



WYŻSZA SZKOŁA  
INFORMATYKI I ZARZĄDZANIA  
z siedzibą w Rzeszowie

# Aviation Marketing

```
2    OS 151    C9 D9 JL  
      B9 M9 H9  
3    LH3571    J5 C5 D5  
      B4 M4 H3  
4LH:OS7243    C5 D5 J4  
      H2 Q2 SL  
5    OS 155    CL DL JL  
      BL ML HL  
6OS:LH6355    JL CL DL
```

**Piotr Kozlowski**

University of Information Technology and Management in Rzeszów



# Piotr Kozlowski - CV

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL



**Place of birth: Krakow 1985**  
**Nationality: Polish**

## EDUCATION

- Jagiellonian University in Krakow, Master Degree, Business Management (spec. tourism management)
- International University of Applied Sciences Bad Honnef – Bonn, Certificate, Aviation Management
- IATA, Certificate, Airline Revenue Management

## PROFESSIONAL EXPERIENCE

- Comarch SA, Krakow, Poland – Consulting Director, Airline/Travel Loyalty Solutions, EMEA & Asia Pacific
- Comarch SA, Krakow, Poland – Business Solution Management, Loyalty & Marketing Solutions
- Biala Airport Sp. z o.o., Warsaw, Poland – Director Business Development
- Lufthansa Consulting GmbH, Frankfurt/Main, Germany – Business Development Manager Europe
- Lufthansa Consulting GmbH, Frankfurt/Main, Germany – Associate Consultant
- Lufthansa Consulting GmbH, Cologne, Germany – Freelancer
- The Wisla Ski School NARTUS, Wisla, Poland – Ski instructor

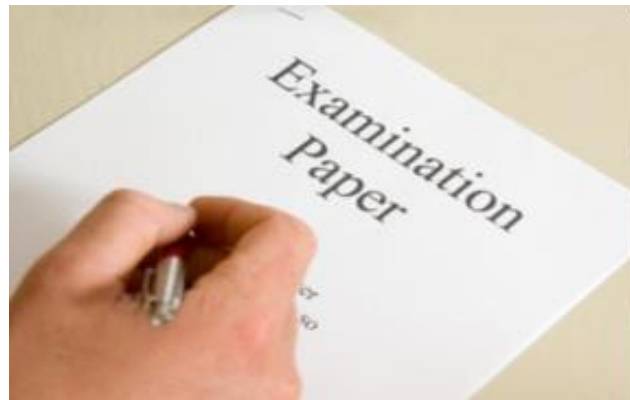
2



2	OS 151	C9	D9	JL
		B9	M9	H9
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		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL

## Exam

- Written
- 10 – 15 open questions
- based on lectures only
- over 50% of points to pass



# Piotr Kozlowski – contact details

Aviation Marketing

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		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
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		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

CONSULTATIONS

After every lecture

E-MAIL

[pkozlowski@wsiz.rzeszow.pl](mailto:pkozlowski@wsiz.rzeszow.pl)



# Course limitation

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
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Aviation marketing course will be limited to few aspects of aviation:

- Focus on airline marketing
- Focus on passenger transportation
- Focus on qualitative aspects of marketing
- Focus on airport marketing



# Aviation Marketing course - content

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
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		B4	M4	H3
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		H2	Q2	SL
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		BL	ML	HL
6	OS:LH6355	JL	CL	DL

1. Introduction to aviation marketing
2. Customer
3. Product
4. Marketing strategies and airline alliances
5. Customer loyalty and FFP
6. Distribution and E-commerce
7. Airport marketing





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# Introduction to aviation marketing

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      B9 M9 H9
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      B4 M4 H3
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**Piotr Kozlowski**

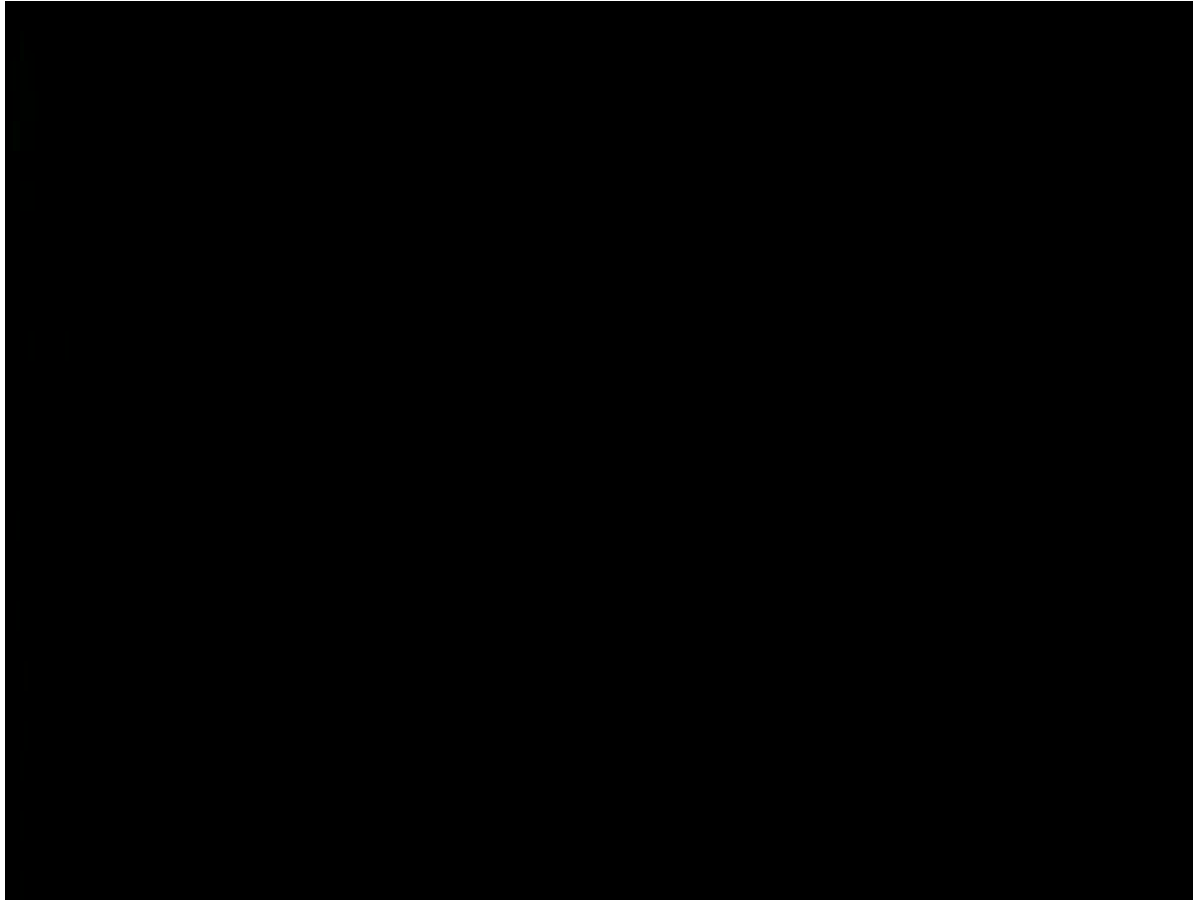
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# Role of our industry...

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
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		BL	ML	HL
6OS:LH6355		JL	CL	DL





# Aviation – services industry

```
2   OS 151   C9 D9 JL
      B9 M9 H9
3   LH3571  J5 C5 D5
      B4 M4 H3
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      H2 Q2 SL
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      BL ML HL
6OS:LH6355 JL CL DL
```

## Aviation Marketing

Intangible

Human touch

Perishables



# Shift of company principles

Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

**PAST**

**Focus on maximising productivity**

**NOW**

**Focus on customer satisfaction**



# What is marketing... customer focus

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
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## Aviation Marketing



# Sales concept vs. marketing concept

Aviation Marketing

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		B9	M9	H9
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		BL	ML	HL
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Starting point

Objective

Activities

Result

Company

Products

Sales and  
promotion

Profits as  
result of  
sales volume

Target  
market

Customers  
needs

Integrated  
marketing

Profits as  
result customer  
satisfaction

Source: Kotler, Marketing, Rebis, Warszawa 2004

12



# Two faces of marketing...

```

2   OS 151   C9 D9 JL
      B9 M9 H9
3   LH3571  J5 C5 D5
      B4 M4 H3
4LH:OS7243 C5 D5 J4
      H2 Q2 SL
5   OS 155   CL DL JL
      BL ML HL
6OS:LH6355 JL CL DL
    
```

## Aviation Marketing

### Qualitative



### Quantitative

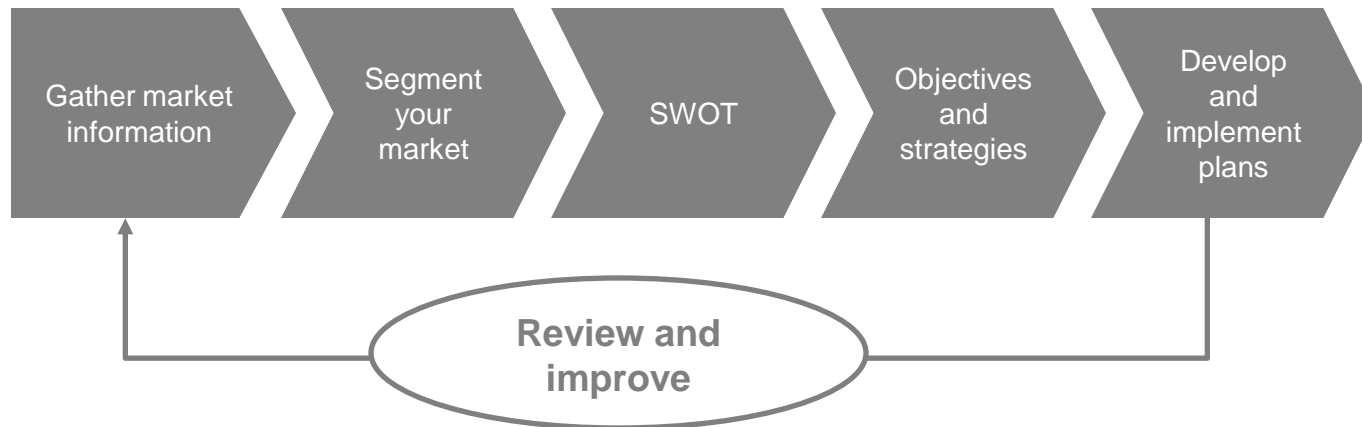
	price	fixed cost	variable cost	profit
1		\$ 4.00		
2	demand	25000		
3	unit cost	\$ 0.45		
4	fixed cost	\$ 45,000.00		
5	revenue	\$ 110,000.00		
6	variable cost	\$ 11,250.00		
7	profit	\$ 57,750.00		
8				
9		price	revenue	variable cost
10		57000	110000	13000
11	\$ 1.00	\$ (14,200.00)	\$ 55,000.00	\$ 25,200.00
12	\$ 1.25	\$ 2,000.00	\$ 67,125.00	\$ 24,187.50
13	\$ 1.50	\$ 5,075.00	\$ 77,250.00	\$ 23,175.00
14	\$ 1.75	\$ 9,825.00	\$ 86,375.00	\$ 22,162.50
15	\$ 2.00	\$ 15,000.00	\$ 94,000.00	\$ 21,150.00
16	\$ 2.25	\$ 20,550.00	\$ 100,625.00	\$ 20,137.50
17	\$ 2.50	\$ 26,250.00	\$ 106,250.00	\$ 19,125.00
18	\$ 2.75	\$ 32,025.00	\$ 110,875.00	\$ 18,112.50
19	\$ 3.00	\$ 37,800.00	\$ 114,000.00	\$ 17,100.00
20	\$ 3.25	\$ 43,575.00	\$ 116,125.00	\$ 16,087.50
21	\$ 3.50	\$ 49,350.00	\$ 117,250.00	\$ 15,075.00
22	\$ 3.75	\$ 55,125.00	\$ 117,375.00	\$ 14,062.50
23	\$ 4.00	\$ 60,900.00	\$ 116,500.00	\$ 13,050.00
24				
25				



# Marketing process

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
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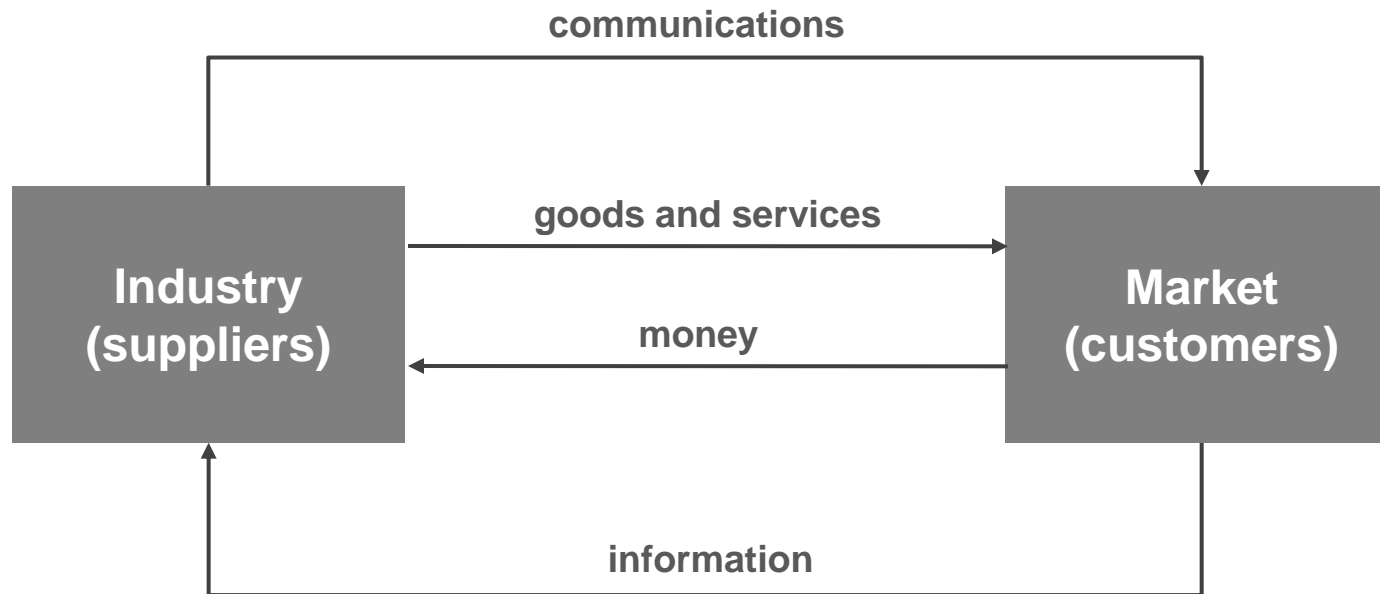
Source: Kotler, Marketing, Rebis, Warszawa 2004



# Simple marketing system

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL



Source: Kotler, Marketing, Rebis, Warszawa 2004



# What is the market in aviation...

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL





# Market dimensions

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
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		BL	ML	HL
6OS:LH6355		JL	CL	DL

- **Market - total number of travellers (region / country / airport level)**
- **Market potential travellers**
- **Market: domestic / international**
- **Market: mode split up**
- **Market: O&D**
- **Market: major market segments (purpose of travel)**
- **Market: premium/economy**



# Marketing definition

Aviation Marketing

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		B9	M9	H9
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		BL	ML	HL
6	OS:LH6355	JL	CL	DL

**Marketing is the process of planning and realization of ideas, setting prices, promotion and distribution of ideas, goods and service that creates exchange that fulfills the objectives of company and individuals.**

Source: Kotler, Marketing, Rebis, Warszawa 2004



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		B9	M9	H9
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		BL	ML	HL
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Source: [thestamp.umd.edu/GH/basic\\_needs/index.html](http://thestamp.umd.edu/GH/basic_needs/index.html)



# Airline marketing mix

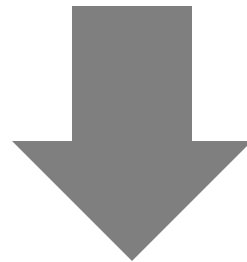
Aviation Marketing

2	OS	151	C9	D9	JL
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3	LH	3571	J5	C5	D5
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**Marketing = Market Oriented Management**

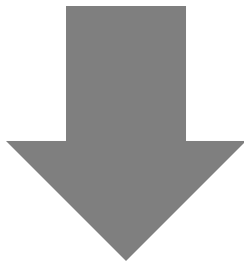


**Marketing in conjunction with aviation can be defined as a customer oriented aviation management**

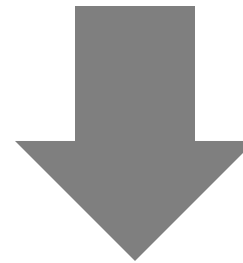
Source: Stephan Strobl

2	OS	151	C9	D9	JL
			B9	M9	H9
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6	OS:LH	6355	JL	CL	DL

**Decision and activities of customer-oriented management are concentrated on target groups inside and outside of a company.**



**Internal  
marketing**



**External  
marketing**

Source: Dr. Stefan Strobl, Airline Management course, presentation



# Marketing management

## Aviation Marketing

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		B9	M9	H9
3	LH3571	J5	C5	D5
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		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Marketing management can be defined as the art and methodology of selecting target markets, acquisition, retention and expansion of customer groups, through creation of better value, delivering it to the customer.

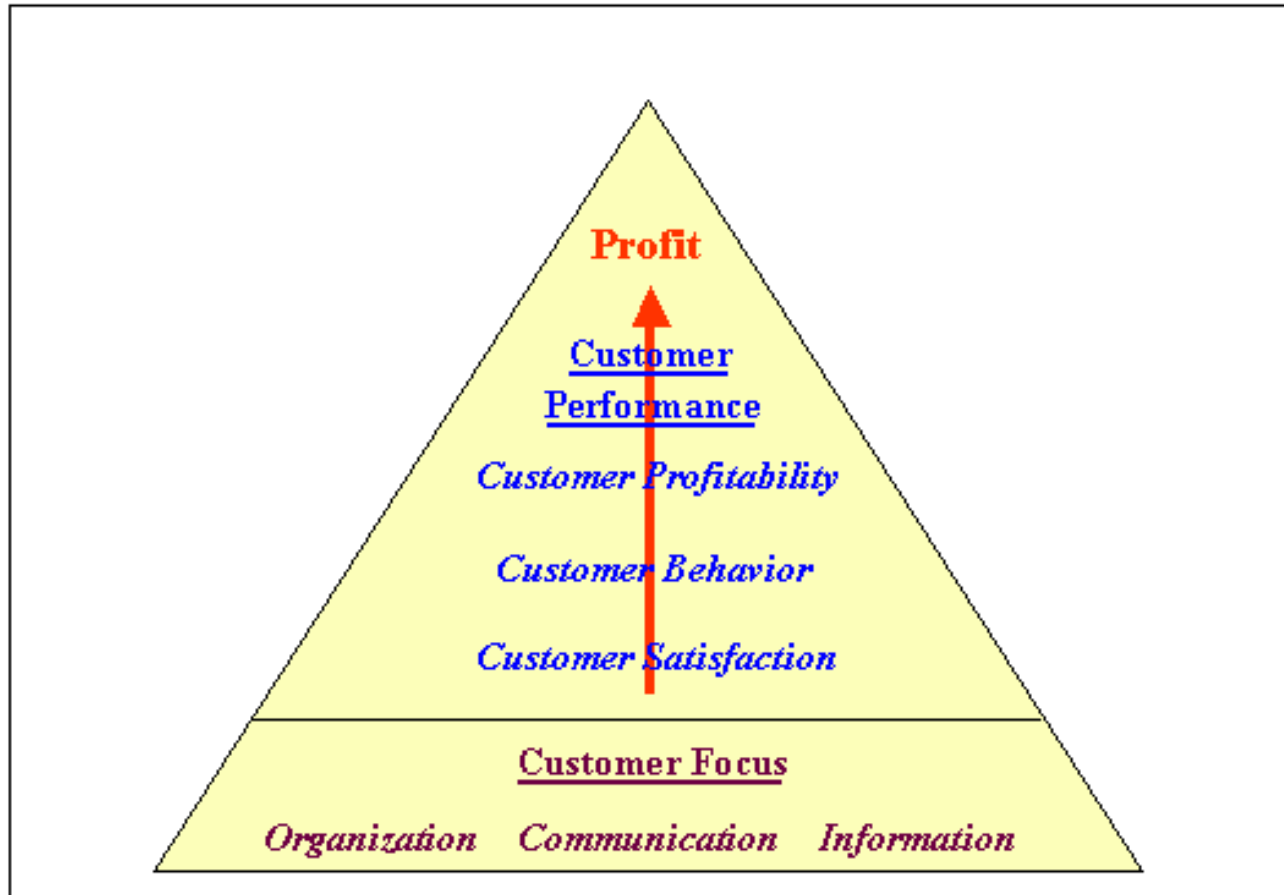
Source: Kotler, Marketing, Rebis, Warszawa 2004



# Customer focus

Aviation Marketing

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			B9	M9	H9
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			BL	ML	HL
		355	JL	CL	DL



Source: [www.customermarketing.com/html/whatisit.htm](http://www.customermarketing.com/html/whatisit.htm)





# Airline Marketing...

Aviation Marketing

2	OS	151	C9	D9	JL
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# Customer

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```

## Piotr Kozlowski

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# What do we sell to the customer... Flight???

Aviation Marketing

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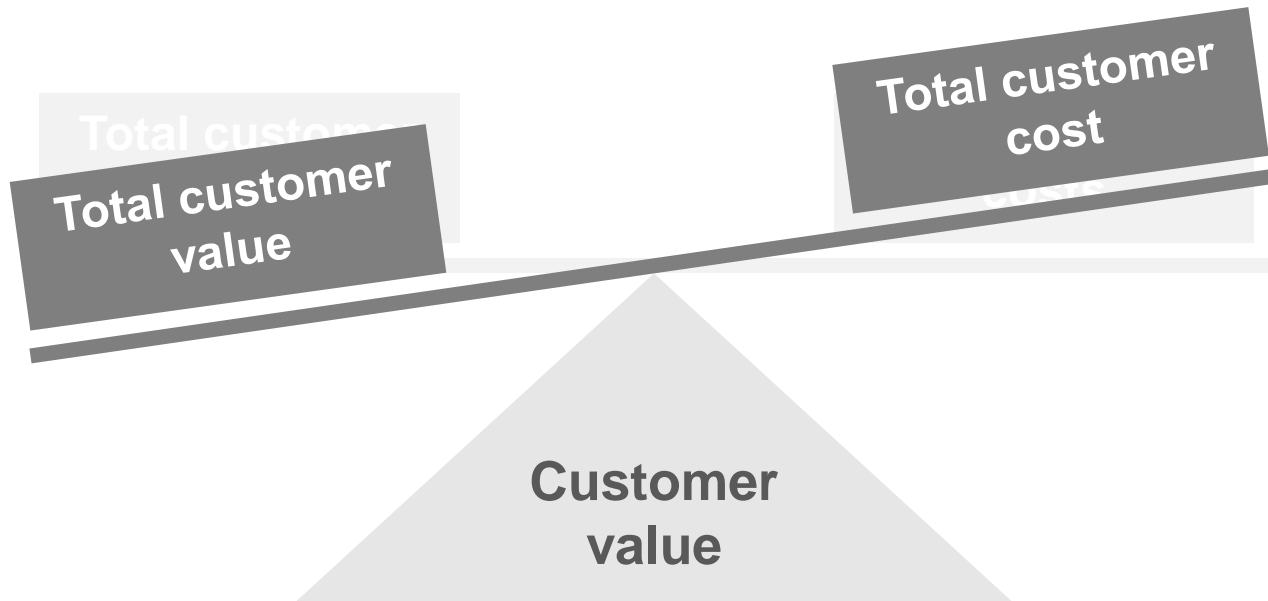
- Emotions
- Opportunities
- Memories
- Joy
- .....
- .....



# Customer value

Aviation Marketing

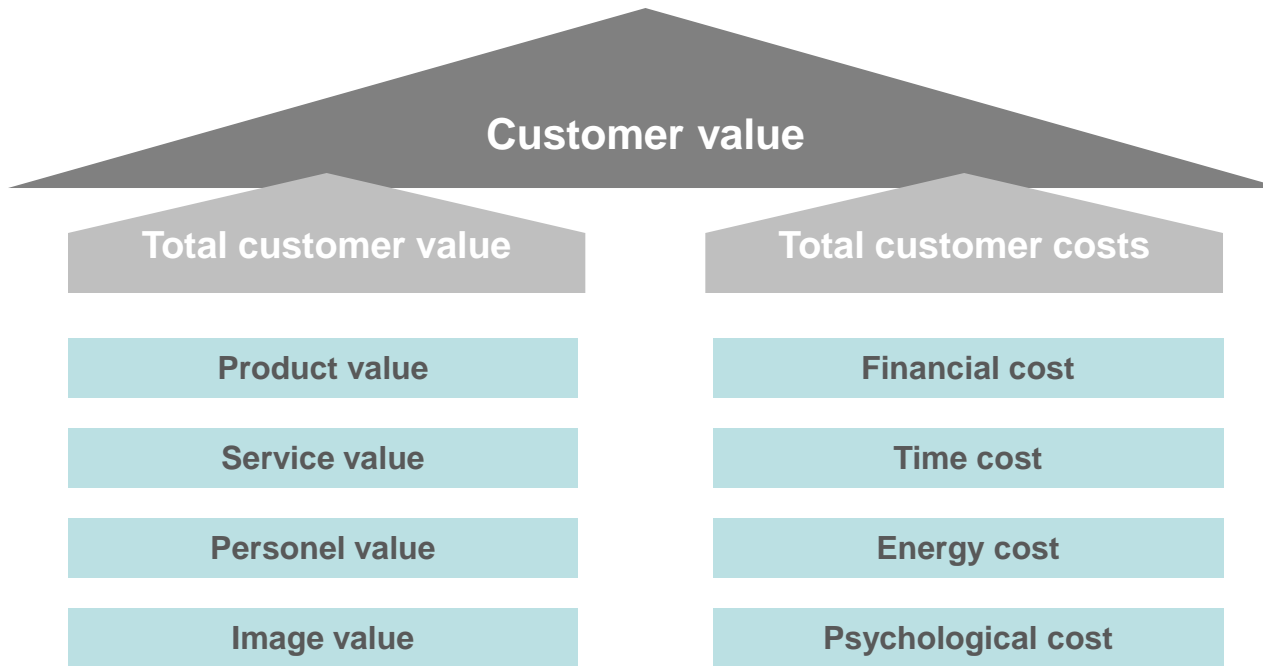
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# Determinants of customer value

Aviation Marketing

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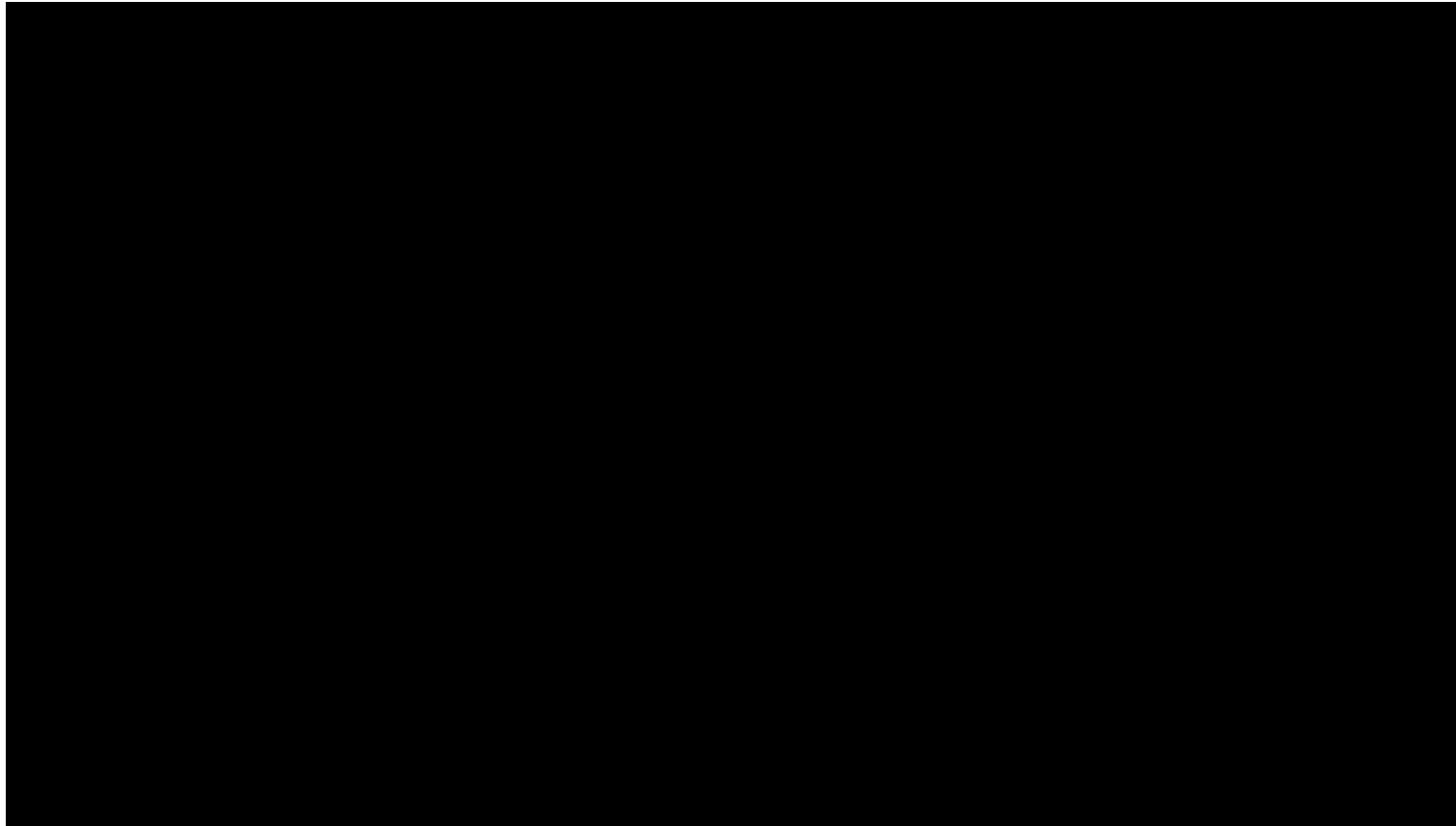
Source: Kotler, Marketing, Rebis, Warszawa 2004



# Decision process and value evaluation

Aviation Marketing

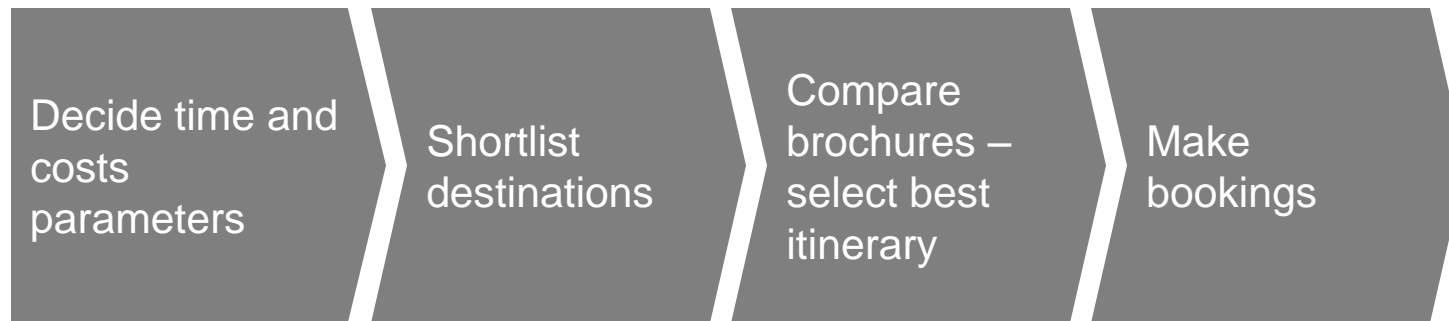
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			BL	ML	HL
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# Decision making process (typical)

Aviation Marketing

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Source: IATA



# Consumer vs. customer

## Aviation Marketing

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6	OS:LH	6355	JL	CL	DL

### Consumer

**Consumers** are the people, who are using the service or product. With regard to aviation, consumers are passengers on board.

### Customer

**Customer** is defined as a decision maker.





# Roles in the decision making process

Aviation Marketing

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6	OS:LH6355	JL	CL	DL

**Specifier** – the person or the group of people, who decide to pick a particular company to deliver a product. Decision maker.

**User** – the person or who use or consume service

**Influencer** – the person or group that influences or approves the purchase. A travel agent or company contraller, for example.

Source: IATA



# Classification of behavioral types of customers

Aviation Marketing

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		BL	ML	HL
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- **Cold prospect**
- **Warm prospect**
- **First-time customer**
- **Repeat customer**
- **Regular customer**
- **Loyal customer**
- **Advocate**

Source: IATA



# Market segment

Aviation Marketing

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		B9	M9	H9
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		B4	M4	H3
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		H2	Q2	SL
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		BL	ML	HL
6OS:LH6355		JL	CL	DL

**Market segment** – is a group of Customers who have sufficient in common that they form a viable basis for a product/price/promotion combination.



# Market segmentation

Aviation Marketing

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		B9	M9	H9
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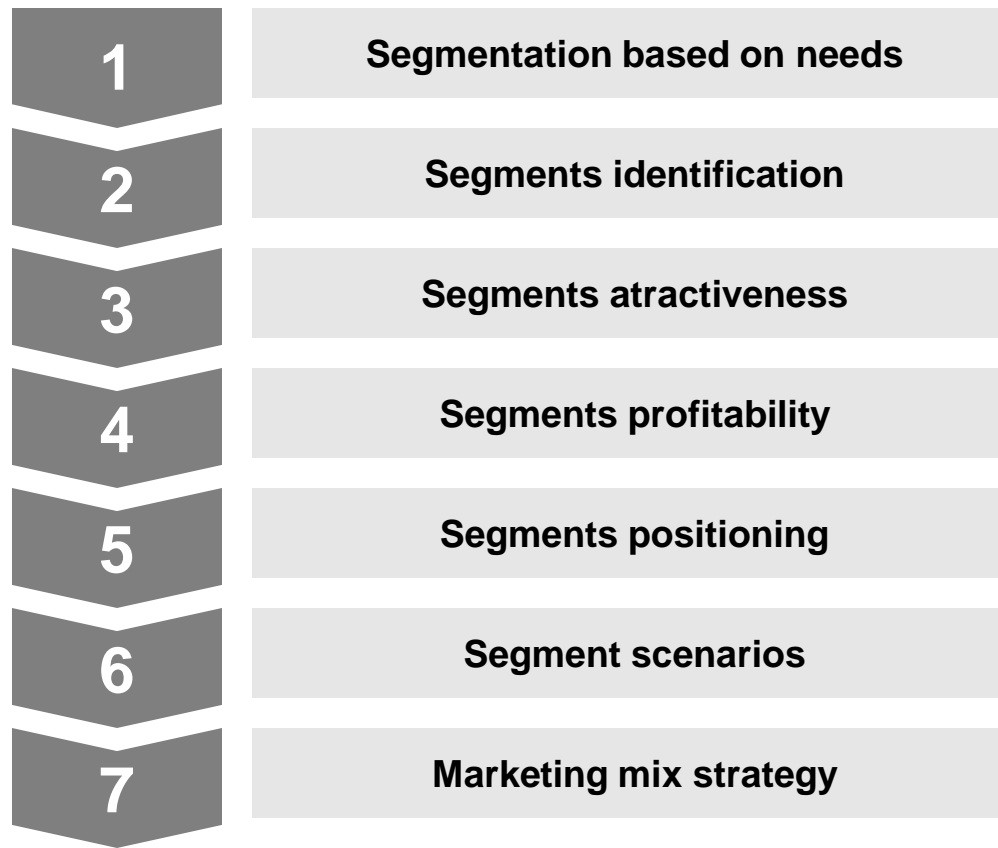
**Market segmentation** – process of dividing customer into smaller, relatively homogenous groups that are distinct from each another.



# Market segmentation process

Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
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Source: Kotler, Marketing, Rebis, Warszawa 2004

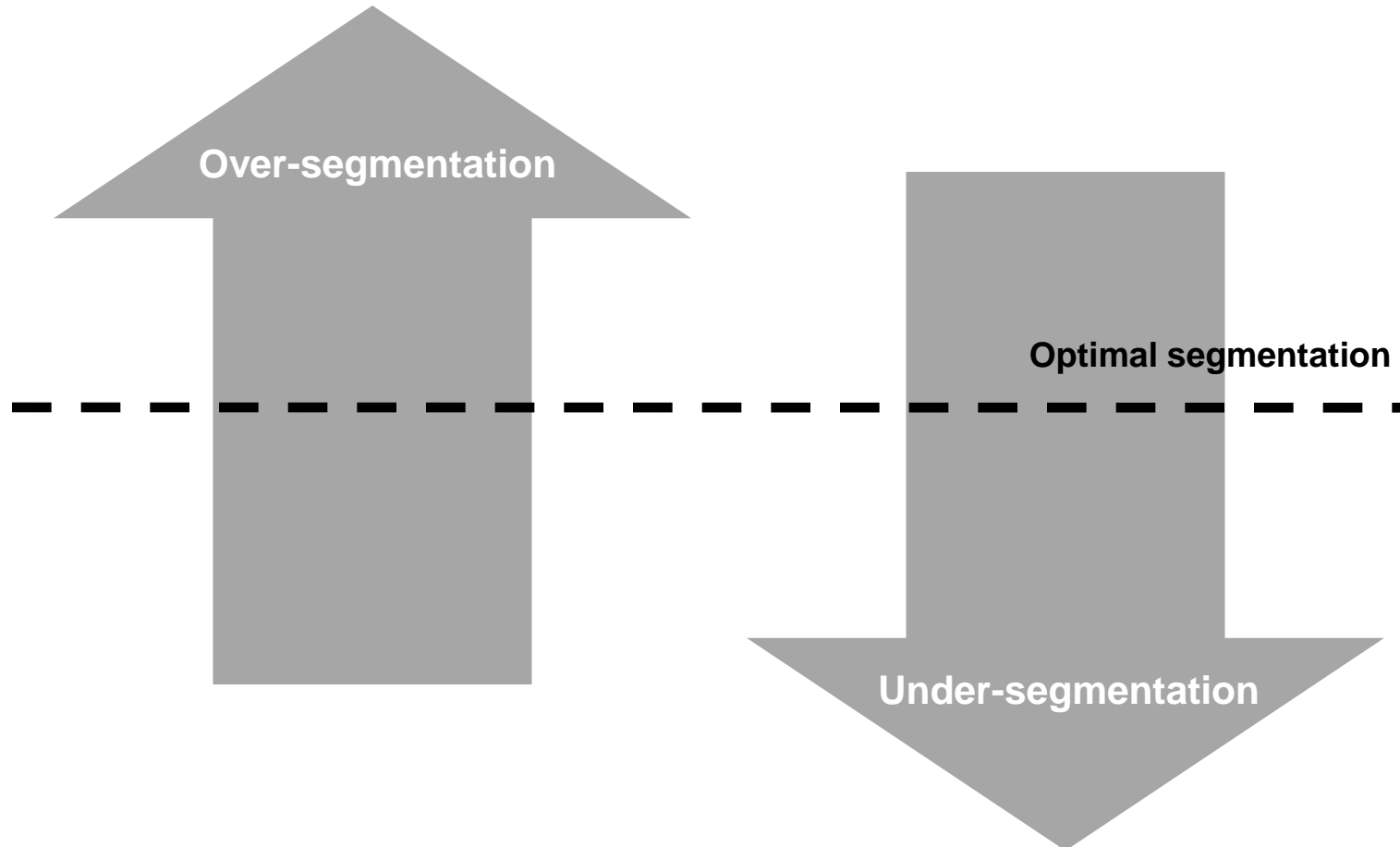
37



# Key mistakes in segmentation process

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
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4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL



# Airline market segments

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH	OS7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS	LH6355	JL	CL	DL

## Aviation Marketing

### Business Travel

### Holiday Travel

### VFR



Concerns to Candy Canes: Holiday travel can now be feared less. GE technologies are helping to keep travelers—and their luggage—safe and on schedule this holiday season.



# Business Travel

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

Convenient timing

High frequency

Business class, comfortable seats

Higher crew qualification

Sophisticated IFE

Relatively low price sensitivity

Books relatively late in the booking process





# Holiday Travel

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

Elastic on price changes

Early booking

Flexibility in planning

Usually economy class

Low yield passenger



# VFR (Visiting Friends and Relatives)

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## Aviation Marketing

Elastic on price changes

Early booking

Flexibility in planning

Usually economy class

Low yield passenger



# Shortcomings of traditional segmentation

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

- **Over-generalization**
- **Ommission of key information about customer**
- **Failure to see customer as an individual**

Source: IATA



# Segmentation criteria

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL

- Value
- Motivation
- Travel Pattern
- Buying pattern
- Needs and wants
- Satisfaction
- Influence
- Demographics

Source: IATA



# Market segments – master list

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Business travellers (sponsored by third party)

Other travellers (sponsored by third party)

Leisure travellers (paying themselves)

Other travellers (paying themselves)

Source: IATA



# Corporate business travellers

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# Individual business traveller

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL



# Events conventions

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL





# Incentive groups

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL



49

# Ship crews / oil platform workers

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## Aviation Marketing



# Labor traffic

Aviation Marketing

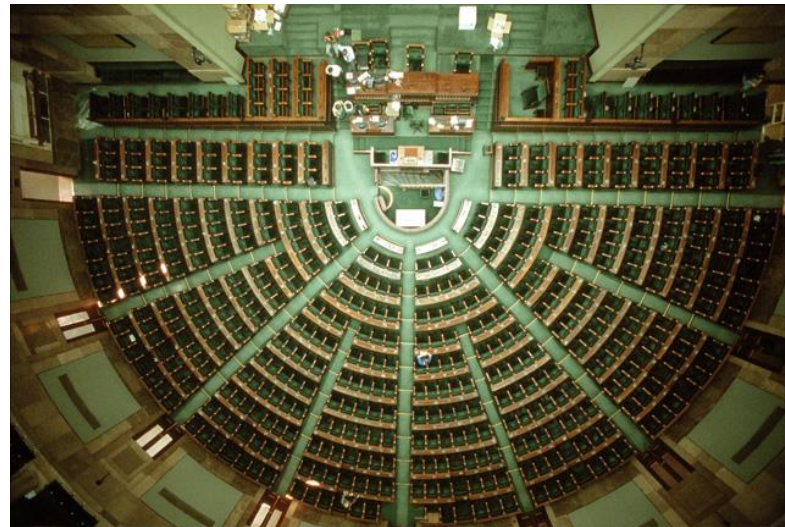
2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL



# Government workers

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# Teachers

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL



# Military

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL



# Group vacation makers

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# Individual vacation makers

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL





# Citi-breaks

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## Aviation Marketing



# Sport travel

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL



# Stag/hen parties

## Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL



# Students

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL



# Immigrants

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL



2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL

## Aviation Marketing



# Religious traveller

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

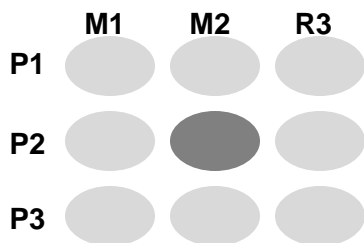


# Target segments

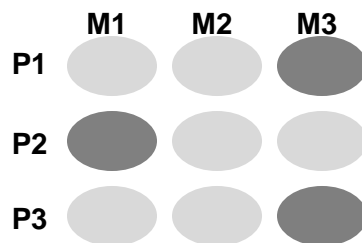
## Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

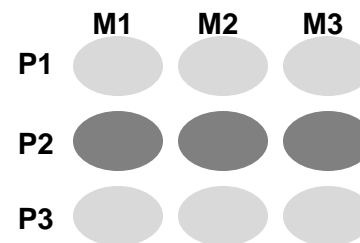
Concentration on one segment



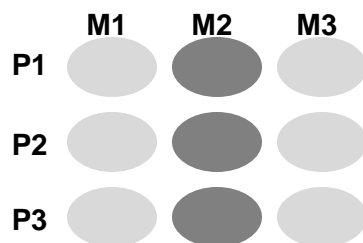
Selective specialization



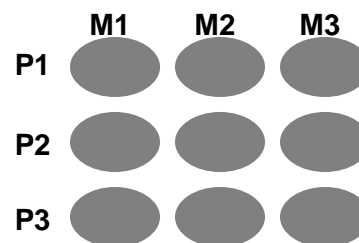
Product specialization



Market specialization



Serving entire market



Source: Kotler, Marketing, Rebis, Warszawa 2004





# Market segmentation vs. Target Segmentation

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL

## Market segmentation

Process of dividing market into smaller more meaningful groups

## Target segmentation

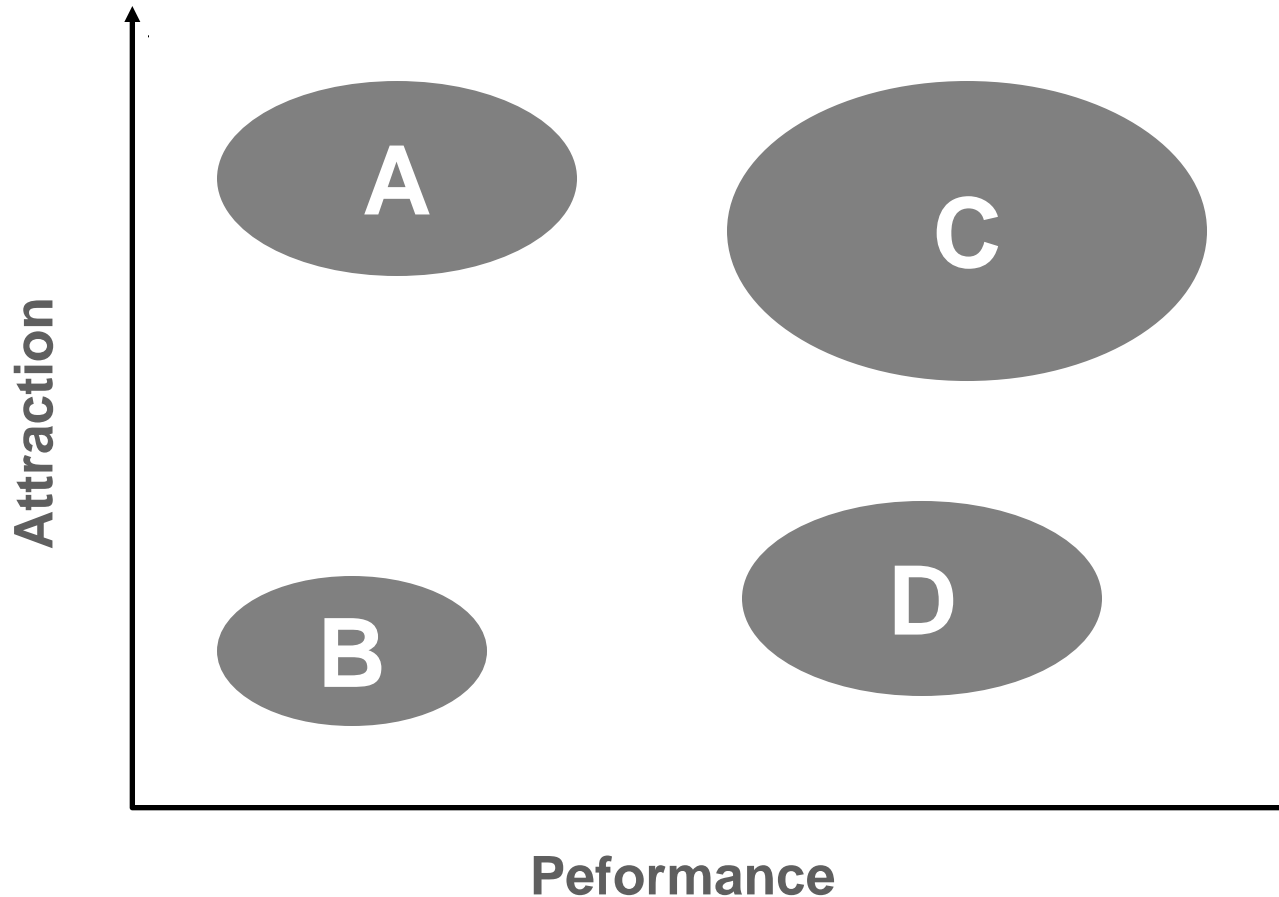
Process of selection priority markets to focus on



# Market segments ranking – three dimensions

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL

Aviation Marketing



# SWOT

## Aviation Marketing

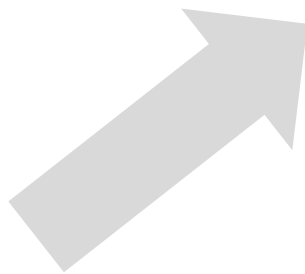
2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL



**Strenghts**



**Weaknesses**



**Opportunities**

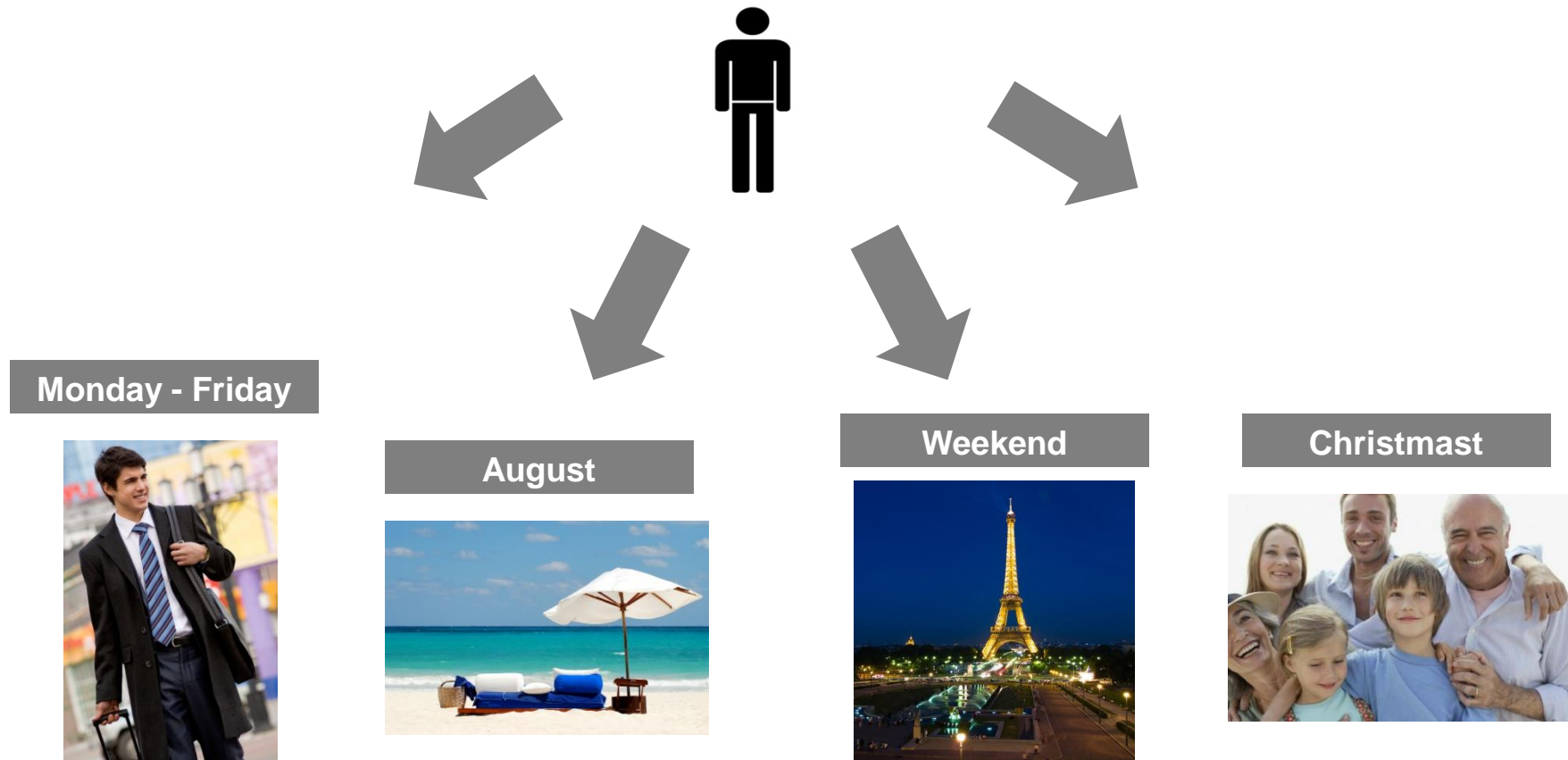


**Threats**

# Different purposes for travel

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL

Aviation Marketing



2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

### Needs of different travellers

#### Short-haul / business travelers

1. Safety
2. Punctuality
3. Convenience
4. Price
5. Comfort
6. Loyalty Schemes
7. IFE

#### Long-haul / business travelers

1. Safety
2. Comfort
3. Punctuality
4. Convenience
5. IFE
6. Loyalty Schemes
7. Facilities

#### Long-haul / leisure travelers

1. Safety
2. Price
3. Culture comfort
4. IFE
5. Punctuality
6. Loyalty Schemes
7. Convenience

Source: IATA



# Pareto`s Principle

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



*Vilfredo Pareto*



## 80-20 Rule

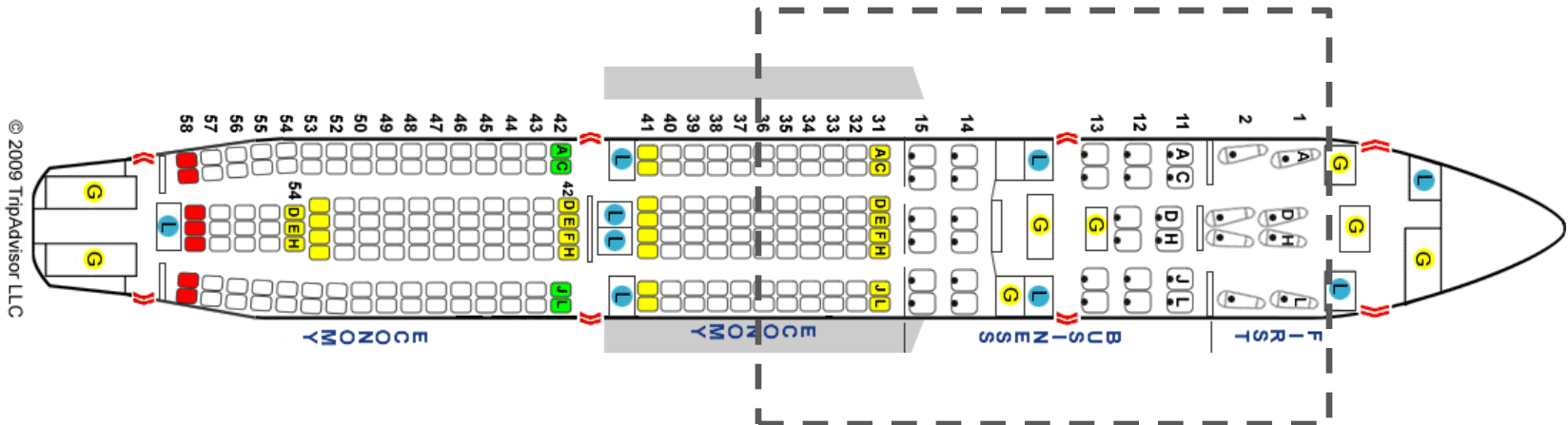
20% of your customers are responsible for 80% of your company revenues.



# Front of the cabin makes the business

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



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2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

### Premium Traffic Monitor - August 2012

Released 18 October 2012

Key points from our [full report](#) on premium and economy travel in August:



- Premium passenger numbers rebounded in August, with 8.5% year-on-year growth, compared to 0.5% contraction in July;
- Economy class travel was also up, with the market 6.2% higher than a year ago, compared to July's 3.0% increase;
- We are cautious about extrapolating the improvement in premium travel into the months ahead;
- The modest improvement in business confidence doesn't justify the significant rise in business travel in August;
- The rebound was narrowly based, with much of the increase coming from within Europe and across the North Atlantic;
- Since much of the Eurozone is in recession or slow economic growth, that does not look sustainable;
- Furthermore, the sharp rise in year-on-year growth is partly due to Hurricane Irene and European capacity cuts reducing traffic in August 2011;
- Although the seat mix has improved, it is hard to rationalize with current business conditions suggesting the opposite trend;
- But routes connected to emerging economies continue to show robust performance, with solid growth in August;
- Air travel performance reflects a combination of downward pressure from Europe, and support from emerging economies and, to some extent, the US;
- Further improvement in business confidence should benefit premium travel, but it's too early to suggest a higher growth trend.



# Premium traffic

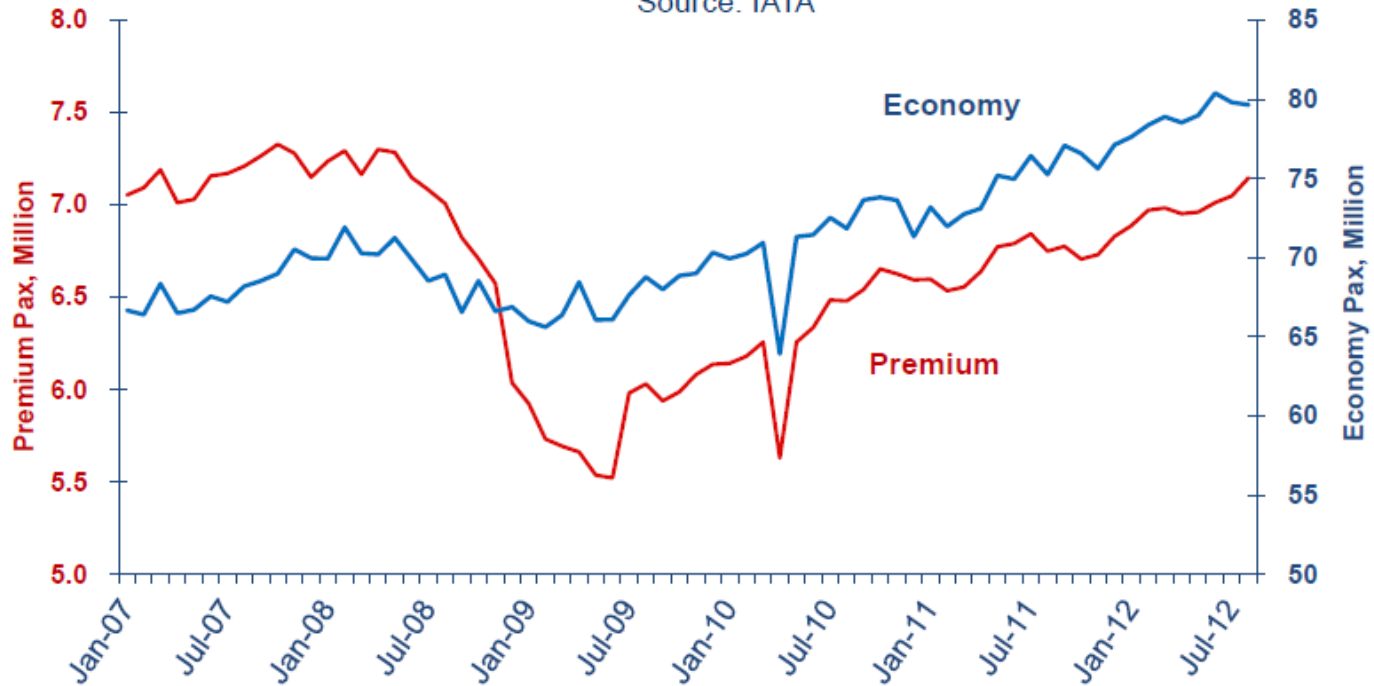
Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## International air passengers by seat class

(seasonally adjusted)

Source: IATA



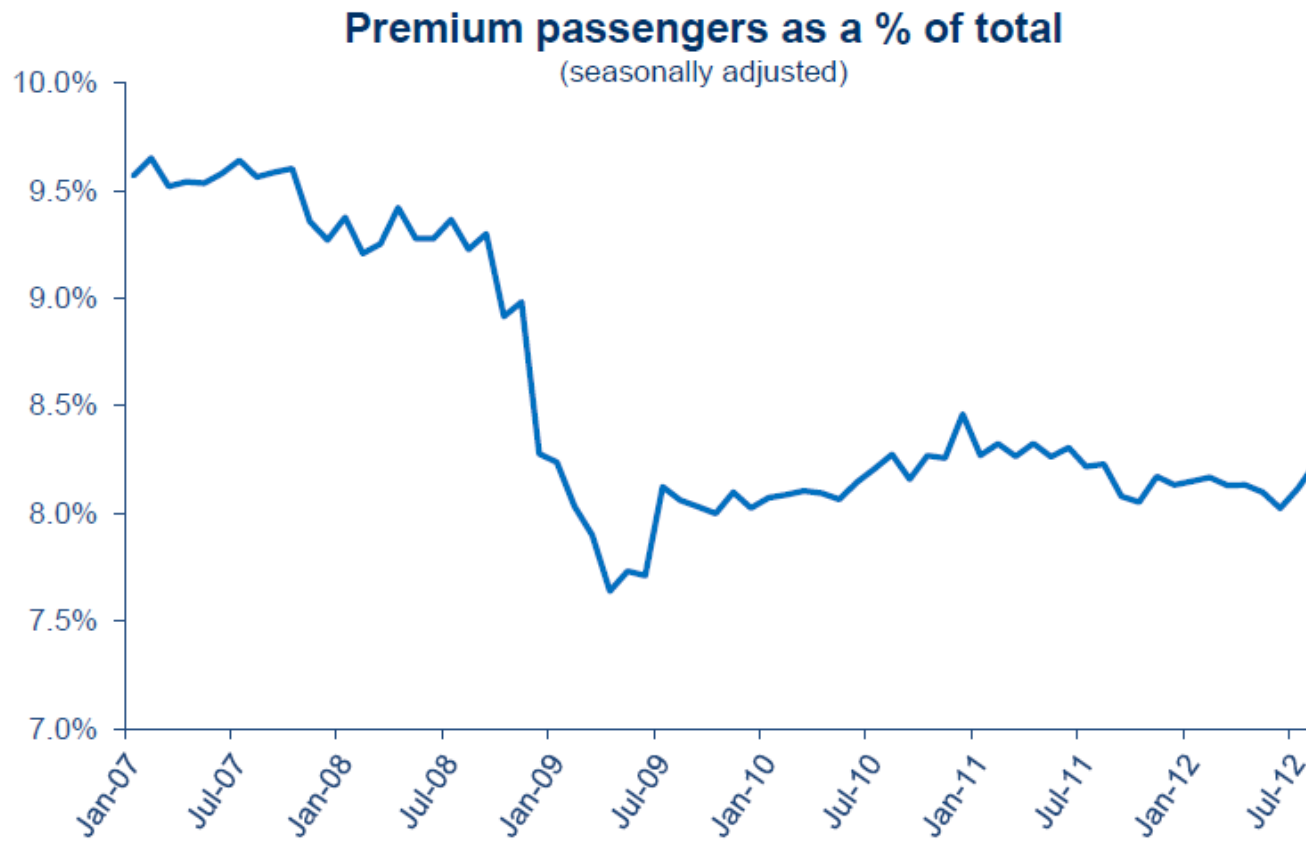
Source: IATA



# Premium passengers share in total pax demand

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



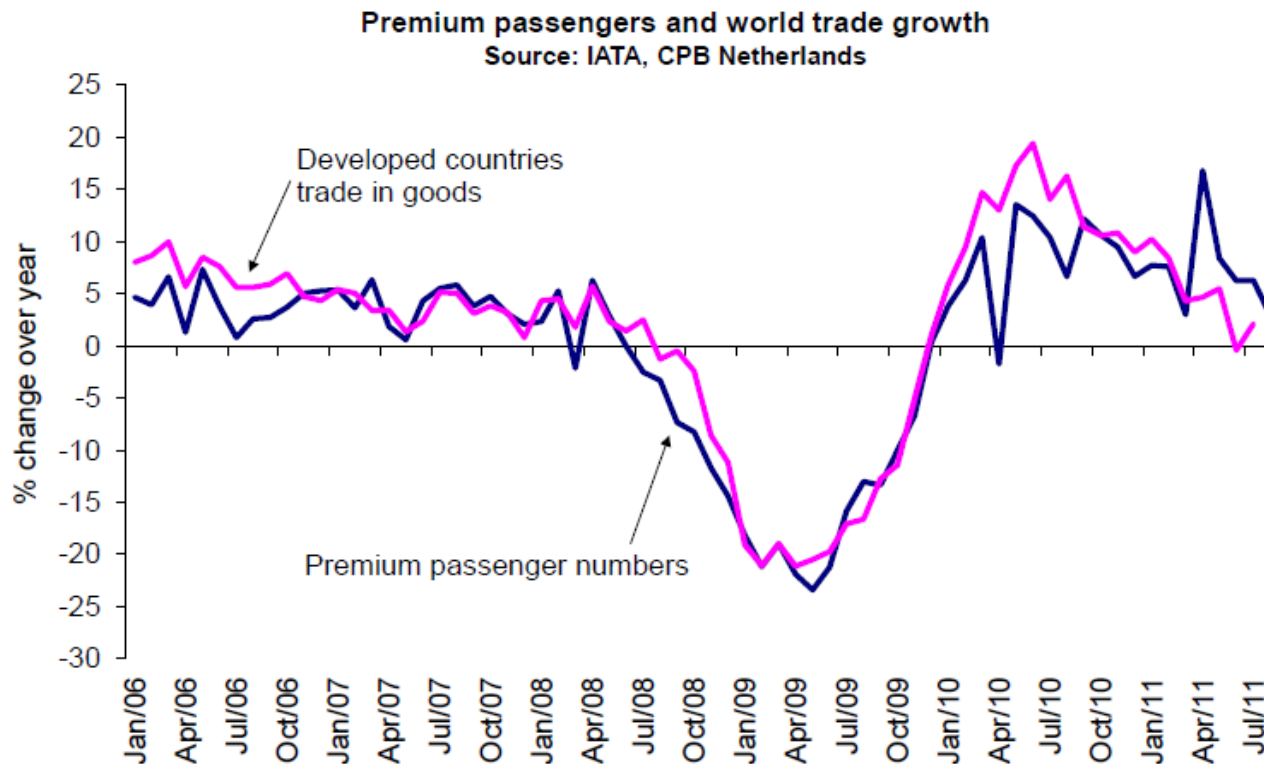
Source: IATA



# Passenger demand vs. global trade

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



Source: IATA



# Traffic segments by regions

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Traffic Growth by Route - August 2012

Source: IATA



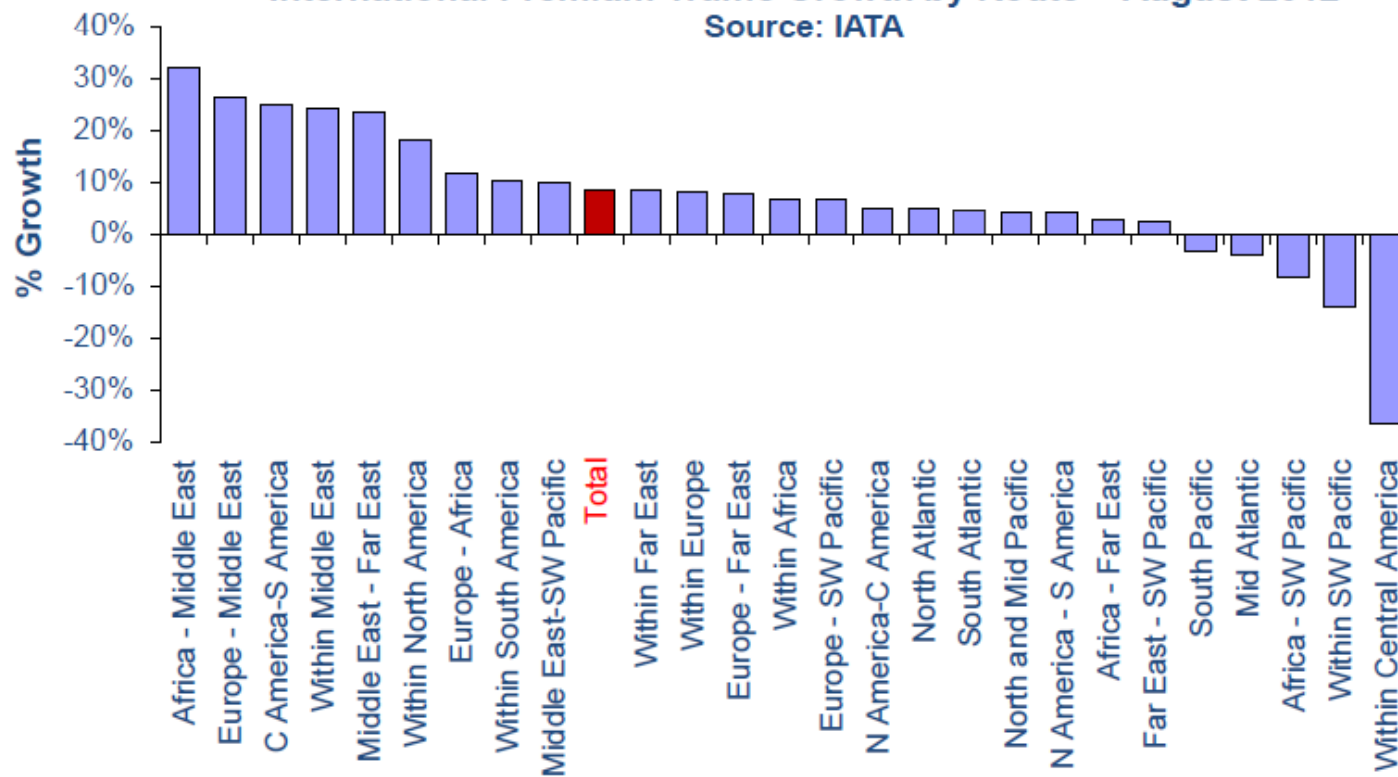
# Premium traffic development by routes

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## International Premium Traffic Growth by Route - August 2012

Source: IATA



# Traffic development by region

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL





WYŻSZA SZKOŁA  
INFORMATYKI I ZARZĄDZANIA  
z siedzibą w Rzeszowie

# Product

```
2    OS 151    C9 D9 JL  
      B9 M9 H9  
3    LH3571    J5 C5 D5  
      B4 M4 H3  
4LH:OS7243    C5 D5 J4  
      H2 Q2 SL  
5    OS 155    CL DL JL  
      BL ML HL  
6OS:LH6355    JL CL DL
```

## Piotr Kozlowski

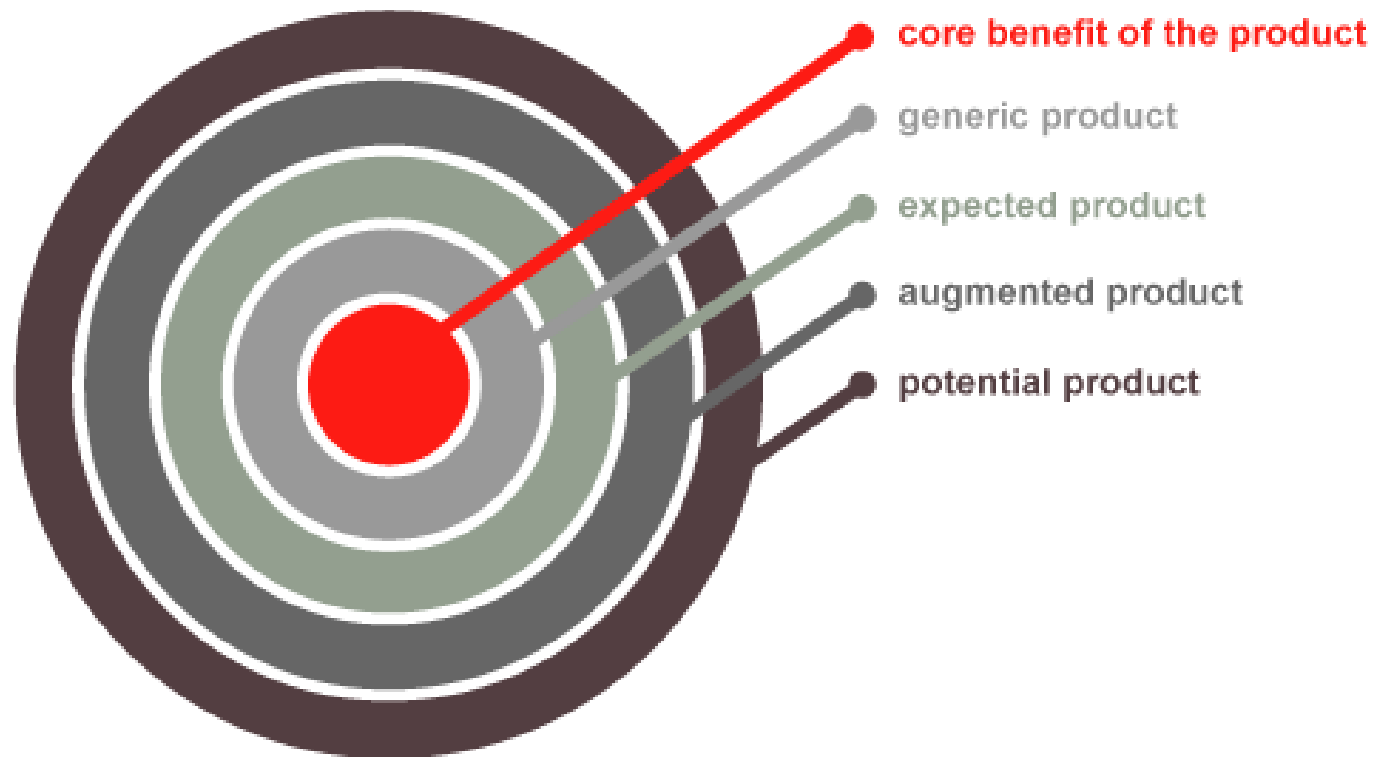
University of Information Technology and Management in Rzeszów



# Product 5 levels (Porter)

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



Source: [www.provenmodels.com/16](http://www.provenmodels.com/16)

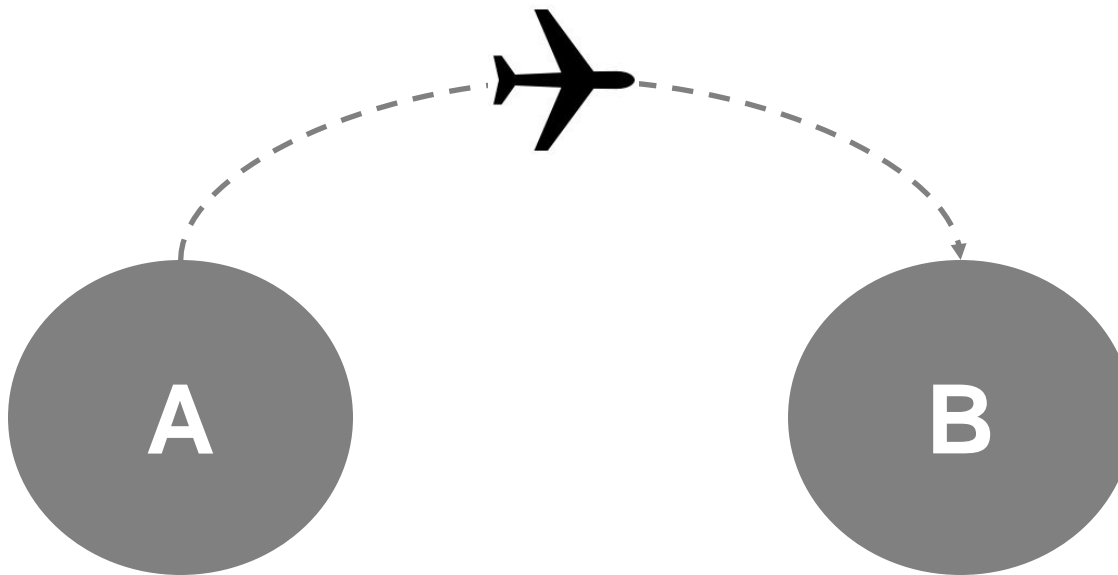
80



# What aviation product is...

Aviation Marketing

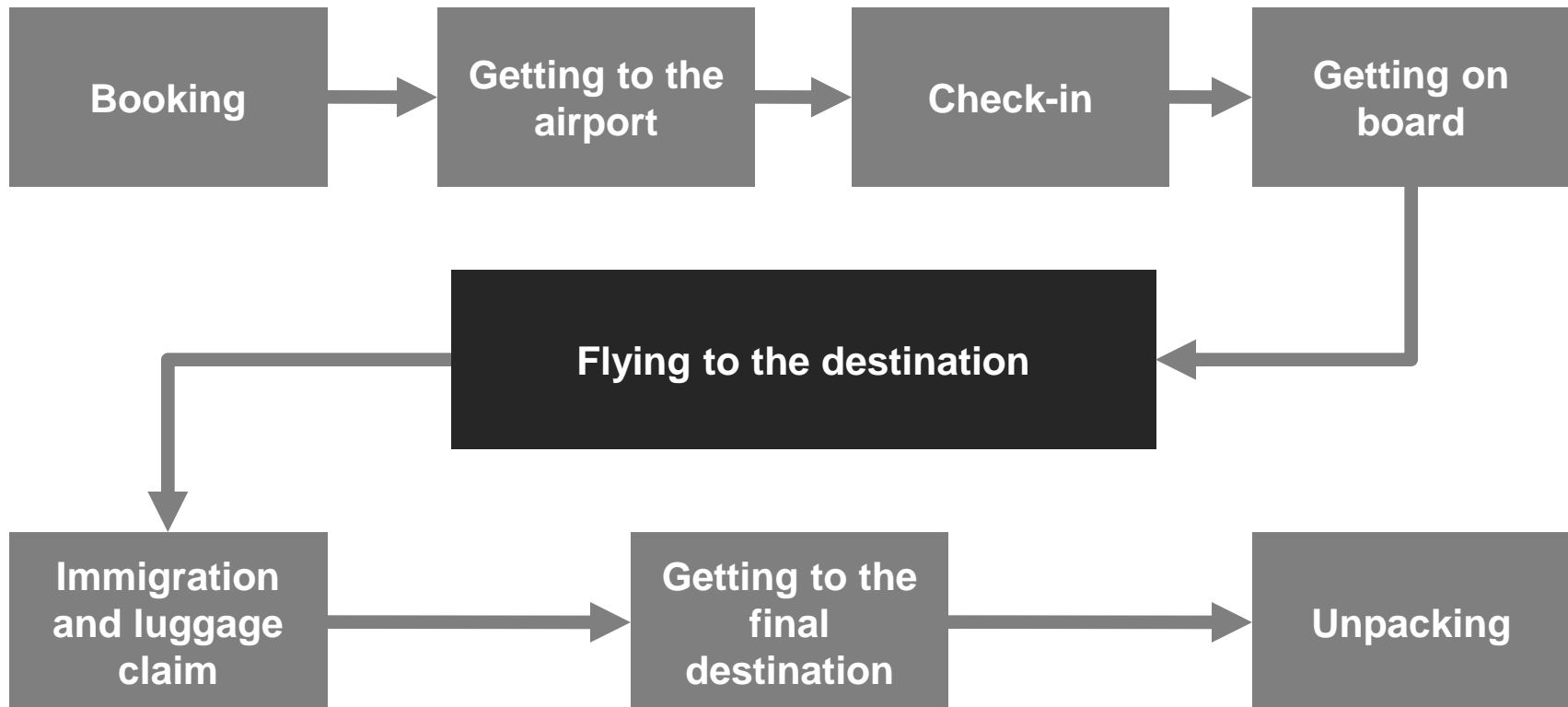
2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL



# Product – customer experience

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL



Source: IATA

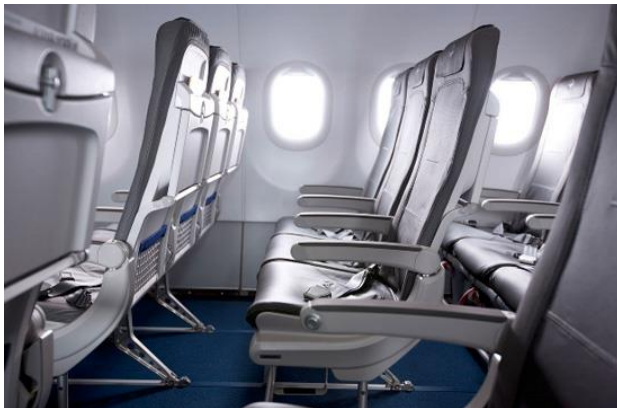
# Airline product

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
	4LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
	6OS:LH6355	JL	CL	DL

## Aviation Marketing

### Hardware

Part of the product that has mainly to do with facilities and equipment, in the air and on the ground.



### Software

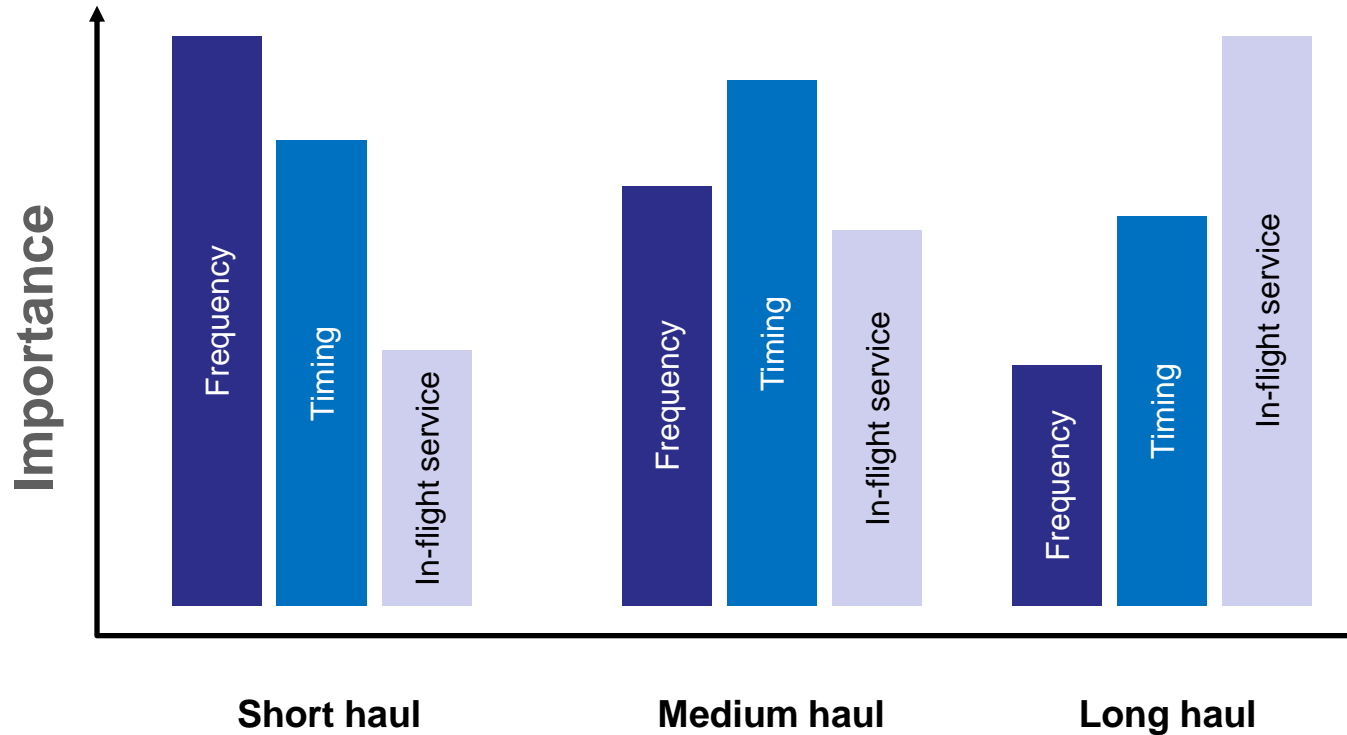
Features that are related to the contact of the customer with the airline and airport staff – human touch



# Length of travel...

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL



Source: IATA



# Airline product dimensions

Aviation Marketing

```
2   OS 151   C9 D9 JL
      B9 M9 H9
3   LH3571  J5 C5 D5
      B4 M4 H3
4LH:OS7243  C5 D5 J4
      H2 Q2 SL
5   OS 155   CL DL JL
      BL ML HL
6OS:LH6355  JL CL DL
```

## Airline product

### Scheduling features

1. Aircraft
2. Frequency
3. Timings
4. Transfers

### Class of service features

1. Cabin
2. Seat configurations
3. In-flight catering
4. IFE
5. Airport product
6. Airport lounge
7. Luggage allowance

### Ancillary features

1. Reseravation
2. Bookings
3. Special service
4. Customer support

Source: IATA



# Aircraft

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



**JET**



**TURBO-PROP**



# Turboprop vs. Jet

## Aviation Marketing

```

2    OS 151    C9 D9 JL
                B9 M9 H9
3    LH3571   J5 C5 D5
                B4 M4 H3
4LH:OS7243   C5 D5 J4
                H2 Q2 SL
5    OS 155    CL DL JL
                BL ML HL
6OS:LH6355   JL CL DL
    
```

Criteria	Turboprop aircraft	Jet aircraft
<b>Size</b>	Turboprops are significantly smaller than jet aircrafts	Jet engines can supply wider range of aircraft sizes from small regional airlines such as Embraer 145, as well as the largest aircrafts such as Airbus A380
<b>Speed</b>	Relatively low, ground speed does not exceed 500 km/h	Are much faster than turboprops, can achieve speed over 800 km/h
<b>Cruising altitude</b>	Low	High
<b>Range</b>	Short range	Short, medium and long range
<b>Routes</b>	Regional, short-haul routes	Jet aircraft can operate various routes from regional up to intercontinental depending on the specific aircraft model
<b>Comfort</b>	Comfort of travelling for passenger is relatively lower, due to the size of the aircraft and noise in the cabin	Higher than in turboprops
<b>Fuel efficiency</b>	Turboprops are significantly more fuel efficient (fuel burned per available seat kilometer)	Jet aircrafts consumer more fuel per available seat kilometer )
<b>Environmental impact</b>	Due to the lower fuel consumption turboprops are more environmental friendly	Jets are less environmental friendly



# Aircraft based campaign product

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH	OS7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS	LH6355	JL	CL	DL

## Aviation Marketing

The screenshot displays the Lufthansa website interface. At the top, there is a navigation bar with the Lufthansa logo and the slogan "There's no better way to fly." The main content area features a large image of a Lufthansa A380 aircraft in flight over a snowy mountain range. The headline reads "Be part of it The world's largest aircraft" with a "Board the A380" button. Below this, there are four promotional boxes: "Discover the world for up to 40% off!", "Fly with the Lufthansa A380", "Big autumn promotion", and "All destinations". On the right side, there is a "Flights" widget with a "Flight search" tab. The search form includes options for "Round-trip" (selected) and "One-way", a "Recent searches" dropdown, "From" and "To" input fields, "Departing" and "Returning" date pickers, "1 Adult" passenger selection, a "Travel with children" link, and "Economy" class selection. A "Search flights" button is at the bottom of the search form. Below the search form are links for "Check-in / My Bookings" and "Hotel / Rental car".

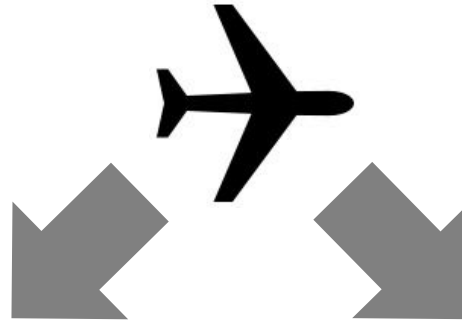




# Aircraft

## Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL



### Russian-built aircraft



### Western built aircraft



# Class of service

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

First class



Business class



Economy class



# Class of service versus length of a haul

Aviation Marketing

```
2   OS 151   C9 D9 JL
      B9 M9 H9
3   LH3571  J5 C5 D5
      B4 M4 H3
4LH:OS7243 C5 D5 J4
      H2 Q2 SL
5   OS 155   CL DL JL
      BL ML HL
6OS:LH6355 JL CL DL
```

	Economy class	Business class	First class
Long-haul	+	+	+
Medium-haul	+	+	-
Short-haul	+	+/-	-



# Business class on short haul flights

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



### C/M Business/Economy Class 138 Site/Seats

In der Business Class bietet der freibleibende Mittelsitz zusätzliche Bewegungsfreiheit.


In Business Class the middle seat will not be occupied, offering additional space.


Trennung Business/Economy Class  
entsprechend der Nachfrage.

Partition between Business and Economy Class  
according to demand.

### Technische Daten/Technical specifications

Flügelspannweite:	34 m
Wing span:	111 ft 6 in
Länge/Length:	33,84 m / 110 ft 9 in
Höhe/Height:	12 m / 39 ft 5 in
Max. Abfluggewicht:	68,000 kg
Max. take-off weight:	150,000 lb
Max. Reisegeschwindigkeit:	840 km/h
Max. cruising speed:	520 mph
Max. Flughöhe:	11,900 m
Max. cruising altitude:	39,000 ft
Reichweite/Range:	3.400 km/2,108 miles
Triebwerke/Engines:	2 x CFM International CFM56-5

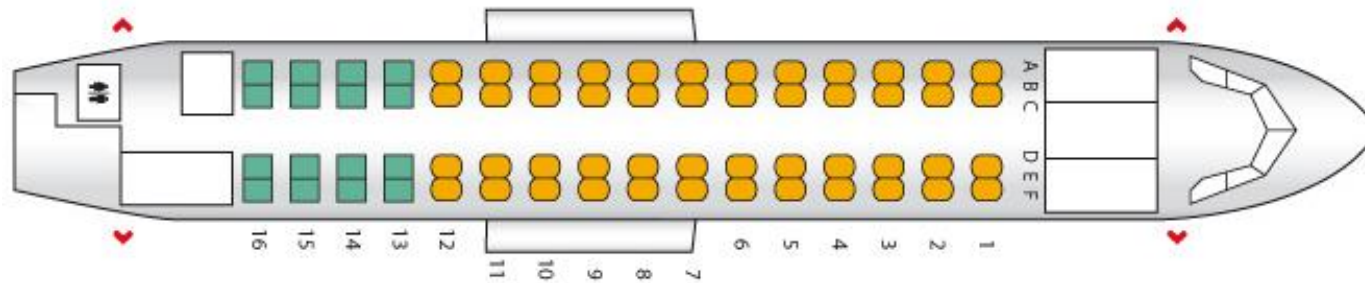
 **Bordküche/Galley**

 **Toiletten/Lavatory**

# Short haul business class product

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# Business class short haul product differentiator

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

## Aviation Marketing

### Economy



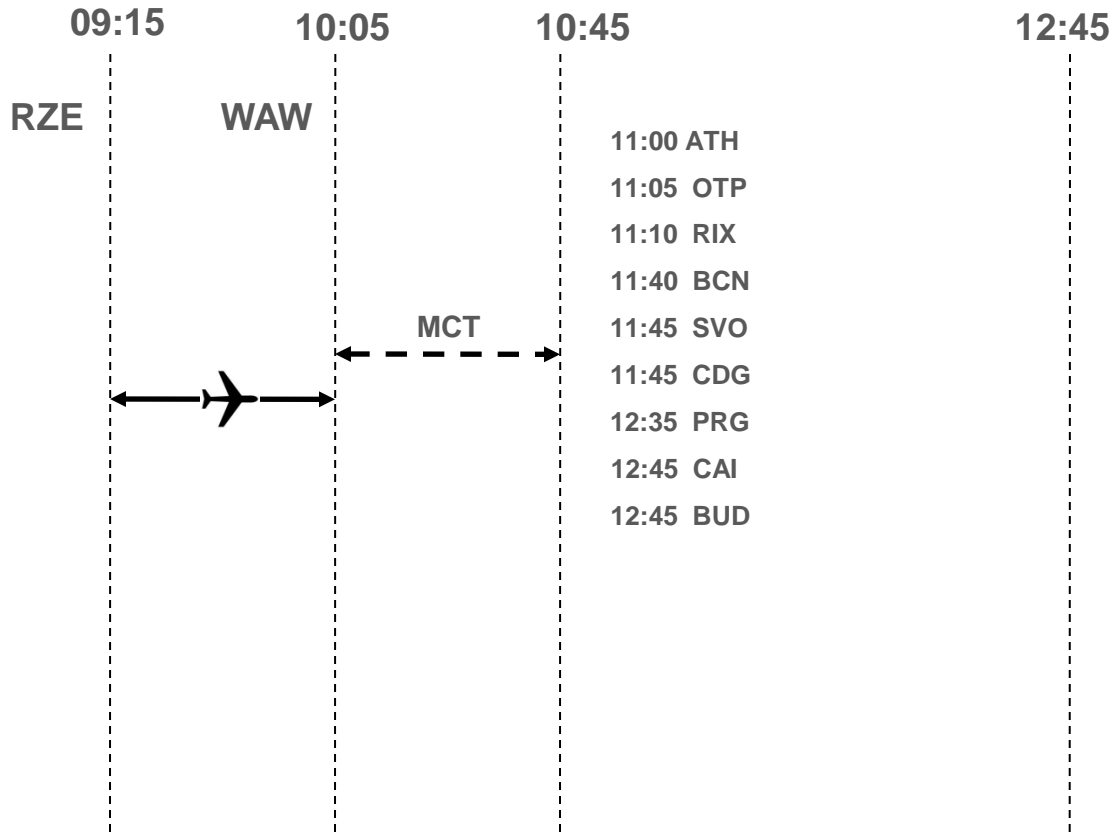
### Business



# Timings RZE – WAW / connecting flights

Aviation Marketing

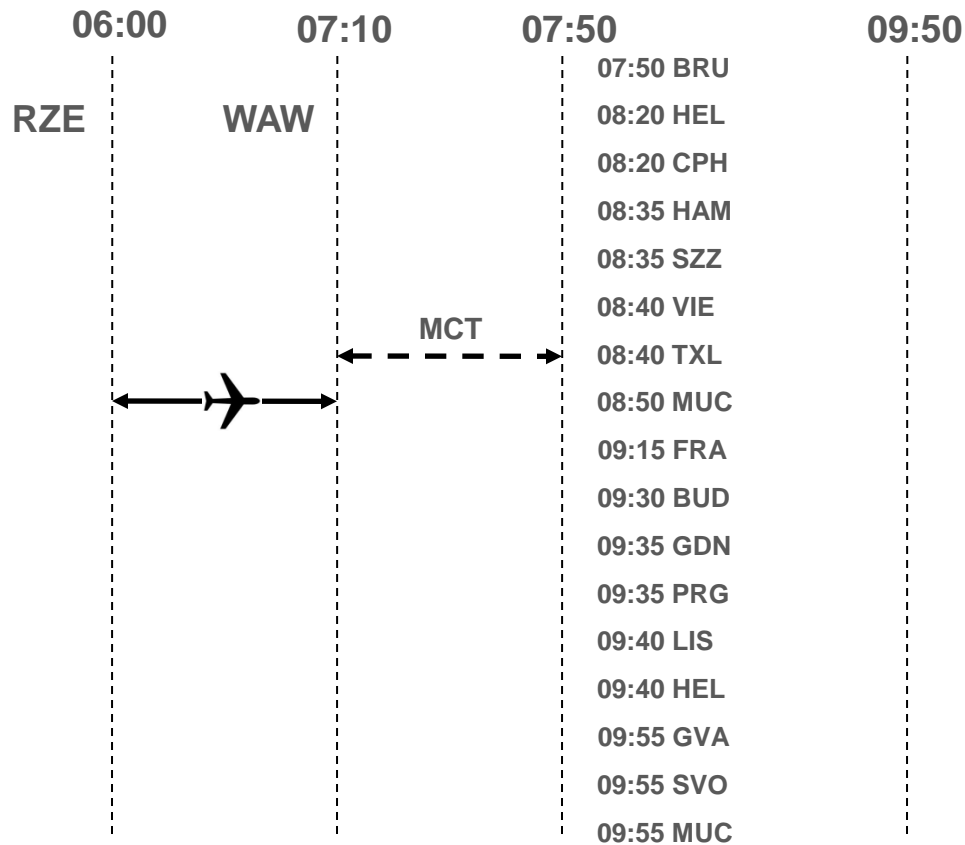
2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# Timings

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



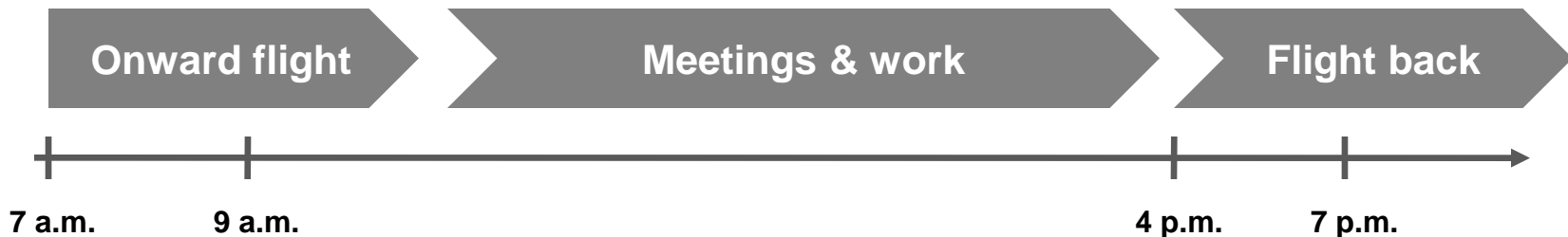
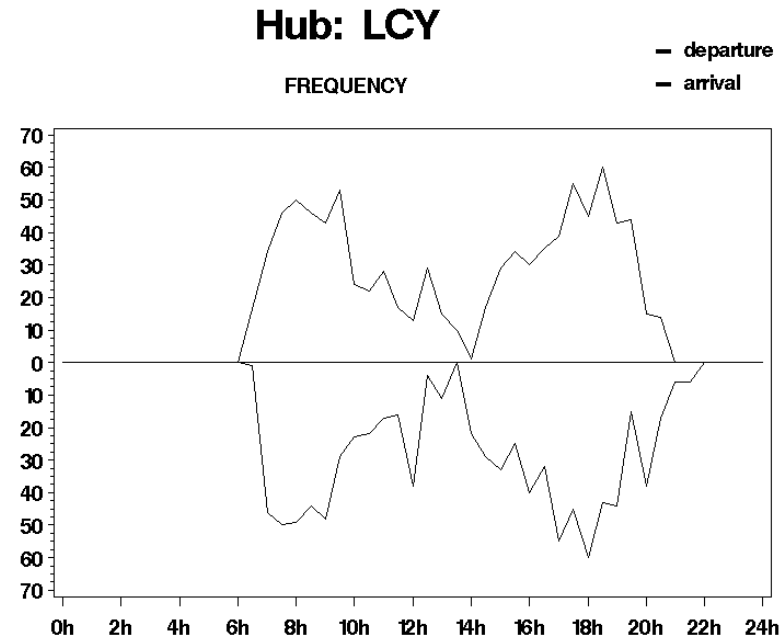


# Business traveller – short haul routes

## Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

- Demand volume and demand structure is highly dependant on the time of the day.
- Business travelers tend to travel early mornings and evening, whereas leisure travellers are more flexible with regards to time of travelling.



# Business traveller – short haul routes (overnight)

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Day 1



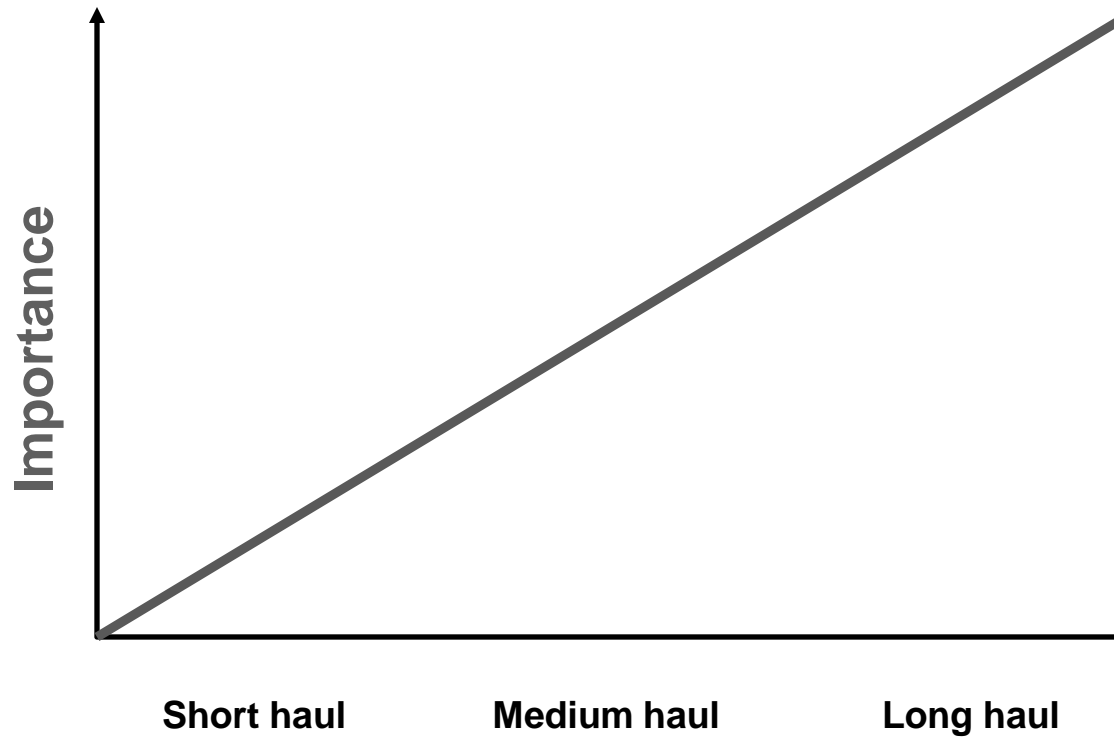
Day 2



# In-flight catering

Aviation Marketing

```
2   OS 151   C9 D9 JL
      B9 M9 H9
3   LH3571  J5 C5 D5
      B4 M4 H3
4LH:OS7243 C5 D5 J4
      H2 Q2 SL
5   OS 155   CL DL JL
      BL ML HL
6OS:LH6355 JL CL DL
```



# What are the boundaries of airline product...

## Aviation Marketing

```
2 OS 151 C9 D9 JL
B9 M9 H9
3 LH3571 J5 C5 D5
B4 M4 H3
4LH:OS7243 C5 D5 J4
H2 Q2 SL
5 OS 155 CL DL JL
BL ML HL
6OS:LH6355 JL CL DL
```

flight time < 1h

Limited selection of soft drinks. No food.  
Usually no beverage. Sweets eventually.



1h < flight time < 2,5h hour

Snack, sweets. Selection of soft drinks  
and beverages.



2,5h < flight time < 6h

Full meal, snack. Wide selection of  
drinks. Continuous water service.



flight time > 6h

2 x full meals. Wide selection of drinks.  
Continuous water service.



# Special meals

## Aviation Marketing

```
2   OS 151   C9 D9 JL
                B9 M9 H9
3   LH3571   J5 C5 D5
                B4 M4 H3
4LH:OS7243   C5 D5 J4
                H2 Q2 SL
5   OS 155   CL DL JL
                BL ML HL
6OS:LH6355   JL CL DL
```

### Dietary meals



Name	Explanation
Diabetic diet	For diabetics: no sugar, little fat, no battered or breaded products, no alcohol
Gluten free food	When incompatibility to gluten (gluten protein): no wheat, rye, barley, oat flour product or sauces
Reduction food	Calorie-reduced meals, rich on dietary fibre, low on fat and carbohydrates
Low cholesterol food	For metabolic illnesses: less than 100 mg cholesterol, no animal fats, no egg yolk
Low protein food	Not available on Lufthansa flights
Low sodium food	For cardiovascular and kidney problems: cooking salt free, low fat, non-flatulent, without alcohol
Lactose free food	For lactose or milk incompatibility
Low purin food	Not available on Lufthansa flights



# Special meals

## Aviation Marketing

```
2   OS 151   C9 D9 JL
                B9 M9 H9
3   LH3571   J5 C5 D5
                B4 M4 H3
4LH:OS7243   C5 D5 J4
                H2 Q2 SL
5   OS 155   CL DL JL
                BL ML HL
6OS:LH6355   JL CL DL
```

Name	Explanation
Vegetarian meal (Western)	Purely vegetarian meal: no meat or fish products, without alcohol, no diary products and eggs
Vegetarian meal (Lacto-Ovo)	Meal without meat (although diary products and eggs are allowed)
Vegetarian asian meal (Indian)	Meal without meat prepared and spiced Indian style
Vegetarian meal (Oriental)	Meal without meat or fish, prepared and spiced in an oriental style
Wholefood	Not available on Lufthansa flights
Fruit meal	Meal made with fruit (raw and fresh fruit, without meat)
Fish meal	Meal consisting mainly of fish, crustaceans and shellfish without meat
Light whole food	Light diet for the stomach, bowel, liver, gall
Meal without fish	Contains no seafood, mussels or similar products



# Special meals

## Aviation Marketing

```
2   OS 151   C9 D9 JL
      B9 M9 H9
3   LH3571  J5 C5 D5
      B4 M4 H3
4LH:OS7243 C5 D5 J4
      H2 Q2 SL
5   OS 155   CL DL JL
      BL ML HL
6OS:LH6355 JL CL DL
```

### Meals for members of certain religions



Name	Explanation
Kosher meal	Strictly kosher food prepared under the supervision of a rabbinat
Muslim meal	No use of pork, no venison and no alcohol used. Muslim meals are prepared according to halal standards when halal meat is available locally.
Hindu meal	No beef and veal, prepared and spiced Indian style (available only in First and Business Class)



# Airport product – process

Aviation Marketing

```
2   OS 151   C9 D9 JL  
    B9 M9 H9  
3   LH3571  J5 C5 D5  
    B4 M4 H3  
4LH:OS7243 C5 D5 J4  
    H2 Q2 SL  
5   OS 155   CL DL JL  
    BL ML HL  
6OS:LH6355 JL CL DL
```





# Common check in

Aviation Marketing

```
2   OS 151   C9 D9 JL  
    B9 M9 H9  
3   LH3571  J5 C5 D5  
    B4 M4 H3  
4LH:OS7243 C5 D5 J4  
    H2 Q2 SL  
5   OS 155   CL DL JL  
    BL ML HL  
6OS:LH6355 JL CL DL
```

Common check in

LOT  
All flights

LOT  
All flights

LOT  
All flights

LOT  
All flights

LOT  
All flights

## One queue for all flights



# Flight check in

Aviation Marketing

```
2   OS 151   C9 D9 JL
      B9 M9 H9
3   LH3571  J5 C5 D5
      B4 M4 H3
4LH:OS7243 C5 D5 J4
      H2 Q2 SL
5   OS 155   CL DL JL
      BL ML HL
6OS:LH6355 JL CL DL
```

Common check in

**LOT**  
New York (JFK)

**LOT**  
Paris (CDG)

**LOT**  
Nice (NCE)

**LOT**  
Moscow (SVO)

**LOT**  
Lviv (LVO)

JFK queue

CDG queue

NCE queue

SVO queue


LVO queue



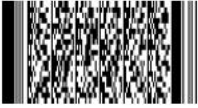

# New check in options

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## Aviation Marketing



A STAR ALLIANCE MEMBER

Boarding Pass

Name	KOZLOWSKI / PIOTR MR/MRS		
Flight	LH 4142 / 23 Sep		
	Frankfurt/Main International - Nice		
Departure Gate	A01		
Boarding Time	21:50	Boarding Number	023
Departure Time	22:20	Carrier	Lufthansa
Seat Number	12C	etix	220-8609395415
Class	Economy	Passenger Status	
Baggage Drop Counter	Drop-off counter	Checked Baggage	

**General Information**


- This document is your boarding pass which will be required to access the gate area and to board the aircraft. Please confirm your departure gate at the airport.
- Carry this document with you at all times during your journey. Please also have your passport available for identification.
- If you wish to check-in any baggage, you may do so up to **40 minutes prior to departure time** at one of the Lufthansa Baggage Drop Off counters indicated above.
- If you have any questions, please contact a Lufthansa Service agent.

**Please make sure to be at your departure gate at the boarding time. Otherwise your seat may be reassigned.**


**Important Notice:**  
For travel under the Montreal Convention or the Warsaw Convention may be applicable and these Conventions limit the liability of carriers in respect of loss of or damage to baggage and for delay, in the case of death or bodily injury to financial limits apply under the Montreal Convention and for European Community carriers, for damage up to the equivalent of 113,100 SDR carriers are liable regardless of negligence.  
Carriage on Lufthansa German Airline is subject to its conditions of carriage, tariff and other conditions.

**Dangerous goods to passenger baggage**  
For safety reasons, the following articles or materials may not be carried in passenger baggage:  
Explosives and security sensitive items with installed spark devices or incandescent light bulbs; flammable and/or pyrotechnic materials / Explosives, ammunition, fireworks and flares / Gas cylinders, non-flammable, deeply refrigerated and poisonous, such as camping gas and aerosols, carbon dioxide gas cylinders / Flammable liquids such as lighter fuel, paint and thinners / Flammable solids, such as matches and articles which are easily ignited, substances liable to spontaneous combustion, substances which in contact with water will form flammable gases / Oxidizing substances, such as bleaching powder and peroxides / Poisonous liquids and infectious substances / Infectious materials / Corrosives such as mercury which may be contained in thermometers, acids, alkalis and wet cell batteries / Radioactive materials and miscellaneous dangerous goods as listed in the IATA dangerous goods Regulations / Matches and lighters will get they only be carried in their cases.

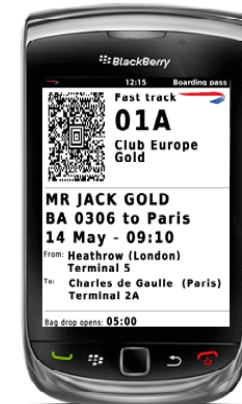
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Your ticket for more award miles. 

Check in at [www.telekom.de/miles-and-more](http://www.telekom.de/miles-and-more) and earn miles with Telekom.

Life is for sharing. 

Deutsche Lufthansa AG  
Von-Gaebelwitz-Strasse 2-6, D-50669 Köln



# In flight entertainment

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# Airport lounge

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# Special services

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

### WCHR

passenger requires wheelchair for distance within airport but is able to ascend or descend stairs

### WCHS

passenger is able to walk but unable to ascend or descend stairs

### WCHC

passenger is paraplegic/quadruplegic, requires an on-board wheelchair and must be carried to/from cabin seat



# Booking

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



A screenshot of the easyJet website. The top navigation bar includes 'Help', 'Sitemap', and 'My easyJet.com'. Below the navigation bar are several service icons: 'Latest travel information', 'NEW! Holidays', 'Hotels &amp; apartments', 'Ski Holidays', 'Hostels &amp; B&amp;Bs', and 'Car rental'. A secondary navigation bar lists 'Manage bookings', 'Airport lounges', 'Buy onboard', 'Destination guides', 'Where we fly', 'About your trip', and 'Timetable'. The main content area features a large orange banner for 'SALE TIME' with the text 'up to 20% off all seats\* for travel between 1 January and 24 March 2012 ends midnight tonight'. To the right of the banner is a flight booking form with fields for 'From -&gt;', '-&gt; To', 'Flying out on' (08 November 2011), 'Returning on' (no. just one way), 'Passengers' (1 adults, 0 children, 0 infants), and a 'Show flights!' button. At the bottom of the page, there are links for 'Need help?' and 'Latest news'.



# Cultural awareness

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL





# Where does an airline product start....

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

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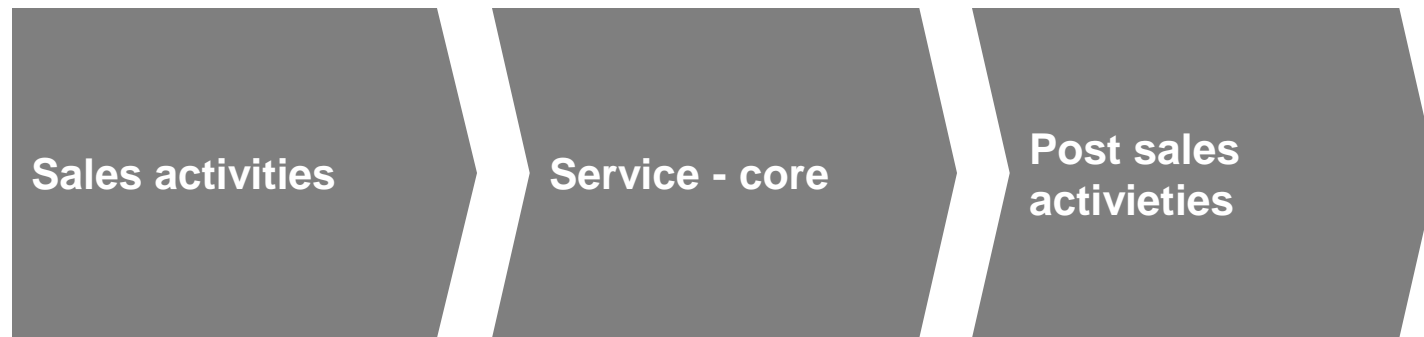
\*Ważna cena per osobę do 120 kg. Zawiera wszystkie opłaty obrotowe, podatki od zakupu biletu oraz ubezpieczenie podróży. Nie obejmuje kosztów przelotu.



# Delivering an aviation product process

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL





WYŻSZA SZKOŁA  
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z siedzibą w Rzeszowie

# Marketing strategies and airline alliances

```
2    OS 151    C9 D9 JL  
      B9 M9 H9  
3    LH3571    J5 C5 D5  
      B4 M4 H3  
4LH:OS7243    C5 D5 J4  
      H2 Q2 SL  
5    OS 155    CL DL JL  
      BL ML HL  
6OS:LH6355    JL CL DL
```

**Piotr Kozlowski**

University of Information Technology and Management in Rzeszów



# Market strategies

## Aviation Marketing

```
2   OS 151   C9 D9 JL  
      B9 M9 H9  
3   LH3571  J5 C5 D5  
      B4 M4 H3  
4LH:OS7243 C5 D5 J4  
      H2 Q2 SL  
5   OS 155   CL DL JL  
      BL ML HL  
6OS:LH6355 JL CL DL
```

**Aggressive**

**Objective: increase market share**

**Defensive**

**Objective: maintain market share**

**Customer focus**

**Objective: gain customer  
commitment and loyalty**



# Marketing strategies

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

### Criteria: market dominance

Leader

Challenger

Follower

Nicher



# Market strategies

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

## Porter`s generic strategies

Differentiation

Cost leadership

Niche market



# Market strategies

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

## Criteria: innovation strategies

Pioneer

Close followers

Late followers

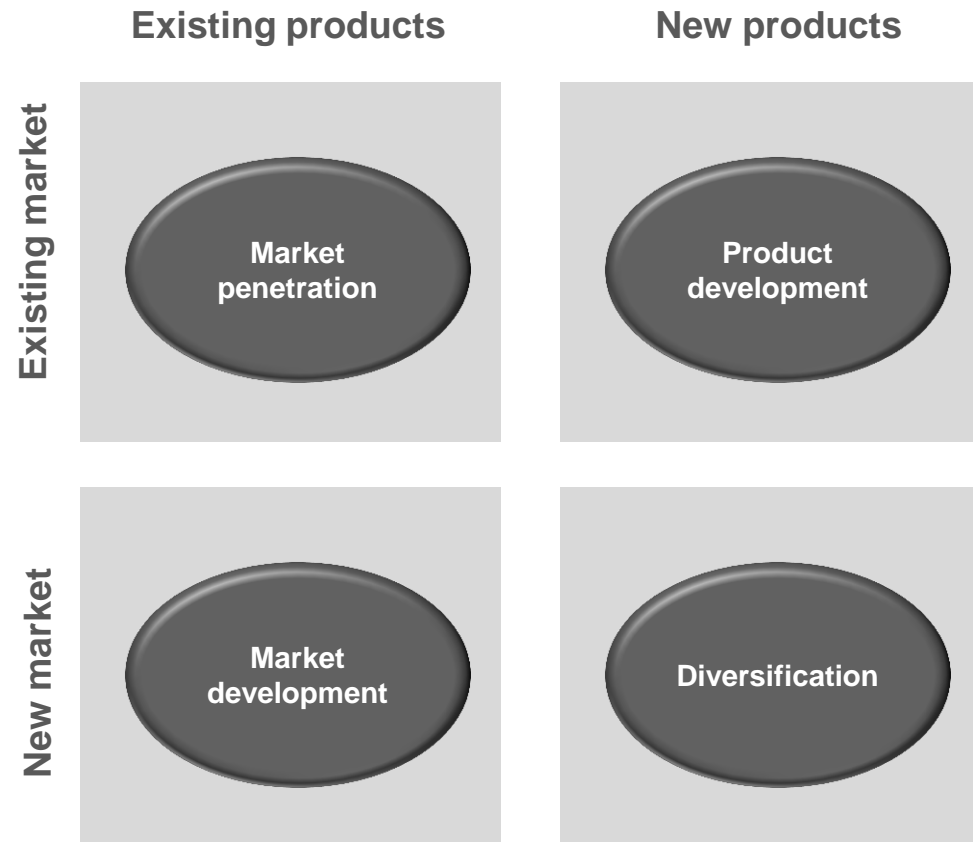


# Market strategies

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Criteria: product/market  
(Ansoff matrix)





# Market strategies

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

## Growth strategies

Vertical integration

Horizontal integration

Diversification

Intensification

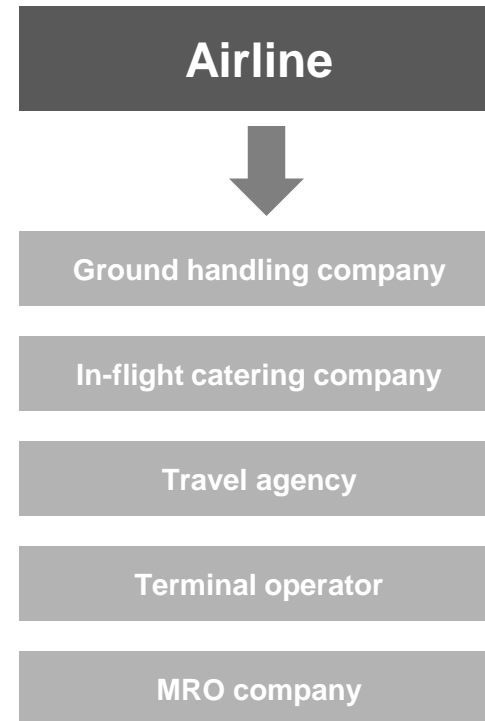


# Vertical integration

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL

Vertical integration is cooperation activity between companies that depend on each other within the production process. Companies involved in the alliance are supplier or customers of each other, but they are not competitors at any stage of value chain.



# Horizontal integration

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



Horizontal integration can be defined, as a cooperation between companies, which are operating at the same level within production process. In other words it is cooperation activity between companies, which can be considered as a competitors between each other.

# What is strategic alliance

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

**Strategic alliance can be defined as a long term cooperative agreement between two or more independent firms that engage in business activities for mutual economic gain.**

Tsang 1998, Strategic Alliances in Central and Eastern Europe, Akmal S. Hyder, Desalegn Abraha

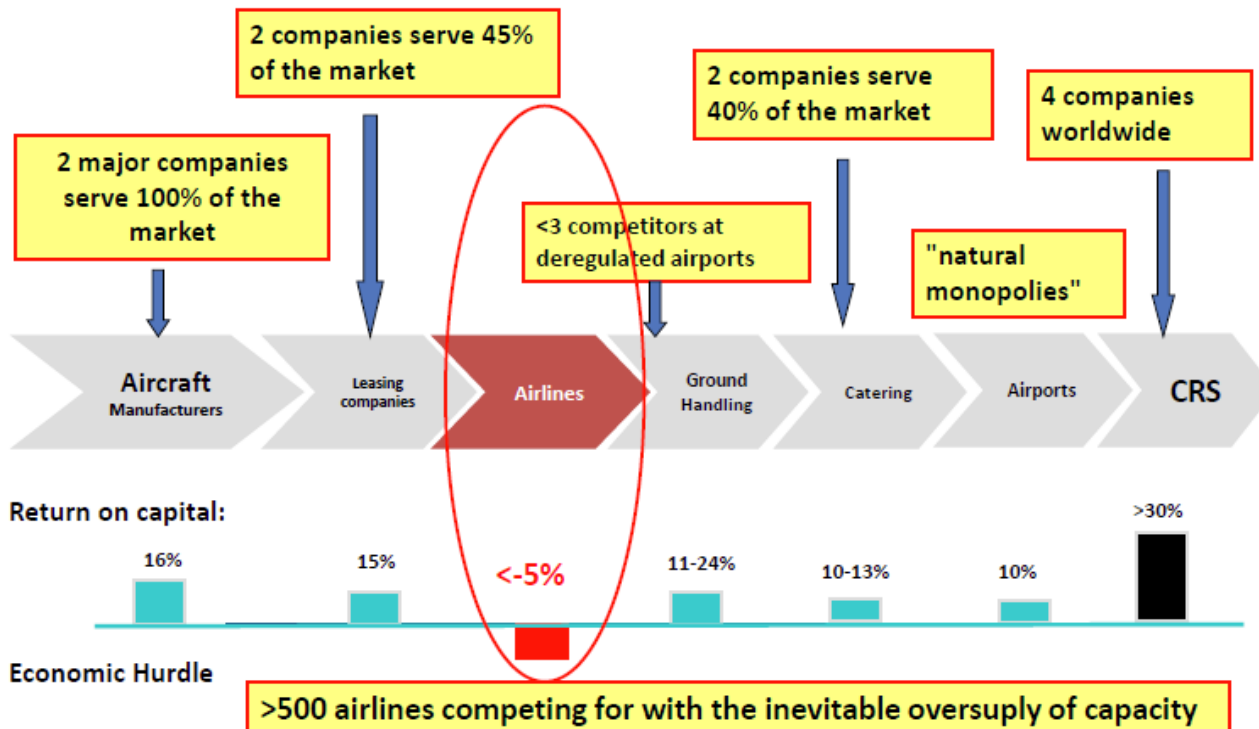


# Why airlines needs alliances...

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

Aviation Marketing

## Airline Economics – Aviation Industry



# Benefits on an alliance

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL

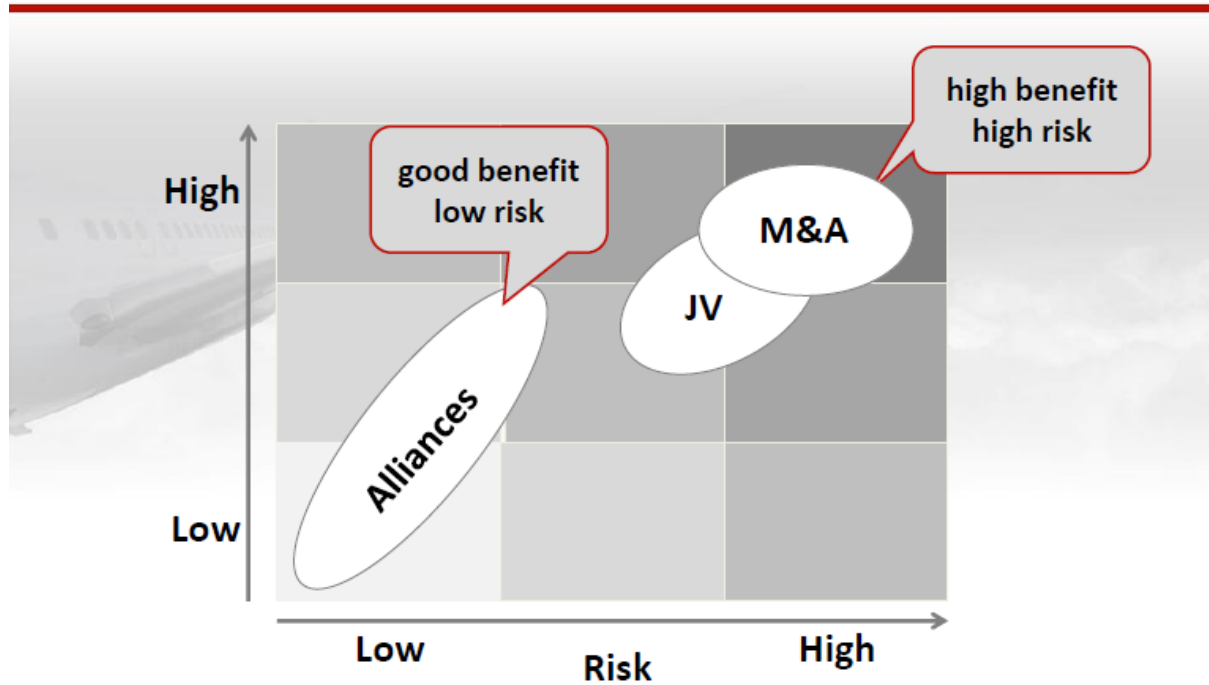


# Risk/benefits of an alliances

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

Aviation Marketing

## Next Logical Steps



# Alliance Benefit Drivers

## 1. Collaboration benefits

### Why members join

- Global network
- Home market access
- Revenue generation
- Corporate agreements
- Brand positioning
- Seamless travel
- FFP
- Cost synergies
- Joint systems/products/services
- Knowledge transfer
- "Join the Club"
- Access to JVs

## 2. Alliance fundamentals

### What Alliance can deliver

- Join the club
- Intensify bilateral cooperation
- Global Network
- Partial home market access
- Partial revenue generation
- Brand positioning
- Seamless travel
- FFP
- Knowledge Sharing
- Bargaining power
- Frontoffice (for the customer)

### Where Joint Ventures are more suitable

- All of the above, but deeper collaboration
- Deep knowledge sharing
- Full Home market access
- Extensive revenue generation
- Pricing, network planning, sales
- Synergies/Efficiencies in resource planning
- Backoffice (for the airline)

## 3. Alliance Role

- Join the club
- Global Network
- Brand positioning
- Seamless travel
- Revenue generation
- FFP
- Knowledge Transfer
- Synergies

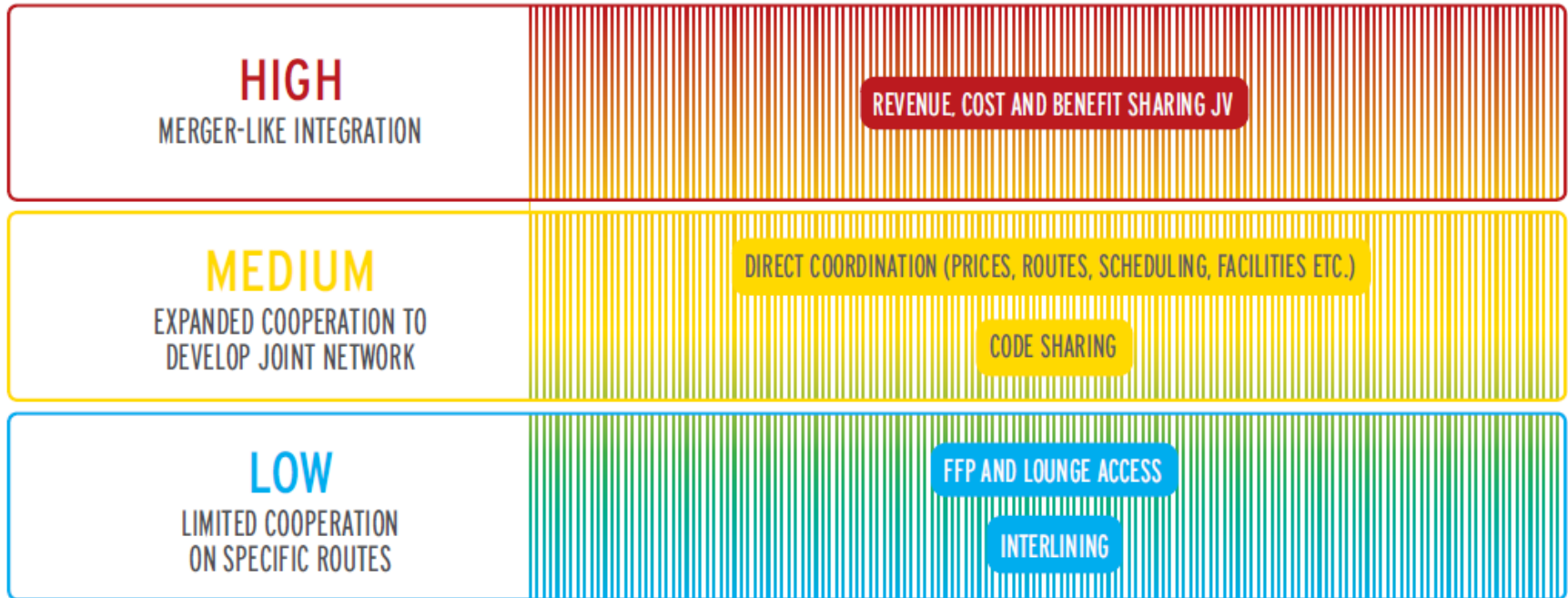




# Levels of integration

## Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL



Source: Airline Leader

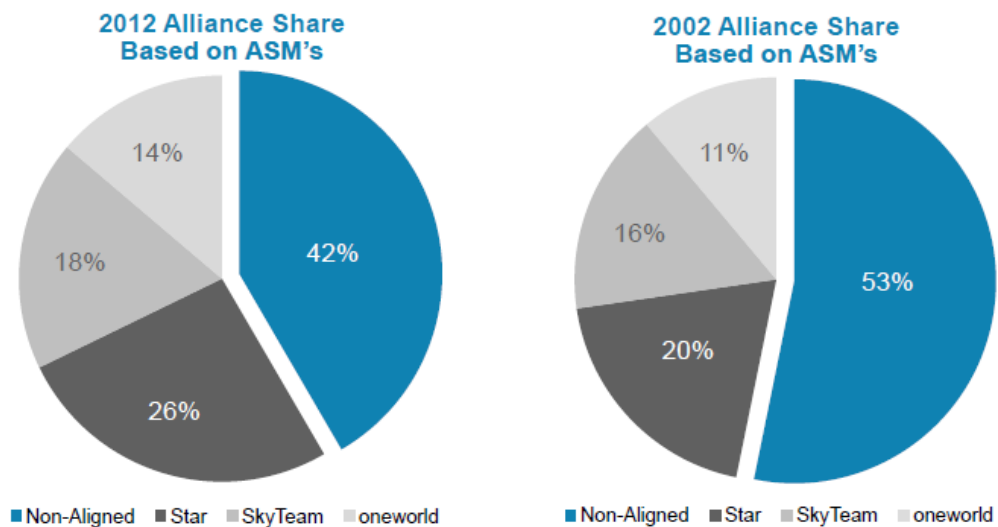


# Alliances position in global aviation market

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Aviation Marketing

Aligned carrier share has grown to almost 60%



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15



2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL

## Aviation Marketing

# VIRGIN AUSTRALIA VIRTUAL NETWORK/ALLIANCE STRUCTURE



Source: Airline Leader



# Airline alliance level of integration

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
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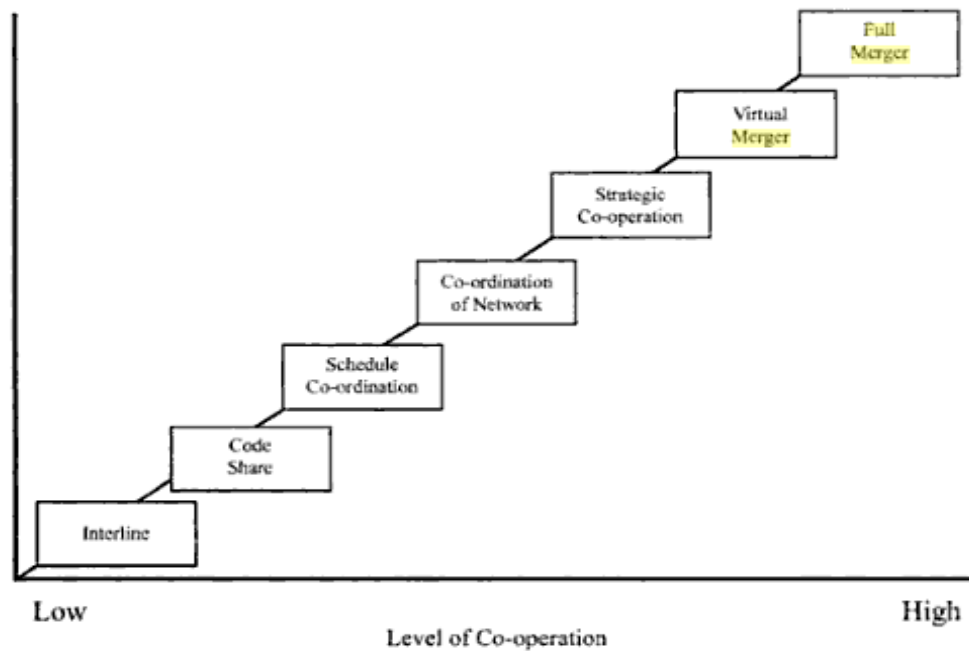


Figure 3.5 Alliance-merger staircase

Source: Iatrou, Oretti; Airline Choices for the Future, from alliances to mergers, Ashgate 2007



# Network objectives of an alliance

## Aviation Marketing

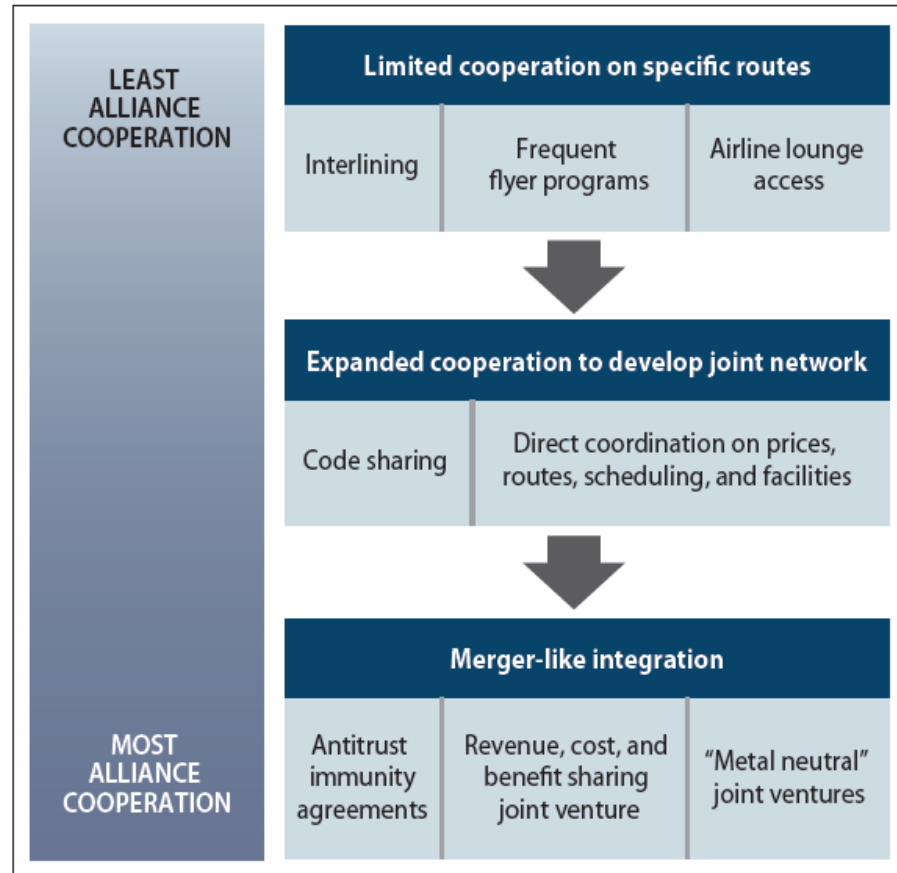
2	OS 151	C9	D9	JL
		B9	M9	H9
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		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# Alliances value chain

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL



# What is JV?

## Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

### WHAT IS A JOINT VENTURE (JV)?

[FOCUS]

A joint venture (JV) does not designate any particular structure under French law, but refers to a form of association, on a well-defined subject, between two or more companies.

There are two types of joint venture: capital-intensive and binding.

The joint venture set up by Air France-KLM, Delta and Alitalia is binding. It involves a partnership and therefore a division of labour, costs and revenues, without any provision of capital.

Each company participating in the joint venture takes the same risks, undertakes and invests its resources in the same way with the common goal of optimizing revenue.

Signed by all partners, a contract stipulating the basic rules of the partnership, its objectives, its means of implementation and the duration of the agreement is the basis of any joint venture.

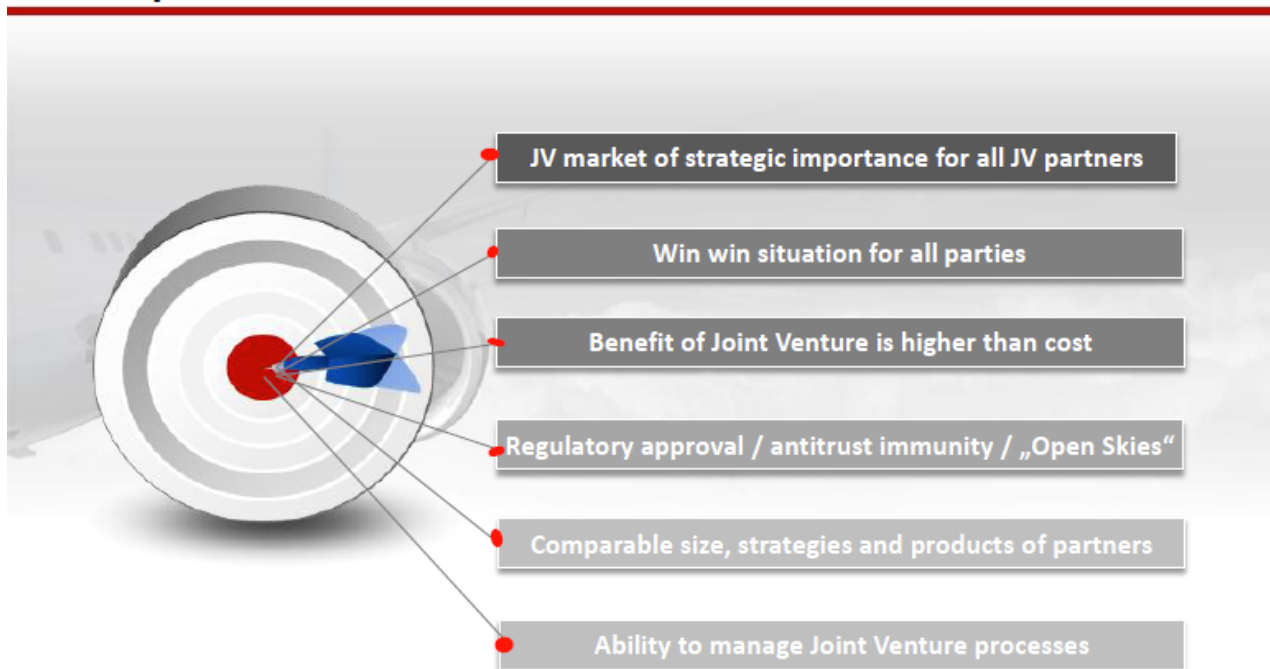


# When to set up JV – TK approach

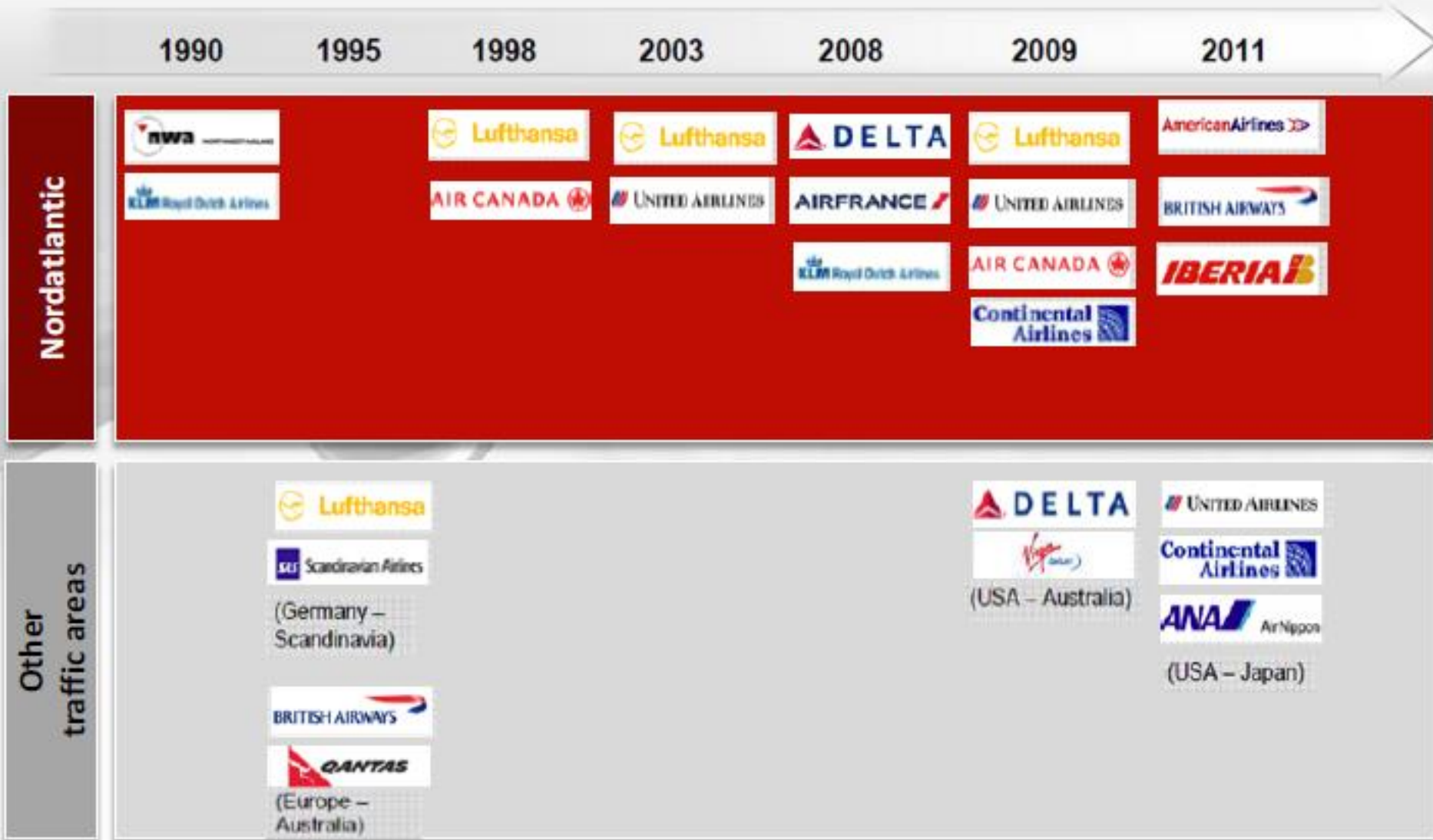
Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

## Prerequisites for Successful JV's







# Emirates/Qantas JV

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL

## Aviation Marketing



## Qantas & Emirates: A New Global Aviation Partnership

6 September 2012

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL

### Qantas & Emirates

*A new global aviation partnership*

- 10 year partnership – most significant alliance in Qantas' history
- Benefits-sharing model, collaboration beyond codesharing
- Vastly expanded shared network – new Dubai hub
- Comprehensive network solution for Europe
- Facilitates network restructure to transform Asian offering
- Unprecedented benefits to Qantas customers
- Integrated frequent flyer proposition

**MAJOR STEP IN TRANSFORMING QANTAS INTERNATIONAL**

Note: All stated characteristics of the partnership are subject to regulatory approval.

2

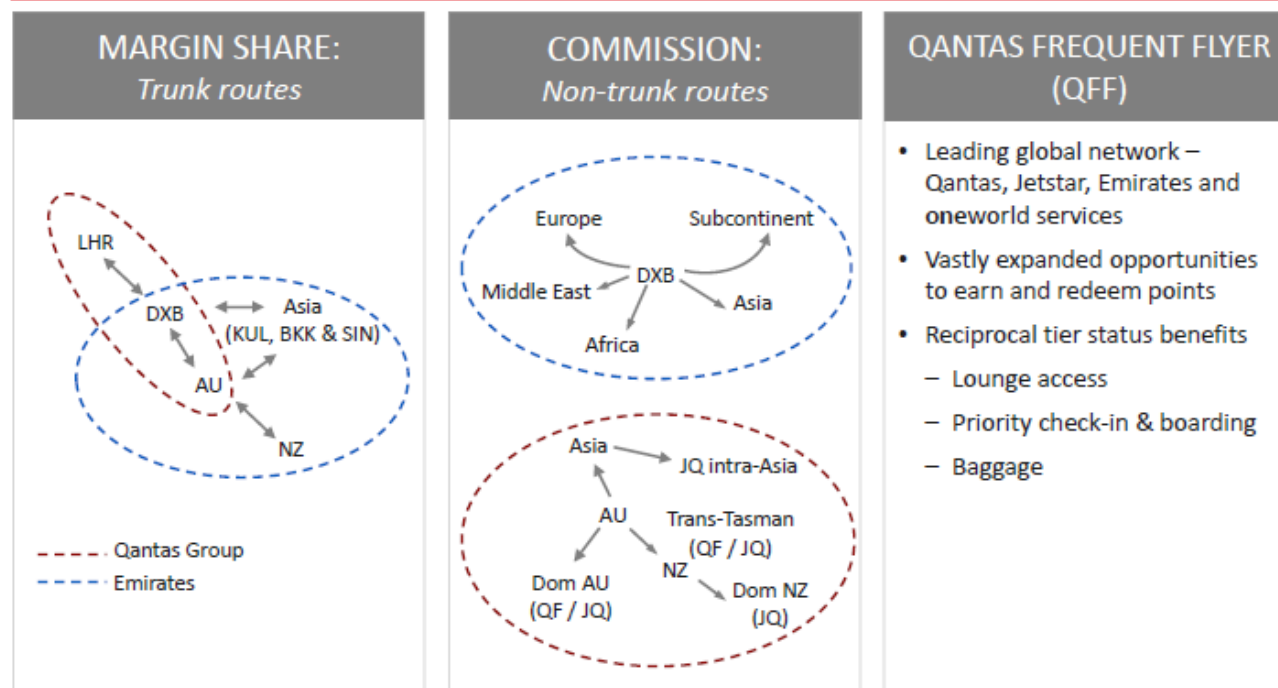


2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL

## Aviation Marketing

### Qantas & Emirates

*Benefits-sharing model, collaboration beyond codesharing*



**BENEFITING ALL PARTS OF THE GROUP: QANTAS, JETSTAR AND QFF**

Note: Jetstar cooperation yet to be finalised.

3



2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## Aviation Marketing

### Unparalleled Access Europe, Middle East and North Africa

#### TODAY'S ONE-STOP PROPOSITION



#### PROPOSED COMBINED NETWORK



- 45 weekly services to Singapore hub
- 5 one-stop destinations to Europe
  - London (Heathrow) and Frankfurt on Qantas aircraft
- No one-stop service to Middle East or North Africa
- Multiple partners – limited integrated customer proposition

- ~100 weekly services to Dubai hub
- 33 one-stop destinations to Europe<sup>2</sup>
  - London (Heathrow) on Qantas aircraft
- 31 one-stop services to Middle East or North Africa
- One partner – integrated customer proposition

1. Rome serviced via Hong Kong. 2. Qantas to continue codeshare with Finnair between Singapore and Helsinki



2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
	4LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
	6OS:LH6355	JL	CL	DL

### Strengthening Asia

*Flying to, not through Asia*

- Restructure of Qantas Asian network
  - Re-timing flights to SIN and HKG<sup>1</sup> – enabling more ‘same day’ connections
  - ~25% increase in connections from SIN
  - ~40% increase in available seats from Australia to Asia
- Leveraging Qantas existing regional partners and 4 additional Emirates services to Asia – KUL, BKK, SIN<sup>2</sup>
- Increased fleet efficiency – matching right aircraft to routes

**BUILDING A HIGHLY COMPETITIVE OFFERING TO, FROM AND WITHIN ASIA**

1. Singapore and Hong Kong 2. Kuala Lumpur, Bangkok and Singapore



2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL

---

## A World-Class Travel Experience

*Outstanding customer offering*

---

- Vastly expanded Qantas International network
  - 60+ new one-stop destinations
  - Reduced travel times
- Reinforcing the Qantas offering as ‘best for business’
- World class in-flight product and services
- Exclusive access to Dubai’s new purpose-built A380 terminal
- Reciprocal lounge access across 5 continents
- Core guiding principle of partnership:

*“Treat each other’s customers as your own”*

---



2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

### Qantas International Transformation on track

*Emirates partnership aligns with all four pillars*

#### A STRONG, VIABLE BUSINESS

- Enables more efficient capital allocation
- Jointly managed pricing, sales and scheduling
- Coordination of shared support functions, improved passenger processing

#### GATEWAYS TO THE WORLD

- Dubai – gateway to Europe, the Middle East and North Africa
- Complements relationships with American Airlines, LAN, China Eastern and South African Airways, as well as **oneworld** alliance

#### BEST FOR GLOBAL TRAVELLERS

- Poised to deliver the best in networks, frequencies, aircraft, lounges, loyalty programs and customer experiences

#### GROWING WITH ASIA

- Restructure of Qantas Asian network through re-timing flights to Asia – enabling more ‘same day’ connections via codeshare partners





2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

---

### Next Steps

---

- Application for Anti-Trust Immunity will be submitted to the Australian Competition and Consumer Commission and other regulatory authorities
- Joint Services Agreement (JSA) with British Airways to be discontinued<sup>1</sup>
- Cathay Pacific (Rome) and Air France (Paris) codeshares to be discontinued<sup>1</sup>
- Subject to regulatory approvals, partnership to commence April 2013

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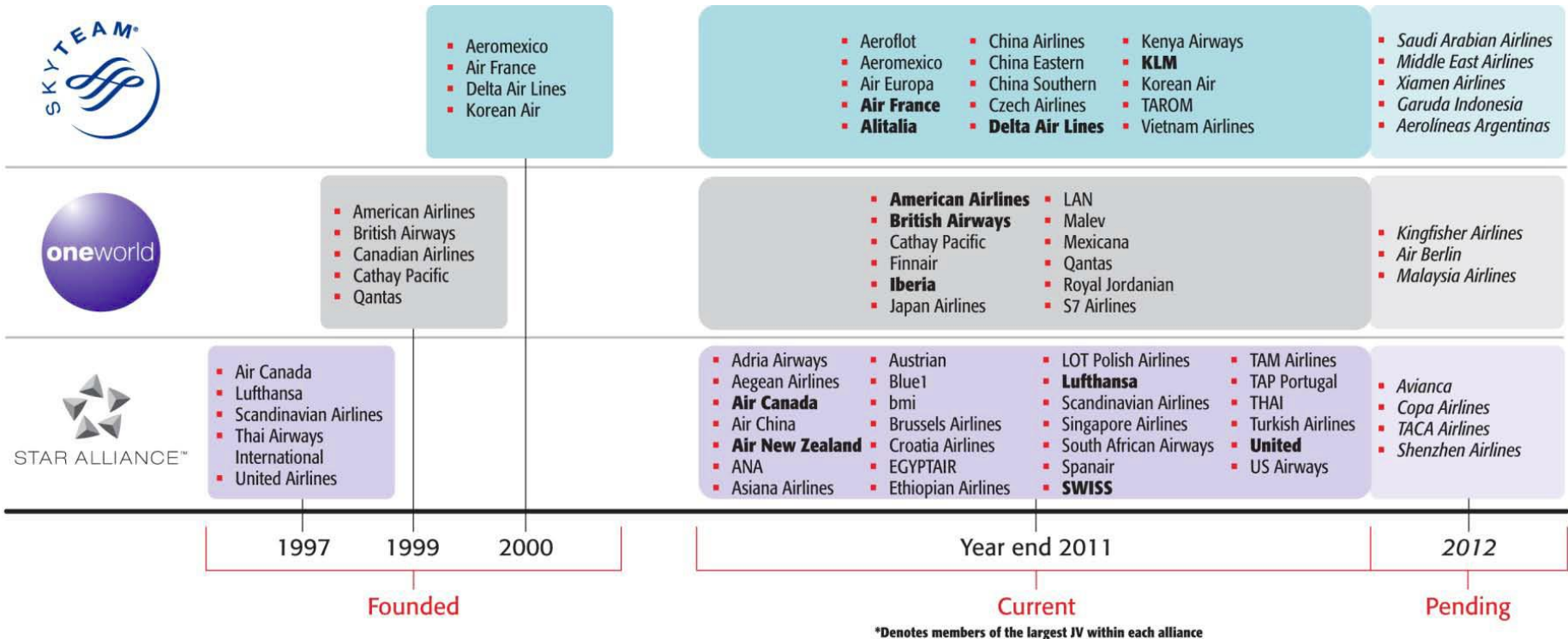
<sup>1</sup>. All current services to continue until partnership approval received.



# Airline alliances landscape

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

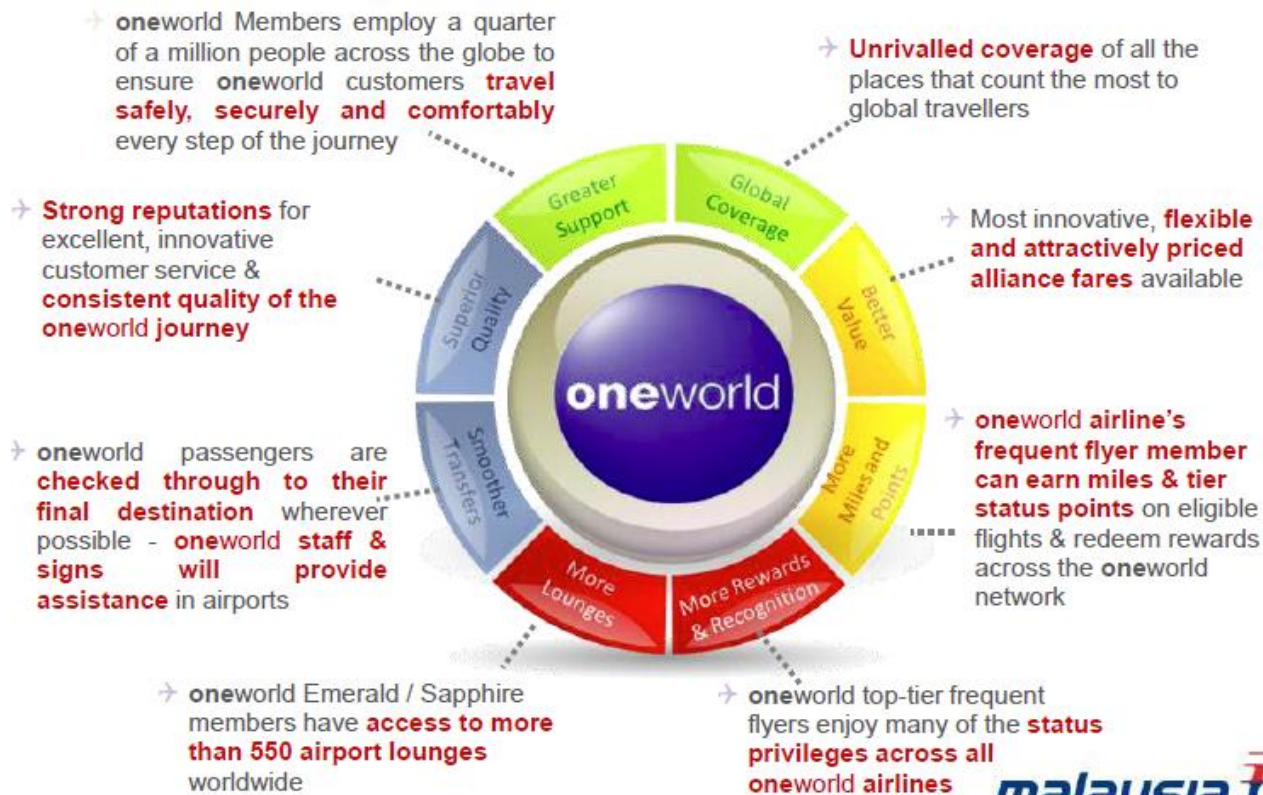
## Aviation Marketing



# Alliances benefits

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## oneworld Services and Benefits

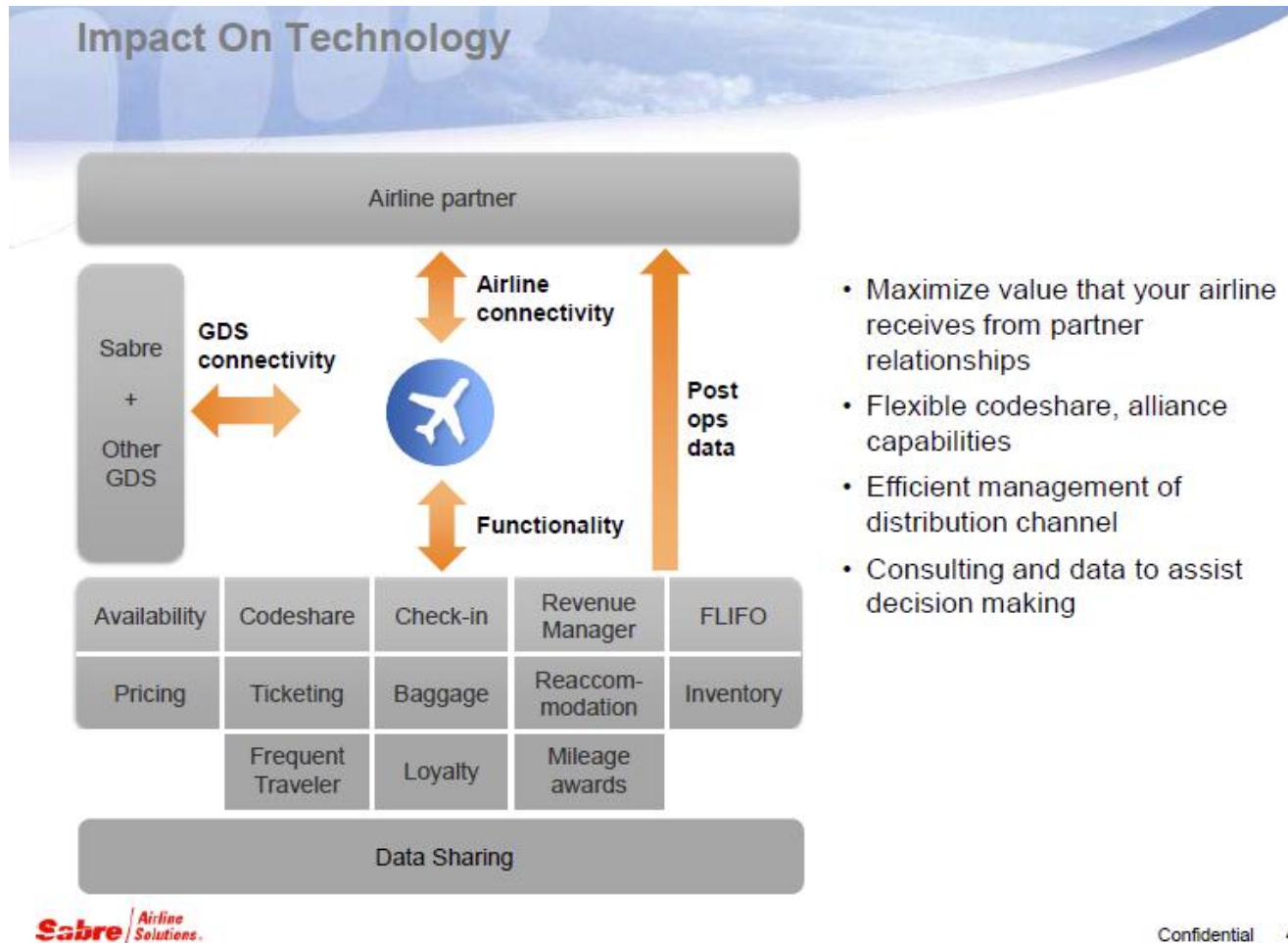


# Technology needs to handle it...

```

2   OS 151   C9 D9 JL
      B9 M9 H9
3   LH3571  J5 C5 D5
      B4 M4 H3
4LH:OS7243 C5 D5 J4
      H2 Q2 SL
5   OS 155   CL DL JL
      BL ML HL
6OS:LH6355 JL CL DL
    
```

## Aviation Marketing





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# Customer loyalty and FFPs

```
2   OS 151   C9 D9 JL  
      B9 M9 H9  
3   LH3571   J5 C5 D5  
      B4 M4 H3  
4LH:OS7243 C5 D5 J4  
      H2 Q2 SL  
5   OS 155   CL DL JL  
      BL ML HL  
6OS:LH6355 JL CL DL
```

**Piotr Kozlowski**

University of Information Technology and Management in Rzeszów



# What are the objectives of marketing?

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:	OS7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:	LH6355	JL	CL	DL



# Price reductions vs. Loyalty programmes

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL

Discount

Customers gets only financial reward *post factum* – lack of relationship and flexibility

CUSTOMER  
LOYALTY

Loyalty programmes

Delivers more values than only financial reward – loyalty programs look into the future relationship rather than backwards

# Frequent Flier Programme

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## FFP Benefits

REWARDS

RECOGNITION

RELATIONSHIP

Source: IATA

152





# Reward

## Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4LH:OS7243		C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6OS:LH6355		JL	CL	DL

- Incentives for passengers – passenger earns miles for flying with an airline
- It can be also considered as a bribe for selecting flight with particular airline



Source: IATA

153

# Recognition – benefit for an airline

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Market segmentation on the basis of actual customer usage



# Recognition – benefit for an airline

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
	4LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
	6OS:LH6355	JL	CL	DL

Deliver recognition benefits to the most valuable customers



# Recognition – benefit for an airline

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4	LH:OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6	OS:LH	6355	JL	CL	DL

Ability to customize product for the particular customer

## How FFP can support product customisation:

- Storing and analysing data on travel preferences
- Targeted sales calls to particular customer to customise the sales process
- Measuring customer profitability
- Customising exclusive service

Source: IATA

156

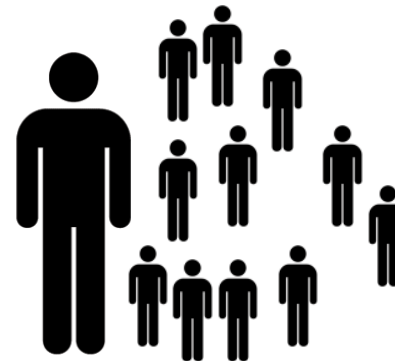


# Relationship

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Identify and communicate with individuals



# Relationship

## Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

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Folders

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- Drafts (46)
- Sent
- Spam (38) [Empty]
- Trash [Empty]
- My Photos
- My Attachments

Chat & Mobile Text

I am Offline

My Folders [Add - Edit]

- Ewa

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From: "Lufthansa" <newsletter@lh.lufthansa.com>

To: piotrkozlowski@yahoo.com

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# Potential of FFPs in product determination (examples)

Aviation Marketing

2	OS	151	C9	D9	JL
			B9	M9	H9
3	LH	3571	J5	C5	D5
			B4	M4	H3
4LH:	OS	7243	C5	D5	J4
			H2	Q2	SL
5	OS	155	CL	DL	JL
			BL	ML	HL
6OS:	LH	6355	JL	CL	DL

Deciding which seats to buy for new Business Class...

Selecting suitable hotel partners...

Advising on cabin crew features...

Choosing the right meals services...

Changing times and frequency...

Source: IATA

159



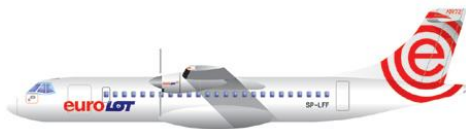
# Optmizing revenues and demand throught FFP

## Aviation Marketing

2	OS 151	C9 D9 JL
		B9 M9 H9
3	LH3571	J5 C5 D5
		B4 M4 H3
4	LH:OS7243	C5 D5 J4
		H2 Q2 SL
5	OS 155	CL DL JL
		BL ML HL
6	OS:LH6355	JL CL DL

Bonus miles  
Shift demand to earlier flight

LO3806  
RZE – WAW  
0905 – 0955  
Demand: 60 seats



LO3802  
RZE – WAW  
1400 – 1450  
Demand: 43 seats



LO3808  
RZE – WAW  
1800 – 1850  
Demand: 73 seats





# Ancillary revenue through partnerships

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## Aviation Marketing

Flights

Hotels

Car rental

Credit cards

Subscriptions and books

Telecommunications

Shopping

Polska English | Other countries | lot.com | Pomoc

**Miles & More** | **LOT POLISH AIRLINES**  
Lufthansa


Gromadzenie mil Wykorzystywanie mil Program

Serdecznie witamy

Miles & More

**Wszyscy nasi partnerzy**

Tutaj znajdziesz ogólne informacje o naszych partnerach partnerach z najróżniejszych branż. [więcej...](#)



# FFPs challenges and problems

Aviation Marketing

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

Costs of establishing and maintenance

Costs of service

Revenue displacement

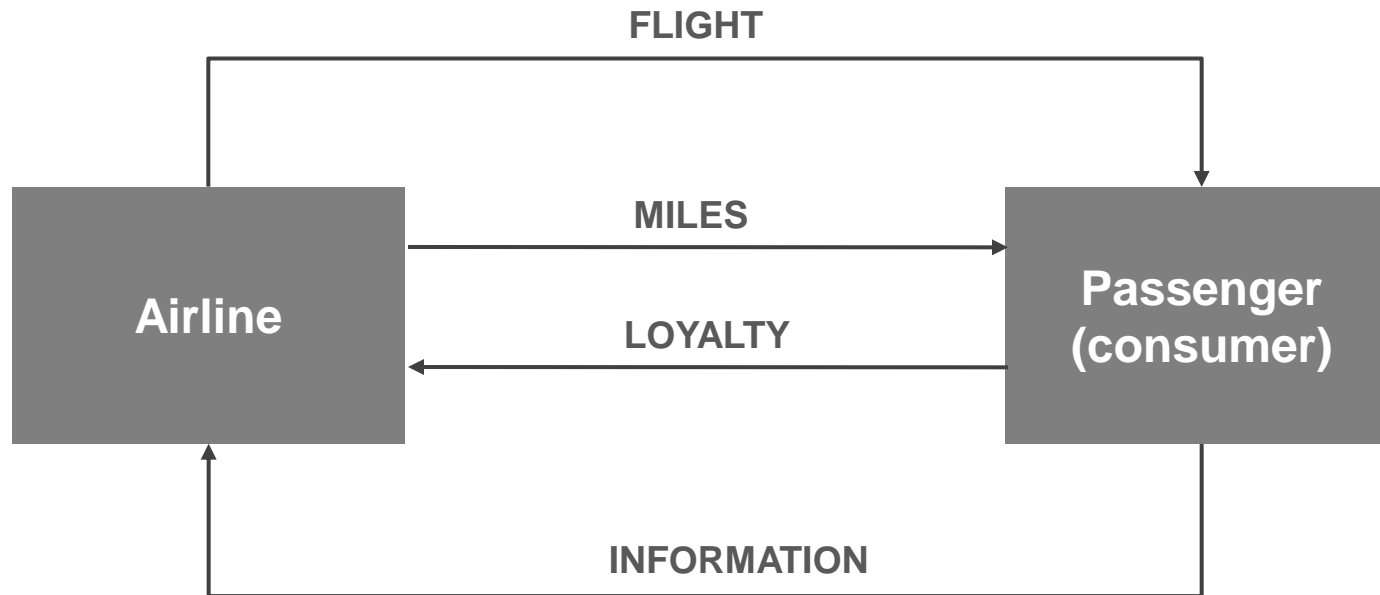
Accrued liability



# FFPs trade offs

Aviation Marketing

```
2  OS 151  C9 D9 JL
   B9 M9 H9
3  LH3571 J5 C5 D5
   B4 M4 H3
4LH:OS7243 C5 D5 J4
   H2 Q2 SL
5  OS 155  CL DL JL
   BL ML HL
6OS:LH6355 JL CL DL
```



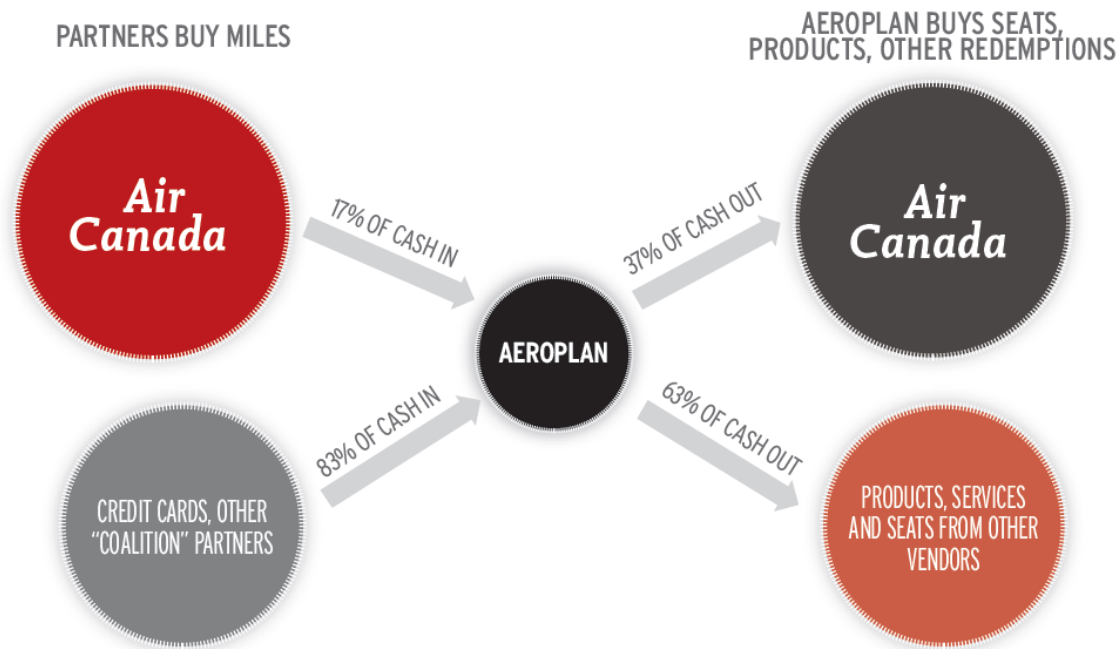
# How to make money on FFP

2	OS 151	C9	D9	JL
		B9	M9	H9
3	LH3571	J5	C5	D5
		B4	M4	H3
4	LH:OS7243	C5	D5	J4
		H2	Q2	SL
5	OS 155	CL	DL	JL
		BL	ML	HL
6	OS:LH6355	JL	CL	DL

## Aviation Marketing

### THE BASIC AEROPLAN BUSINESS MODEL

SOURCE: CAPA - CENTRE FOR AVIATION, BASED ON EARLY ACE PRESENTATION



60 AIRLINE LEADER | SEP-OCT 2011

