

# [Marketing of easyjet flashcard](https://assignbuster.com/marketing-of-easyjet-flashcard/)

Also, we will be in aviation sector, therefore doing the marketing research in airline sector will be useful. I first became interested in Asset when I learnt the miracle of low-cost carrier business model and when I heard Asset’s success via implementing this business model. Although it has established in 1995 with two leased aircraft, by always seeing rapid expansion, now, it is the biggest airline in the UK by number of passengers carried, and it is the second biggest low-cost carrier. Because of all the reasons I mentioned above, I want to understand or search for what makes them achieve such a great development.

In my project, I will firstly introduce the market, the firm, then, explain its marketing strategy and the usage of marketing mix. Market Analysis for Airline Market in Europe Initially, air travel was a high-price privilege for the upper classes during most of the last century. New technologies, vanishing of economic barriers and regulations led to increase in competition, decreasing prices that turn into air transportation a commodity . Also; globalization has led to increased need for affordable and fast world-wide passenger transport. These created enormous growth potential for airline industry.

Low cost carriers (Laics) emerged in these period. The traditional, state- owned network carriers started to face new competitors which are smaller and highly flexible and can tap into almost every market in Europe. European Airline industry faces some challenges like fluctuating oil prices, economic crises, demand for new routes, high competition in most of the routes etc. In the 2008 economic crisis period, While Europe is again in the middle of an economic crisis, Asia and Gulf markets are flourishing. European airlines therefore are under the heavy pressure from Asian ND Middle Eastern airlines in long haul routes.

These airlines have grown significantly in recent years due to cost advantage, innovative product, high client recognition, and big growth rates of their markets. Naturally, European airlines want a share from growing Asian market, but there is a traffic rights issue. To eliminate the traffic rights problem, major European airlines started to construct alliance with Asian and Middle Eastern airlines because Asian and Middle Eastern airlines also want to benefit from European market and meet the demand of Europe transport in their markets.

For low cost carriers, they have not been able to continue their growth seen in the first decade of the new millennium after the crisis and they also do not form alliances with the Airlines from Asia. Airline industry makes a key contribution to European economy with more than 1 50 scheduled airlines, a network of over 400 airports, and 60 air navigation service providers. The aviation sector employs more than 3 million people in European Union. Airlines and airports alone contribute more than в? 140 billion to the European GAP. Some 800 million passengers departed or arrived at EX. airports in 2010.

Now, the growth rate of European Airline market is 2. 9% CARR, but Europe will see international passenger demand growth of 4. 4% CARR. International freight demand for the region will grow 2. 2% CARR (Compound annual growth rate), the slowest for any region by 2016. Key players of European airline market(The airlines that carry more than 10 million passengers in a year): Air Berlin, Aerofoil Russian Airlines, Air France-KILL, Altair, British Airways, Asset, Lufthansa, Norwegian Air Shuttle, AS Scandinavian Airlines, Swiss International Air Lines, Thomson Airways, Turkish Airlines, Fueling Airlines, Iberia, TAP

Portugal, Ryan. Direct competitors of Asset in market: British Airways, Lufthansa, Ryan, Air France-KILL, Swiss International Air Lines History and Development of Asset The airline was established in 1995 as part of the Easy-group conglomerate. It was launched by Cypriot businessman Sir Steeliest Hajji Nonunion with two Wet leased Boeing 737-200 aircraft, initially operating two routes: London Alton to Glasgow and Edinburgh. In April 1996, the first wholly owned aircraft was delivered to Asset, enabling its first international route to Amsterdam.

Until October 1997, the aircraft were operated by KGB Airways, ND subsequently by Air Folly as Asset had not yet received its Air operator certificate. In 2000, Asset’s flotation on the London Stock exchange took place in 2000 at an offer price of 31 Pop, valuing the Company at Emma. Shortly after, Asset joins the FETES 250 list of companies. In March 1998, Asset purchased a 40% stake in Swiss charter airline TEA Basal for three million Swiss Francs. The airline was renamed Asset Switzerland and commenced franchise services on 1 April 1999, having relocated its headquarters to Geneva International Airport.

This was Asset’s iris new base outside the United Kingdom. On 16 May 2002, Asset announced its intention to purchase rival airline, London Standee-based Go for IEEE million. Asset inherited three new bases from Go, at Bristol Airport, East Midlands Airport and London Standee Airport. In 2002, Asset opened its base at Catwalk Airport, and between 2003 and 2007 opened bases in Germany, France, Italy and Spain, establishing a sizeable presence in continental Europe.

In 2008, the airline completes its acquisition of KGB Airways, a London Catwalk-based airline operating to destinations across Southern Europe and North Africa. It has now 23 bases across Europe, the largest being Catwalk and is the second-largest low-cost carrier in Europe, behind Ryan. Fleet development: In common with most other low-cost carriers, Asset has a philosophy of operating Just one aircraft type. Initially it used Boeing 737 aircraft exclusively, but in October 2002 it ordered 120 Airbus AWAY aircraft, plus 120 options, with CFML-B engines.

Since then, the Boeing’s have been phased out, and all orders have been from the Airbus AWAY family. Asset’s Airbus AWAY aircraft were first introduced to Asset’s Geneva base in October 2003. Beginning in December 2006, the airline started to return the Boeing 737-700 aircraft to their lessons. All of the 737 aircraft were removed from the fleet by November 2011. Through the acquisition of KGB Airways, Asset inherited nine Airbus AWAY and six Airbus AWAY aircraft.

This gave the airline some time to evaluate the feasibility of operating these larger gauge aircraft. In summer 2010, Asset wet leased some sass to provide sufficient seating capacity. On 18 June 2013 the airline announced an intention to acquire subject to shareholder approval 35 Airbus AWAY aircraft, for livery between 201 5 and 2017, and 100 Airbus Anyone aircraft for delivery between 2017 and 2022. As part of the agreement the airline will have purchase rights on a further 100 Anyone aircraft.

The current generation Assess and fifty of the Oneness will replace current aircraft. Geographical Coverage: Asset is one of the Rupee’s fastest growing airlines it carries in excess of 50 million passengers each year on 560+ routes using over 200 aircrafts flying between 130 airports. Asset flies in a point to point model rather than the more traditional airline hub and spoke del like British Airways. Asset prefers to fly to larger or primary airports usually close to major cities unlike Ryan.

Asset has 23 bases so despite Asset being a British airline, and having a significant presence there; it has a significant presence in France, Germany, Italy, Spain and many other European countries. Asset is concentrated on mainly Europe, but it flies to Egypt, Morocco, and Beirut, Amman, Tell Aviva Passenger: Many passengers are using the airline’s easy and affordable services when flying to European holiday and leisure destinations. Just over 10 lion of the airline’s total passengers this year have flown Asset for business purposes.

It grew faster than Ryan by passenger number. Asset’s passenger count rose by 2. 13 million, or 3. 6 percent, to 61. 3 million in 2013, which was 59. 2 million in 2012. Also, Asset filled 89. 3 percent of available seats on average in 2013. Cargo: The Company holds a United Kingdom Civil Aviation Authority Type A Operating License permitting it to carry passengers, cargo and mail on aircraft with 20 or more seats and Asset announces plans to enter the air cargo market for the first time in 2009.

The biggest European low-cost carriers (Laics), Ryan and Asset, have traditionally shied away from any involvement in cargo. They perceived the risk to their tight turn-around schedules as too great and adding complexity to their product offering is anathema to them. However, after a period of long consideration, Asset has broken rank and announced its enter in cargo market now time will tell whether it has been a good decision. Business Strategy of Asset Asset is a low cost carrier, which borrow its business model from Southwest Airlines.

The key points of this model are high aircraft utilization quick turnaround mimes, charging for extras (such as priority boarding, hold baggage and food) and keeping operating costs low. Asset’s operational policies were based on keeping costs to a minimum to allow the airline to offer the lowest fares possible. The airline’s operational model focused on moving people from point A to point B in the best and cheapest possible way, striping out all unnecessary costs. Towards this end, it adopted a number of practices that helped curb wasteful expenses and provided the best possible service within the limits prescribed by cost.

Steeliest, the founder of Asset, credited a lot of Asset’s success to two strategic imperatives. The first was “ sweating the assets”, that is making sure the planes were as full as possible and flying as much as possible. His logic was that if one had a fixed asset which cost a lot; it had to work for one. The second was a sophisticated yield management system which could set an infinite number of fares for a given flight, based on the demand and supply position for that flight. The prices for the seats fluctuated depending on the demand for them at a particular time…

If we elaborate the strategy that Asset sees Commitment to safety and customer service Simply fare structure-book early for low prices Low unit costs Strong Branding Multi base network-? dense point-to-point-? mainly between major European airports Strong corporate culture Marketing Strategy Asset’s early marketing strategy was based on “ making flying as affordable as a pair of Jeans” and urged travelers to “ cut out the travel agent”. Its early advertising consisted of little more than the airline’s telephone booking number painted in orange on the side of the aircraft.

Asset has used number of slogans since its establishment including “ The Web’s Favorite Airline”, “ Come on, let’s fly’, and, “ To fly, to save”. Its current slogan is” (something) by Asset” with “ Europe by Asset” and “ business by Asset” being mostly used. Slogans show us the marketing strategy of firm crystal clear. For example, the reason why the current slogans include too much “ Asset” is that the firm wants to create a brand loyalty. Marketing Mix The basic concepts in marketing is marketing mix that is composed of four AS; product, price, place, promotion.

Key strategic decisions related to these four Up’s determine success of any firm. However, four As become insufficient when it comes to the services because services are usually produced and consumed simultaneously; customers are present in service firm and are actually part of service production process. Also, because services are intangible, customers seek any tangible indication to help them understand the nature of service experience. Therefore, in addition to the traditional four AS, the services marketing mix includes people, process and physical evidence.

Due to the airline market’s nature, I will explain the marketing mix of Asset with ups (service marketing mix) Product A product is seen as an item that satisfies what a consumer demands. It is a tangible good or an intangible service. Product is the most important component in an organization. Without a product there is no place, no price, no promotion, and no business. Product is anything that can be offered to a market to satisfy a want or a need. It is the core ingredient of the marketing mix and is everything favorable and unfavorable, tangible and intangible received in the exchange of an idea, service or good.

Asset is a business offering service products, flights across destinations, in he transportation industry. Asset operates over 600 routes and has over 200 aircrafts in 32 countries. Easy-Jet positions itself as low-cost airlines or better as cutting costs airlines. Its product strategy stops to the actual product without concern about the augmented product. They don’t offer service at all but Just the ticket. For example Easy-jet’s product strategy ends at the expected level of five-product levels. There is no augmented product.

There is no business seat on flights (Asset offer a mono class of seat but does not offer last minute deals), no executive lounge at airports, no free food and drinks on flights, no entertainment on flights, and in most cases Easy-Jet flies from major airports. Place (Distribution) Place refers to providing the product at a place which is convenient for consumers to access. Various strategies such as intensive distribution, selective distribution, exclusive distribution and franchising can be used by the marketer to complement the other aspects of the marketing mix.

Asset targets customers looking to minimize their transportation costs, or any type of customer looking for a low price. In general Asset’s customer is a customer who started to prefer the plane to land remonstration to browse for short distances between different cities served. So Asset is competing as well with the airlines as the land transports. Also, the distribution policy of Asset shows a high use of direct sales from call center and internet outside traditional distribution channels. 5% of the seats are sold online. They use electronic ticket to reduce cost of ticketing procedures and to remove these two costs: Commission of travel agencies Transaction related to reservation systems Price The amount a customer pays for the product. The price is very important as it determines the company’s profit and hence, survival. Price is the value placed on what is exchanged during the marketing process. The customer exchanges his/her money or donation in return for a satisfaction or utility.

In competing with other bigger airline companies, Asset’s advantage is their price, which is lower than every company that is not low cost carriers. It is about average 50% lower than those major companies. Asset’s highly dynamic revenue management system makes the ticket price to demand level so that the company can maximize its profit. Asset has always had a one-way ticketing policy. The airline has only one price in the market for any one flight at any one time. The lowest fare is offered into the market first and then prices rise as the departure draws closer and the seats are sold.

This ticketing philosophy is transparent to consumers. There is a “ value for money’ offering, which is easily understood by consumers. By offering only one price in the market, the consumer is confident that “ shopping around” using other channels or making greater ticketing restrictions will not reap the reward of lower fares. As the airline educates their consumers that the cheapest fares are sold first, consumers checking ricers are more likely to purchase straightaway as they will have confidence that lower prices are not likely to appear later.

The airline only sells tickets on a one-way basis and therefore if a passenger wants a return ticket they must buy two one-way tickets. The advantage of this for passengers is that they can book short stay trips without having to pay flexible return ticket prices. For business travelers the availability of flexible tickets is usually considered important. If a business meeting runs over the traveler needs to be able to change their ticket and take a later flight. This depends on two things. Firstly the ability to change the ticket, and secondly the availability of a later flight to change on to.

Asset has been targeting business travelers and therefore they have addressed these issues by increasing the number of daily flights to key business destinations and by introducing a method of changing tickets. For a fee of Ell Asset passengers can change their ticket to a different flight as long as there is an available seat on the desired flight To reflect the current market price, the traveler will have to pay the difference between the price they originally aid for the ticket and the current price for a seat on the required flight.

The airline can then release the seat no longer required on the original flight and sell this seat again. Promotion All of the methods of communication which a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, sales organization and sales promotion. For Asset, promotion starts with the insightful understanding of consumer benefits and how to translate those into meaningful products and services. Asset pays close attention to consumer insights and to brand building, and that devotion contributes significantly to the value of brand.

Asset, by running advertisements, encourages people to visit their website for the best online deals. For example, initially Asset’s planes were painted with the booking telephone number in huge orange letters, however, now the planes the website address in huge orange letters. This is of course “ free advertising”. In addition to this, Easy Jet’s website is offered through search engines and travel/flight comparison websites; this is both advertising and selling their service. They also send members emails with promotional offers.

Physical Evidence Physical evidence is the actual procedures, mechanisms and flow of activities by which the service is delivered-the service delivery and operating system. Asset Corporation Easy Land is located at Alton Airport, with appearance of the eye- catching orange; the company is encouraging employees to dress casual, and the entire operation as much as take a paperless system with the idea of low-cost strategy throughout. Although Asset is based mainly online now, Easy Jet is still booked through travel agents or in the airport itself.

Physically offline Easy Jet have recently in the previous few months been advertising in Kingsbury stores by staff (uniformed Asset T-shirts), advertising there new partnership. Physical evidence online differs, they have aspects such as “ security icon” and policies in place which gives consumers a sense of security when booking online. People People factor is related with all human actors who play part in service delivery and thus influence the buyer’s perceptions: namely the firm’s personnel, the customer and others in the service environment.

Asset operated on dome basic principles; Ochs on the situation issue or behavior, not on the person, maintain self-confidence and self-esteem of others maintain constructive relationship with your employees, peers and managers, take initiative to make things better. Recognition and appreciation for outstanding performance as well as for the length of service, team building approach, training, stress on positive attitude rather than skill, low labor turnover are some of the attributes that helped Asset to achieve success.

In Asset, the number of flight crew is less than other major airlines, because there is only one type of service, and the uniforms compared with standard attire, their uniform is much more casual Process Process is the environment in which the service is delivered and where the firm and customer interact, and any intangible components that facilitate performance or communication of the service.

Frequent trips, point-to-point system, assigning seats unlike the Ryan, family work culture, using mostly Boeing 737 and Airbus AWAY (Unlike the low cost business model, firm use 4-5 type of aircraft), choosing mainly to primary airports in the cities that they serve and selling most of the tickets through internet constitute the process part of marketing mix for Asset. Asset’s frequent departures provided opportunity to frequent business flyers to catch a later flight if they missed one. It used direct flights rather than Hub and spoke system.

These indicate user-friendly program. Southwest’s turnaround time is a benchmark for those of full service airlines. It happens thank to the team oriented approach to ground services with team measures for turning around planes and employees freedom to do whatever necessary to get a plane pushed off on time and high speed boarding process. Conclusion This project mirrors Asset’s marketing strategy. In wide-ranging, Asset’s strategy works well for the company. Asset is aware of its business environment and realize the importance of monitoring it.

Through the use of best fit marketing mix, Asset succeeded to be among the top low cost, no frills airline companies in the I-J. The design, structure, usability and usefulness of its marketing strategy and mix have enabled Asset to secure leverage over its competitors, especially the competitors in I-J. However, now, they aim to succeed Ryan (The firm has already reduce the gap between them in terms of passengers carried). The most important fact is that Asset has incorporated flexibility in its marketing strategy enabling it to anticipate changes and further develop its strategies to counter-act accordingly.

However, the competition in low cost airlines is strong, and in order to remain strong and maintain its status, Asset has to continue being inventive in its marketing strategies. For Asset to remain competitive, I would recommend that Asset should consider the possibility of moving into other advertising mediums to strengthen their market power. Asset should also concentrate in maintaining its leadership in marketing; analyze its environment often and strive to enhance on its advertising style by employing the help of its existing customers.