



Introduction to Marketing

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Airline Marketing

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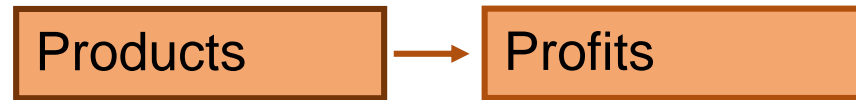
“Marketing is the process of planning and executing the conception, pricing, promotion and distribution of goods, ideas and services to create exchanges that satisfy individual and organizational goals”

It's easy to see how the definition evolved from the 4Ps concept:

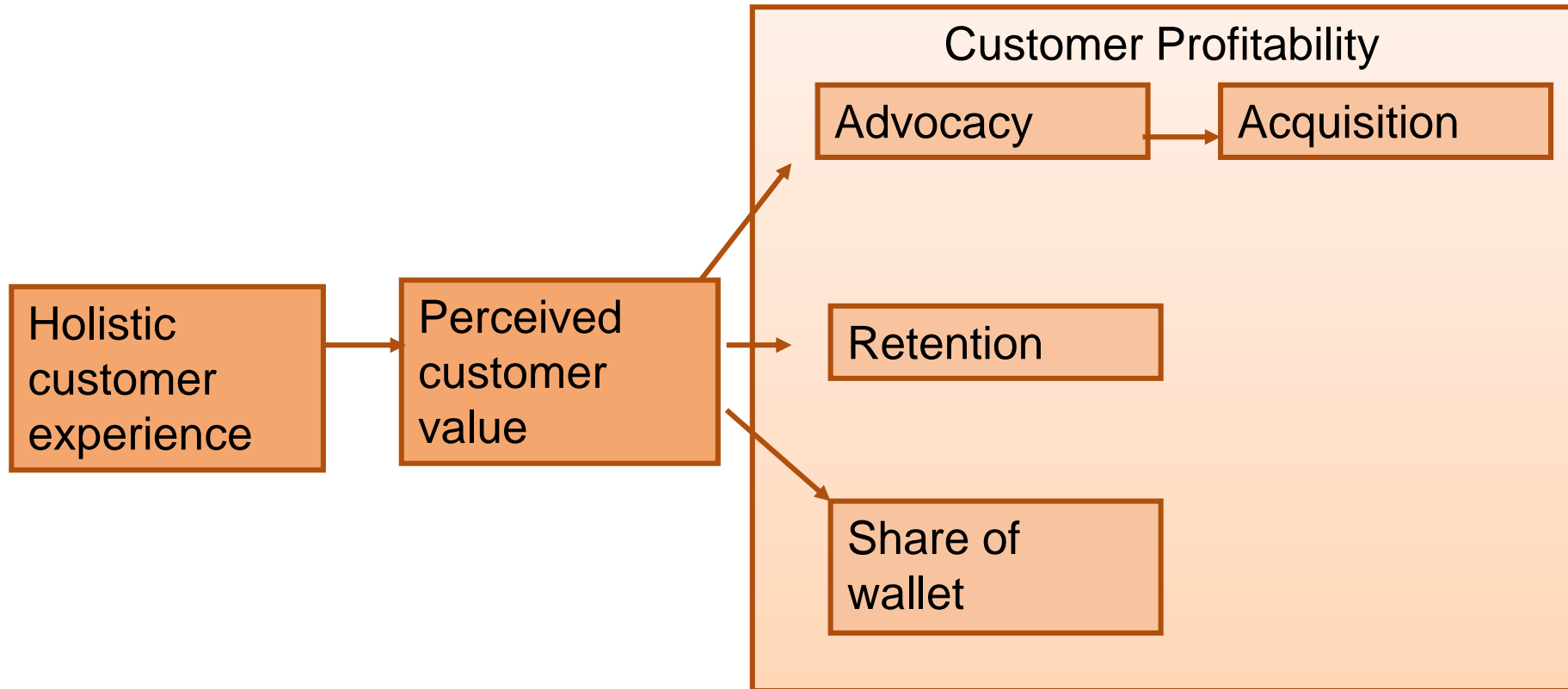
- **Product**
- **Price**
- **Place (distribution)**
- **Promotion**

All controlled by the marketer

I'm organised therefore I think...



A relationship perspective on how profits arise: The experience-profit chain



Transactional Focus

- Focus on a single sale
- Orientation on product features & benefits
- Short time scale
- Less emphasis on customer service
- Limited customer commitment
- Moderate customer contact
- Quality is primarily a concern of production

Relationship Focus

- Focus on customer retention
- Orientation on customer benefits
- Long time scale
- High customer service emphasis
- High customer commitment
- High customer contact
- Quality is the concern of all

Business Vs. Consumer Marketing

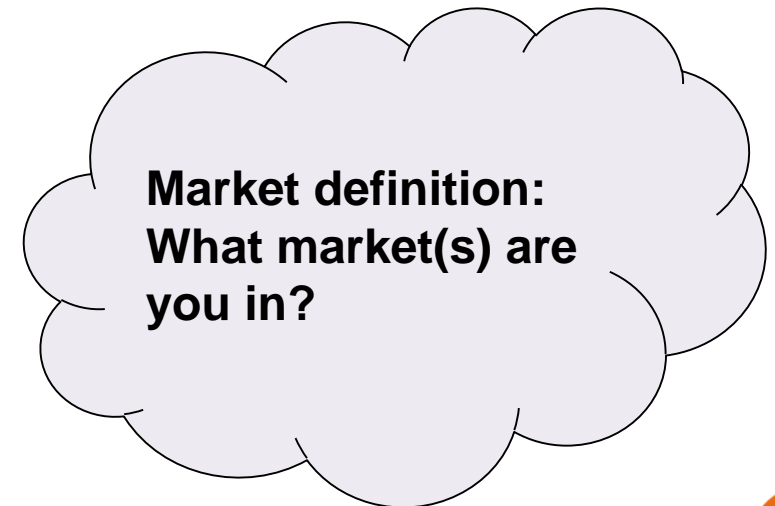
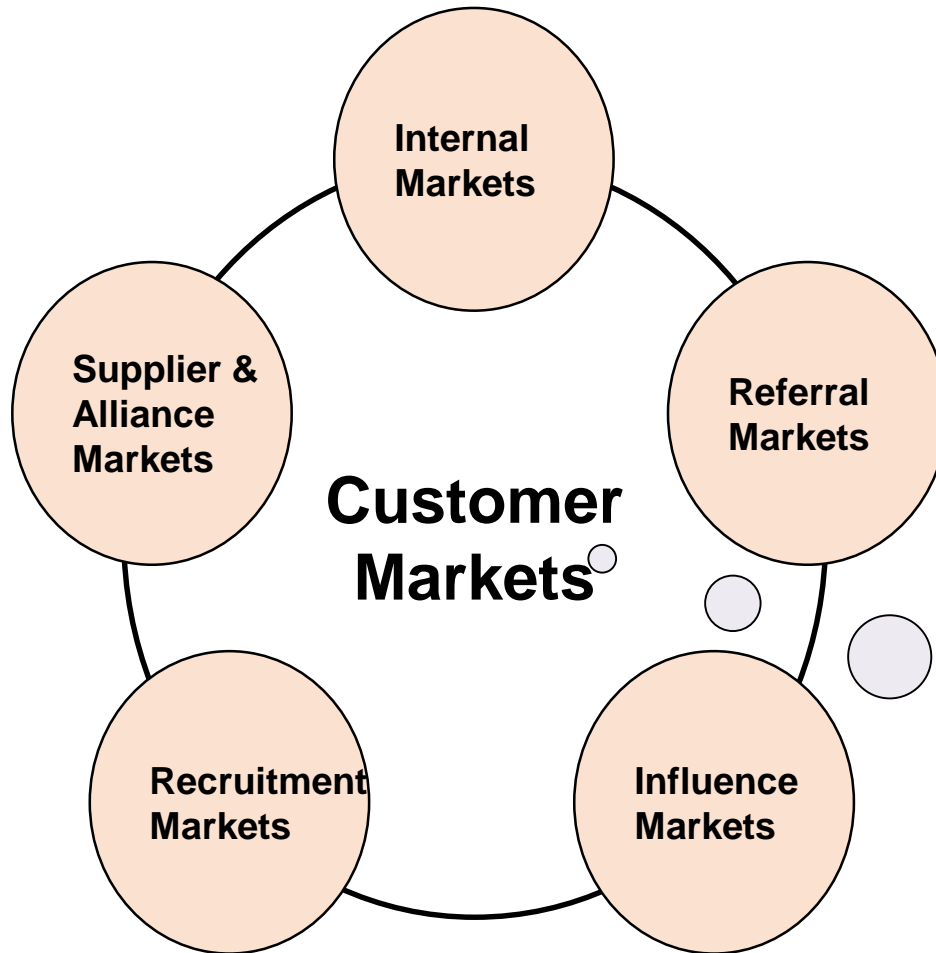
	B2B marketing	B2C marketing
Customer base	Few, larger with concentrated buying power (Goodyear Tire Company; aircraft engines)	Numerous, widely dispersed, and with limited buying power
Buying Influences	Group decisions; Several buying influences; Many purchasing procedures Professional purchasing	Individual and family involvement Impulse or planned
Buyer- supplier relationships	Close relationships overtime. Pre-sale consultancy and problem-solving. After-sales services and support	Short duration with very little close contact (but note Brands and CRM indicating long-term relationships)
Product	Technical complexity. Standard or customised.	Standard
Promotion and Sales	High unit price. Multiple sales calls	Generally, but not always, low priced; Advertising and branding play a bigger role
Demand	Derived from the demand for consumer goods; is fluctuating (more volatile); buyers are geographically concentrated	

2004 AMA Definition of Marketing

(20 years later)

“Marketing is an organizational function *and* a set of processes for creating, communicating and delivering *value* to customers and for managing customer *relationships* in ways that benefit the organization and its stakeholders”

The relationship marketing multiple markets model



2009 AMA Definition of Marketing

(5 years later)

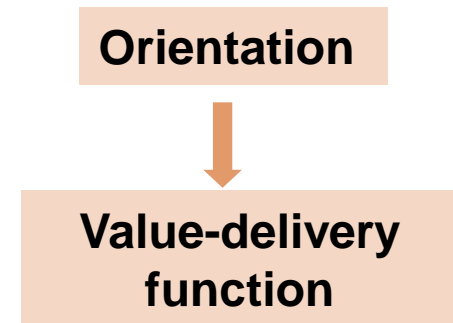
“The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”

Another definition: what's in the marketing process?

Marketing is a process for:

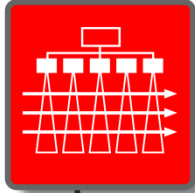
- **Understanding** markets
- **Quantifying** the value required by the different groups (segments) within these markets
- **Communicating** this value to those responsible for delivering it
- **Measuring** the effectiveness of the value actually delivered

To do this, it needs:



McDonald and Wilson, 2002

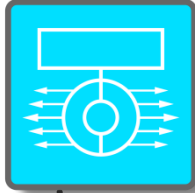
A Framework of Marketing



The Role of Strategic Marketing

- Market Orientation and Marketing Assets
- Create dual value: For customer and for firm

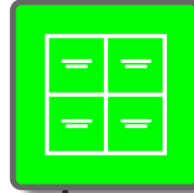
Orientation



Customer Insight

- Buyer Behaviour (both B2B and B2C)
- Marketing Research

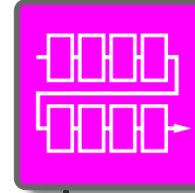
Discover



Marketing Strategy

- What Market are you in?
- Segmentation, Targeting and Positioning
- Marketing Planning: Analysis and Process

Plan



Marketing Mix

- Product Strategy and Innovation
- Pricing
- Brand and IMC Management
- Managing Channels

Marketing Mix



Customer Management

- Managing the Customer Experience
- Key Account Management
- Customer Relationship Management

Relationship

The challenges of Airline marketing: a service

- Perishable
- Intangible

The challenges of Airline marketing: a service

- Perishable
- Intangible
- Variability of service provision
- Customers involved in the production
 - Need to train/educate customers about production/delivery of service

The challenges of Airline marketing: a service

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

Customer-centric approach to airline marketing

Strategic marketing planning process:

Segmentation
Market attractiveness
Competitive analysis
Directional policy matrix



Strategies:

Product: Value propositions & branding
Place: Multichannel strategy
Price: Pricing & revenue management
Promotion: Marketing comms & social media

Competencies needed:

Understanding customer experience & value

Customer insight



Customer led innovation

Loyalty management

1. Marketing is about aligning what we have to offer with what the customer will perceive value from
2. This *process* may (or may not) be coordinated by marketing *people*, but will certainly involve others too
3. A relationship perspective is valuable in contexts (e.g. much of B2B) where customers perceive value from a longer-term relationship rather than discrete transactions
4. But maintaining relationships may incur costs, which are not always justified
5. Some extend the marketing definition to include relationships not just with customers but also with other stakeholders (influencers, society etc)



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