The Product of the future

Dr Keith Mason FRAeS

Istanbul Technical University

Air Transportation Management, M.Sc. Program

Airline Marketing

Friday 8th – Session 3

May 2015

The product of the future

Dr Keith Mason

Head, Centre for Air Transport Mangagement

Airline Marketing is difficult as it is a service

- Perishable
- Intangible
- Variability of service provision
- Customers involved in the production
  - Need to train/educate customers about production/delivery of service
- Other people maybe involved in part of the product experience
- Difficult for customers to evaluate the value created by the service

Product Planning

- Which segment of the market?
- Which routes?
- Inflight products - no. of cabins, size of cabins, seat configurations, interior design, IFE, food, toiletry bags,….
- Loyalty programme/ Frequent Flyer Programme
- Ground related products - access to and from airport, lounges, check-in, fast track, baggage handling,…
- Branding and differentiation
- Harmonisation of products with partners
- ……….

This

Or this?

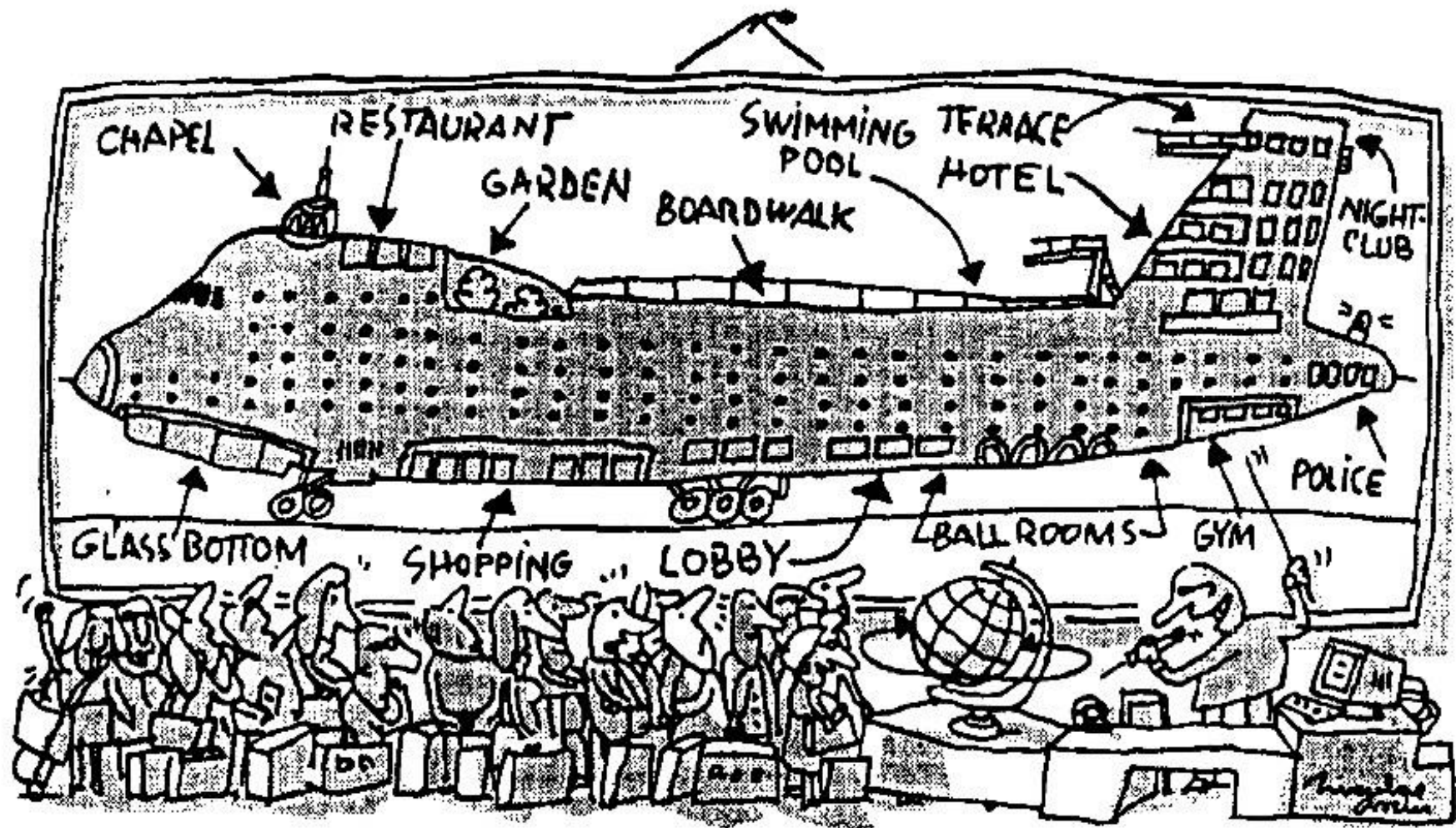Cranfield UNIVERSITY

21st Century Customer Characteristics

- Informed/empowered
- Demand service excellence
- Value-conscious
- Internet savvy
- Time-conscious/speed
- Demand individual service
- Demand flexibility
- Low loyalty
- Spoiled
- Share poor experience instantly with social network
- ……………..
- ………..

Marketing Strategies

- Market intelligence/research to identify customers, and their values and expectations

- Delivering the correct product at a competitive price

  - how to achieve premiums in a revenue management environment for added value products when these products cannot be stored?

- Creating an identifiable and sustainable competitive advantage

What might you want on your own individual airline product?

The future