

Good example of global airline industry: 3 report

[Business](#), [Company](#)



EXECUTIVE SUMMARY:

This report has covered the major marketing concerns that need to be undertaken by the new company, to flourish their operations in an effective way. Report has considered the most important aspect of marketing that is branding starting with an overview of global airline industry and its current operations, in the first part. While discussing the issues and importance of branding, it has recommended the desired brand identity for a new airline company. Second part has focused on strategies, to launch the airline service internationally, nationally and regionally. This part includes justified marketing mix for the airline company. Followed by the implication plan in the third part based on the practical recommendations that are necessary for the proposed airline business. The last part represented the innovative services that the airline can offer to its potential customers so that the airline must be able to create brand value, and gain customers' confidence.

EXECUTIVE SUMMARY: 1

INTRODUCTION: 3

GLOBAL AIRLINE INDUSTRY IN 2014: 5

BRANDING: 7

ISSUES OF BRANDING7

IMPORTANCE OF BRANDING10

BRAND NAME, LOGO, SLOGAN AND BRAND IDENTITY11

MARKETING MIX: 12

PRODUCT12

PRICE13

PROMOTION14

PROMOTION TOOLS (Marketing Tactics)14

PLACE15

TRAVEL INDUSTRY FORECAST REVIEW: 16

HIGH-END SERVICES: 20

CONCLUSION: 23

WORKS CITED: 25

INTRODUCTION:

Airline industry provides the means of transporting people from one country to another, not only people, but also include cargo and luggage. Airline industry is the huge industry that accounts to develop the large portion of the country's economy. Some well-off investors are tending to operate Business Class Only (BCO) flights in the central hub of Dubai, considering the underlying case, with advance technologies and ultimate innovation. Dubai is appeared as an attractive market for BCO flights since many rich people, residing there, are inclined to travel in business class.

A group of investors has acquired 15 Boeing 747-8 and 3 Airbus 380, and they can purchase more aircrafts on lease when required. Investors are most likely to arrange their set up at the new Al Maktoum International Airport, where they can begin their operations in the period of 8-10 months. For the exclusive architecture of the airport, they have signed up an agreement with the globally famous fashion house to consult on interior design of both the exclusive airport lounges and airplanes. The interior of the airplane is supposed to be attractive and technologically sound, in order to gain that designers are asked to work collaboratively with airplane furnish specialists.

<https://assignbuster.com/good-example-of-global-airline-industry-3-report/>

GLOBAL AIRLINE INDUSTRY:

The scope and capacity of airline companies are based on a wide range of services starting from a distinct airplane transporting cargo or mail, to international airlines providing full-services, with hundreds of airplanes operational in different types. There are a number of categories of Airline services, which include intracontinental, global, domestic or regional, and these services are provided as charters or scheduled services. Analysis of the airline industry is a complicated state due to extensive deviations in the forms of airline corporations, the routes they provide and their operating scale. As the world has been vastly developed since the last five decades, some major patterns have come into sight in that period of experience. The common pattern of airline companies is to privatize government owned airline companies to an independent state for profit. This pattern happens when regulators and officials allow greater freedom; however, not all airlines are able to complete this pattern (Aviation Explorer).

There is a derived demand for air travel facility across the world. Derived demand means that its demand depends on other factors like, demand of business passengers, passengers travelling for vacations, requirements of businesses of shipment and cargo facility. All these factors are highly inclined by economic condition of the country, especially macroeconomic environment in the observed market. With the constantly increasing demand trends of air travel services, the patterns are directionally erratic while rendering seasonal services (Aviation Explorer).

While observing inconsistent growth rates in different regions, it has been verified that deregulation in areas provided intense competition and the

price war which caused a decline in air fares and radical boost in traffic growth. This trend was largely depicted by countries like Japan, U. S., Brazil, Mexico, Australia, and others. The airline industry shows the cyclical tendency. Usually, after few years of deprived performance, the industry show four or five years of recovery performance. Profitability seems to be reduced during the growth period which accounts to net profit of 2-3% after tax and interest (Aviation Explorer). At this state, airline companies started to pay concern over upgraded services and innovative invention of airplanes while considering the increased demand. Airline industry functions on the consolidation trend in a number of developed countries. In a consolidation, airlines create various business combinations from free and limited two-sided partnerships to the all-round association of groups of airline companies based on either equity or definite takeovers or acquisitions. Consolidation takes place when administration confines merger or ownership activities between airline companies in various countries. Since the deregulation in U. S., around 200 airline companies have been taken over, merged, or just run out of business. Whereas, number of global airline managers are vigorously lobbying their officials to allow greater consolidation, with the intention to pull off higher economies of scale and superior efficiencies (Aviation Explorer). At the international level, commercial airlines account to 48. 4% of deal volume and 87. 3% of the total value (Frost and Sullivan).

GLOBAL AIRLINE INDUSTRY IN 2014:

According to the International Air Transport Association (IATA) based new financial outlook, the international airline industry has generated highest net profit in 2014 which is \$19. 7 billion (Business Insider). This huge profit was

due to a small decline in fuel prices of airplanes. Enhanced efficiency in fuel prices seems to make further decline in jet fuel prices, which will lead the company to lower its cost and hence increase profits. With this increased efficiency, airplane companies are seeking to provide more competent and efficient benefits to customers worldwide while providing new airplanes of different types ranging from Airbus to Boeings. As of IATA projections, the passengers' rate will grow by 64% and airline companies will hold around 37% additional cargo in 2014. With this increment, fuel consumption will grow by only 17% that depicts that companies have a higher concern towards cost effective trend. On the other hand, there seems to be an aggressive growth in demand and expected to rise by 31% by 2017 (Business Insider). As it has been discussed above that companies most commonly prefer consolidation process, this is one of the factors that result in lower cost.

Supplementary revenues, which comes from other sources like bag fees, are taking in essential revenue. Without such ancillary revenues, airline industry would not be able to generate profits from its central seat and cargo goods. The below graph shows the prevailing trend in the airline industry in terms of cargo/ related services, fares, and ancillary services:

(Business Insider)

While, with these positive projections, IATA have cautioned that profit margins would drop in 2014 as that of in 2010. In 2010, global airline industry had made up the highest net profit which is accumulated to \$19. 2 billion. However, IATA warned about drop in industry's profit margin from 3. 3% in the year 2010 to 2. 4% in the year 2014. In 2013, international profits

were expected to reach \$12.9 billion. Out of the total global air traffic, 84% of traffic is represented by 240 international airlines operating across the world (Business Insider).

Dubai is one of the most competent markets for the airline industry.

According to IATA, the industry accounts for Dh145 billion which is equivalent to \$39.47 billion to the airline industry of UAE that contributes 14.7% of GDP, which justifies that huge investment in airline networks and airports have been made. Dubai airline industry has announced to invest \$7.8 billion to expand Dubai international airport; since, the annual passengers' rate is expected to increase from 60 million to 90 million by the year 2018. Moreover, the industry is expected to increase the earnings of global airlines from \$3 billion to \$4.1 billion which is largely driven by improved profitability at Middle East airlines (Jones).

BRANDING:

Branding is an important aspect of marketing that is essential to develop the company's image in minds of potential customers. A brand is defined as a sign, symbol, name, term, design or a combination of all, proposed to give identity to company's products or services that differentiate the company's product from other competitors, according to American Marketing Association. Branding is the process to define name, design or symbol to give individual identity to the company (Qu, Kim, and Im, 465-476). Hence, branding is crucial not only to cater the target market but to develop an image in the minds that cannot be replaced by any other competitor.

Branding is the way to communicate the company's purpose to the world. It is simply the art of changing perceptions of people into what the company

wants them to think in a similar manner.

A successful brand conveys the company's message clearly and creates an emotional relationship with its target customers. A good brand encourages the people to purchase the product and thus develop positive user loyalty. Company must understand the needs and wants of customers and their prospects, to develop a successful brand. If a brand satisfies the expectations of customers, then it will convey a good message to the public that will lead to set the company's image in the minds and hearts of customers.

ISSUES OF BRANDING

Branding is a critical process that can destruct the image of the company by minor mistake. Customers look forward to a brand that can present an image of company's products and services in a pleasing light. A poor branding may cause to lose the trust of customers and thus portraying a bad image of the company. There are some serious issues that need to be considered while taking into account the branding strategy in order to employ effective and heart winning brand. The major issues include:

Language: It is the medium of communication between two or more persons. It is not only restricted to written and spoken words but non-verbal communication like gestures, expressions, and body language is also a part of communication. With the difference in spoken language between two countries, the non-verbal communication is the only direct source of communication. There are around 7000 languages in the world that differs from each other. Due to the difference in language, the process of branding becomes even more challenging for marketers to appropriately develop a

brand name, slogan, logo, and label, and develop brand identity so that people in different countries should understand the complete meaning of the message. The language used may not be understandable by people living in different countries. If the message is misinterpreted or misunderstood, it can cause to lose the customers. Also, different signatures and gestures may be differently interpreted by people of certain countries that can cause conflicts. In the business context, it is important to reduce language barriers to operate its functions efficiently and effectively (Mitchell, 26-43). Moreover, marketers must ensure the proper use of language in the branding process of product to convey the intended message of the company in an effective way.

Cultural Values: Cultural values of any country demonstrate the way in which business is conducted. Some cultures support individualism concept in the society while others support collectivism. Also, different cultures have an identifiable set of traditions, taboos and customs. It is essential in the branding process to identify cultural values of the country and then implement marketing strategies accordingly. If the brand symbolizes something that is not acceptable in the respective culture, it will destroy the company's image. For example, Muslim countries strictly prohibit the use of undesirable and unethical pictures in their brands. Hence, if an international company introduces the brand that contains unethical photos, this will cause to drop the entire image of the company at the initial stage.

Misunderstanding of cultural values or disrespecting cultural values can drastically damage the business operations even before negotiation initiates (Mitchell, 26-43).

Religion: People's relationship with God has even deeper influence on businesses performing within the society. A culture is made up of leading religious philosophies that can easily affect the individual's perception about business and thus can change their behaviour towards business or product. If a brand's name, colour, image, slogan, tagline or anything that hurts the religious beliefs of individuals, then the whole of the business becomes failure in a particular country. People will not support the negative branding practices that go against their religious values regardless the extent to which the individual follow any particular religion (Mitchell, 26-43).

Colours: Colours are the strong representation of cultures. Different cultures represent variety of colours that convey different meanings. Some colours are considered as bad luck; some colours represent the emotional relation. For instance, the national colour of Egypt is green, which is usually worn by religious leaders or at religious occasions; therefore, it is held unacceptable for packaging and branding purpose of products. Similarly, white colour is considered as a sign of bad luck or mourning in Japan, due to which it is forbidden to use in products' packaging. Also, purple is prohibited in Hispanic nations as it is interlinked with death. Therefore, the use of colour in brands is also an issue that should be considered to convey positive brand image and company's proposed message.

Aesthetics: For effective branding, marketers must have a good sense of taste and beauty. However, the aesthetic sense differs with diverse cultures and countries. For instance, Japanese believe that suntans are poor, unattractive and unwell, whereas, Americans consider them as beautiful, youthful and strong. Such differences cause to change branding and labels

completely according to the requirement of the country (Nakassis, 701-721).

IMPORTANCE OF BRANDING

Brand is something that can influence the purchasing decision of the customer. Branding is an essential process of marketing without which the product cannot be known to the public. In the airline industry, customers look for famous and valuable brands that are considered as reliable regardless of their prices (Torlak et al., 3396-3406). People most often tend to pay higher for greater brand value. Brand value in this industry counts in various services like safety, fuel-economy, security, facilities, environment and performance of the airline. The following are the benefits of branding in an airline industry specifically,

Influence of choice: Branding of Airline Company gives an opportunity to hit emotional switch that appeal to company's target customers and change their decision process through strong brand image. In the airline industry, associating airline brand with emotionality will give a comfort level to customers to opt for the appropriate choice. People tend to go for options that satisfy their emotional needs effectively (Coombe and Melki, 58-71).

Develop advocacy and loyalty: With the intense competition in the airline industry, branding ensures to create a relationship of loyalty and trust between customers and company. If the promised services or goods are rendered or produced as according to expectations of customers, it will help to create strong customer base. These are the customers who will never opt to switch their airline even if the selected airline charges higher prices than others. In this industry, people are highly tended to pay companies more in exchange of valuable services.

Command a price premium: Airline can provide a variety of services that encourage customers to earn intangible benefits, which other companies cannot provide. Company can command a premium price by providing a variety of services. Strong brand will cause the customers to pay for intangible benefits that add value in their personality and make them appear trendy or cool.

Differentiate from competitors: As an airline company, it is important to uphold the point of difference besides providing transport services. Branding gives an opportunity to the differentiate company from other competitors. By providing differentiating services (mostly intangible) that cannot be replicated by other easily, company can develop superior brand value for its customers (Dai, Liu, and Serfes).

Growth opportunities: With a strong brand value, Airline Company can expand its operations easily with a higher degree of acceptance rate in any country. Branding will help the company to develop recognition across the world which will help to progress and enter new markets easily rather than strategizing for new development in every country.

A framework to represent the business: Branding process helps the business to provide a systematic structure to the airline company, on the basis of which company can operate in any country without any alteration in strategies. Brand of an airline company provides with the proper framework that integrates all possible ways to signify a business (Spiggle, Nguyen, and Caravella, 967-983).

BRAND NAME, LOGO, SLOGAN AND BRAND IDENTITY

Brand Name: Royal Airline

Brand Logo:

Slogan: Fly with Royalty

Branding Advice on the basis of Kapferer Brand Identity Prism Model: Royal Airline will based its branding on the Kapferer brand identity prism model.

The six dimensions of branding according to the Kapferer brand identity prism model are as follow:

- Personality: the personality of Royal Airline will be quality oriented, royal, and exclusive
- Culture: the culture of Royal Airline will be commitment and high value
- Self-Image: the self-image of Royal Airline will be quality oriented, high value, royal, exclusive, focusing on providing high end services for the customers
- Reflection: the reflection of Royal Airline will be high class, luxurious, comfort, royal
- Relationship: the relationship of Royal Airline will be personalization, luxury, proximity
- Physique: the physique of Royal Airline will be luxurious and comfy environment, high end services, taking the customers to top

Business class consist of the people who do not compromise on their level of desires and quality of services; they are more exposed to foreign fads and trends as they have studied in good educational institutes, so they are likely to travel with the airline that provides them complete facilities. For these people, cost just does not seem to be a factor in their thinking. What they focus on are the luxurious facilities, comfort, quality and uniqueness. As the company has aimed to provide services to business class only, with the best

level of comfortable facilities for customers, it has been named as the Royal Airline. Its name depicts the sense of royalty the company is going to provide in services including all tech-based advancements to catch up the business anytime. The company has aimed to provide royal facilities to their royal customers that justify with the brand name that is Royal Airline.

MARKETING MIX:

Royal Airline will launch and market the services nationally, regionally, and globally by using the standardized marketing strategies. As the company is only targeting high end business consumers it will market the same brand image all over the globe. The company will start its operations on regional and national level and then will further expand to global level. The marketing mix of Royal Airline, for this purpose, is proposed below:

PRODUCT

Royal Airline of Dubai is targeting business class only who travel mostly for business concerns. Airline will offer extensive business class flights only from more than 90 countries across the world to Dubai with the superior on board services for the customers. With the most advanced and technology based aircrafts, which include three Airbus 380 and fifteen Boeing 747-8, company intends to provide best services to the business class customers. The flights are incorporated with highly luxurious on board and cabin features for business class customers only.

The prominent high-end features can include flight services as well as lounge services to make travelling for people sufficient. In-flight services include the services that are offered in the flight during travelling. The company aims to give a remarkable experience to its customers with highly advanced

services. Internet provision, comfortable headrest, entire under calf support, enhanced recline of seating, automatic seat controls, flat angled seats, legroom, comfort storage space, on-demand food services are provided to customers.

PRICE

Royal Airline has undertaken the aspects of quality, product value, service, and brand image while setting the prices of airline services. Companies decide to compete on premium pricing strategy, to develop marketing strategies (Steenhuis, Waterlander, and de Mul, 2220-2226). Pricing is one of the critical elements of the marketing mix, and the important thing is to set right prices at the right time. Too high prices or low prices for the target customers can drastically affect sales. Prices are set while keeping the elements under consideration such as profit margin, target market, growth strategy and market share of the company play a significant role in pricing strategy. Considering Royal Airline, premium pricing is an appropriate strategy for the company.

Premium Price Strategy: The pricing strategy in which prices of products are set higher than other comparable products. Such strategy is also known as skim pricing as it is an effort to cater the cream of the market who are the people belong to high class. This strategy is mostly used in the market where customers are willing to pay higher in exchange of quality services or where there is no any substitute of product. Barriers to enter the market are another major reason to set premium prices. Premium prices are set for high-end services and high quality products. Royal Airline is offering high quality service, based on extreme advance features for which customers are

willing to pay high prices without compromising on quality. For this company, premium pricing is known to be the best strategy. This pricing strategy will also help the company to enhance brand identity in the airline industry. This strategy is known as price-quality signalling as the high prices indicate that the service or product is superior in quality.

PROMOTION

Promotion strategies depend on the social class the company is targeting. Though promotional strategies take more of company's budget, but accordingly it will give huge returns and recognition and will help the company increase in the number of customers on top. Royal Airline is an airline company that aims to offer royal services to its high class customers. It only caters the business class, for that reason company has to design promotional strategies that successfully convey a message to business class. There are three most influential means to carry out promotional activities that are appropriate for the business class. The means include:

- Newspaper and Magazines
- Television
- Website

PROMOTION TOOLS (Marketing Tactics)

The advertising strategies are set while keeping the taste, preferences, lifestyle of business class people in mind. Though advertising strategies are costly, but these will help the company to inform the potential customers as soon as possible.

- Newspaper and Magazines

Business class is more likely to read magazines or newspaper. The target

market of Royal Airline is highly inclined to read the newspaper, for this reason, the appropriate promotional strategy to use is advertising through newspaper and magazines. Business class will respond in a small span of time, to acquire the service if required.

- Television

In this era of technology, people are highly responsive to various television advertisements. Television is placed everywhere, whether it is shopping mall, restaurant, hospital or office. Television is the common medium that is used by everyone including lower, middle and high class. Therefore, television advertisements have remained most effective medium to influence the purchasing behavior of people. In the television, new channels are the best place to convey a message. For Royal Airline, another effective promotional strategy is television advertisements.

- Website

PLACE

Place includes the company's strategy to make the product or service available to potential customers. This element undertakes the convenience level of customers so that people easily can reach the product. Royal Airline will operate in a number of countries, to provide its services widely across the world. Company has aimed to provide its services in major global financial centres which include London, Hong Kong, New York city, Tokyo, Seoul, Zurich, Singapore, Boston, San Francisco, Geneva, Shanghai, Chicago, Paris, Sydney and Frankfurt. Company will target countries with airport hubs and major business centres countries to facilitate its target business class (O'Connor and Fuellhart, 46-52).

TRAVEL INDUSTRY FORECAST REVIEW:

In 2014, the World GDP is expected to increase by 3.6%, which is 2.9% higher than world GDP in 2013. This increase is mainly due to China's strong performance; however, the growth rates are dropping and will continue to drop further. Brazil and Russia are also showing fall in growth rates due to rise in inflation. The Eurozone is declared as the slowest growing area whose GDP growth is expected to float between 1% and 2% during the period of 2013-2018. Unemployment is a major concern for EU as it is increasing year by year, and it is reported as 12.1% in 2013. Similarly, unemployment is extremely high in Greece and Spain, with around 26% in the year 2013 (Euromonitor, 6-23).

The economy of U. S. had reflected a positive image with decreased unemployment in 2014. For countries like Brazil, India, Turkey and Indonesia, a weaker currency is a major concern for the year 2014. Whereas, this will cause to make the export low-cost, but imports will become relatively expensive which will lead to extending the current account deficit. The overall GDP trend, prevailing in the world is shown in the below graph over the period of 2013-2018. The graph shows that China will experience drop in GDP over the period; however, countries like U. S., Russia, MENA, and South Africa will experience GDP growth in the coming years (Euromonitor, 6-23). (Euromonitor, 6)

Considering all optional spending types, the spending behaviour of consumers in emerging markets have developed more than spending behaviour in developed markets. As the below graph shows, consumers are more likely to spend on technology, rating clothing and footwear as a second

priority to spend. Spending on tourism and travelling stands at third priority for emerging markets with 19% spending rate. While for developed countries, tourism and travelling remain the priority with 10% rate (Euromonitor, 6-23).

(Euromonitor, 7)

In 2013, the rate of global arrivals has grown due to increasing concern of travelling in emerging markets like Brazil, Russia, and China. This increase in travelling has led the world GDP to improve and show the significance of tourism in local economies. 2014 is expected to be better for the purpose of travelling, and it is predicted that larger contribution will be made by travelling sector to global economic growth, especially in North America and Europe. Spending on arrivals also shows an increasing trend over the next five years. Spending on arrivals is the major concern for developed economies, struggling to improve their receipts, whereas emerging countries are spending more on travelling. Online browsing is the most famous way for consumers, to hang around and search, for the best place to travel that provides value for money. The graph below shows the world economic and tourism growth performance during the period 2013-2018 (Euromonitor, 6-23).

(Euromonitor, 8)

With 10% increase in travelling and expenditures, China is expected to grow in outbound tourism over 2013- 2018. Flexible visa requirements, together with improving domestic transportation and communication, have led the country to achieve this growth, with a number of destinations that bring the responsiveness of Chinese cultural complexities. In terms of outbound

travellers, Saudi Arabia is expected to stand at third rank over the period of 2013-2018. There are certain reasons that led the Saudis to travel abroad rather than within the country, which include rising in severe religious laws and domestic tourism costs at country (Euromonitor, 6-23).

With the increasing trend in technology usage, the number of internet users has doubled from 1.4 billion in 2007 to 2.7 billion in 2013. By 2017, the number of internet users is expected to increase to 3.3 billion which is equal to 45% world's population. Increased income levels, industrialization, developing rural areas, and enhanced smart phone penetration have driven the growth in emerging countries like China. In 2013, world online travel sales have reached US\$589 billion, which means 25% of total tourism and travel sales is accounted to online travel sales. This rate is expected to grow rapidly and reach US\$827 billion by 2017 (Euromonitor, 6-23).

(Euromonitor, 15)

RECOMMENDATIONS

The overall outlook shows that travelling and tourism trends are increasing in coming years. This sector has the greatest potential to grow in the future, taking into account both emerging, as well as developed countries.

Travelling for business purpose is also expected to rise due to increased internationalization of businesses. All the above statistics shows that Airline business has good potential to grow in the future. Royal Airline can cater large portion of the market and successfully develop its brand value. The Airline should capitalize the opportunity as more and more people are spending on the travelling and are looking for comfortable means for travelling. Along with this the Royal Airline should focus on more technology

oriented services, as the customers are getting more inclined towards the technology advancements and products.

HIGH-END SERVICES:

Royal Airline has aimed to provide high end services to its customers.

Satisfying customers' needs and meeting their expectations is the foremost concern of the company. Royal Airline is targeting business class only who travel mostly for business concerns. Company has proposed high-end competitive services for their wealthier customers that other companies are not offering considering their basic requirements. The prominent high-end features can include flight services as well as lounge services to make travelling for people most feasible.

In-flight services include the services that are offered in the flight during travelling. The company aims to give a remarkable experience to its customers with highly advanced services (Gupta, Arif, and Aled, 363-375).

Internet provision, comfortable headrest, entire under calf support, enhanced recline of seating, automatic seat controls, flat angled seats, legroom, comfort storage space, on-demand food services are provided to customers. Beside these, Airbus 380 and Boeing 747-8 can completely alter with high-end services, to get the most out of the experience of flying. Here is the list of recommended in-flight services that can give the competitive advantage to the company:

Nap Room: For the convenience of customers, Royal Airline can offer nap room so that customers take a nap in a personalized room with best of comfort while flying.

Study Room: A room where a person can study in peace, with ambient

lighting, personalized reading accessories can add value in the brand. People feel great pleasure where they get the maximum level of satisfaction.

Conference Room: If targeting business class, provide them with best business related facilities. Conference room is one of them. Businesses may require to hold a meeting at any time with their business fellows. This facility will give customers the upmost feel of comfortable fly rather than problematic fly.

SPA Service: Provide SPA facility for both man and woman. As air travel can be exhausting particularly during extended flights. Provide SPA service with complete accessories, which will be fascinating for business class customers.

Music Room: Provide the music club or movie club room in the flight. With a wide range of music collection, Hollywood and Bollywood movies, and famous games, company can easily create customer friendly mage in customers' minds and hearts.

Shower Room: High-end facilities of Royal Airline entail on board shower service for both man and woman. Providing the high-tech shower system with complete shower kits convey the message that the company cares about customer pleasure and convenience during flight.

Personalized Seating: With regards to privacy, personalized seating is the concern that counts in, above all, other services. Business class is highly concerned for the privacy. To cater this need, provide private suites with entirely equipped features. To add more value, provide deeply reclining comfort beds with table and accessories.

Socializing club: Long flights can make the flight boring. To make them

interesting for business class, offer an on-board socializing club, where passengers can come and have a casual conversation with fellow passengers. The club can be turned into an interesting place by offering a variety of five-star snacks and drinks.

Airline service does not count only those services provided in flight, but services provided after or before the flight are also the source of adding value in the brand. Here is the list of recommended lounge services that can give a competitive advantage to the Royal Airline.

Business Centre: The company can construct a small business centre in the lounge area. The company can design the business centre with few large cubicles; incorporate with the facility of internet and systems. Business class will highly prefer to sit in business centre rather than other areas in lounge.

Mini Library: Facilitate the business class customers with high tech accustomed library, provided with a number of geography and interesting travel guide books and magazines of different countries around the world. People seek to find something interesting, amuse them with interesting books and agent services to guide customers about places and travelling. These services will not only add value to customers but also add value to the business. These services are recommended to facilitate the customers at the best. Customers are highly satisfied when their needs and desires are considered at the top. These services are designed while undertaking the comfort level of customers. Business class desires to luxuriate their travelling, and this desire can be fulfilled by providing additional high-tech services during flight. Services like study room, nap room, socializing club service, SPA and shower services, personalized seating and conference room

to hold emergency meetings can meet the optimal demands of customers. These services are all what customers want in their one-day or less flight length. These services are likely to satisfy customers at the best thus creating value to its customers. Similarly, when customers will be highly satisfied, they will most likely to repeat business. This customer satisfaction will encourage the sales of the company to boost along with a strong brand recognition and brand image and thus creating value to the business. The process used for these new high end services is based on extensive research. These new ideas are assessed through extensive internet browsing and especially making enquiries of Dubai Airline services. The above recommended services are modified ideas that are not currently being practiced by any other company.

CONCLUSION:

An airline service company is aiming to operate Business Class Only (BCO) flights in the central hub of Dubai. Major investors of Dubai are planning to invest in the business. The first part of the report has focused on brand development. While seeing its features and services that business is going to offer, brand name is suggested to be Royal Airline. Branding is of core importance to the airline industry. It provides a framework to represent the business, growth opportunities, differentiate from competitors, develop advocacy and loyalty, and command a price premium, influence of choice in decision making process.

Company is proposed to set premium prices of its services as the target customers are willing to pay the best prices. To promote the business across the world, it will use the means of television advertisements, newspaper and

magazines, and website. Company has aimed to provide its services in major global financial centres which include London, Hong Kong, New York city, Tokyo, Seoul, Zurich, Singapore, Boston, San Francisco, Geneva, Shanghai, Chicago, Paris, Sydney and Frankfurt. Company will target countries with airport hubs and major business centres countries to facilitate its target business class. World trend in travelling sector and consumer behaviour in different countries depict that the business related to airline services is expected to grow in coming years. Hence, it is the best time to promote this business.

WORKS CITED:

Aviation Explorer. International airline industry overview. Online. 10 May. 2014 [http://www. aviationexplorer. com/airline_industry_overview. htm](http://www.aviationexplorer.com/airline_industry_overview.htm)

Business Insider. The Airline Industry Is Expecting Its Best Profits Ever In 2014. 12 Dec. 2013. Online. 10 May. 2014. [http://www. businessinsider. com/airlines-expect-best-profits-ever-in-2014-2013-12](http://www.businessinsider.com/airlines-expect-best-profits-ever-in-2014-2013-12)

Coombe, William, and Jad Melki. " Global media and brand Dubai." Place Branding and Public Diplomacy 8. 1 (2012): 58-71.

Dai, Mian, Qihong Liu, and Konstantinos Serfes. " Is the Effect of Competition on Price Dispersion Non-Monotonic? Evidence from the US Airline Industry." Review of Economics and Statistics (2014).

Euromonitor. Travel industry forecast review. Euromonitor International, 2014.

Frost and Sullivan. Global Airline Industry Shifts Focus from Market Share to Profitability. 13 Jun. 2013. Online. 10 May. 2014. [http://www. frost. com/prod/servlet/press-release. pag? docid= 279818559](http://www.frost.com/prod/servlet/press-release.pag?docid=279818559)

<https://assignbuster.com/good-example-of-global-airline-industry-3-report/>

Gupta, Aman, Mohammed Arif, and Aled Williams. " Measuring customer service: A case study of Dubai International Airport." *Journal of Airport Management* 7. 4 (2013): 363-375.

Jones, Roney. Aviation provides big lift for UAE economy. *The National*. 17 Oct. 2012. Online. 10 May. 2014 <http://www.thenational.ae/business/industry-insights/aviation/aviation-provides-big-lift-for-uae-economy>

Mitchell, Charles. *A Short Course in International Business Culture: Building Your International Business Through Cultural Awareness*. World Trade Press, 2008

Nakassis, Constantine V. " Counterfeiting What?: Aesthetics of Brandedness and BRAND in Tamil Nadu, India." *Anthropological Quarterly* 85. 3 (2012): 701-721.

O'Connor, Kevin, and Kurt Fuellhart. " Cities and air services: the influence of the airline industry." *Journal of Transport Geography* 22 (2012): 46-52.

Qu, Hailin, Lisa Hyunjung Kim, and Holly Hyunjung Im. " A model of destination branding: Integrating the concepts of the branding and destination image." *Tourism Management* 32. 3 (2011): 465-476.

Spiggle, Susan, Hang T. Nguyen, and Mary Caravella. " More than fit: Brand extension authenticity." *Journal of Marketing Research* 49. 6 (2012): 967-983.

Steenhuis, I. H., Wilma E. Waterlander, and Anika de Mul. " Consumer food choices: the role of price and pricing strategies." *Public Health Nutr* 14. 12 (2011): 2220-2226

Torlak, Gokhan, et al. " Analyzing business competition by using fuzzy

TOPSIS method: An example of Turkish domestic airline industry." Expert Systems with Applications 38. 4 (2011): 3396-3406.