

Go-Air - Scenario Based Questions

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Scenario Based Questions

Go-Air scenario

Go-Air is a small no frills airline with a fleet of 22 aircrafts. It started in 2007 as a low-cost budget carrier and had been the top airline in its category. The strategic plan 2014-2018 struggled to meet its objectives due to increased competition, lack of a customer loyalty program (that other low-cost carriers offer), increasing frequency of flight delays and customer dissatisfaction.

Go-Air management board has decided to carry out a major review of the business strategy for the next 5-year strategic plan (2019-2023). As a senior ICT manager you have been asked to provide advice in preparing the next strategic plan as it relates to current and future ICT systems.

Summary

- Started 2007
- Low Cost budget carrier
- Top airline in category
- Strategic plan 2014-2018
 - lackluster performance
 - struggling to meet objectives
- Challenges
 - increased competition
 - lack of loyalty program
 - flight delays
 - unhappy customers

Need

- Review business strategy
 - Next 5 years, 2019-2023
- My advice from an ICT perspective

Questions

1. As a senior ICT manager outline what would be your first step in this scenario?

Hint: Think about gaining better understanding of the existing strategic plan and current business practices). 50-75 words

- Review documents and question staff on what propelled the company to become a top budget airline from year 2007 to 2013
 - Review the 2014/2018 strategic plan, look at it's assumptions, it's deliverables and KPI's
 - Read up and get a sense of the market forces that were in effect 2007-2013 vs 2014 - 2018.
 - Review the new competitors in the market
2. In the current strategic plan review, you have determined that there needs to be a significant investment in ICT systems. The introduction of a customer loyalty program is one area that would have impact on ICT systems and consequently the Go-Air business.

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ICT can stream line Go-Air in the following areas?

Customer loyalty

- Loyalty Program
- Reservations
- Customer support, FAQ and status updates
- Logistics (such as where is my bag)

Customer Loyalty can be implemented using each of these systems.

- A loyalty program can reward repeat customers or customers who refer other people
- A loyalty program can incentivize via partner programs
- Reservations can be automated for quicker flight on-board and reduced waiting times
- Customer Support and FAQ systems can answer repeat questions quickly
- Customers should be able to see the status of flights, availability and baggage through automated systems

3. Based on your answer in question 2 above, describe your advice to the Go-Air management regarding changes to ICT systems to accommodate a customer loyalty program?

- Add an LMS (Loyalty Management System)
 - Implement a Loyalty Program
 - Suggestions & Feedback
 - Integrate with partner systems
- Build personal and public dashboards for customer & staff
 - Flight schedules, delays
 - Promotions
 - Seat allocations
 - Baggage locations
- FAQ and Support
 - Create a rich searchable FAQ
 - Online access to support Ticketing

4. Outline your justification to Go-Air management for an increase in ICT related costs associated with the introduction of a customer loyalty program?

Hint: Think of ICT related cost as an investment and include some intangible benefits in your answer

Costs

- There is a purchase and on-going running cost for the LMS platforms
- There are one-off integration costs

Revenue

There will be increased revenue streams as well as cost reductions in existing areas of the business.

- Loyalty Program
 - Increase revenue via repeat customers because of lower prices or benefits that they receive.
 - Lock these customers away from competitors
- FAQ and Support tools will build up the company a knowledge base so that staff (new and old) will be more efficient
 - Reduction in customer service costs
- Dashboards will reduce customer service enquires and empower our customers.
 - Reduction in customer service costs

5. Based on the information provided in the Go-Air scenario, describe what other advice you have for the Go-Air management for the 2019-2023 Strategic Plan regarding ICT systems?

Please provide at least two ICT related examples in your answer.

- LMS (Loyalty Management System)
 - Easy to lock in our existing customers to using Go-Air vs a competitor
 - Provides a channel for new promotions
- Personal and public dashboards
 - Will cut costs associated with
 - Flight schedules, delay queries
 - Promotions
 - Automating seat allocations
 - Locating baggage

6. Implementing a customer loyalty program will mean significant changes to current ICT systems.

Outline an action plan to implement this change.

- Choose off the shelf LMS or build our own
- Any LMS system we got with will need integrations with our existing CMS (Customer Management System)
- The LMS will need to be keep track of customer purchases (aka flights)
- Marketing will need to define 1 or more loyalty programs
- If there is a plan to integrate loyalty with partner systems then;
 - We will need a person who's responsibility is to liaise with partners

- Integrations with partner systems will be bespoke and have various development costs associated

Develop KPI's to measure the success of the LMS

- Repeat customer purchases
- Increase in click through rates for new targeted promotion
- Increased revenue
- Understanding of the long term value of a customer
- Understanding of the cost of acquisition for new customers

7 . Implementing the customer loyalty program will involve some difficulties for both ICT systems and Go-Air business as a whole.

(Hint: Think from the perspective of the significance of ICT in today's business environment)

- Problem 1:
 - How easy will it be to create bespoke integrations with our CMS and Logistics platforms. Plus integration with partners
- Problem 2
 - New roles and responsibilities will need to be created in the marketing department related to loyalty programs and partnership relationships.