

Company background and market analysis of emirates airlines

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



Through all the researches which have been made, it is found that Emirates is one of the high class carriers among all airlines in the world. To further understand this fact, Emirates has been evaluated in different aspects and compared with another airline.

This document was divided into several parts for comparison and evaluation of Emirates to gather related evidences to prove their unique strategy during different phase of development and implementation.

1. Industry and Marketing Strategy

1. 1. Industry

1. 1. 1. Company Background

The Emirates Group is a highly profitable business with revenue of approximately US\$ 12 billion and more than 40, 000 employees. The Group consists of Dnata, the successful Airport Ground Services and Travel Industry division, Emirates Airline. Emirates Airline is considered one of the most highly regarded Airline companies in Asia and also in the world. The company was established in 1985 with two leased aircraft from a rudimentary airport. Emirates airline flies to more than 100 destinations in over 60 countries and has been essential in establishing Dubai as the Middle East's commercial centre and aviation hub. Its fleet is one of the youngest in the skies, with an average age of less than 70 months, and each month it takes delivery of the 158 aircraft it has on order, worth \$52 billion at list price. Emirates is the Airbus A380 super jumbo's largest airline customer, with several in the air and more than 50 still to be delivered. Currently, 130

airlines fly into Dubai and more than half the 37 million passengers who travelled through the city in 2008 were carried by Emirates, which has a 10,000-strong cabin crew of more than 120 nationalities who speak 55 different languages between them. Emirates are wholly-owned by the Government of Dubai, but the airline is run on a commercial basis and receives no financial support or protection. Competing against established giants of aviation allowed operating under the government's unconditional open skies policy in Dubai, Emirates has thrived and been profitable in all but its second year of trading. (2010 Emirates)

“ Emirates Airlines goals for the immediate future and long term are, to be the best in every venture it undertakes; to meet its customers' expectations profitably, to contribute to the success of Dubai Inc., and to make the city the new global aviation hub for the 21st century.”

Emirates Chairman, Sheikh Ahmed Bin Saied Al Maktoom

1. 1. 2. Company Profile

Company Profile

Company Name: Emirates Airline

Founder: Government of Dubai

Registered office: Lot 9. 03. 01, Level 9, Pavillion Kuala Lumpur, 168 Jalan Bukit Bintang 55100 Kuala Lumpur

Head Office: Town Center Jumeirah Beach Road Dubai, UAE

Destination: Over 60 countries

Main industry: Transportation

Sub industry: Airline

Staff number: Over 40, 000

Company slogan: Fly Emirates, Meet Dubai.

Fly Emirates. Keep Discovering

Sales for 2009: 45, 405 AED

Official website: www.emirates.com

1. 2. Marketing Mix

1. 2. 1. 4Ps

Product: Like all airline emirates has on ground services and in flight services. In flight services consist of:

Product

Description

First class

Wide aisles and an airy, expansive environment mean more room for each passenger. And supremely comfortable sleeper seats mean that you should arrive at your destination refreshed, even on long journeys.

An advanced hand-held controller lets you personalize your experience, from adjusting your seat to selecting a movie. And seven course meals on long haul flights, a selection of fine wines, and award winning in-flight entertainment add up to a stylish, refreshing flight.

Meanwhile, our multilingual cabin crew will make you feel at home, and are renowned for providing thoughtful and discreet service throughout your time with us.

Business class

The experience starts with our award winning service-our cabin crew will see that you have everything you need throughout the flight. With laptop charging, SMS, phone and email from your seat on all aircraft, you won't have to miss out on a second of work.

And when it's time to relax, sleeper seats and lie-flat seats on selected routes provide plenty of room to spread out and get comfortable, and recline to a lie-flat position on many of our aircraft.

We Endeavour to provide all of the services and amenities you need to arrive refreshed and ready for the rest of your journey.

Economy class

Emirates Economy Class is designed to give you more room, more comfort and better service, for an all-round better flight. Thoughtfully designed cabins mean more space for each passenger. Complimentary beverages and

superb multi-course meals are provided, as well as personal seatback monitors to enjoy our outstanding in flight entertainment, whether it's over 600 channels of on-demand programming on ice or the superb selection of film, TV and audio on TV & radio.

Economy passengers can stay in touch with SMS, phone and email at their seats, and of course, every passenger will enjoy the same high standard of service from our multi-lingual crew that is offered in all cabins.

Skywards

Skywards offers three tiers of membership: Blue, Silver, and Gold. When you join the programme you start at the Blue tier. The more you fly with Emirates, the more tier miles you can earn, bringing you closer to the next tier. When you reach Skywards Silver or Gold, you'll enjoy additional privileges and benefits that are reserved for our most frequent travelers.

Business rewards

The Business Rewards programme is open to all businesses and other organizations in participating countries. Individuals within each organization must be a legal adult in their country of residence in order to enroll in Business Rewards, and they must first become members of Skywards, our award-winning frequent flyer programme, if they are not members already. Total enrolment per organization may not exceed 80 individuals at any given time. Individuals may be removed from an organization's Business Rewards

account at any time, but no more than 80 new enrolments may be made per account per year.

Place: The main distribution channel is through their official website “emirates.com”. All the services are accessible, even for booking in its website. They also provide their services through agents and call centers. Aside from selling tickets through their website and call centers customers can Book their flights, choose their seats and check in online and more all from their mobile phone.

Price: The price ticket of Emirates Airline is fairly average comparing to their competitors. When we see the other competitor of Emirates such as Etihad Airways and Qatar Airways, they offer fair price comparing with other airlines.

Promotion: In Emirates airline there is section called special offers. In this section, they provide customers with different promotion. For example, one of the latest promotions is that “ kids go free to Dubai”. This exciting offer includes complimentary flights, accommodation, meals and entry to Dubai’s amazing children’s attractions for two children under the age of 16.

Benefit of this promotion listed in the picture below: Promo. png

Source: http://www.emirates.com/english/destinations_offers/special_offers/kids_go_free/benefits_and_exclusive_deals.aspx

Other kind of promotion can be banner ads and discount.

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best. pngMI_Dummy cam_tcm133-133804. jpg

1. 2. 2. 7Cs

1. Context

Emirates company has been using internet technology for its marketing and sales.

Emirates have registered its domain name as Emirates. com, it is quite easy to find or even guess the domain name to get to the Emirates website.

The site was dominated by Grey and white color and the site are quite simple and easy to understand (user friendly).

2. Content

Emirates. com provides many languages besides English, there are many different languages like English, Arabic, François, Chinese, Korean and other language as well.

The information in this site is complete enough and news always updated.

Customer can easily buy or book ticket using the features on the website; also they can check the schedule of the flight.

3. Comunnity

This website does not offer a specific feature for community such as forum, but Emirates has the other social network to provide the community such as Facebook and Twitter.

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4. Communication

The website provides all necessary information such as call centre, sales office, and e-mail.

The website provides the up to date flight info, special promotion in their home page, it attracts customer to buy a ticket.

5. Customization

The website is quite simple (user friendly) and provides all necessary information that we need. The customer can only choose the language.

6. Connection

Emirates have been cooperating with a lot of company such as ADCB, Citibank, Emirates NBD and HSBC credit card so customer can pay for their ticket at 0% interest over 3 monthly installments.

7. Commerce

Customers can book online with ADCB, Citibank, Emirates NBD and HSBC credit card.

The website does not provides other company's advertisement which not related to

1. 3. Electronic Customer Relationship Management (E-CRM)

An ECRM system provides a single repository of customer information. This enables a company to serve customer needs quickly and efficiently at all potential contact points, eliminating the customer's frustrating and time-consuming " hunt" for help.

ECRM-enabling technologies include e-mail, search engines, search by categories Telephone, FAQ, and find local office, multi-language support and newsletter.

E-mailemail. png

Search enginesearch. png

Telephonetell. png

FAQ

FAQ. png

Find Local Officelocal. png

Newsletter spe. png

1. 4. Virtual communities

Emirates do not include any virtual communities except the customers can view inside the plane by categories of first class, business class and economy class rotating 360 degrees.

2. Environmental Analysis

2. 1. SWOT Analysis

A SWOT analysis is a review of strengths, weaknesses, opportunities, and threats which is a core requirement of any organization, and essential to understand any industry.

Strengths

Weaknesses

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L

Top global brand

A strong corporate culture

Entering the cargo shipping

Continuously improve and renew their services in the airline

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Managing effectively the needs of target audience

The advantage of size

Decision to focus on diversified market

Does not provide a lot of places in US

Does not provide to middle class & budget traveler

Focusing too much on their high-end acquisitions and diversification

Not all of diversification and approach have been successful

Opportunities

Threats

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L

Budget travelers

Personalized services

penetrate new growth markets where internet adoption still has room

Leveraging Emirates Airline's infrastructure business to get first choice

Innovation

to develop continuously new generations of more advanced airline and aviation services

Competitor companies are major threats for example Gulf Air, Etihad

Rising fuel costs

Low cost carriers for example Air Arabia, Jazeera Airways

The firm's inability to keep up with innovations, or recognize its demand

2. 2. PEST Analysis

Political

Emirates Airline is one of the fortunate companies during the 2000s and beyond. The political scene has been benefitted because most of the countries in the region have been making agreements that help better trade between these countries especially in aviation sector relation. They have signed contract between themselves and also with European continent and United States. These contracts has assist Emirates to be opened up to the

world and have provided readymade markets for Emirates Airline. All aviation company should be ready to deal with fuel cost and Emirates is no exception. In the year 2005, it was reported by the county an increase in fuel costs of 7% from the previous year. Fuel costs represent the maximum form of outflow in the company as this has actually become into their profits.

Economic

The Middle East region and specially United Arab Emirates, has been developing their economy very fast. Most of them which are located in this region are becoming more mature. These economies are increasing at a large rate therefore affecting their overall salary. This means that most of them are earning more income and they can therefore afford to use air transport. First of all, this is the reason why Emirates Airline has been growing dramatically over the past few years. Secondly, we can consider the Emirates success is directly linked to the City's success " Dubai". Dubai is one the fast growing cities in the world. There are plenty of business projects which always coming up all the time. A good example is real estate is one mainly sector because it attracts a lot of capital investment. All these business are encouraging more people to visit the city and this has been benefited Emirates Airline. At last, Emirates Airline is located in a very suitable region in Asia; it is in the middle of the Eastern and Western region.

Social

Emirates Airline operates in an area where there are many employees and workers. When we compare the UAE with other countries for example USA,

there is major difference in work costs. In USA only uses up 38% of its operating cost while in UAE only uses 8% of its operating cost. So most of the workers are becoming aware of these issues and they are demanding more. All airlines have different kind of aircraft. Each kind of them is operated by different type of pilots and engineers. Emirates Airline has also been affected by this problem but not to large extent. Emirates Airlines has not bought too many varieties of Aircrafts. Consequently, there is room for the Company to grow and without having to spend too much in the work section.

Technological

Most people are now more knowledgeable about the reputable companies. They can get all the strengths and weaknesses about a given firm using the internet. For instance, clients tend to shy away from airlines with numerous stopovers in comparison to those ones that have direct routes. These are all issues that can be checked out at the touch of a button. Emirates Airlines has been affected by this issue because it needs to discover that it offers better services to its clients and that it can meet future demand.

2. 3. Five porters

Threats of New Entrants: The Airline industry is a low entry barrier industry. Finance, the most and prime important entry barriers, is available in the Middle East and in addition technology and expertise are purchasable. The threat of new entrants will decrease Airline profitability.

Power of Suppliers: Boeing and Airbus are the two main suppliers and competition among them is very high. Emirates Airline they have ordered 32

of the double decked aircraft. So the Airbus A380 is the biggest supplier for Emirates Airline. Suppliers of raw materials, mechanism, labor, and services to the company can be a source of power over the company. Suppliers may refuse to work with the firm, or for example they charge excessively high prices for exclusive resources.

Power of Buyer: The bargaining power of airline industry buyers in the Middle East is somewhat low. The bargaining power is the ability of customers to put the firm under pressure and it also affects the customer's sensitivity to price changes.

Availability of Substitutes: Threat is really limited given the distances in the Middle East and the fast pace that is becoming a symbol of the area.

Competitive Rivalry: The airline industry is generally highly competitive and highly competitive industries generally. They earn low returns because the cost of competition is high. This can spell disaster in low cycle times. The Middle East, however, provides a different story thanks to governments' readiness to cushion the shocks.

3. Segmentation and Targeting

3. 1. Segmentation

According to (Kotler and Armstrong, 2010, p 215) “ market segmentation is dividing market into smaller groups with distinct needs, characteristics, or behavior that might require separate marketing strategies and mixes.

Market targeting is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter."

3. 1. 1. Demographic

" Dividing the market into groups based on variables such as age, gender, family size, family life- cycle, income, occupation, education, religion, race, generation and nationality. Demographic factors are the most popular bases for segmentation customers group. " (Kotler and Armstrong, 2010, page 218)

Age

There is no limitation for age of Emirates customer. Emirates segment its customers according to their age; since there is different requirements apply to the customers depending on their age. The airline has segment their age under infants, children and adults.

Infants 0-1 years

Tickets for infants travelling on the parent's lap or in a bassinet are discounted from the full adult fare. When booking online, a request for a bassinet can be made in the Passenger Details section.

Infants less than seven days old will only be allowed on board in the case of travel for emergency medical reasons (in incubators) or if the mother is travelling on compassionate grounds.

Children in car seats (6-36 months)

Children between 6-36 months may travel on board in car seats as long as a separate seat is purchased for the child. During takeoff and landing, however, the child must be held and restrained by the parent until the aircraft has reached cruising altitude.

Children 2-11 years

Tickets for children travelling in a separate seat are also discounted from the full adult fare.

Adults

Tickets for adults is from 12 years old or more.

Gender

Both genders – male and female can use Emirates airline services

Family size and Family life- cycle

There is no limitation for families, as long as the traveler be able to pay the ticket cost and has the legal situation for travelling, they can use Emirates airline services. Most of the tourists which visit Dubai are families and single persons from the Middle East, Asia pacific, Africa and some from western countries.

Income

Most of the time the price for Emirates airline is average based on the services. Those their salary are high and with average income can buy ticket

from the airline. For example customers with more between 4000 to 10000 AED are the most customers for the airline.

3. 1. 2. Geographic

“ A company may decide to operate in one or few geographical areas or to operate in all areas but pay attention to geographical differences in needs and wants” (Kolter & Armstrong, 2010) most of visitors to Dubai are from Middle East, Africa, western countries and Asia pacific. According to emirates each year 14 million people visits Dubai. In addition, most of the visitors are business man comes to Dubai for business purposes.

The following table shows the different geographic segmentation (according to country segment) for Emirates airline:

Europe and the AmericasE&A. png

AustralasiaAUS. png

AsiaAsia. png

Middle EastMiddle. png

Africa

africa. png

3. 2. Targeting

According to (Kotler and Armstrong, 2010, p 215) targeting is the process of evaluating each market segment's attractiveness and selecting one or more segment to enter.

3. 2. 1. Suggested Target Market

Improving in geographic segmentation:

Emirates can have greater potential in America and Europe, because of greater number of countries in these Continent with high class population. As Emirates supports average cost carrier, this growth of high class in America and Europe can provide a huge market potential for this airline to improve.

Segmentation

Target

Life style

Families and singles live in Dubai

Income

Who has salary between 4000 to 10000

Location

Mostly come from Middle East, Asia Pacific, Africa and western countries

Age

Most of them between 18 to 24 and 25 to 45 and 45+

4. Differentiation and positioning

4. 1. Differentiation

4. 1. 1. Product

The Emirates A380 promises customers in all classes a whole new travel experience. Designed to transport passengers on long-haul journeys in unmatched comfort, the Emirates A380 boasts First Class Shower Spas, a spacious onboard Lounge, and our award-winning in-flight entertainment system offering over 1, 200 channels of movies, music and games on-demand in all classes.

Emirates were the first airline to place an order for this ultra-efficient twin-deck, four-aisle aircraft. A380. png

Source: http://www.emirates.com/english/flying/our_fleet/emirates_a380/emirates_a380_specifications.aspx

http://www.emirates.com/english/flying/our_fleet/emirates_a380/emirates_a380_specifications.aspx

Emirates A380 Environmental Facts

The Emirates A380 burns up to 20% less fuel per seat than today's largest aircraft

This is the most significant advancement in reducing fuel burn and emissions in four decades

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Emirates A380s will progressively feature digital in-flight magazines, entertainment guides and shopping catalogues, saving 2kg per seat or almost one tone per aircraft

Emirates A380s, which offers more space per passenger in all classes, will also meet ICAO's gaseous emissions standards by a substantial margin

We will comfortably meet current Stage Three and proposed Stage Four noise level standards

A380s feature lightweight materials that account for 25% of its structure

New Emirates A380 maintenance facilities in Dubai are state of the art, efficient buildings

Larger aircraft mean less takeoff and landings (in passenger terms, some Emirates A380 versions would be the equivalent of flying up to seven smaller aircraft types)

4. 1. 2. Personnel

Emirates Cabin Crew is drawn from more than 120 countries and speaks more than 80 languages. According to H. H. Sheikh Ahmed Bin Saeed Al-Maktoum Chairman of the Emirates Group “ no matter how many millions we invest in the latest equipment, it is our people that make the difference in terms of results. If you are successful in joining our team then I look forward to sharing our future success with you as we grow and expand our business globally. “

Emirates cabin crews enjoy high standard apartments, full medical care and state-of-the-art facilities in training and at work.

Source: http://www.emiratesgroupcareers.com/english/Careers_Overview/cabin_crew/default.aspxcabin_crew_tcm401-383849.jpg

4. 1. 3. Image

Emirates logo in each mind has the first sign of high Class service. Emirates has special products that all marked by Emirates logo. Regards to Emirates philosophy, this company tries to give services to their customer and nowadays almost everyone knows Emirates as the high class airline in the words. So every product with Emirates logo can have this effect in customer's mind that it comes with high class than the other brands product.

4. 1. 4. Trust

Emirates are using different kind of methods to build strong trust with their customer. They are offering secure and safe transaction by using one of the affiliate banks which are working with emirates airline such as HSBC. In the website customer can view their policy by choosing privacy policy of the airline which explain security, personal information and also information about consent.

4. 1. 5. Efficiency and timeliness

Emirates are one of the most efficient and timeliness airline in the world. When customer's books or buys ticket online they will receive immediately an e-mail to notify them if the transaction or the booking has been approved.

4. 2. Positioning

4. 2. 1. Product and service

Emirates were named the winner of the World's Best Airline In-flight Entertainment Award at the 2010 World Airline Awards – known as the Passenger's Choice awards.

Best In-Flight Entertainment 2010

1. Emirates
2. Singapore Airline
3. Virgin Atlantic

“ Emirates continue to excel in this category, and yet again are a repeat winner of the Best Airline In-flight Entertainment Award. This aspect of the travel experience gains in importance each year as customers become more demanding, and Emirates are clearly matching these expectations to have been voted the world's best by passengers” said Edward Plaisted of Skytrax. This award represents recognition of the in-flight entertainment product that Emirates is delivering to its customers, and the slogan of ‘ the Passenger's Choice awards’ underlines the fact that Emirates are succeeding in satisfying the hardest critics – their users.

“ When we won this prestigious award for the fifth time in a row last year we knew that we could not rest on our laurels, and we immediately focused on improving ice even further. We're thrilled that so many Emirates passengers have recognized this by voting for us” said Patrick Brannelly, Emirates Vice

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President, Corporate Communications, Product, Publishing, and Digital & Events.

Emirates in-flight entertainments consist of:

Entertainment

Information

Ice digital wide screen

Follow the progress of your flight, or take in the view from the aircraft's external cameras. Keep in touch with live business, news and sport headlines from BBC News, and read up on Dubai and the Emirates.

Ice: Experience Ground-Breaking In-flight Entertainment

Over 600 channels of premium entertainment to keep you busy during the flight. The latest and best movies, television, audio and games from around the world.

Emirates TV & Radio

Emirates TV & Radio is offered on many of our routes, offering 15 video and 26 audio channels, as well as 50 video games.

Request programming

You can suggest and request any special programs you would like to see or hear on in-flight entertainment on your next Emirates flights

Staying connected

Phone, SMS and email from your seat, or call friends and family seated elsewhere on the aircraft.

Dinning

First class, Business class, economy class each From the handmade pastries and freshly squeezed juice at breakfast, to the haute cuisine and world-class wines at dinner, all dining experience leaves a lasting impression.

Chauffeur-drive

Complimentary chauffeur-driven cars are available for our First Class and Business Class passengers in many of the cities we serve.

4. 2. 2. Benefits positioning

What are the benefits for customers?

Emirates aim to gain more and more customers by applying appropriate strategies.

Saving time and also money: as all Emirates transactions are online, travelers can book their ticket and pay by using different methods which is available in the website whenever they want and from anywhere within internet access.

Lower price in occasion: Emirates travelers know that the airline has different promotions and discount for different holidays and events.

In Emirates website, travelers can book their accommodation and also arrange different activities during their vacation.

4. 2. 3. Positioning Against Competitors

In Middle East, Emirates has become a significant and widely recognized brand. Emirate's marketing strategy exhibits characteristics of a number of other airlines. Emirates operate one of the youngest fleets in the world. And regular upgrades mean they continue to provide their passengers with a superior flight experience.

For Emirates, there are several competitors, such as:

Etihad Airways: Etihad Airways is the National Airline of the United Arab Emirates. The airline was set up by a Royal Decree in July 2003, with Abu Dhabi, the capital of the UAE, as its hub. Etihad started commercial operations in November 2003.

Qatar airline: The airline was established on 22 November 1993 and started operations on 20 January 1994. It was originally owned by members of the state's royal family, but was re launched in April 1997 by a new management team headed by Akbar Al Baker (Chief Executive).

The direct competitor for Emirates is Etihad that has base in the same country. The position of Emirates against Etihad is shown in following picture.

Compare. png

Perceptual map

4. 2. 4. Pricing Comparison with Etihad

Both company charge passengers for airport tax and admin fee. For example when we compare Emirates with Etihad the main competitor of the Airline we can see that Emirates price is cheaper than their competitor.

Emiratesemi1. png

Etihad

eti1. png

5. Objective and E-Marketing Strategies

5. 1. Objective for Emirates

Provide full fledged training and development to Emirates pilots, aircraft engineers, cabin crew and guest services staff.

Develop the Academy as an aviation training ground towards fulfilling Emirates aspiration in becoming a regional aviation training hub.

Serves as a platform to keep people all over the world on track with the latest industry developments and to incorporate best practices into their operations.

5. 2. E-Marketing Strategies

5. 2. 1. Video Ads

Emirates TV commercials showcase this fact and highlight the airline's unprecedented investment in new products, routes and aircraft.

vid. png

5. 2. 2. Mobile Adsmob. png

This feature is not available with emirates airline. It is recommended because nowadays most of the people around the world own private telephone. Sending SMS to the customer can notify them about the special prices which are will be available on the website.

5. 2. 3. Search engine

Emirates airline have a search button in the top of the website. When a customer click on it, it will go to another page so they can search on the website. The suggested change for search engine to be on the top of the home page as a text box so the customer does not need to go to another page and search.

5. 2. 4. Forum and online help

Emirates airline does not have forum for their customers to get connected with each other. By implementing this feature in the website customers can give their opinion and can be in touch with other members of the airline.

Online help is another feature that help the airline to retain customers. There will be an expert behind the online help which will answer and guide the customer with mi