

# Classic airlines and marketing concepts assignment

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Classic Airlines and Marketing Concepts As the world's fifth largest airline, Classic Airlines operates with a fleet of more than 375 jets that serve 240 cities with over 2, 300 daily flights (University of Phoenix, 2010). Since Classic Airlines' inception, the organization has grown to have approximately 32, 000 employees with earnings of \$10 million on \$8. 7 billion in sales (University of Phoenix, 2010).

As the company strives for continued success and profits, Classic Airlines is susceptible to challenges that affect today's airlines. One challenge the organization faces is how to beef up its frequent flier program with methods that will demonstrate a measurable return on any investment (University of Phoenix, 2010). The purpose of this paper is to relate some marketing concepts from week one readings to Classic Airlines and its reward program.

Marketing deals with identifying and meeting human and social needs (Kotler and Keller, 2006). The American Marketing Association defines marketing as an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Kotler and Keller, 2006). Kevin Boyle, Chief Marketing Officer (CMO) for Classic Airlines, is tasked with the opportunity to turn around the Classic Rewards Program.

Reporting shows that membership in the program is down nearly 20% from the previous year, meaning that more than 160, 000 supposedly loyal members are flying airlines other than Classic (University of Phoenix, 2010). By starting with the core concept of needs, wants and demands, the

marketing team can figure out what parts of the program is working and not working to revamp the program. Needs are the basic human requirements which become wants when directed to specific objects that might satisfy the need (Kotler and Keller, 2006). Demands are wants for specific products backed by an ability to pay (Kotler and Keller, 2006).

Kotler and Keller (2006) state that companies address needs by putting forth a value proposition, a set of benefits they offer to customers to satisfy their needs and that these offerings come from a known source, a brand (p. 25). In revamping the program, Boyle and his team can review each current benefit of the reward program and decide what meets customer needs and wants. Branding of the company can help with the program to keep the organization of the minds of prospective customers when looking to meet their travel needs. All companies strive to build brand strength (Kotler and Keller, 2006).

Value and satisfaction is another concept that should be reflected in the new rewards program. The program will be successful if it delivers value and satisfaction to the target buyers (Kotler and Keller, 2006). One customer felt that he had value in the reward program as he or she had been a member for six years and called to redeem miles for an international trip, only to find no non-stop flights and limited seating; thus he or she was not truly satisfied (University of Phoenix, 2010). Another customer was not satisfied by the terms and conditions in which he or she could not redeem a companion ticket. Conclusion

The chief executive officer, Amanda Miller, has acknowledged there is a problem with the rewards program as well as other challenges that the airlines industry faces. She hopes to solve the rewards program with Kevin and his team. By referring to marketing concepts along the way of revamping the program, Classic Rewards can become competitive with other top performing companies. Reference Kotler, P. , ; Keller, K. L. (2006). Marketing Management (12th ed. ). New Jersey, NJ: Prentice-Hall. University of Phoenix. (2010). Classic Airlines Scenario. Retrieved from University Of Phoenix, Scenario, MKT/571-Marketing course website.