

School of Business**Master of Business Administration MBA Dual Specialization
Semester End Examination - Aug 2024**

Duration : 180 Minutes
Max Marks : 100

Sem IV - MSB23T2002 - Aviation Sales and Airline AdvertisingGeneral Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) In light of the global challenge posed by climate change, imagine you are a senior executive at a Swiss International. How would you develop a sustainability strategy to reduce the environmental impact of your airline's operations while maintaining profitability and competitiveness in the global aviation market? K3(6)
- 2) As an aviation expert, analyze the below mentioned: K4(8)
Q1) How might international aviation stakeholders collaborate to develop standardized sustainability practices and promote the adoption of eco-friendly technologies across the global aviation market? (4 marks)
Q2) How can regulatory bodies simplify certification processes and standardize safety standards to facilitate international cooperation and create a more seamless operating environment for airlines globally?(4 marks)
- 3) (i) Examine the potential challenges that sales professionals may face when implementing the SPIN model in a highly competitive aviation market. K4(8)
(ii) How can these challenges be mitigated? (5+3 marks)
- 4) Analyze and contrast the impact of dynamic pricing strategies versus traditional fixed pricing models on airline revenue generation. Provide a detailed analysis considering factors such as demand elasticity, pricing discrimination, revenue management practices, customer segmentation, and the overall competitive landscape in the airline industry. Based on your analysis, evaluate the effectiveness of each pricing strategy and recommend which approach would be more suitable for maximizing revenue for airlines. K4(4)
- 5) Airlines are increasingly weaving sustainability and eco-friendly initiatives into their sales and advertising campaigns, employing intricate strategies such as highlighting fuel-efficient aircraft and carbon offset programs while leveraging storytelling and visual content across various marketing channels. However, evaluating the effectiveness of these initiatives in attracting environmentally K3(9)

conscious travelers entails navigating complex financial considerations and operational constraints inherent in the airline industry, as sustainability measures may pose challenges in cost management and profitability despite their potential to enhance brand reputation and foster long-term customer relationships.

(i) investigate the intricate strategies employed by airlines to seamlessly incorporate sustainability and eco-friendly initiatives into their sales and advertising campaigns. (5 marks)

(ii) Evaluate the effectiveness of these initiatives in attracting environmentally conscious travelers, while navigating complex financial considerations and operational constraints inherent in the airline industry.(4 marks)

- 6) In the dynamic aviation market, understanding the diverse needs, preferences, and behavior of different customer segments is crucial for airlines, aircraft manufacturers, maintenance providers, and passengers alike. Let's explore the case of AeroSky Aviation, a prominent player in the aviation industry, as it navigates the complexities of customer segmentation. AeroSky Aviation operates in a highly competitive market where catering to various customer segments is essential for success. The airline serves both business and leisure travelers, offering a range of services from premium cabins to budget-friendly options. Additionally, AeroSky Aviation partners with aircraft manufacturers and maintenance providers to ensure fleet reliability and efficiency. Understanding the distinct needs and preferences of each customer segment is paramount to AeroSky Aviation's strategic decision-making and long-term growth.
- Identifying Key Customer Segments:** AeroSky Aviation must accurately identify and define the key customer segments within the aviation market, including business travelers, leisure travelers, corporate clients, aircraft manufacturers, and maintenance providers.
- Understanding Unique Needs and Preferences:** Each customer segment has unique needs, preferences, and behavior patterns that AeroSky Aviation must understand to tailor its products, services, and marketing strategies effectively.
- Balancing Competitive Priorities:** AeroSky Aviation navigates the challenge of balancing competitive priorities across diverse customer segments. This includes delivering premium services tailored to the needs of business travelers while simultaneously ensuring cost-efficiency to cater to budget-conscious leisure travelers.
- Managing Relationships with Partners:** AeroSky Aviation's success hinges on fostering strong relationships with aircraft manufacturers and maintenance providers. Understanding their unique needs and preferences is paramount for cultivating productive partnerships that uphold fleet reliability and efficiency.
- Responding to Market Dynamics:** AeroSky Aviation remains agile and responsive to the constantly evolving aviation market influenced by economic conditions, technological advancements, and shifting consumer preferences. By staying attuned to market dynamics, the airline effectively meets customer expectations and maintains competitiveness.

K5(10)

Q1) How does AeroSky Aviation tailor its services to meet the unique needs of business and leisure travelers while maximizing

revenue opportunities? (5 marks)

Q2) How does AeroSky Aviation foster and maintain strong relationships with aircraft manufacturers and maintenance providers to ensure fleet reliability and efficiency? (5 marks).

7) Analyse the cases mentioned below and give resolution to both: K5(10)

Case 1: "Consider a scenario where Go air is experiencing significant delays and inefficiencies in its operations, leading to decreased customer satisfaction and increased costs. How can the airline utilize airport products and services to improve its operations and enhance the overall customer experience?" (5 marks)

Case 2: "Imagine an incident where a Bagdogra airport experiences a technical failure in its baggage handling system, leading to a significant disruption in flight operations. How can the airline and airport collaborate to mitigate the impact of this incident on passengers and ensure a swift resolution?" (5 marks)

8) Caselet- In response to declining passenger numbers, BlueWing Airlines, a leading regional carrier, launched a comprehensive advertising campaign to promote its newly introduced direct routes to popular tourist destinations. Leveraging print ads in travel magazines, video commercials on social media platforms, and targeted email marketing, BlueWing aimed to increase awareness and bookings for these routes. Following the campaign's conclusion, BlueWing sought to measure its impact on passenger numbers and revenue generation. Utilizing data analytics tools, they analyzed booking trends, website traffic, and customer feedback. The results revealed a significant uptick in bookings for the promoted routes, indicating a positive impact of the advertising campaign. However, further analysis uncovered a discrepancy between the actual revenue generated and the projected returns, prompting BlueWing to reassess their advertising strategies and ROI metrics. K5(15)

Questions:

1). Evaluate the effectiveness of BlueWing Airlines' advertising campaign in promoting its new direct routes. How did the campaign contribute to increasing bookings, and what factors may have influenced its success or limitations? (5 marks)

2). Critically assess the use of data analytics in measuring the impact of aviation advertising campaigns, using BlueWing Airlines' campaign as a case study. What key performance indicators (KPIs) should airlines consider when evaluating the effectiveness of their advertising efforts? (5 marks)

3). Analyze the challenges and limitations of measuring the return on investment (ROI) of aviation advertising campaigns, with specific reference to BlueWing Airlines' experience. How can airlines improve their ROI measurement strategies to better align with business objectives and optimize advertising spend? (5 marks)

9) Case Study- AirConnect, a leading global airline, sought to enhance its sales promotion efforts both nationally and internationally by outsourcing its marketing strategies to specialized K6(18)

agencies. For its national campaigns, AirConnect collaborated with a local marketing firm renowned for its expertise in targeted advertising and promotional events. Together, they developed tailored promotions such as discounted fares for domestic routes and loyalty program enhancements for frequent flyers. Simultaneously, AirConnect partnered with an international marketing agency with extensive global reach and cross-cultural understanding. This collaboration focused on devising comprehensive international promotion strategies, including digital marketing campaigns, partnerships with travel agencies, and participation in international travel fairs and events. The agency also recommended localized promotions to appeal to diverse international markets, such as region-specific discounts and package deals tailored to cultural preferences.

Expanding on these efforts, AirConnect also invested in training programs to ensure seamless coordination between its internal teams and the outsourced agencies. Regular communication channels were established to facilitate the exchange of ideas, feedback, and campaign updates. Moreover, AirConnect implemented robust data analytics systems to track the performance of its promotional activities and gain insights into customer behavior and preferences across different markets. These measures aimed to optimize the effectiveness of the outsourced sales promotion strategies and drive sustainable growth for the airline.

Questions:

1). Estimate the advantages and limitations of outsourcing sales promotion strategies for national and international markets, drawing insights from AirConnect's approach. How can outsourcing enable airlines to capitalize on specialized expertise and resources while ensuring alignment with local market needs and preferences? (6 Marks)

2). Evaluate the effectiveness of AirConnect's outsourced sales promotion strategies in driving customer engagement and bookings, both domestically and internationally. What key performance indicators (KPIs) should the airline monitor to gauge the success of its outsourced marketing initiatives, and how can it measure the return on investment (ROI) for both national and international campaigns? (6 Marks)

3). Propose recommendations for AirConnect to optimize its outsourced sales promotion strategies and maximize their impact on national and international markets. How can the airline enhance collaboration with its marketing agencies, streamline communication channels, and leverage data analytics to refine promotional tactics and achieve sustainable growth? (6 Marks)

10) Shakh Airways, a regional airline, is planning to launch a new route connecting several major cities in the region. The airline's marketing team is developing a media plan to promote the new route and attract passengers. They have identified three potential

K6(12)

types of media for the campaign: print media, digital media, and outdoor media.

Print Media: This includes newspapers and magazines. It offers a targeted approach to reach specific demographics but may have limited reach compared to other media types.

Digital Media: This includes online advertising, social media, and email marketing. It offers a wide reach and the ability to target specific audiences based on their interests and demographics.

Outdoor Media: This includes billboards, bus shelters, and other outdoor advertising options. It offers high visibility but may be less targeted compared to other media types.

Questions:

a) What criteria should Shakh Airways consider when choosing the type of media for its campaign? (6 marks)

b) How can Shakh Airways ensure that its media plan effectively reaches its target audience and maximizes the impact of its campaign?(6 marks)

c) How should Shakh Airways evaluate the success of its media plan and make adjustments if needed?(6 marks)