

# [The advantages and disadvantages of different marketing strategies marketing essa...](https://assignbuster.com/the-advantages-and-disadvantages-of-different-marketing-strategies-marketing-essay/)

Utilization of the data or information obtained from the customers can be utilized to increase the market share of the company and in turn prove profitable to the organization. It can be seen that the company can use the information to study the travelling habits of its customers and it can use this information to suggest their customers with profitable deals and this would increase customer loyalty in the business. Customer loyalty in an airline industry is very beneficial to reap benefits. Therefore EasyJet can utilize this to earn more returns.

It can utilize the data to streamline their operations and to automate the processes involved in the airline industry. Customers appreciate the decrease in lead time in processing their travel arrangement. This may in turn attract more customers to opt for EasyJet rather than any other airline.

The CRM is effective in not only improving returns, but it is also focused on improving the quality and efficiency of their operations. When the organization becomes customer oriented, it automatically makes the firm realize the needs of the customer and further the organization strives to meet the needs each time, every time.

What are the major business and competitive benefits gained by EasyJet as the result of its low cost carrier status? Can other airlines achieve some or all the same results? Defend you position.

On being the low cost carrier, EasyJet has practiced cost leadership in the Porter’s Generic Strategy. This approach is highly influential and profitable for the organization if the firm is able to manage the cash flows involved.

Critically evaluate the competitive strategies of EasyJet with respect to Ryanair and Debonair?

Through further intense analysis of EasyJet, it is seen that it has Ryanair as its main competitor in similar environments. It can be seen that there are two main competitive advantages of EasyJet, they are the business positioning, and the service quality – brand image. These are qualified as, important in short term for the business positioning, and capital for the brand image in a long term view. Even though Ryanair and Debonair were also using cost leadership as the main key to target its customer, EasyJet was able to attract its customers through market penetration. EasyJet bought in airlines with higher capacity to cut through the costs and have an effect on Ryanair’s demographic approach and this was successful till some extent.

The main task of cost savings was done by eliminating travel agents who worked for commission. It was seen that most of the cash influx was diluted at the commission given to the travel agents. EasyJet eliminated completely the existence of Travel Agents and their involvement in their business structure. EasyJet used the method of direct sales to attract the customers with much lower prices than Ryan Air and Debonair. It used e-commerce and virtual integration to match up holiday deals at a much lower price to the customer than Ryanair and Debonair. This was one of the major competitive advantages incorporated by EasyJet against Ryanair and Debonair.

Evaluate the “ sleeping giants awake” with reference to British Airway’s response to EasyJet?

Initially it was seen that what EasyJet, Ryanair or debonair were trying to achieve was of lower returns and also involved high levels of capital risk in its functioning. If there would be any deviations than the actual planning of these companies. It would lead to a disastrous end. Therefore, premium airlines like British airways was not interested in the cost leadership approach, but after the success of these small capacity cost leaders, it was a wakeup call for the market leaders that these companies were not only trying to be cost leaders but they were also diluting the market and further reducing the customer span of airline giants like British Airways. On carefully understanding the situation British Airways launched their very own low cost airlines with “ Go”, it is seen that British Airways was using the name Go instead of BA, it wanted its premium customers to remain undaunted by the new low cost approach taken by British airways. It introduced its fares at 30% lower than the standard British airways flights, it also implemented similar strategies incorporated by EasyJet, to acquire the same success that EasyJet was receiving.

This approach of British Airways was considered as a threat to low cost airlines like EasyJet, Debonair and Ryanair. Therefore extensive opposition was casted onto British airways for their presence in this segment. British Airways had the ways and means to increase their market reach by introducing small frills at the same cost than the other airlines. This was one of the reasons for opposition from other airlines.

Task2-Planning principles and range of tools and techniques

With reference to Easyjet, describe planning principles and processes used in developing a marketing strategy.

EasyJet initially was stationed at a orange hanger at the Luton Airport. According to Stelios, United Kingdom was the ideal location for the inception of Easyjet because of its cheaper labor costs comparative to other continental European countries. This was one of the reasons why it started at Luton airport in the United Kingdom, also because of its close vicinity to London – the major hub for business for EasyJet.

As the demand increased at the Luton Airport, EasyJet started a secondary hub through Liverpool. EasyJet was clear in its definition of its business, It defined as a travel option for the people who pay for travelling form their own pockets. It basically targeted cost conscious travelling visitors, leisure travelers, and some entrepreneurs and managers from small firms.

Select one other analysis technique and describe how it can be used? Include details of its use to an organization with which you are familiar.

Statistical analysis techniques are very much capable of shedding enough light on the information required and can be very useful in careful planning and execution of businesses worldwide. When starting any business, retail, and wholesale or starting new business or tried and tested business or niche market entry or market leaders, it is essential to understand what are the stakes involved in the market before venturing into it.

Describe how Porter’s Five Forces model helps determine the strategic options available to an organization like EasyJet/

Porter Five Forces is a tool used for accessing the competitive advantage of the businesses. It is used to identify five fundamental competitive forces that determine the relative attractiveness of an industry: new entrants, bargaining power of buyers, bargaining power of suppliers, substitute products or services and rivalry amongst existing competitors. Competitive analysis provides an insight into the relationships and dynamics of the airline industry, and allows EasyJet to make strategic decisions regarding the defendable and most attractive economically attractive position.

The current market trends for EasyJet has seen new competition from other travelling substitutes like train travel. This type of travel is catching up with the airlines business and EasyJet has to take necessary steps to counteract against such substitutes by either adding certain frills in their business or cutting further down in their economical standing in the airline business without affecting their returns. They have already made proper use of internet as a means to enhance their business capabilities. They have to better their penetration in this area, since the future changes may be more influenced by the digital revolution.

In terms of threat from substitutes, EasyJet can take more drastic steps to cut down operating costs without affecting the safety and quality of their standards. They have to streamline their operations to reduce delays, improve in-flight frills, without affecting the fares in a major way.

It can use various business development tools to streamline its operations and to ensure that their business can sustain the threat from substitutes such as Eurostar, etc.

How would you expect an organization to develop functional areas in order to achieve its medium marketing objectives?

It can consider various alternatives to alter their perception as to what the customer is expecting. It can take steps to ensure that their marketing objectives are not skewed by the presence of their competitors and to always work effectively.