





## **MARKETING MANAGEMENT SBS**

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## **Executive Summary**

Emirates Airlines (EA) is among the foremost global aircraft corporations and is located in Dubai, UAE. It started its business undertakings in the year 1985, using two borrowed aircrafts! Today, Emirates Airlines owns a vast number of airplane fleet, extends its services across the entire world, and is the world's top-ranked airline company. More so, Emirate Airlines owns the most significant number of aircraft type Airbus 777 and Boeing A380 worldwide and is among the leader aircraft company regarding business innovation, customer satisfaction, among other parameters.

Notably, the proper application of marketing strategy and management concepts assists Emirates Airline to acquire a competitive advantage in this highly competitive industry. Among its leading business strategies, Emirates Airlines edges its competition by carefully reviewing their competitor's SWOT analysis so that they understand what to implement. If need be, it forms partnerships with other companies so that they maximize profitability. This corporation also undertakes a proper analysis of the target market, market segmentation, and marketing mix. The combination of these elements makes this company understand its customer needs and, in the end, enjoys higher returns.

The overall summary and conclusion of the study indicate that Emirates Airlines is a perfect role model regarding the application of proper marketing strategies in the aircraft industry. Its great success is attributable to its overall strengths, including \sharp ability to identify opportunities, innovations, and precise market analysis. Other critical success factors for Emirates Airlines include its pursuit of high customer service that makes it enjoy repeat clients because of increased brand image, loyalty, and perception, among others.

The recommendations support and applaud the work well done. Overall, the following suggestions are, however, the best that this successful corporation can consider pursuing in its continued journey.

- Continue pursuing differentiation strategies
- Proceed to invest in research and development so that they always lead regarding innovation, customer understanding, and after that enjoy other benefits like proper targeting and segmentation
- Remain highly focused on customer service





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#### **Introduction**

Emirates Airlines (EA) is headquartered in Dubai City, UAE, and kicked off its business endeavor in October, the year 1985 (Emirates Airline, n.d). According to Kamarudeen & Sundarakani (2019), Emirates Airlines started its business with two leased planes, but as at today, it is entirely amongst the leading airline corporations regionally and internationally. Commendably, Emirates Airlines currently bears the title of being the first ranked airline corporations worldwide. EA is also the global leader regarding the number of Airbus 777 and Boeing A380 owned by the aircraft industries, and its destination network constitutes of more than one hundred and fifty travel destinations across the six continents (Emirates Airlines, n.d). Other success factors shared by Emirates Airlines (n.d) communicate that this company is regionally distinguished for its inflight entertainment and is also the one that runs the worldwide longest aircraft journey, which covers Dubai to Auckland.

The primary sources of Emirates Airlines' income are three that include passenger transport, cargo transport, and other non-transport services, including hotel operation, among other service diversifications (The Emirates Group Annual Repor, 2019). The success story for Emirates Airlines cannot just happen, primarily because of the competitiveness that exists in the airline industry. It is entirely correct to argue that the airline industry follows a maturity stage in the product life cycle (PLC). The PLC features four stages or phases of product development that include the introduction phase, the growth stage, and maturity stage and, lastly, the decline phase. All these stages explain the product performance from the time it enters the market until it declines. The PLC analysis helps companies to develop strategies for sustaining their products or services longer in the market or compete favorably.

Emirates Airlines, as a brand, is at the maturity stage. The characteristics of the maturity stage include perfect competition, increased promotional activities, and other strategies to make the company remain competitive in the market (Shaw, 2016). This study focuses on various marketing strategies that have seen Emirates Airlines succeed in this highly competitive industry. The scope researches the overall game plan for a marketing strategy regarding Emirates Airlines. More specifically, the following sections of this study discuss





the competition overview, the target market, market segmentation, SWOT analysis, market research, marketing mix, and after that conclusion and recommendations.

# Marketing Management Assignment Structure – Marketing Strategy

#### (Emirates Airlines)

For your brand of choice please prepare a marketing strategy on the below guidelines. This should clearly reflect the marketing mix – product, place, price, promotion and packaging as discussed in the class. The learnings on Brand Equity in the class should be the emphasis of the assignment.

Please note the brand should have linkage in the UAE – must be an existing brand or a brand that intends to be introduced in the UAE.

- 1. Executive Summary summarizing points 2-8.
- 2. Brand Overview describe the current status of the brand with a brief historical background. Also define the brand's current state on the Product Life Cycle.
- 3. Competition Overview Define competition
- 4. Target Market Define who is being targeted
- 5. Segmentation Demographic, Behavior, Psychographic
- 6. SWOT on brand or industry
- 7. Market Research if any carried out if no research carried out then suggest a need if any
  - 7.1 Product BCG matrix. Also include packaging plans if any.
  - 7.2 Place Choice of retail strategy
  - 7.3 Price penetrative or skimming or competitive
  - 7.4 Promotion pull or push strategy including choice of medium digital or traditional
- 8. Conclusions and Recommendations suggestions for change in current practices if any to make it more effective should be discussed.
- 9. Appendix Any other information you may provide.





## **Competition**

Business competition is the overall contest and rivalry between separate business entities in pursuit of gaining revenue. The modern world is highly characterized by changes that happen fast and unpredictably, thereby making factors like innovation to become very critical for any business that wishes to remain in the market (Sipa, 2017). The aviation industry is highly perfectly competitive because the services offered are characteristically similar (Hill, Schilling & Jones, 2020). Internally, Emirates Airlines has got a superb way of raising its competitiveness. For example, Alanezi & Al-Zahrani (2020) observe that Emirates Airlines successfully identifies its rival companies by conducting their respective companies' SWOT analysis. Once it understands its competitors, then formulating strategies for competing favorably with those companies becomes more comfortable.

Additionally, several other factors boost Emirates Airlines' overall competitiveness. For instance, EA has won several awards, both internationally and nationally (Emirates Airlines Group Annual Report, 2019). More so, Alanezi & Al-Zahrani (2020) report that Emirates Airlines forms several partnerships with other companies so that they maximize their overall profitability while at the same time reducing costs. The collaborations enable Emirates Airlines to enjoy shared resources. Last but not least, Kamarudeen & Sundarakani (2019) argue that Emirates Airlines observes a high level of quality service and innovations. For instance, by the year 2017, the average fleet age of Emirates stood at 5.8 years, which was only second to Qatar and Etihad Airways that had 5 and 5.4 years, respectively. Such factors make it possible for Emirates Airline to record high fuel efficiency, greater sustainability, top customer service, and others that are very critical in the aircraft industry.





#### **Target Market**

Target marketing assists businesses to identify who their customers are and their individual needs so that they provide goods and services that will satisfy them. The Emirates Group Annual Report (2019), Emirates Airlines, targets various customer segments. These clients include; tourists, business and job orientated passengers, and the transits passengers. The tourism and business customer segments are mostly courtesy of the region being the business and tourism hub. Business and job-oriented customers frequent this region in search of jobs and other business opportunities. Emirates Airlines targets transit passengers because Dubai, the operational center for Emirates Airlines, serves as the ideal position that connects Europe, Asia, and Australia. In this regard, Emirates Airlines has always been busy serving as a connection point for various travel destinations. The combination of those three critical target markets enables Emirates Airline to prosper and excel regarding target marketing.

## **Market Segmentation**

Usually, various customers exhibit unique tastes, a concept that allows easy customer segmentation following their needs, preferences, and flavors. Market segmentation assists companies in putting their customers into distinct groups and, after that, strive to provide service standards required by specific groups of customers ((Wedel & Kamakura, 2012). The aviation passenger market usually follows three factors; travel reasons, country of origin, and last but least, the intention of travel (Shaw, 2016). The market segmentation followed by Emirates Airlines follows the understanding of the respective target market. In this region, religious reason forms a fundamental basis for air travel. According to Mantur (2016), several reasons make people visit the Middle East region, including Ramadan and Haj ceremonies, population migration to maintain the link between communities, among others. Such factors make it easy for Emirates Airlines to segment its customers following demographic, behavior, and psychographic reasons. Psychographic segmentation assists Emirates Airlines to classify customers based on lifestyle, opinions, beliefs, ethics, and attitude. Demographics and practice, one the other hand, assists emirates airline to segment its customers regarding price-sensitive clients' need for travel, loyalty, among others.





#### **SWOT Analysis**

## **Strengths**

Basing on the above study, Emirates Airlines has several strengths. For instance, it is a highly competitive and globally recognized company. This company has also managed to acquire a strategic position in the world airline industry. More so, serving a diversified clientele is another critical strength is Emirates airlines (Alshubaily, 2017). Emirates Airline is also highly technology conscious, meaning that it leverages its services following the ever-changing market demands. In this regard, Emirates Airlines always has excellent opportunities for profit maximization.

#### Weaknesses

Not all diversification approaches that Emirates Airlines pursues have ended up becoming successful, a situation that constitutes a great weakness to this company. In the case of EA, this company does leave any chances of innovating. On one side, it is strength, but on the other hand, investing so much on innovation could also bring some other dangers like a loss. Such substantial investment in innovation thus constitutes a weakness to Emirates Airlines (Alshubaily, 2017).

## **Opportunities**

Notably, the underlying long-term competitiveness of any industry is its capability to innovate. In this regard, one of the pertinent opportunities for Emirate Airlines is to tap broader markets through the introduction of new ways of things in the aviation industry. Another possibility for Emirates Airlines regards a promising political environment. Most of the regions that Emirates Airline serves are politically neutral, if not allies.

#### **Threats**

According to Alshubaily (2017), rival companies, including the Gulf Airlines, British Airways, Qatar Airways group, and such constitutes the leading competition threats to this company. Should Emirates Airlines fail to observe the leadership position regarding innovations, it will quickly face the danger of being displaced by other aviation leaders in the industry. Other risks include threats from new entrants, existent products, financial downturns, and terrorism, to mention a few.





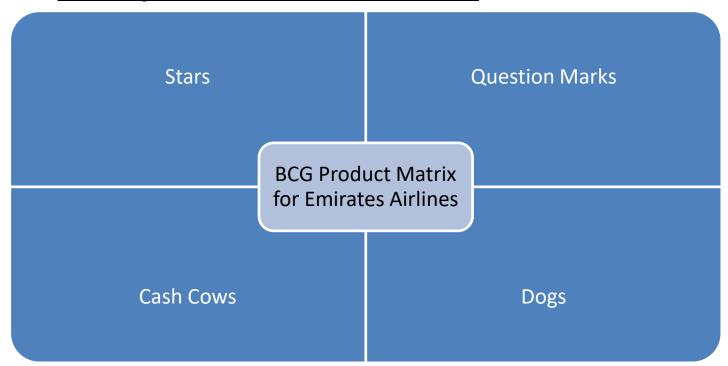
## **Market Research**

The following BCG (Boston Consulting Group) shares market research regarding Emirates Airlines. A BCG matrix is a strategic management tool that assists in analyzing the existing current position of a specific strategic business unit (SBU) and the potential offers to the organization (Pruschkowski, 2018). The BCG matrix consists of four classifications (the stars, question marks, cash cows, and poor dogs) under which every business unit exists regarding their perceived beneficial impact on the company. Further, these four classifications of the BCG matrix follow two major dimensions; the industry or market growth and the specific market share for every SBU.

#### **Product-BCG Matrix**

Emirates Airlines offers to its client's three fantastic flight options, including the first, business, and economy class. While every segment contains very comfortable seats, the first-class customers enjoy private suites and shower availability. More so, although all food is delicious, different classes of passengers enjoy different meals (The Emirates Airlines, 2019).

The following is the BCG matrix discussion for Emirates Airlines







#### The Stars

The business and first-class segments of the Emirates Airlines are the stars of its operations. These two are business leaders and are among the first flagship services (The Emirates Airlines, 2019). Further, Emirates Airlines' first-class and business divisions have been enjoying a good command of the overall market share in the aircraft industry. Consequently, Emirates Airlines has utilized its maximum potential and have made considerable investments in them so that their market share grows exponentially.

#### **The Question Marks**

The emirates airlines consist of some question marks SBUs in the BCG matrix. One of them is the local foods SBU whose recent trend indicates that the customers are more inclined towards the local foods (The Emirates Airline, 2019). In this regard, while the market for the food industry indicates a high growth rate, Emirates Airlines possess a low market share for this market segment.

#### The Cash Cows

One pertinent cash cow segment in Emirates Airlines is the International food SBU. According to Emirates Airlines (2019), this business segment has an excellent overall market share, but clients are increasingly shifting their preference towards local foods. That changing trend decreases the growth rate of this market segment. Another cash cow of Emirates Airline is the economy flight unit, which is among the first foundation for Emirates Airlines. This flight is not new in the market, and even before Emirates introduced launched its economy flight, other industry players were also offering the same class. However, according to Jarzabkowski & Kaplan (2015), when Emirates launched its economy flight SBU, many customers switched their preference to its economy flights. In markets like the Western and Middle East countries, Emirates Airlines has been recording good progress regarding the economy segment. In this regard, economy class is a cash cow to Emirates Airlines.

## The Dogs

Observably, Emirates Airlines do not want any observable dog in its BCG matrix.





#### **Place**

Emirates Airlines presently connects over one hundred and fifty travel destinations across the globe to more than eighty countries (Emirates, 2020). Further, Informa Markets (2020) and Kamarudeen & Sundarakani (2019), share that Emirates has got over two hundred and sixty-nine aircrafts traveling across various countries in the six continents. Travelers can book their Emirates flights through multiple platforms like Emirates website, other websites, and numerous tour operators and travel agents. More so, Alshubaily (2017) observe that Emirates pursues segmentation to ensure that its services are accessible to all their customers. Segmentation assists this company to accommodate the interests of the diverse clients.

#### Price

Emirates Airlines follows a competitive pricing system. However, relatively lower prices do not mean that Emirates Airlines offers the cheapest products, but instead, it always strives to balance quality with cost. Such kind of strategy is beneficial because clients become happy when they dig their pockets a little deeper for things that are appealing to them (The Emirates Group Annual Report, 2019).

#### **Promotion**

Emirates Airlines uses a pull strategy of promotion and achieves by providing top-notch services and discounts. That way, the customers keep on enjoying Emirates Airline services without much persuasion. On the other hand, this company uses a collection of promotion platforms, including online, mass, and print media has high chances of reaching large groups of potential and existing customers. Social networking sites (SNSs) like Facebook, Instagram, and twitter have with time increasingly become very critical mediums of communication to organizations. In addition to those various modes of advertisements, emirates airline also follows a vibrant and impactful customer relationship management programs that engage their clients at higher levels, (Alshubaily, 2017).





#### **Conclusions and Recommendations**

The case study targeted at exploring the marketing strategies behind the triumph of Emirates Airlines. The findings indicate that Emirates Airlines is a company to emulate and has been following critical elements of marketing strategies to assist them in their business endeavor. Right from competitive analysis, target marketing, segmentation, SWOT analysis, and marketing mix, Emirates Airlines has recorded great success. The primary threat of Emirates Airlines identifiable in this case study includes a high level of innovativeness, quality provision, technology consciousness, among others. However, Emirates Airlines has managed to observe the overall quality at high levels correctly and has remained competitive ever since it commenced its operations. In this regard, the significant recommendations for this study are to propose that Emirate Airlines continue pursuing differentiation strategies, research, and development, and last but not least, keep focusing on customer service. By observing those factors, Emirate Airline will continue to excel.





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