoming passengers can now have their baggage tagged to their final destination.) Decision Making Process : In case of any major decision regarding, rescheduling, cancellation or delay of any flights, the decision making body brief the situation to the Managing Director and then he decides further necessary actions accordingly. The major decision makers are as follows: ? Director Flight operating ? Director Engineering ? DGM (Ground Service) ? Manager Sales e) Information Delivering Process It is as follows: The message that is delivered is standard for every staff of GMG Airlines, and this message is then conveyed to the passengers of the respective flights.) Charter of Duties - key personal in the Head Office Details of the responsibilities are as following: a. Manager Sales Regarding any cancellation or delay of flights, the head of sales (usually the manager sales) is contacted and the updated flight position is confirmed. Sometimes, depending on the load factors, flights are reduced or combined, to avoid delays. When any cancellation message is received, the sales department is prepares a revised schedule considering all related aspects. This message is further circulated to every station/counter/department.

In case of the absence or the unavailability of the sales manager, the assistant managers inform the counter supervisor about the flight status, and coordinate and follow up the situations. b. Reservation Manager After receiving any message from sales department regarding flight and other related matters, the reservation updates schedules, collect data regarding passenger load. Prompt decision is required in this matter, as the passengers need to be on the next available flight, or provided with any other alternatives transported by according to their preference.

Documentation of all such situations are kept in files for future reference. c. Supervisor Supervisor follows the instruction of Asst. Sales Manager and communicates the message to the passengers (over telephone or e-mail) the counter colleagues. The counter staffs are instructed to discuss with their supervisor in case of any critical or unusual situations and carry out the task according to instruction. d. Engineering Department This department is one of the important departments of GMG Airlines being in charge of maintenance of the aircraft.

Therefore, if this department fail to execute their duties properly, the service of other departments will go in vain. The interior of the aircraft, its seat covers, air-conditioning and cleaning, is also monitored by this department. It is also the responsibility of this department to inform the sales and Reservation Department in times of technical difficulties faced by the aircraft and the estimated time that will be required to fix the problems. 2. 5. SWOT Analysis Although GMG Airlines Ltd is comparatively new company in the industry, it has been quite successful in making its existence prominent.

By starting in the domestic arena it has gradually driven itself to the international arena starting to conduct direct flights in the Chittagong-Kolkata-Chittagong route. This has been possible for its strong presence in the industry and for the long-term goal and expectation of the top-level management and also because of the support from the employees at all level. GMG made a good use of its image and plunged into action as soon as the policy was formulated in this regard.

a. Strength

??? A company image that portrays establishment and success. To level management expertise, who has the knowledge and experience to provide the company with what it needs to establish its name in the International arena. ??? Its successful presence in the domestic aviation industry. ??? Its success in the packages/products that has been available so far. ??? Computerized networking system BABS (for domestic flight reservation) ??? Computerized networking system Amadeus (for International flight reservation) ??? It is the only surviving private Airlines Company in Bangladesh. Has successfully established interline agreement with some of the major International Airlines company. ??? Has a competitive fare system in all the current sectors. ??? Strives to maintain flight schedules, as long as it does not get seriously hampered by external factors which are beyond their control. ??? Maintains a strong corporate connection and liaison in order to maintain and increase the spectrum of their clientele. ??? Has been maintaining an efficient booking, ticketing and refunding system in order to gain the confidence and reliance from the customer.

b. Weakness

Over the last few years, GMG has introduced different products and service in order to attract wide range of market, although some of them were successful, but some of them could not attract attention of the common citizens, due to the lack of aggressive

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promotional activities. ??? Although the company can take pride in announcing that they run a highly efficient and effective work force, some of the mind level employees feel demotivated as they feel that they are not provided with the opportunity of growth and sometimes their contributions and works are not properly recognized. As soon as an empty position is recognized, necessary steps are not taken quickly to fill the vacancy. Thus, other staffs has to conduct that work for the time being which reduces the efficiency and hampers the proper functioning of the entire department. c. Opportunity In general, the private sectors of the country always face the difficulties of policy formulation and their implementation. The airlines industry is not beyond this difficulty and sometimes has to take certain initiatives to reform these policies and regulations.

Bangladesh Biman has been acting as the policy makers of this industry, and has retained the private sectors from conducting international operations for quite a long time, for reasons unknown. But, unfortunately, Biman itself has failed to uphold the country's image, and significant contribution and improvement to the industry, and lost many businesses to the other renowned international Airlines companies which have been running quite successfully in this country. As a result only recently private sectors have been allowed a small but significant exposure into the International arena. GMG can take full advantage of this situation by establishing a firm ground/footing in the International sector as it has already done well in the domestic market. ??? Over the recent years, countries have been trying to gain attention and attract foreign markets by investing on their tourist spots. Thus the Airlines company can take full opportunity of the situation and can

cater for different markets by offering differentiated package (GMG has been offering packages with the help of their interline agreements) of their own.

This will enhance their prominence and add to their competitive advantage. ??? Although, the overall economy of the country is at a dire state, a certain sector of the population has been maintaining their position in the society with a higher position in the affordability scale. This segment has always been a target for the Airlines company and GMG Airlines can also joined the trend by trying to gain their attention, by offering different benefit packages that might arouse their interest.

d. Threats Political instability of Bangladesh has long since been hampering the smooth running of Bangladesh, affecting each and every sector of the country. This continues to be a threat and all the industries as well as the Airlines, have mastered their own ways to deal with this continuing and everlasting crisis. ??? As the government changes and new authority comes into position, there is an ongoing trend of changing the rules, regulation and policy of the previous government. Therefore, the industry always runs the risk of policy reforms that might not go in their favor. Particularly, the Airlines industry is susceptible to changes that is beyond their control i. e. the weather, specially, in a tropical country like Bangladesh where rain always hamper a regular flight schedule.

Chapter 3. Findings & Analysis 3. 1. Survey Group a. Gender The percentage distribution of male and female respondents was 64. 32% and 35. 68% respectively. The percentage varies to certain extent, because, before the distribution of the questionnaires, the individuals were asked whether they traveled fairly frequently or not, as the study was restricted among the fairly frequent fliers.

As the samples were chosen randomly, it can be suggested from the above-mentioned figures that male respondents tend to travel more by air both in the national and international level, although, the specific reason for this difference could not be definitely identified. b. Age Range The age range was defined from 20 years, because, in Bangladesh, citizens below that range are mostly financially dependent and have less decision-making authority in choosing the airlines while travelling, although, this conception might vary among families, and other factors, which are beyond the scope of this report.

Also, five years were grouped together, as people falling within those range tend to have similar opinions, and a wider group might not give a more precise view of the scenario. The percentage distribution of the age range of the respondents has been given above. c. Monthly, Family/Gross income in Tk The income level has been purposefully kept high, because the expense of traveling by air (whether in the domestic or the international route) is quite high compared to other means of transport. Therefore, citizens residing at the lower income level have not been considered as potential customers for the airlines companies.

The percentage distribution has been mentioned below. Although it can be assumed that the percentage will be higher at the higher income range, majority respondents are from the range of the income level of below Tk. 25000. This is because most fairly frequent fliers travel for official purpose and in most of the cases; the expenses are borne by the organization they serve. d. Occupation In order to gain a full insight of the study, occupation of the respondents has been determined as one the leading factor of this research, which will help to create a full profile of the air travelers. Majority of

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the respondents are government service holders, and among the majority who marked ' others' are students, semi-government employees and some of them are currently unemployed. e. Location of Residence This criterion was included because, many aspects of people are revealed by the places where they choose to live. The locations that were chosen include posh, densely populated and major areas where the target customers might reside. An open option was kept for the respondents in case they belong to those areas other than the ones mentioned.

It is evident from the figures that a large number, majority of the respondents marked the ' others' option. Some of the places that were more frequently mentioned were, Mirpur, Azimpur, Gazipur, Badda, Moghbazar and New Eskaton, thus ensuring the diversity of the respondents, which is also essential for an unbiased result. f. Location of Office The same areas were chosen, as these are the major areas around the city. only an additional area, Motijheel was mentioned separately as it is a major commercial area, accommodating, many major national and international institutions. . Travelling by air Air travelling happens to be the fastest and most convenient means of transportation. Although, to reach certain destinations, it is not an option, but people sometimes choose this mode of transportation even when other means are available. Thus it becomes important to understand why people travel by air, under which circumstances and in what frequency. Business and holidays, seems to be the purpose of travelling for most people who use this mode of transport at least once a year.

The other purposes, which were mentioned, were educational, visiting relatives and emergency purposes where the frequency varied with circumstances and the people involved. 3. 2. Analysis on Findings: i. As the purpose of travelling can vary amongst people, to make it convenient and easy to study the purpose has been divided into two categories, official and personal. The main reason for this division is to understand whether the choice and preference of people varies with these categories. This will also help in the understanding, which are the aspects airlines that are given importance when the purpose of travelling changes.

For example, the same person who give importance to ticket fare, while travelling at their personal expenses, does not think about the fare much when the travel expenses is carried by their organization. ii. Although, this seems to be an obvious result, but it is noticeable that the finding says that respondents still give somewhat importance to fare, even though their office bears the expense. In this case they still have to keep it under consideration, as the organization tend to choose the Airlines that offers the lesser price.

Therefore, they are not always at the liberty to choose the Airlines according to their own preferences. iii. Apart from ticket fare, other relative expenses also play a vital role. Study shows that this condition changes tremendously when the purpose is different. Usually, time is more of an important factor at official tours where as expense is the most important factor at personal tours. Thus it becomes obvious that people will give more importance to the costs that are associated with their journey, and the result only proves this assumption. v. As mentioned before, timing plays a vital role while attending conferences and business meetings, thus it is crucial that the route that is <https://assignbuster.com/marketing-strategy-of-gmg-airlines-assignment/>

taken by the aircraft is straight forwards and less time consuming. Whereas, a little deviated routing will have a less importance to the person who does not have any time constraint, and who apparently pay less because of this factor. Although the reason for the stopover aspect may vary with the purpose, but this seems a somewhat important factor among all the respondents. v.

The most important reason why flight is chosen even though some options might be available because of the comfort factor that is associated with flying. Even though preference varies amongst people, everyone agreed unanimously that comfort is always sought and is foremost important and does not vary with the purpose of the journey. vi. Air travel is considered a luxury when other inexpensive options are available. Thus, when air travel is chosen, all other options are considered before the final decision is made and usually the airlines with the lower rate is chosen.

Also, their perceptions about the airlines security and safety standards play an important role where, peer suggestions, previous experience and the current evaluation of the organization are considered. vii. This is further proven by the fact that respondents also strongly agreed that they check the aircraft previous accidents/malfunction rates before they ultimately make their decision. the reason that they are so cautious about flying because, although there are fewer air accidents than road or rail road accidents percentage of death is higher in case of plane accidents, so the risk factor is actually higher than any other transportation.

They also tend to see whether the aircraft that is being used are up to the international standard and comply with international regulation and safety standards, even if it is used for domestic purpose. viii. As mentioned earlier, air travel is the less time consuming transportation available. Therefore, it is expected that airlines company will do their best to maintain the flight timings so that passenger is not deprived from this criterion as promised. The importance of this element is seen and understood from the result that almost all respondent strongly agreed that passenger is not deprived from this criterion as promised. The importance of this element is seen and understood from the result that almost all respondent strongly agreed that they choose a particular airlines depending on whether they can depend on its flight timings or not. ix. As they pay more for flying, it is apparent that people will desire better quality of service from the Airlines employees than from other transportation services. Specially, the service offered by the on-board employees such as the crewmembers seems to determine to a large extent whether someone will choose one airlines over the other.

Luggage misplacements or other difficulties are not an unusual phenomenon that has been faced by many passengers of almost all of the Airlines companies. Thus there is always the expectation that full co-operation on the part of the organization will provided in order to remedy the situation and retrieve the baggage. x. The first statement is a straightforward question, which asks why they chose GMG in the first place. The respondents disagreed that they have flown with GMG just to experience its service, which only suggests that they chose it because of a specific reason.

As, they have agreed that they almost always choose GMG for flying in the domestic region, one reason the surfaces is that, they are not satisfied with the other carrier that also flies domestically, which is Biman Bangladesh. xi. Compare to Biman Bangladesh Airlines, GMG Airlines has a higher ticket fare which is the result of taxation and additional expenses that this private organization endures, from which Biman is exempted as it is supported by the government.

But it also shows in the result that the service provided is also of a better quality to that of the national carrier, where the ticket-booking and other procedures take more time than GMG Airlines, and the employee co-operation level is also higher in GMG. xii. The point where is definitely beats Biman is where the question of maintaining the flight timings is raised. Biman has been very irregular in its continuous failure if punctuality, where GMG has been so far maintaining it properly, considering some unavoidable circumstances which was beyond the control of any organization of this industry. iii. Unfortunately, respondents were not very enthusiastic about the condition of the aircraft, which has been sometimes regarded as being cramped and small. Although, it is true those domestic flights are of a much shorter trips than international routes, but even then the passengers expect a bigger and better craft. Recently, GMG has offered one international route and more is under process but passengers still think that most of these destinations has failed to arise that volume of excitement among the passengers. xiv.

But it doc not necessary prove that has been considered as the ultimate solution because it is only better when compared to Biman which is not a <https://assignbuster.com/marketing-strategy-of-gmg-airlines-assignment/>

very standard scale. Therefore, based only on this information it will be unwise to conclude that it will see similar success in the international scenario where competition is more fierce and covers a wider range of competitors. xv. Tests were carried out to see whether there was any relation between the occupation of the respondents and the reasons that received priority while choosing Airlines.

Relation between income and the aspects that are given importance to while travelling for personal reasons were also studied. Both these factors yielded negative results suggesting that income level of an individual does not suggest that person will give importance to certain aspects of any airlines; neither does occupation tells us the reasons behind any of their choice. xvi. majority of the respondents having a gross family income of less than Tk 25000, market ticket fare as most important, and majority of the respondents who had a gross family income of Tk. 5000 and up, marked ticket fare as most important. Although it is tempting to assume that income level definitely changes the priority of the ticket fare, in reality its is not so. There can be other factors, apart from the level of income, which has an affect on their preferences. xvii. Majority of government service holder, majority of private service holder, majority of businessman and majority of people from other occupations agreed that they want good behavior from the crewmembers and their choice largely depends on this element.

Although the figures varied to a smaller amount it shows that a greater percentage from people of all profession is giving priority to this aspect, which to a larger extend determines their choice. To further proof this point, majority of government service holders, majority of private service holders, <https://assignbuster.com/marketing-strategy-of-gmg-airlines-assignment/>

majority businessman and majority of respondents from other occupation, wanted to travel with the airlines that offers the best ground-service, which again suggests that their are certain region of a Airlines company that is desired and expected from people from all range. 3. 2.

Summary of Findings: Following are the findings of the study: 1. Majority of all male pay a visit either to Kolkata, Colombo, Chennai or Katmandu at least every year, majority of the time for business and official purposes. Among this majority visits are in Kolkata alone where 40% of the time it is for vacation and shopping visits these destinations of which 90% visits are in Kolkata and majority of the time it is for vacation or shopping. 2. Majority of the respondents who has previously flown with GMG resides in the Mohammadpur/Dhanmondi region and majority resides in the Gushan/Banani region.

And majority of these respondents gross family income is approximately Tk. 25000-40000. 3. Almost everyone, regardless of whether they have previously flown or not said the on-board facilities the services of the cabin crew members, are the most important determinant factor of an International standard airlines company. 4. Most of the time, people choose their airlines with the help of travel agencies. When the destination is decided, they tend to go through the fairs offered by the different companies.

Usually, the corporate travelers, or more precisely, people who travel for business or official purposes, give more emphasis on their comfort rather than on the expense. 5. Usually people want airlines that offer the most

direct route with the lowest fair. 5. Frequent flier system, i. e. cumulative mileage after a certain mileage is covered by the traveler, with one particular airlines, he/she gets certain benefits, i. e. free tickets etc. Even if the person travels for official purposes that mileage is added as the personal mileage covered. Therefore, preference also depends on this factor. . The local, Bangladeshi people tend to travel in the far-east countries more. For example - Kuala Lumpur, Chiang-Mai, Phuket etc (for average to above average travelers). Who previously they used to prefer India. 7. The well-off travelers go to European and American countries. The main reason being that some family members are resides in those countries. 8. Time of travel - The vacations are mostly taken before Eid times. These has been a recent trend and more applicable for local people. But the expatriates travel more on December and during Christmas time. 9. Sometimes, expatriates tend to go for official visits along with vocations. Companies allow this procedure, since it is cheaper. Chapter 4: Conclusion & Recommendation IATA (International Air Transport Association) has shown a growing trend over the global air traffic, which is a positive sign for the airline industry. In the context of tremendous competition in the International Airlines Industry, GMG has to be very careful in choosing its strategies that will give them a sustainable competitive advantage over the other companies.

Thus continuous monitoring and evaluation by the top management is advisable in order to make its prominence felt in the international region. But, to improve the situation for Bangladeshi airlines, government also has to play a vital role and support the industry by taking proper policy regulation and setting standards for both the government and no-

government organizations. 1. Recommendation (in terms of government regulation) Some of the policies still exist, which, if not reformed will also hamper the operation of the private carriers, even though private companies might not have the limitation that the national carrier have. . If the private carriers fit the criteria for international standards, with the help of the ASA, government should take more active initiative to bring the private carriers in the active center of the international sector. b. Not allowing the private sectors in the routes of the Biman, but letting the foreign airlines company to operate from Bangladesh was not a wise solution to improve the sector, because Biman failed to survive the open competition. Thus it is advisable that the private airlines should be given permission to fly in the popular destinations.

For example most incoming passengers of Emirates are working class citizens of Bangladesh who earn their living in the middle-eastern countries. Therefore, allowing the private airlines in these routes will earn some foreign currencies from the local citizens. 4. 2 Recommendation for GMG Airlines In the international scenario vast and fierce competition will be faced by GMG with some of the leading international airlines of the world, therefore, some reformation and strategic changes might be necessary for the success in the near future. . In case of overcapacity in flights in the off-peak seasons, on-line-ticket auctioning system can be introduced, which will prevent the company from losing the value of the empty seats. (This system is popular in the western countries). b. The strategy for entering into foreign markets for international operations is a Market Development strategy, where GMG

can take advantage of the opportunities like, growing leisure travel, trading and getting foreign degrees.

As they have already started its voyage in India, they can exploit all the opportunities mentioned above. c. As they are expanding their business, they would definitely have to do some restructuring in the company.

However, as the basic infrastructure has already been set up, some minor changes might be required. d. Although it is costly, but is advisable, that better aircrafts should be added in the international routes, as people expects International standard of service in all respect.

Study reveals that majority of respondents' think that the aircraft needs improvement. 4. 3. Recommendation related of Human resource a. Updated training sessions for existing employees can be arranged so that they are aware of the current situation in the industry. Each major work area can have its own training department, which would include specialized courses for each discipline. b. Annual meetings can be arranged to create a bridge between employees ranging from the lower and higher level of the hierarchy.

Employees should be encouraged to suggest anything regarding salary, work environment and other sensitive issues, which will enhance the motivation of the workers as they will believe that they are an important asset of the company. The creative suggestions should be executed and implemented properly to gain the trust of the employees. c. A separate Human Resource department can be introduced which can monitor recruitment, training programs, employee council and other related issues. 4. 4. Recommendation related of promotion

A lack of proper promotional initiatives has been noticed in GMG. Although, people are aware of the attractive package offers that they have, these alone fail to initiate the drive among citizens. More aggressive promotional campaign needs to be launched to increase the responsiveness of passengers. Attractive billboards can be placed in major areas of the city with the currently practiced news papers adverts. The lay-out of the current adverts can be made more attractive and eye catching, to gain the full affect. 4. 5. Recommendation related of Service a.

Separate customer-care-booths can be placed specially in the peak seasons, which will be dedicated specially to customer feedback, or complaint and any problems faced by the passengers. b. Transportation service from the airport shuttle can be provided for the passengers (some special cases do enjoy the practice but this service can be made available for the willing passengers). c. As the current international flight is from Chittagong-Kolkata, the product development can be achieved by offering special package or discount programs for the passengers in the Dhaka-Chittagong-Kolkata route. . Initially, at a smaller scale, frequent flyer facilities can be given to the top executives of the leading companies of Bangladesh.

----- Reservation Officer Counter Staffs Counter Supervisor
 Reservation Manager Asst Manager (Zone Wise) Customer Service
 Concerned Sales Person Decision from committee GM (F&A) GM Ground
 Service GM Admin GM Production Director Audit Director Commercial
 (International operation) Director Marketing & Sales Director Admin &
 Security Director Engineering Director Flt Operations DIRECTOR DIRECTOR
 MANAGING DIRECTOR CHAIRMAN