

Istanbul Technical University

Airline Marketing

Course Outline

The following is an outline of course topics:

Day 1, Monday, January 27

Introduction to Marketing / Market Segmentation / Understanding Customer Experience & Value

Reading Material for Day 1

[Qualimetrics: Linking Twitter data to brand performance](#)

Module 1 (1.75 hours)

Introduction to marketing

[Lecture Note for Module 1: Introduction to Airline Marketing](#)

- Derived market
- Drivers of demand
- Marketing services – heterogeneity, intangibility, perishability, consumer involvement, etc.
- Marketing management
- The marketing mix
- The marketing process

Module 2 (1.5 hours)

Market segmentation

[Lecture Note for Module 2: Consumer Behaviour and Market Segmentation](#)

- Consumer behaviour
- Rationale for market segmentation
- Bases for segmentation
- Demographic segmentation
- Behavioural segmentation
- Benefits sought
- Characteristics of key market segments – leisure, VFR, business

Module 3 (1.75 hours)

Understanding customer experience

[Lecture Note for Module 3-4: Understanding Customer Experience and Value](#)

- Commoditisation in maturing markets
- Competing on customer experience
- Customer experience components
- B2B vs B2C customer experience

Module 4 (1.5 hours)

Understanding customer value

[Lecture Note for Module 3-4: Understanding Customer Experience and Value](#)

- Embedded value vs value-in-use
- Usage process quality and value
- Eliciting the value required by customers

Day 2, Tuesday, January 28

Assessing market attractiveness / Assessing business strengths / Objectives and strategies / Consumer insight

Reading Material for Day 2

[Better Customer Insight – in Real Time](#)

[A stage model for multichannel CRM](#)

Module 5 (1.75 hours)

Marketing plans (1): Assessing market attractiveness

[Lecture Note for Module 5-7: Marketing Plans](#)

- Strategy as resource allocation
- Prioritising products and segments
- Market attractiveness analysis

Module 6 (1.5 hours)

Marketing plans (2): Assessing business strengths

[Lecture Note for Module 5-7: Marketing Plans](#)

- Critical success factor analysis
- Summarising the portfolio: the Directional Policy Matrix (DPM)
- Interpreting the DPM

Module 7 (1.75 hours)

Marketing plans (3): Objectives and strategies

[Lecture Note for Module 5-7: Marketing Plans](#)

- Defining marketing objectives
- Defining marketing strategies
- Strategies and risk: the Ansoff matrix

Module 8 (1.5 hours)

Customer insight

[Lecture Note for Module 8: Customer Insight](#)

- Service quality
- Experience quality and experience tracking
- Value-in-use: repertory grid technique
- Insight into action: knowledge-based organisational learning

Day 3, Wednesday, January 29

Multichannel strategy / Branding / Case study

Module 9 (1.75 hours)

Multichannel strategy (1)

[Lecture Note for Module 9-10: Multichannel Strategy](#)

- Drivers of multichannel strategy: cost, customer experience and coverage
- The need for multichannel integration
- Market mapping
- Coverage maps

Module 10 (1.5 hours)**Multichannel strategy (2)**

- Channel chain analysis
- The channel curve
- Customer channel migration

Module 11 (1.75 hours)**Branding**[Lecture Note for Module 11: Airline Branding](#)

- What is a brand?
- Why brand an airline?
- Characteristics of successful brand
- Why do airlines struggle to be successful brands?

Case Study (1.5 hours)

- Branding

Day 4, Thursday, January 30**Pricing and revenue management / Promotion / Social media / Case study****Module 12 (1.75 hours)****Pricing and revenue management**[Lecture Note for Module 12: Pricing and Revenue Management](#)

- Issues with airline pricing
- Communicating value with price
- Elasticity of demand
- Perishability, marginal cost and the revenue management dilemma
- Traditional revenue management process
 - Historic data
 - Forecasting demand
 - Setting prices and inventory
- Low cost airline revenue management

Module 13 (1.5 hours)**Promotion**[Lecture Note for Module 13: Promotion and Marketing Communication](#)

- Definitions
- Advertising plan
- Objectives
- Strategy
 - Message
 - Media
 - Timing

Module 14 (1.75 hours)**Social media**[Lecture Note for Module 14: Social Media](#)

- How social media is changing the promotional landscape
- Multi-directional, multi-lateral engagement in social networks
- Social media channels
- Interacting directly with customers
- Media management
- Viral marketing

Case Study (1.5 hours)

- Promotion

Day 5, Friday, January 31**Customer led innovation / Airline product of the future / Loyalty / Loyalty in a multichannel environment****Reading Material for Day 5**[Uncovering the Customer Experience Mystery... intimate revelations from hotel guests](#)**Module 15 (1.75 hours)****Customer led innovation**[Lecture Note for Module 15: Customer Led Innovation](#)

- Hidden needs analysis
- Co-design with customers
- Co-design with suppliers
- Micro case study: Boeing Dreamliner

Module 16 (1.5 hours)**Airline product of the future**

- Examining the current airline product
- Assessing value in the product
- Inflight product usage – stated preferences
- Future product
 - Wi-Fi and the future of IFE
 - Seats/beds/suites
 - Lighting/open cabins
 - Individual choice and group service
 - Customisation

Module 17 (1.75 hours)**Loyalty**[Lecture Note for Module 17: Airline Loyalty](#)

- Definition of loyalty
- Assessment of loyalty in the airline industry
- FFPs – three types of programmes
- Monetising the FFP
- How loyal is loyal?
 - Patronage and attitudes towards full service and low cost airlines

Module 18 (1.5 hours)**Loyalty in a multichannel environment**

[Lecture Note for Module 18: Loyalty in a Multichannel Environment](#)

- Principles of relevant customer conversations
- A stage model of multichannel customer relationship management
- Benchmarking multichannel CRM maturity

Day 6, Saturday, February 1**Creating a customer centric organization / Case study / Review****Module 19 (3.25 hours)****Creating a customer centric organization**

[Lecture Note for Module 19: Creating a Customer Centric Organization](#)

- Structure
- Metrics and rewards
- IT and processes
- Culture
- Benchmarking customer centricity

Case Study (1.75 hours)

- Presentations

Review & Key Takeaways (1.5 hours)