

TRADITIONAL PROMOTION ACTIVITIES

Abstract

Advertising, sales promotion, personal selling and public relation are some of the most important elements used in promotion. Airline promotional activity need to be adapted to the demand on the market. The most suitable advertising option for airline business will depend on target audience and what is the most cost effective way to reach as many of them as possible, as many times as possible. The advertising option chosen should also reflect the right environment for the product or service. The promotion policy helps the company keep control of the message it is sending about the good or service, as well as to dictate appropriate actions that employees can take when dealing with outside personnel. Promotion is one of the key elements of the marketing mix, and deals with any one or two-way communication that takes place with the consumer. The purpose of the article is to clarify what is difference between promotion and marketing activities and has to serve as a part of future prepared study material for students of University of Žilina.

INTRODUCTION

In the traditional way travel agents play a big role in the sales activities and commission payments were needed. Cutting out commissions to agents saves 6 to 10 per cent of the total costs. Low-cost airlines, such as Ryanair and Easy jet make advantage with selling their tickets on their own website. Full-service carriers followed soon, when they realized the savings. Airlines save money by shifting the sales and distribution activities through own sales offices, telephone call centers and websites. Sales-offices have been reduced in countries where airlines do not operate and they cut costs by establishing of their sales offices and sales staff where the alliance partners operate. This article has to summarize Promotional activities are used by low-cost carriers nowadays with some practical examples and connection to well know names. As it is possible to observe, trend has changed in recent years a lot to fits customer needs. Article will serve as short introduction to Airline Marketing for students of University of Žilina. Article shows, that there is the difference between marketing and promotion in all, what is important to know to understand whole concept of promotion and marketing theory, as this two terms are exchanged in scientific literature very often.

Adoption of the low-cost carrier business model has applied competitive pressure on established network or "legacy" carriers, by offering fares at prices those legacy carriers find it difficult to match and still cover their fixed costs. Airline industry has become more competitive; carriers need to increase profits and competitiveness. Different methods could be applied as route developments, in cabin comfort and services, seat allocation arrangements, new distribution channels and other promotional activities (Lin et al., 2006). Features such as full regional networks, long-haul connections, frequent flyer programs, membership in global alliances, lounges and business class cabins can be bundled into product which can be marketed and sold profitably to business and leisure travelers, to protect themselves against the low-cost carriers (Hazledine, 2011).

The difference between marketing and promotion

The key difference between marketing and promotion is the fact that promotion is a part of companies overall marketing mix. The marketing mix consists of price, product, place and promotion. Thus, marketing exists without promotion but promotion doesn't exist without marketing. It's also important to recognize that there are a variety of

different promotion tactics. They range from advertising to sales promotion and public relations to community engagement to name a few. As Stephen Blacker stated, these tactics attempt to make consumers aware of marketing overall. Here are the two definitions:

- a) Marketing is the process of making potential customers and clients interested in your products and/or services. Customers will be interested in your product because of 1st Price, 2nd Product, 3th Distribution Channel and 4th Promotion. This is the marketing mix.
- b) The publication of a product, organization, or venture to increase sales or public awareness. Promotion happens when a company offers a discount, runs an advertising campaign and links this communication to their value proposition. (SIMMONDS, R. - 2011).

The meaning and definition of promotion can vary because of different approach to marketing theory or different point of view. It is important to clarify exact definition or approach every time when this term has been used in theory.

1. SHIFT IN PROMOTIONAL FOCUS

It is up to an airlines own choice to decide the way they spend on advertisement and promotional activities. Through different kind of channels a wide public could be reached: television, radio, national press advertising. Advertising and promotional budget is only 2 per cent of their revenue. It should be spent in an effective way; it could be achieved by selecting the right target group. When an airline launches a new service, for example in a not known country at the home country, more advertisement could be spending. As well at places where there is a more intense competition, between the airlines. Japan Airlines and All Nippon Airways done remarkably little on advertising, because of the clearly focus of the Japanese market and the limited capacity between Japan and UK.

"Marketing is concerned with dynamic and interactive process of matching supply and demand in a manner which generates an adequate profit." Doganis p. 179 (2009)

More use of direct and online selling, ticketless travel and reduced commissions to agents and GDS's, ticketing, sales and promotion costs have gone down over the last 15 years. It is a major item of expenditure and it is very much influenced by the policies adopted by individual airlines.

An airline needs to identify its market position and marketing in order to establish an image. Social platforms differ in purpose, a cohesive brand personality is created across each platform by following the four C's of integration: consistency, customization, commitment, and caution. The substantial for airlines is to find new offers and insights for brand managers to take right position in social media within the communications strategy and utilize different social media platforms to understand and address individual customer's needs.

The Internet is fast spreading, the market power shifted from suppliers, the airlines, to the customer. The consumer can quickly search schedules, fares, seat availability and service offers. The power has been shifted to the consumer, whose has the latest information and knowledge about the options. Consumer is full aware of its option and therefore airlines should build a good relationship with their customers.

2. IMPACT OF THE PROMOTIONAL ACTIVITIES

Through different kind of techniques airlines could apply marketing: sponsorship, database marketing and media relations (f. e. social media, newspapers). Other kinds of media relations are:

- Television advertising
- Infomercials
- Radio advertising
- Online advertising
- Product placements
- Press advertising
- Billboard advertising
- Mobile billboard advertising
- In-store advertising
- Street advertising

- Sheltered Outdoor Advertising
- Celebrity branding

For example Emirates has used several famous football players to advertise in their new aircraft type A380. They sponsor football clubs with their football t- shirts as well. This could be an advantage, since a lot of people are watching it. On the other hand when the club loose, they would be seen as well and could have a more negative impact on their brand. More about promotion common platforms you can find in the pict. 1.

Database marketing will keep information of the customers and therefore select the customers for their promotions. Frequent Flyer Program has been a dominant factor in airline choice for business travel. The main objective of the "Frequent flyer program" is to gain more revenue by selling more seats. The flexibility and user friendliness are the key marketing tool of the FFP. It is for the airlines as well important to address their customers and have a database, for an effective customer relation-ship management. Nowadays privacy is a great concern of most customers, it is therefore important to protect the database from cybercrime. The advertising of airlines for example by sending e-mails should not be annoying for their own customers, because it could have a negative effect instead off positive one.

Airlines could reach a lot of people and potential customers, with media relations. All kind of platform is being used and the communication between the customers and the airlines has been improved. It is easier for the customers to respond on the product and the services, it is as well easier and faster for the airlines to reach their customers and build a good relationship with them. New routes and type of aircraft information could be provided, as well the service changes and the real time information about changes of the customer's flight.

Promotion: Common Platforms

Advertising	Sales Promotion	Events/ Experiences	Public Relations & Publicity	Personal Selling	Direct Marketing
Print & Broadcast Ads, Packaging-outers, Packaging inserts, Motion Pictures, Brochures & Booklets Posters & leaflets, Directories Reprint of Ads, Billboards, Display Signs, Point of purchase displays, Audiovisual materials, Symbols and logos Videotapes, CD, DVDs	Contests, games, sweepstakes, lotteries, Premium & gifts, Samples, Fairs & trade shows, Exhibits, Demonstrations, Coupons, Rebates Low-interest financing, Entertainment, Trade-in allowances, Continuity Programs, Tie-ins	Sports, Entertainment, Festivals, Arts, Courses, Factory Tours, Company Museums, Street Activities	Press Kits, Speeches, Seminars, Annual Reports, Charitable Donations, Sponsorships, Publications, Community Relations, Lobbying, Identity Media Company Magazine or newsletters	Sales presentations, Sales meetings, Incentive programs, Samples, Fairs and Trade Shows	Catalogs, Mailings, Tele-marketing, Electronic Shopping, TV shopping, Fax-mail Email Voice mail

Pict. 1. Promotion activities/ Common Platforms.

This increases the transparency between the company and the customers, which results in a better customer's satisfaction. The higher the customer's satisfaction the bigger the chance that the customer will purchase the product and even better, stay loyal to the brand. On the other hand people get to know things faster with social media, so if there are negative news or services experienced by the customers other customers will get it known soon.

For the brand building should be one of the most important quests to deliver the promised product in promised value and reach the passenger expectations not just during the flight, but also before and after flight. The airline needs to offer the product, which is in the eyes of the consumer a valuable product, meeting his demands. Customers will get the attention of the airlines when airlines are having advertisements. If the selected target group is right, the interest will grow and even develop a desire to buy the product. At the end with the promotional activities it will result in action to indeed buy the product. The advertising and promotional activities keep the customers up to date, interested and if the product was experienced as promised, they will stay loyal. The profit is important for every airline, but the sustainable profit even more important. This could be build when there is a long-term relationship with the customers.

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Pict. 2. Example of promotion advertisement Malaysia Airlines

CONCLUSION AND RECOMMENDATIONS

In conclusion we would like to highlight few main points which have been changed during the last years or at least have to be changed to succeed in the nowadays market according to promotional activities of low-cost carriers with examples of promotional activities. There are many more examples directly connected to the theory described above which are part of our whole study material prepared for new generation of students whose will be educationally in English language.

Airlines could benefit from applying different message framing strategies to different groups. Air travelers who join frequent flyer programs are generally intensively involved and hence more receptive to marketing messages. To persuade more effectively an airline could launch prominent offer for limited-time-only, using positively framed message directed specifically to these members.

Using different platforms of social media would help the airlines to implement the right type of campaign for a given platform, resulting in a deeper connection with the user over the time. Four consumer-

driven purposes are relationship management, newsgathering creativity and entertainment. It needs consistency and integration across all marketing communications, customization to allow the brand message to feel personally crafted for individual audiences of each platform, the need for commitment to relevant platforms and the need for managers to respond with caution to consumer commentary in social media.

What is strongly advised for all airlines, especially for low-cost airlines, is to improve management of the social media platform. It is a great challenge for all managers. Implementing a social media calendar to manage the ongoing communications between all basic components of the airlines would improve the social strategy. This calendar can ensure the communication plan with the 4C's and offers content aligned with the various audience needs across different platforms. Escalation protocol and detailed brand essence description is important to respond to customers in the social platforms. The escalation protocol can help the airlines to improve their image on social platforms when negative news occurs.

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DZIAŁANIA TRADYCYJNIE WCHODZĄCE W ZAKRES PROMOCJI

Streszczenie

Reklama, upusty, sprzedaż osobista i public relation należą do najważniejszych elementów stosowanych w promocji. Działania w zakresie promocji podejmowane przez linie lotnicze powinny być dostosowane do wymagań rynku. Najlepiej pasująca do branży lotniczej opcja reklamy będzie zależała od docelowego segmentu rynku i od tego, jaki sposób dotarcia do możliwie wielu klientów i możliwie często będzie najbardziej efektywny kosztowo. Wybrana opcja reklamy powinna także odzwierciedlać właściwe środowisko produktu lub usługi. Polityka promocji pomaga firmie utrzymać kontrolę nad komunikatem, jaki wysyła wraz z produktem lub usługą, jak

również określić działania, jakie mają podjąć pracownicy kontaktując się z personelem zewnętrznym. Promocja jest jednym z kluczowych elementów marketingu-mix i zajmuje się każdym rodzajem jedno- lub dwukierunkowej komunikacji z klientem. Celem artykułu jest wyjaśnienie, jaka jest różnica pomiędzy promocją a marketingiem; ponadto artykuł ma stanowić w przyszłości materiał do studiowania dla studentów Uniwersytetu w Žilinie.

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Acknowledgement

This paper is published as one of the scientific outputs of the project: „Centre of Excellence for Air Transport ITMS 26220120065“