

Marketing plan for an airline assignment

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Marketing Plan for Breeze Airlines 24 April 2010 Marketing Plan for Breeze Airlines Air has become the most preferred method of transportation for many people around the world and more travelers are looking for affordable ways to travel between destinations. Consequently, the increase in customer's demand for cheaper fares has created an excellent business opportunity for low cost airlines to emerge. Low cost carriers have been successful satisfying customer's demand for cheaper fares and reducing labor cost. " A high quality low-price entry strategy may seem very attractive at first glance.

Obviously, an airline, or any startup firm for that matter, is likely to win a market if it can indeed provide a better product for a significantly lower price" (Ben-Yosef, 2005, p. 243). Their marketing strategies have been so successful that many of these carriers have become passenger's first choice for air transportation. During economic turndown, " the low-cost airlines as a group were able to expand operations and maintain revenue growth in spite of the economic trend. Passengers became more aware of and discontented with the major network airlines' pricing practices...They joined the group of low fare payers" (Ben-Yosef, 2005, p. 44). The marketing plan is to support the introduction of a low cost carrier Breeze Airlines by establishing marketing objectives, identifying the marketing segment and market position in the U. S market. The second stage in the marketing plan is to establish marketing objectives because the objectives describe what the company is trying to accomplish. They can be set up at a corporate and functional level but they must follow the SMART criteria. The SMART criteria follow five simple concepts in which it clearly states that objectives must be

“ specific, measurable, achievable, relevant and time-framed” (Nobilis, 2008, February 9).

The specific objective for the low cost carrier Breeze Airlines is to position itself as the preferred low cost airline among college students and young adults in the state of Florida. It will provide all the digital technology, convenience and amenities that other airlines offer at a better price. Their customer service will include young professionals and college students that can relate with customer’s wants and needs. Friendly personality, team work and positive attitude will be the most important characteristics of employees so it can be transmitted to customers.

The objective can be measured by the monthly amount of new customers enrolling in the frequent flyer membership program of Breeze Airlines. Objectives are realistic and relevant because airlines use frequent flyer programs to build loyal customers and it is a method use to measure new and recurrent customers. They are achievable as well because customers will be able to enroll in the frequent flyer program and enjoy several promotional items for free. Time limitation for these objectives is realistic because it gives the airline time to penetrate the desired market segment and attract loyal customers.

The most attractive market segment for the low cost airline is the Generation segmentation that includes Generation X and Generation Y. Generation X individuals were born from 1965 to 1975 and most of them are college educated professionals that tend to embrace new ideas and experiences because of their optimistic outlook about life. “ They are likely to remain

single longer than previous generations and they tend to spend more on recreational trips than furniture” (Michman, Mazze & Greco, 2003, p. 31).

Consequently, traveling has become one of their passions so they are the perfect target group for the low cost carrier. Generation Y includes individuals born between 1976 and 1994 and they are often referred as the “Internet Generation, the Echo Boomers, or the dot-com Generation” (Michman, et al, 2003, p. 32). This market segment is comfortable with computers and wireless technology; therefore they will appreciate an airline offering digital technology on their flights at a lower cost. Generation Y was selected because it includes college or graduate students with limited budgets.

Young college educated professionals and college or graduate students between 21 and 45 years old represent the perfect target market for the low cost fare airline because both groups share similar psychological and behavioral traits. They are meticulous with their money to the extent that price is important when they are purchasing an item or paying for a service because most of them are recent college graduates entering the workforce and others are still pursuing an education with a limited income. Even if they have limited income, they still want to satisfy their lifestyle preferences.

They want to obtain maximum value for their money without sacrificing personal comfort. These groups will be targeted because they are open to new experiences and they are price sensitive. Low cost Breeze Airlines SWOT Analysis will provide direction to its marketing strategy. Strengths: Breeze Airline is a promising young airline offering ticket fares at discount price to

popular college destinations. It has a team of young customer service that can relate to targeted customers. Weaknesses: Their customer service might not have enough experience in the airline business so the operation might suffer internally for lack of knowledge.

Opportunities: The introduction of digital technology on their flights and the use of internet to disseminate their service and reduce cost. “ Airlines are attracted even more by the profitability of corporate electronic transactions. With sophisticated information systems, it is now possible for airlines to offer complex discounts on bulk purchases across many different routes and classes of travel.. ” (Gasson, 2003, p. 239). Threats: Competitors trying to match fares and driving the airline out of its home market.

As Iacobucci (2010) explained, in her book Marketing Management, that positioning is about customer’s perception of a business product or service (p. 39). It is important to decide how the company wants to be perceived by their customers. Breeze Airlines wants to be known as the airline that offers great value and great care in the air. As many low cost airlines, Breeze Airlines will also benefit from the technological era by providing state of the art digital technology on its flights and user friendly website to please its target market.

The online market is continually increasing and more customers are attracted to websites that are easy to navigate. “ The specialized technology required to make direct bookings is now available to the consumer, often at lower cost (in terms of time and effort) than booking through a traditional travel agent” (Gasson, 2003, p. 241). In conclusion, there are several factors

that will determine the success of an airline. The economy and technological advances have made low cost airlines more profitable than traditional network airlines in recent years.

The reason behind their success is to understand the wants and needs of the desired market segment and adjust their product and services as their customer preferences evolve. The start up of an airline is challenging but the start up of low cost airlines is even more difficult because of the elevated cost associated with it. Southwest, JetBlue, Airtran and some other airlines located in Europe are an example that low cost airfares are still in demand and low cost strategy is achievable. References

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