

Advertising and brand management assignment

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ADVERTISING AND BRAND MANAGEMENT TOPIC: KINGFISHER AIRLINES IN AVIATION INDUSTRY Instructor: Prof. JAYA GOPALKRISHNAN Submitted By:

SOMNATH SAHA PGPM/09-11/ 108 ASHIS ROUTRAY PGPM/09-11/ 70

CHINMAYA KUMAR TRIPATHY PGPM/09-11/ 76 PREETI PGPM/09-11/ 94

MRITYUNJOY DUTTA PGPM/09-11/ 86 SOUMYARANI PANDA PGPM/09-11/ 110

About aviation Industry History- The history of civil aviation in India began in December 1912.

This was with the opening of the first domestic air route between Karachi and Delhi by the Indian state Air services in collaboration with the Imperial Airways, UK. Three years later, the first Indian airline, Tata Sons Ltd. , started a regular airmail service between Karachi and Madras without any patronage from the government. In early 1948, a joint sector company, Air India International Ltd. , was established by the Government of India and Air India (earlier Tata Airline) with a capital of Rs 2 crore and a fleet of three Lockheed constellation aircraft.

Potential for Growth- The Indian Civil Aviation market grew at a compound annual growth rate (CAGR) of 18 per cent, and was worth US\$ 5. 6 billion in 2008. The Centre for Asia Pacific Aviation (CAPA) forecasted that domestic traffic will increase by 25 per cent to 30 per cent till 2010 and international traffic growth by 15 per cent, taking the total market to more than 100 million passengers by 2010. By 2020, Indian airports are expected to handle more than 100 million passengers including 60 million domestic passengers and around 3. 4 million tonnes of cargo per annum.

Airport infrastructure is being developed at a fast pace to cope up with the growth of air transport operations. A simultaneous operation from parallel runways having facilities for category 3B level operations has now become a reality. Ground based communication, navigation and surveillance facilities are now being replaced by satellite based facilities. India is developing its new satellite based navigation system Gagan, which will enable precision approaches at all airports in India. Over the next five years, AAI has planned a massive investment of US\$ 3.7 billion, 43 per cent of which will be for the three metro airports in Kolkata, Chennai and Trivandrum, and the rest will go into upgrading other non-metro airports and modernising the existing aeronautical facilities.

Aviation Investment Policy- The major policies supporting infrastructure which are now in place are:

1. 100 per cent FDI under automatic route is permissible for greenfield airports.
2. For existing airports, foreign equity up to 100 per cent is permitted through automatic approvals and up to 100 per cent through special permission (from FIPB, Ministry of Finance).
3. Private developers allowed to setup captive airstrips and general airports 150 km away from an existing airport.
4. 100 per cent tax exemption for airport projects for a period of 10 years.

The Indian government plans to set up an Airport Economic Regulatory Authority to provide a level playing field to all players. During 2007-08, various companies have shown an interest in the Indian aviation industry.

Investment in airport infrastructure was over US\$ 5 billion in 2008 and will go up to US\$ 9 billion by 2013, of which close to US\$ 6 billion is expected to come through public private partnerships (PPP) model, according to a study by research firm Frost & Sullivan. Tata Advanced System Limited (TAS), to set up a US\$ 113.63 million helicopter manufacturing unit at the Aerospace

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Special Economic Zone (SEZ) in Adibatla village near the Hyderabad international airport. GMR Infrastructure to invest US\$ 151 million corporate jet market in India, and US\$ 60 million for a proposed JV with aircraft component manufacturers such as Honeywell and Safran to set up a components assembly plant in the country.

Associated areas such as maintenance repair and overhaul (MRO) and training offer high investment potential. A report by Ernst & Young says the MRO category in the aviation sector will absorb up to US\$ 120 billion worth of investments by 2020. Aerospace major Boeing forecasts that the Indian market will require 1, 000 commercial jets in the next 20 years, which will represent over 3 per cent of Boeing Commercial Airplanes' forecasted market worldwide. This makes India a US\$ 100 billion market in 20 years.

Segmentation in airline Industry-

Most airlines use a very traditional segmentation strategy, dividing passengers into Business travellers and Economy travellers (mostly leisure travellers). The common strategy is to squeeze as much profit as possible from Business class passengers who are attracted by superior services and corresponding high prices and, at the same time, to try and fill the rest of the seats and ensure growth by attracting Economy class passengers with lower fares. Business Passengers are crucial for the profitability of airlines.

With less spare time and more cash in their pockets, they agree to pay a premium price for a premium service. Leisure Travellers. represent a totally different market. The most important consideration for most of them is the price. The lower the airfare, the more people will fly the respective airline. By

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and large, with the exception of wealthy travellers, this segment will not pay extra for premium services and will agree to change several planes during their trip if this option costs less than a direct flight. It is observed that the best way to reach business travellers is through printed advertising.

Many airlines design special promotional programs that target corporate bookers and meeting planners, who are responsible for business trips reservations. Frequent flyer programs are an added bonus for business passengers. Challenges for aviation sector- 1. Rising fuel prices. 2. Employee shortage. 3. Regional connectivity. 4. Gaps in infrastructure. 5. High input costs. INTRODUCTION TO KINGFISHER AIRLINES UB group based in Bangalore, is a conglomerate of different companies with a major focus on the brewery (beer) and alcoholic beverages industry.

The company markets most of its beer under the Kingfisher brand. The group is headed by Dr Vijay Mallya. The UB Group was founded by a Scotsman, Thomas Leishman in 1857. Kingfisher, the Group's most visible and profitable brand, made a modest entry in the sixties. During the 1950's and 60's, the company expanded greatly by acquiring other breweries. First was the addition of McDowell as one of the Group subsidiaries, a move which helped United Breweries to extend its portfolio to wines and spirits business.

Strategically, the Group moved into agro-based industries and medicines when Mallya acquired Kissan products and formed a long-term relationship with Hoechst AG of Germany to create the Indian pharmaceutical company now known as Aventis Pharma, the Indian subsidiary of the global pharma major Sanofi- Aventis. The UB Group's Brewing Entity – called United

Breweries Limited (UBL) – has also assumed undisputed market leadership with a national market share in excess of 50%. Through a process of aggressive acquisition and market penetration, The UB Group today controls 60% of the total manufacturing capacity for Beer in India.

Kingfisher Airline is a private airline based in Bangalore, India. The airline is owned by the United Beverages Group. Kingfisher Airlines started its operations on 09 May 05 with a fleet of 4 Airbus A320 aircrafts. Kingfisher Airlines commenced operations on with a brand new fleet of aircraft. The major destinations covered by Kingfisher Airlines on domestic routes are Bangalore, Mumbai, Delhi, Goa, Chennai, Hyderabad, Ahmedabad, Cochin, Guwahati, Kolkata, Pune, Agartala, Dibrugarh, Mangalore and Jaipur.

Kingfisher Airlines is India`s first and only private airline to receive the prestigious, `Best New Airline of the Year` award in the Asia-Pacific and Middle East region from Centre for Asia Pacific Aviation (CAPA). Kingfisher Airlines has also been voted as the 3rd Most Successful Brand Launch of the Year 2005, in the annual Brand Derby Survey conducted by India`s leading business daily-Business Standard. In another Survey conducted by agencyfaqs. com and Brand Reporter, Kingfisher was voted as the 7th Buzziest Brand of 2005 amongst 2000 leading national and international brands.

More recently, Kingfisher Airlines has bagged the “ Service Excellence for a New Airline” award from Skytrax, a UK based specialist global air transport advisor. Another addition to the list of laurels is the “ Best New Domestic Airline for Excellent Services and Cuisine” award from Pacific Area Travel

Writers Association (PATWA), the biggest travel writers` organization, across the globe, that conducts independent annual surveys across various industries related with Travel and Tourism in order to select the best in each category.

In a survey conducted by IMB for Times of India, 46% of the participants voted Kingfisher Airlines `The Best Airline” and “ India`s Favourite Carrier”. Lastly Kingfisher Airlines won the “ Brand Leadership Award” in the service and hospitality segment against several acclaimed hotels, leading banks and other airlines. Kingfisher Airlines offers Full Service at True Value and promises an unparalleled experience to the Indian air traveler. On offer are extra-wide seats and spacious leg room, delicious gourmet meals, international-class cabin crew and a whole host of comforts and delights.

Kingfisher Airlines also facilitates doorstep delivery of tickets on guest request. Kingfisher Airlines has further raised the bar by introducing the Indian business traveler to a premium product- Kingfisher First, the finest experience in the Indian skies. It is a major Indian luxury airline operating 218 flights a day and has an extensive network to 37 destinations, with plans for regional and long- haul international services. It has announced plans to start flights to the USA with Airbus A380 aircraft.

Its main bases are Bangalore International Airport, Bangalore, Chhatrapati Shivaji International Airport, Mumbai and Indira Gandhi International Airport, Delhi, with a hub at Sardar Vallabhbhai Patel International Airport, Ahmedabad. Kingfisher Airlines, through one of its holding companies United Breweries Group, has acquired 26% stake in the budget airline Air Deccan

and has option to buy further of 20% stake from the secondary market.

Kingfisher is one of only 6 airlines in the world to have a 5 star rating from Skytrax, along with Asian Airlines, Malaysia Airlines, Qatar Airways, Singapore Airlines and Cathay Pacific Airways.

In a short span of time Kingfisher Airline has carved a niche for itself. The airline offers several unique services to its customers. These include personal valet at the airport to assist in baggage handling and boarding, exclusive lounges with private space, accompanied with refreshments and music at the airport, audio and video on-demand, with extra-wide personalized screens in the aircraft, sleeperette seats. PRICE Initially Kingfisher airlines did not differentiate between business class and economy class.

But eventually they decreased the prices of business class and called those seats as premium seats. Fares were very average as it had to target middle class as well as premium class people. The introduction of Kingfisher Red services have given the airline a ' Low-Cost' option to compete with other ' No-frills' airlines. It is important to note that the Kingfisher Red serves complementary meals on board, thereby increasing the perception of ' More Value for Money' for the passengers. PROMOTION

Various promotional strategies have been adopted by Kingfisher airlines like the following: (a) The ' Power Flyer' a consumer incentive offer targeted at the corporate traveller (b) Passengers are offered in flight entertainment options and contests like ' Kingfisher Flying Face of the Month' and attractive discounts of branded merchandise. (c) Offer in-flight silent auctions for

lifestyle products and in-flight sales of dry packaged food and beverages. (d) The marketing department showcased the airlines as 'The new flying experience'. e) Kingfisher Airlines has announced special fares for all personnel serving in the Indian Armed Forces, the Union Government, State governments, and employees of all public sector units in the country. The immediate families of these personnel are also eligible for these concessions. (f) The company has just launched Kingfisher First, which is a print campaign to promote its first class service. It is a personalized campaign, which has Vijay Mallya, signing off by saying, "I have created a product which is better than what I would have created for myself."

S. W. O. T ANALYSIS OF KINGFISHER AIRLINE'S:-

STRENGTHS 1. Strong brand value and reputation in the minds of customers. 2. Quality of the service. Route rationalization. 3. First airline to have a new fleet of airbuses. 4. Quality and continuous innovation. **WEAKNESSES** 1. Still a not in profit organization. 2. High ticket pricing. 3. Facing a tough competition from competitors. **OPPORTUNITIES** 1. The expanding tourism industry. 2. The non penetrated domestic market. International market. 3. Untapped air cargo market. **THREATS** 1. Competitors. Infrastructure issues. 2. Fuel price hike. 3. Tourism saturation Economic slowdown. 4.

Promotions and sponsorship declining Vijay Mallya – The spirit behind the Kingfisher brand The Western world has for long had the flamboyant CEOs promoting their brands from the front. Sir Richard Branson and Steve Jobs are the two prominent names that come to mind. Though Asia has not had its share of CEO brand ambassadors for long, things are changing fast across the region. Vijay Mallya, the flamboyant CEO of United Breweries – the <https://assignbuster.com/advertising-and-brand-management-assignment/>

company that owns the Kingfisher brand – is one of the most flamboyant CEOs in Asia. Vijay Mallya believes in leading his brand from the front by leveraging his personality.

Vijay Mallya is referred to as India's Richard Branson. A great part of the personality of the Kingfisher brand is based on Mallya's personality. He is credited with having single handedly changed the image of his beer brand from a commodity to a lifestyle brand. The Kingfisher brand commands a 29% share of the beer market in India and is sold in over 52 countries. Vijay Mallya has built a reputation for splurging his money in the public. He is the key sponsor to many of India's top derby championships, he owns a yacht once owned by Elizabeth Taylor, flies a personal Boeing business jet, owns super stylish homes in London, US, Dubai and India. Vijay Mallya is a diehard party animal, and is seen as the personification of a luxurious life! Vijay Mallya's associations with the rich, trendy and the luxurious have rubbed on his business venture and the brands. Similarly to Richard Branson, he recently launched Kingfisher Airlines, which draws a lot of its brand equity from Mallya himself. Vijay Mallya is a classic example of how Asian CEOs can lead their brands by being the most vocal ambassadors of their brands to build and sustain brand equity.

Branding of Kingfisher:- King Fisher Airlines (KFA) is a pioneer in the concept of bringing luxury, glamour and lifestyle to the skies. The brand image of the parent Kingfisher brand gave further credibility to its marketing campaigns, featuring India's then top models. Kingfisher airlines sold the concept of lifestyle through its glamorous airhostesses, red-the color of vibrancy, and added hospitality which made every passenger feel like a guest on board-a-
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craft. It marketed itself as a budget airline targeting the middle of the market.

It used multiple promotional campaigns, from having India's top model Yana Gupta and now Dipika Padukon on flight, to schemes on discounted tickets, initially, to invite people to experience the 'good flying' concept. However, the airlines industry soon entered a phase of consolidation with mergers like Jet- Air Sahara and Indian Airlines-Air India. This eroded the KFA value offering. Kingfisher evolved into a full-fledged carrier and continued to pursue aggressive marketing strategies, sometimes even entering into advertisement wars with its competitors.

At the same time, the Indian economy started to boom and the airlines industry entered a phase of unprecedented growth. This launched KFA in to its growth phase. KFA, on its merger with Air Deccan, retained the name 'Deccan' in the new entity because of its tremendous recall value in the LCC segment; hence the tag 'Simplify Deccan'. Instead, had they directly changed the name to Kingfisher Red, it may have eroded the 'loyal' customer base that Air Deccan enjoyed due to its 'emotional connect' with its customers. At the same time, KFA changed the logo to the Kingfisher bird depicting vibrancy and activity.

Kingfisher's red and white replaced Deccan's yellow and blue. After a period of ten months, when Kingfisher had established the fact that people could associate 'Simplify Deccan' with Kingfisher by means of the image makeover of the former's crew and fleet, Simplify Deccan was rebranded to Kingfisher Red, eliminating the Deccan name altogether, and establishing

the movement of the airline towards the Kingfisher 'flying experience'.

While Simplify Deccan was a no-frills low cost carrier, Kingfisher Red highlighted the 'delight of flying' in spite of offering low fares, keeping up Kingfisher's brand promise.

Kingfisher Red offered new features like web check-in, in-flight reading material, and frequent flier programs. KFA is all set to redefine the low cost carrier (LCC) segment by using Kingfisher Red as a flanker brand. An exhaustive market survey done by Kingfisher revealed that an average flier even in the low cost segment expects certain basic services. Kingfisher Red is positioned between a low cost and full service carrier. It is the only airline that offers additional services compared to other traditional low cost carriers and yet economical compared to full service carriers.

Kingfisher Red has carved for itself a straddle position: low fare flying with the experience of a premium one – a premium low cost carrier as it proudly calls itself. It hopes to foster loyalty amongst its customers through such positioning. Kingfisher is offering free wholesome Indian meals on its flights, a move aimed to regain its lost market share from Indigo, which recently replaced Kingfisher Red at the top. The remainder of this article analyses Kingfisher's strategic positioning and raises some pertinent questions, the answers to which point out the shortcomings in the management's strategy.

In order to corroborate and give credence to our analysis and to capture more opinions, we conducted an opinion survey of 50 people to understand the consumer psychology for the airlines industry and appreciate the way ahead for the airlines. Kingfisher Successfully Understood Customer Needs:-

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A typical LCC customer would have certain basic needs: economy, convenience, comfort and luxury. The fact that the customer chooses a LCC indicates one's sensitivity to price and hence economy seems to be the first basic need.

This is followed by a need for convenience, which would translate into wants like punctuality, appropriate baggage handling etc. Following this is a need for comfort, which includes in-flight reading material, food etc. that Kingfisher Red offers. And finally luxury, which would comprise the entire set of value added services like personalized entertainment that KFA (Class & First) provides. Perhaps, It follows "Maslow's hierarchy of needs" concept, the higher order need might appeal only when the lower order one has been satisfied.

Maslow's hierarchy of needs" concept It ignored Points of Parity and Given Too much Importance to Points of Difference:- While Kingfisher Red has focused on higher order needs of the customer, it has ignored the lower order needs of the customer like economy and punctuality. The Points of Parity comprise basic services like scheduling, connectivity, cleanliness, low price (especially) whereas Kingfisher Red's point of difference is clearly the comfort and the delight experience that the airline highlights.

While Kingfisher Red has focused on services like tele-booking, free food etc, it has ignored the lower order needs of the customer like economy and punctuality. People expect basic services from Kingfisher like cheaper tickets and adherence to schedules before facilities like free food. Indigo is the most preferred choice of consumers in the LCC segment because it delivers

extremely well on the price and punctuality dimensions. In Kingfisher Red's case, the key to positioning now remains not so much in highlighting the points of difference as much in focusing on the points of parity. Sustainable is the Concept of Premium Low Cost Carrier:-

Costs increase in proportion to the services offered. The model of an increasing number of value added services along with low prices seems like a 'best-of-both-worlds' that might be difficult to sustain. Hence, any addition of value-added services would further erode the value of the airline with respect to the prices that it can offer. Taking the case of meals on the airline, a meal increases the price of a ticket by 300 - 400 INR. With the LCC customer being most concerned about price than any other dimension of value-added services, increasing fares in order to offer a not-much-sought-after 'free' meal may not be the best move.

Perhaps the Spicejet model of selling food on-flight is a better answer, as it enables the airline to cater to the needs of both the classes of customers, those who value economy and those who don't mind paying an extra.

Kingfisher Red's Promise Impact Customer Satisfaction:- With the Kingfisher Red campaign emphasizing the shift towards the spirit of 'good flying', customer expectations might be raised to the level of the experience that Kingfisher Class offers. This would lead to dissatisfaction when the customer flies Kingfisher Red, as his experience would not live up to his expectations.

This is so since Kingfisher Red is not even remotely close to the lifestyle advantage offered by Kingfisher Class. Hence it might be better for the promotional campaigns of Kingfisher Red to highlight only what one can

realistically expect of Kingfisher Red. At the same time, there should be campaigns for Kingfisher First and Kingfisher Class. Is Kingfisher Red a Threat to the Kingfisher's Brand Identity? With Kingfisher Red not really gelling in with the entire Kingfisher portfolio of products and services, the frugality of the brand may impact the brand equity of Kingfisher.

After all, Kingfisher Red has tried to match up to Kingfisher in a number of stark areas, for example, the color red itself. From the results, 55%+ of people say that there is confusion between the brands Kingfisher and Kingfisher Red. The word association tests that were carried out on the respondents indicate that "Red" is the first word that comes to one's mind when Kingfisher Airlines is mentioned. It may have been worthwhile to not donate the highest recall factor of Kingfisher to its flanker brand's name in the first place.

Kingfisher could focus on the promotional campaigns which had been described earlier to distinguish between Kingfisher and Kingfisher Red. Kingfisher Factored in the 'Brand Loyalty' that Operates in this Segment:- Delivering into consumer psychology, it seems that once a passenger has a pleasant experience with a particular LCC and develops an image of reliability, one prefers to stick to the LCC. Existing a strong case for Kingfisher to cash in on this brand loyalty found in LCC segment.

For this to happen, it must first fix the points of dissatisfaction like punctuality and safety concerns. Once these concerns are addressed, people will tend to stick to Kingfisher Red. The graph denotes the reasons why Kingfisher Red has failed to deliver on its promises. Kingfisher's Current

Positioning and Market Coverage as a Source of Competitive Advantage:-

With the introduction of Kingfisher Red, Kingfisher has 3 product offerings: premium business, premium economy and premium low cost. Kingfisher's offerings span the entire market.

Such a strategy is generally not a very good one, as it does not send out a very clear positioning message and may only serve to drive away customers from both ends of the market segment, instead of serving both. However, in the current scenario, at a time when the future of the aviation industry is uncertain, this very positioning and market coverage may be the best thing to do. It becomes a source of competitive advantage as it gives Kingfisher the flexibility to consolidate its position, in any direction depending on the future course of the industry.

Also, in future, Kingfisher would have high flexibility to change its product mix amongst the three classes contingent on segment attractiveness and changing customer wants. BRAND EXTENSION Kingfisher Airlines, India's first and only Five Star Airline, rated by Skytrax today extended its international footprint by launching daily direct flights from Bangalore to Colombo and Chennai to Colombo. Guests traveling on this route can now experience Five Star service, thanks to the unique flying experience offered by Kingfisher Airlines.

The flights on these two new routes will be operated using brand new Airbus A320 aircraft featuring personalized in-flight entertainment on every seat, gourmet cuisine and Five Star service at the hands of a warm and thoroughly professional cabin crew. The launch of these flights will not only cater to the

leisure travelers but will also cater to entrepreneurs and traders frequently flying on these routes. With these convenient timings, guests from Colombo can also enjoy easy access to India's widest airline network. Commenting on the launch, Mr.

Siva Ramachandran ??? Vice President Global Sales, Kingfisher Airlines Limited said, " We are delighted to welcome Colombo as the latest destination in our global network, and we look forward to extending our hospitality to guests on this new service. The warm relationship between India and Sri Lanka has grown over the years, and we believe the introduction of Kingfisher Airlines' new service will help foster even closer bilateral trade and tourism ties. The initial response to the launch of these new flights has been extremely encouraging and we look forward to rapidly establishing our presence in the Sri Lankan market".

Ever since its launch in May 2005, Kingfisher Airlines has blazed a trail of innovations and introduced a range of market-firsts that have completely redefined the whole experience of flying. By elevating its customers to a level of being ' guests' and not just passengers, Kingfisher Airlines has endeared itself to consumers. A growing testimony of this is the numerous awards and recognitions that Kingfisher Airlines has won at domestic as well as International level. NDTV's lifestyle channel to be launched in September would have a close association with Vijay Mallya's UB Group.

The channel would portray group's image catering to urban and global Indian, and would showcase programmes related to food, travel, gadgets, parties and everything up Status. The channel may even be named ' NDTV

Good Times' which is similar to Kingfisher's tag line and may even have a Kingfisher bird in its identity. Although Vijay Mallya has not taken any direct stake in the company but is believed to have made a five year advertisement contract for Rs. 100 crore. The deal would mean that NDTV get the much needed funding as its results are disappointing for last few quarters and is also on verge of expansion.

For Kingfisher, it would help it in increasing its brand awareness especially since liquor advertising is prohibited in India. The channel content may also be extended to be used on Kingfisher's flights. Kingfisher Strong: ? Kingfisher Strong Fresh ? Kingfisher Draught ? Kingfisher Ultra ? Kingfisher Blue ? Kingfisher Red ? Kingfisher Bohemia ? Zingaro ? UB Export ? UB Export Strong ? London Pilsner Premium Strong ? Kalyani Black Label Strong ? Bullet Kingfisher Airlines HR and Financial Strategies

Kingfisher airlines launched its domestic air service operations in May 2005. KFA was promoted by UB group and offered a single class- " Kingfisher Class". KFA successfully?? leverage the youthful and vibrant image of its kingfisher beer brand and called its airlines as ' Funliners' to emphasize the fun-filled experience. Within the first six months of its launch, KFA managed to corner a 6% market share in the domestic air travel mark. KFA started its operation in May 7, 2005, positioning itself as a budget carrier and not as Low Cost Carrier (LCC). Financial strategies:

KFA came up with many new financial strategic moves that made it one of the leaders of aviation industry the company had adopted following strategies: * It purchased brand new A320 aircrafts powered by the cockpit

that was a paperless environment. * In June 2005 KFA planned to order US\$5 bn at the Paris Air Show, for 5 new A350-800 aircraft, and five A330-200 aircraft. * KFA was first Indian carrier to place an order for A380s. * In November 2005 it placed an order for 30 A 320 and 20 ATR72-500 aircraft at the Dubai Air Show. This ATR72-500 was worth US\$750.

To further its expansion plan KFA put in its bid to buy Sahara in November 2005. However negotiation came to a standstill when KFA felt the valuation of Sahara Airlines of around US\$750mn to US\$1 bn. was too high. KFA has plans to make an Initial Public Offer (IPO) and raise around US\$200 mn that would be used for its fleet acquisition and route expansion activities. KFA set up Kingfisher International Inc. (KII), a subsidiary in US for its international operations. KFA plans to operate international routes by end of 2007. But KFA had yet to receive permission from the Indian government.

According to Indian government domestic air carriers are not allowed to fly international routes without five year of domestic flying experience. But Mr. Mallya said if he failed to convince the government to change its rules, it would start an airline in a foreign country and fly it to India. Human Resource Strategies: Prior to launch, KFA signed a “ non-poaching alliance” with Air Deccan under which both the airlines agreed not to hire each other’s employee. KFA’s flight attendants called “ Flying models” were selected through a national level model contest.

KFA also stressed the fact that its employees had to be capable enough to meet the airlines’ high service standards. Among one of the biggest HR move for KFA was addition of Nigel Harwood as Chief Operating Officer with

effect from August 1, 2005, to strengthen its management team. Mr. Mallya said “ Kingfisher Airlines Limited has a first class management team not just at top most level but also in the second line. This is part of the UB group’s commitment to human resources”. Kingfisher Airlines Fleet] Aircraft| In Service| Orders| Options| Passengers Kingfisher First/Kingfisher Class)| Notes| Airbus A319-100| 3| ???| ???| 144 (0/144)| All 3 dry leased. | Airbus A320-200| 10 3 10| 67| ???| 134 (20/114) 174 (0/174) 180 (0/180)| 11 dry leased. Deliveries through 2016. | Airbus A321-200| 6 2| ???| ???| 151 (32/119) 199 (0/199)| 2 dry leased. | Airbus A330-200| 5| 15| ???| 217 (30/187)| Deliveries through 2015. | Airbus A350-800| ???| 5| ???| TBD| Deliveries starting 2015. | Airbus A380-800| ???| 5| 5| TBD| Deliveries starting 2014. | ATR 42-500| 2| ???| ???| 48 (0/48)| Both aircraft?? dry leased. | ATR 72-500| 17 8| 38| 20| 66 (0/66) 2 (0/72)| 15 new aircraft to be dry leased| Total| 66| 130| 25| | | | | | Kingfisher Airlines new aircraft delivery schedule| Aircraft| 2012| 2013| 2014| 2015| 2016| Total| Airbus A320 family| 6| 9| 7| 8| 12| 42| Airbus A330-200| 4| 3| 4| 4| ???| 15| Airbus A350-800/A380-800| ???| ???| 2| 6| 2| 10| Total| 10| 12| 13| 18| 14| 67| | | | |

| | Brand Extention of KINGFISHER:- 1. The?? Frequent-flyer program?? of Kingfisher Airlines is called the?? King Club?? in which members earn?? King Miles?? every time they fly with Kingfisher or its partner airlines, hotels, car rental, finance and lifestyle businesses.

There are four levels in the scheme: Red, Silver, Gold and Platinum levels. Members can redeem points for over a number of schemes. Platinum, Gold and Silver members enjoy access to the?? Kingfisher Lounge, priority check-in, excess baggage allowance, bonus miles, and 3 Kingfisher First Upgrade

vouchers for Gold membership. Platinum members get 5 upgrade vouchers.

2. BEAR Alcoholic beverages market, especially beer market in India is growing with leaps and bounds. The beer market in India is estimated to be over Rupees 3000 corers. Annual consumption of beer is over hundred 10 million cases.

CAGR of beer industry in the year 2008 is 14. 3%, much higher than most of the countries. Rising income the Indian consumer, change in age profile and lifestyle as well as a reduction in beer prices are major factors pushing this growth. Consumption of Bear For these reasons international beer companies are coming to India almost every quarter. Three big international brands Budweiser, Carlsberg and Heineken entered India in last 12-15 months. Marketing Mix Analysis: United Breweries in 1915 and started manufacturing beer from the year 1944 under the label Exports Beer.

UB group started exporting beer to Middle-East from 1974 and in the year 1978 it launched Kingfisher brand. Market Position: It is the largest selling brand in India and commands more than 30% share in the beer market. In 2005-2006 it recorded 28% growth. Target markets: Kingfisher has two different products for different market segments. Product : ??? 1. No. 1 selling product in its segment. 2. Good quality raw material is used to maintain the quality standards. 3. Consistency of product quality is high. 4. Always tastes fresh due to good quality and well developed distribution network. 5.

Hangover due to heavy consumption is very mild. Place : ??? 1. It is available throughout India, and is dominant particularly in South and West India. 2. UB

has 16 company-owned breweries apart from nine contract breweries in 20 different locations across the country. 3. Kingfisher also has a presence in 60 countries. 4. It also has some sixteen hundred shops apart from pubs and bars. Better retailing outlets are also to be opened under the Kingfisher Brand.. 5. Kingfisher also has association with number of Very Classy, Up-market & Stylish bars & lounges which goes hand in hand with its brand image.

Price : ??? In both mild and strong beer segment Kingfisher uses competitive pricing strategy. Promotion : ??? 1. Kingfisher tagline ' King of good times' is one of the most popular and most successful tagline in India. 2. Since advertising of liquor is banned in India, Kingfisher uses surrogate advertising methods like using mineral water and sodas. 3. Aggressive advertising at Outlets & Pubs. 4. Recently it also started merchandizing sports goods and trendy clothing and accessories under Kingfisher brand name. 5. Each year Kingfisher brings out new calendars featuring top models in swimwear. 6.

Kingfisher also promotes itself by sponsoring events like fashion shows, sportspersons like Narain Karthikeyan, East Bengal soccer team. UB promoter also acquired a Formula- One team (Force India). 7. Kingfisher recently tied up with NDTV for their new lifestyle channel NDTV Good Times for five years Brand Foster:- Product : ??? 1. Premium Lager beer 2. Fresh taste 3. Among the two sizes (330ml and 650ml) pint size (330ml) is more aggressively promoted 4. 70% of Foster's sales today come from the pint-sized market 5. The product is a light beer ??? highly carbonated with low bitterness and no aftertaste.

It has fewer calories and lower alcohol content. Price : ??? Foster's unlike Kingfisher follows a premium pricing strategy for its products. Market Position: Foster's belongs to the SAB Miller stable which is the second largest beer company in India, in terms of market share. Till now it is the only international beer brand which successfully captured a significant share in the Indian market. Target markets: The main target markets of Foster's in India youth. But targeting strategy of Foster's can be presented as below- 3.

Formula 1:-

Kingfisher has also extended its brand through investing in World's Number 1 racing game Formula 1 segment. Brand management of Kingfisher Airlines The Kingfisher brand has always been associated with glamour, vibrancy and lifestyle. When the premium airlines player made a move to acquire the largest low cost carrier in India, there seemed to be a clear mismatch between the two brands. However, Kingfisher Red had recently been displaced by Indigo Airlines as the preferred low cost carrier for Indian customers. This article aims to understand the reason for this step down even as it characterizes the needs of an air traveler.

It also examines whether Kingfisher was right in straddling itself along the economy-luxury axis and the parameters it would have to meet to regain lost ground. Owned by India's biggest liquor baron, Mr. Vijay Mallya, Kingfisher Airlines (KFA) is one of the finest luxury airlines of India. KFA today offers three unique classes of service -Kingfisher First, Kingfisher Class and Kingfisher Red. Kingfisher First is the business class service of KFA focused on business class passengers who are willing to spend for premium services.

Kingfisher Class is the aspirational premium economy service of KFA focused on the growing middle-class that is trendy, savvy and upwardly mobile.

Kingfisher Red is the low fare service of KFA focused on the growing middle class who are price conscious. KFA has carved a distinct position for itself by its flamboyant lifestyle image and by offering a great flying experience with comfort seating, personalized entertainment and services to its passengers. KFA has adopted a plethora of marketing strategies since its inception and continues to do so in its growth stage.

Its marketing efforts aimed at building a distinct brand image for KFA play a huge role in the success of the airlines. A survey has been conducted to identify the psychology of economy travelers and how Kingfisher Red has fared on the parameters that had been cited by the sample. Taking off from the primary research, the article identifies certain approaches that KFA must take up going forward, in order to ensure that they remain leaders in air travel. Kingfisher Lounge Kingfisher Lounges are offered to?? Kingfisher First?? passengers, along with?? King Club Silver?? and?? King Club Gold?? members. Lounges are located in: * Bangalore Chennai * Cochin * Delhi * Kolkata * Hyderabad * Mumbai * ?? London Heathrow MARKET SHARE IN JULY 2010(%) Advertising & Promotional Strategies for Kingfisher airline- Kingfisher airlines launched its domestic air service operations in May 2005. KFA was promoted by UB group and offered a single class- “ Kingfisher Class”. KFA successfully?? ?? leverage the youthful and vibrant image of its kingfisher beer brand and called its airlines as ‘ Funliners’ to emphasize the fun-filled experience. KFA started its operation in May 7, 2005, positioning itself as a budget carrier and not as Low Cost Carrier (LCC).

Following strategies were followed to make it one of the leading Airlines in India. * It came up with a very appealing promotional line “ Fly the good times” and it reflected in the experience the company offered to its passengers. * KFA is also?? launched Kingfisher express in order to tap into the growing LCC segment. * It planned to re-launch its commercial air service called UB Airway again which it had to withdraw it due to government restrictions. * The company gave best services to its customers that were like providing world class interiors, and in-flight entertainment systems. The company came up with only one class airlines rather than other airlines that had Business Class; Economy Class the idea was to combine Business Class experiences and Economy Class experiences in one. * The company started addressing its customers as “ GUEST” rather than passengers. * The company made its mark by providing its guests with more legroom and bigger seats so as to provide better comfort. As part of its promotional strategy the marketing team of KFA showcased the airline as “ the new flying experience”.

The following initiatives were taken as part of its promotional strategy... * Advertisements hoardings at airports depicted the stylish interiors of the “ Fun liners”, which conveyed youthful, fun-filled, and world class image. * INOX multiplexes in Mumbai publicized KFA’s?? special offers for a month. * KFA was the official travel airlines for the cast and crew of “ Mangal Pandey”- the movie. * KFA made use of various fashion shows, celebrity golf matches, New Year parties all to build its “ Kingfisher” brand. * The UB groups monthly magazine called “ Pegasus” published information about KFA along with other information related to UB group. KFA launched many attractive offers

to promote its sales like the “ King Card” in association with ICICI Bank, in August 2005. This was meant to create loyal customers for KFA by providing benefits like privileged access to lounges, restaurants, free refreshments at airports, access to 180 golf clubs across India, special invites for lifestyle shows. Conclusion: Finally we conclude that Kingfisher is a generic company in Airlines industry. The company is maintaining long term relationship with their customers through providing best quality and prompt services.

The company is also concentrating in its other core areas, like: King club and Bear. Recently, it has also sponsored the mega event i. e. , IPL (Indian Premier League), through this event the company tried to do event marketing. The company also bagged major market share in the Airlines industry. Mr. Mallaya should maintain its reputation and its brand image in the minds of customers, so that it can earn maximum profitability in future also. BIBLIOGRAPHY AND REFERENCES LINKS: <http://yoginvorg.wordpress.com> <http://kingfisherworld.com>