

AIRLINE MARKETING MANAGEMENT WITH ECONOMIC RECOVERY ON MIND

Monika Belkoťáková – Michal Pružinský

In modern times the current marketing management is used in different ways in all types of organizations. Some use standard formalized marketing practices, so that its marketing activity carried out through violations of the rules of marketing. Marketing has many faces and as the companies themselves, how they choose to get the attention of customers. It is important to realize the nature of loss that it is not just a single sale, but the one of lifetime purchases and references. Through marketing, the management is trying to manage its activities so as to know customers, their objectives so as to achieve and maintain successful market position. The paper is to evaluate the use and implementation of contemporary knowledge management and airport management.

K e y w o r d s: marketing management, marketing environment, marketing mix, competition, customer service, product, SWOT analysis, PEST analysis, synthesis.

1 INTRODUCTION

The importance of marketing and transport services is increasing, as manifested by the development of the market environment in this area. Growing competition improves the company's approach to customers with focus on quality and presentation of products and services offered. Approaches to marketing companies are different in every business. Great emphasis is placed on air traffic as it is associated with various regulatory measures to its activities in certain limited areas. Air traffic control focuses primarily on customer safety; protection of consumer rights now in the foreground are the environmental impacts on the environment.

2 IMPORTANCE OF MARKETING MANAGEMENT

The importance of marketing management lies in its ability to implement marketing ideas and plans. A systematic process includes analysis, planning, implementation and management of marketing activities. An important activity involved is termed as control.

Marketing analysis consists in identifying and assessing the internal situation of the company, its goals, objectives and the negative effects of market environment. It arises from identifying market environment and the basic parameters of the market, namely demand, needs, market saturation, competitive situation, marketing and distribution channels. The actual marketing planning by the company should find a way that takes into account the current situation, opportunities, goals and resources. An important task of marketing is planning, cooperation with other components of the organization, ensuring strategic goals achievement.

Planning supports systematic thinking. It forces businesses to better rework its objectives and principles leads to better coordination of efforts across the company and provides better-defined standards for performance monitoring. After the company develops a marketing plan it comes to its implementation. It is important to be more efficient and effective in implementation to gain competitive advantage for the company. Two different

companies may have the same marketing strategy, but the winner is the one, which is faster and better implemented. The success of the implementation of marketing plans depends primarily on good matching of the company in terms of organizational structure, decision-making system; pay their employees and corporate culture. The process of implementation plans is the most demanding phase in term of the costs. The realization of marketing plans is often associated with various problems such as deficiencies in their preparation of the financial coverage, resistance to change, lack of motivation or ineffective schedule. The task of management is in the solution of such problems. At all levels of marketing management control must be exercised. There are several ways to implement it, but in any case one must be focused on customer satisfaction. Its aim is to compare the results with planned when it uses the analysis focused on sales, achieving market share, marketing costs and profitability.

3 MARKETING ENVIRONMENT TRANSPORT

The importance of marketing and transport services provided by it is increasing, as manifested by the development of the market environment in this area. Growing competition, improves the company's approach to customers, the focus is on quality and presentation of products and services offered. Marketing companies can access in every business is different. In the air transport great emphasis is placed on it because it is associated with various regulatory measures to its activities in certain limited areas. Air traffic control focuses primarily on customer safety and protection of their rights as consumers.

Given that air transport is primarily associated with offering intangible services, focusing marketing activities on the quality of services and customer care. A successful economic development helps airlines to actively review the market environment in which they operate. This examination uses various marketing tools.

3.1 Marketing Mix

Marketing mix is the instrument by which the company adjusts its offer to target markets. According to

(Foret, M. 2006) it includes 4 main groups, which influence the market environment and interest in the offered products and services –(i.e. 4 P):

- ✓ Product – Product
- ✓ Price - the price
- ✓ Place - location, distribution
- ✓ Promotion, communication.

Marketing mix			
Product policy	Communication policy	Pricing	Distribution policy
Range	Advertising	Price lists	Distribution channels
Quality	Sales support	Discounts	Availability
Design	Personal selling	Compensation	Range
Properties	Publicity	Credit conditions	Location
Brand			Stock
Packaging			Transport
Service			
Warranty			
Target market			

Table 1. Components of the marketing mix
Source: [2]

Application of marketing orientation in organizations providing services, which ranks among the airlines, showed that the original marketing mix containing 4 Ls of creating effective marketing plans and the achievement of these results is not enough. It was therefore necessary to connect other marketing mix P.

People	Processes	Physical attributes	Productivity and Quality
Staff	Procedural approaches	Space for service	Quality
Contact staff	Process of service	Physical attributes	Productivity
Customers			

Table 2. Complete with two indicators of the marketing mix
Source: [2]

3.2 Methods of examination of the marketing environment

Each company operates in a market environment and to be able to adjust to its requirements using different methods of investigation. The most commonly used methods include:

- ✓ PESTE analysis
- ✓ Analysis of micro-
- ✓ SWOT analysis
- ✓ Analysis of competition
- ✓ Analysis of markets. [4]

3.3 Analysis of the economic environment in the air

Air transport is the classification of the business that is heavily regulated by state conservation measures. However, despite this activity is to restricted air traffic control assigned a significant role especially for building global supply chains and relationships with foreign countries. Air transport is a significant contribution to the European economy and European competitiveness globally. The geographical location of Europe allows it to act as a transport connection for traffic between other areas. At present, accompanied by continuous growth, which is associated with the objectives of the environment, the integration of aviation in the EU transport system, air traffic management system (SESAR) project. Its development and growth, however, will require investment in airport capacity, infrastructure and modern technology.

The impact of the global economic crisis is reflected in the air transport as well. Market instability caused by caution and prudence in spending customers with their finances.

Since 2008, reducing demand for air transport in the higher classes as well as the total number of passengers. The results of the management of airlines reported a negative rather than positive numbers, which forces them to reduce the number of employees and this is reflected in the overall economy countries.

Strong pressure of the unstable market environment forced some airlines to succumb to the impact of the economic crisis, thus reducing the competitiveness of the market. For companies those are able to maintain the market's benefits, as do not face as big a pressure of competing companies.

Marketing management maintains its market position through its use of market gaps. However, the essence lies in the fact that their activities helped to boost the overall economy countries.

3.4 Analysis of marketing management of the Ryanair

The essence of effective company management results from its strategy. It is important that the company had an idea of its strategic perceptions, which are derived from its other activities and decisions. Before the company provides its management strategy it is essential to analyze the environment in which it operates. Monitoring of the

changing market environment in the aviation sector is important to continuously observe changes by conducting market research. Marketing environment constantly brings new opportunities, whether it's during the market boom or a recession is not very popular. Traders use marketing tools to be able to register the changes and adapt their businesses the best opportunities. (Shaw, 2007).

Ryanair currently provides more than 1300 lines of various European cities to destinations worldwide and manages fleets of 275 Boeing 737-800 with 189 seats capacity. The following charts show the gradual evolution of the number of passengers and increase the number of employees in the company from 1985 to present. [7]

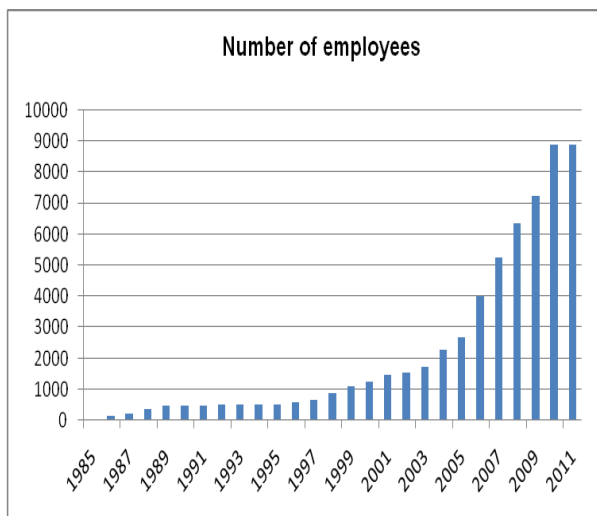


Figure 1. Graphic representation of growth in the number of Ryanair passengers

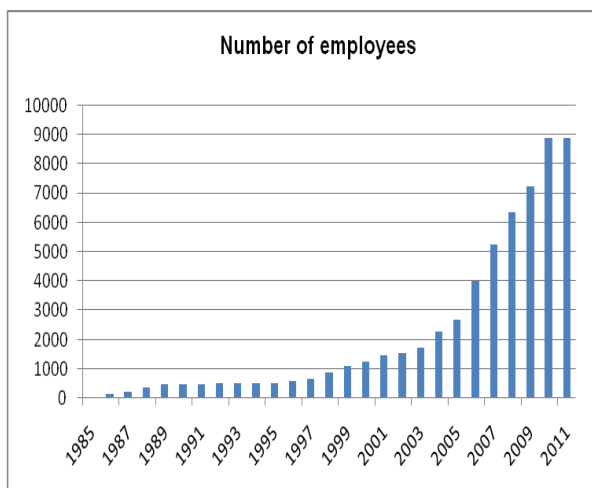


Figure 2. Graphic visualization of Ryanair's staff growth

4 MARKETING MANAGEMENT REVIEW AND SUGGESTIONS FOR ITS IMPROVEMENT WITH REFLECTION OF ECONOMIC RECOVERY

4.1 Evaluation of marketing management at Ryanair

Marketing management is the modern form of governance. Its application in the management of many companies to bring important information to help them to develop and use the opportunities coming from the market environment in which they operate. Modern management methods considered vital to analyze the environment in which the company has its operations. It is necessary to know their needs and potential customers understand the proceedings competitors, keep track of suppliers and respond to market development of macroeconomic indicators. The airline is now a modern entity that operates within its structures in the synergistic process of marketing management. Liberalization of air transport market has opened the possibility, but on the other hand, also forced the company to devote more efficient management of its operations and increase its interest to customers.

Ryanair is considered to be the most important low-cost carrier in Europe. His position was hard to build since its inception and does not intend to abandon it, they are constantly working on its improvement and enlargement. Tracks customer requirements and focus their flights to major destinations. Using a questionnaire it was found that the firm has access to regularly analyze the market environment. The extraction of relevant market information is given to the marketing department, but given the importance it attaches to the detection of certain information is also working with some of the certification of which deal with marketing analysis of market conditions. The survey is focused on the important indicators of customer insight and customer satisfaction. He realizes that in today's competitive environment is the focus on customers' evaluation. Therefore, our attention is drawn to quality, customer level processing, and the frequency of flights operated by a network of lines for customer convenience and provide opportunities for the use of other complementary services.

At present it is impossible to remain on the market without the company studying the activities of their competing rivals. In this regard, Ryanair draws on regular analysis of their competitors. Given that knowledge of competitive activities, it is very important for her to keep their customers and attract new, leaves the analysis of the selected intermediary company its competitive information regularly processed while it highlights the key points of its findings, to be adapted activity of the company.

Since this is a low-cost airliner, marketing is focused on the prices of products offered. Even the economic crisis, which impact on the market is striking, companies benefit from the price argument is very often a tendency to specialize the cost of constantly increasing.

Europe is attached to this type of potential airlines. Ryanair considers the competitive rivalry for their benefits primarily built a reputation, brand and company awareness. It also considers its strengths to build a network of lines and primary stability. As always accompanied by attention to its staff, its professionalism also regards as one of the major benefits for customer

acquisition. Although the low-cost airline whose services are offered completely or only in so far as the other airlines, Ryanair offered services to maintain a certain standard, which customers are giving the notification. Of course, if their demands are possible additional purchase either food, packing luggage into a foil, transportation to and from the airport and so on.

To ensure that the company manages to maintain its market position to give high degree of importance is attached to increasing profitability. The more frequent use of its many proven methods and one of the most important is considered a positive approach to employee motivation and reward them. Consequently, Ryanair has built a sophisticated system of rewarding. The recruitment Ryanair cooperates with the agencies that provide the training and selection. New employees go through relevant courses that prepare them to perform their work, with emphasis on communication with customers and responsible approach to meeting the work requirements. As aviation emphasis on safety and customer service in any action the company is part of a work - a process. The company continually processes, analyzes and presents new solutions for their improvement. An important part of management is planning. The company pays attention to it because it derives from the further phases of implementation and monitoring of achievement.

An integral part of the management company is marketing. Based on the survey it was found that the marketing activities will draw primarily on three basic areas:

- ✓ Customer
- ✓ Competition
- ✓ Internal environment.

The modern ways of reaching customers are now in online solutions. Therefore attention is drawn to increasing the rate of its use and seeking ways of reaching customers through it. Advocates for them through social networks and various websites are focused on tourism and travel. Thanks to the information identified in the marketing management of the company may be concluded that Ryanair emphasis on modern management techniques. It follows the new trends and adapts its activities to them. Awareness is focused on the responsibility not only towards its customers, but especially towards social responsibility, giving an assurance to its employees and economic benefits to countries in which it operates.

4.2 Proposals for improving marketing management company with economic recovery in mind

Based on theoretical knowledge and marketing analysis of the airline as well as questioning the use of marketing tools have been designed following solutions that can help companies improve marketing management with a reflection on the economic recovery. First, the emphasis is placed on the frequency analysis of marketing

environment. In the survey by questionnaire was in fact found that the company performs environmental analyzes in quarterly intervals. The current rapid development not only in economics but also especially in competition requires, in our opinion, more frequent analysis then quarterly. For a company that is able to adjust its supply to market requirements promptly and respond to competitive moves, must analyze the environment and give more attention to its perform more frequent monthly basis. Another important proposal is to improve the realization of marketing consumer research focusing on their values, preferences and satisfaction. To ensure that the company could really understand the needs of their customers, they should draw their attention to such methods. It would be better if they did not carry out surveys through agencies, but to use their own resources, as understanding customer needs, the marketing department is very important for other activities associated with the promotion, advertising and designing similar services conducive to the acquisition of new customers, which deal just with marketers.

To ensure that the company makes use of the market opportunity, it should draw the attention to the improvement of marketing campaigns. Reaching the customer can essentially be considered the first contact with him. To be able to take the company currently supporting are important tools through which the customer comes into contact with the company. Promotion of our products and services are seen as potential customers oslovovali means, therefore, their quality has enjoyed increased attention.

Efficient use of funds. Every company has to responsibly approach to monitoring its financial performance and effective use of resources. Cooperation with insurance brokers may sometimes be most effective. In the case of Ryanair we recommend considering the use of intermediary companies to analyze the marketing environment.

Based on the reviews, it was found that customers considered the company's website at essentially, what could have incredible implications for their interest to use its services. The company should focus on its contribution to society and work to do to upgrade it. Good way of finding customer needs regarding the web site would again be able to market research.

Aggressive promotion of the strategy. In order for the company managed to maintain their position in the current period of economic crisis it is important to point out significant pricing policy. Development of market forces customers, but also has access to more efficient use of funds and to reduce costs. It is precisely the idea of low-cost air transport in this period even more interesting. Air transport has significant impact on the economy of countries. To maintain a certain level it is necessary economies in the proper functioning of the internal market. And it can not do without properly built the transport infrastructure. Airlines have a major impact economic growth in their investment programs constantly

contributing to the development of air transport. It is an important link in terms of job creation as well as intermediaries for strengthening international mutual relations between the countries. They are an important part of the country's economy. These services can be offered to each individual area to turn attention to development. They represent an important connection in logistics. Due to the open market and massive investment in air transport infrastructure for Europe's airlines currently a priority to maintain a position in the world. The European aerospace industry has an important position in the world, which greatly helps the European economy and competitiveness, understood as a region. For the European economy and its development is important to maintain the competitiveness of the European aviation system and the key role of Europe as an intercontinental hub of air transport. Therefore we propose to improve the focus in drawing attention to analyze marketing background, especially in competitive analysis and understanding of customer needs.

5 CONCLUSION

For low-cost airlines pricing policies will become critical tools that reach out to customers through low prices. Due to the overall development of the economy currently operation costs companies flourish. In times of economic crisis they spend less their customers' money and are increasingly using the services of just such low-cost airlines. Economic pressure forces these types of companies to more effective management. Therefore, their management draws on increasing productivity in all areas and the need to reduce costs.

The fact that the airline could be beneficial to the economy of his country, it is important to the functioning of the market. Increased attention must be paid to marketing activities and management. Choosing the right marketing steps the company can bring new opportunities for rapid recognition of adverse effects, and select the right strategies and planned activities.

BIBLIOGRAPHY

- [1] FORET, M. 2006. Marketing Communications. Brno: Computer Press, OJSC, 2006, p. 167. ISBN 80-251-1041-9.
- [2] KINCL, J. et al. 2004. Marketing to the market. Prague: Alfa Publishing, 2004, p. 63, ISBN 80-86851-02-8
- [3] HORNER, S. - SWARBROOKE J. 2003. Tourism, hotels and restaurants, leisure. Applied marketing services in Prague: Grada Publishing, Inc., 2003. page. 307, ISBN 80-247-0202-9
- [4] KOTLER, P. The 1995th Marketing management. Prague: Victoria Publishing, OJSC, p. 138, ISBN 80-85605-08-2
- [5] KOTLER, P. 1995 Marketing management. Prague : Victoria Publishing, OJSC, p. 236, ISBN 80-85605-08-2
- [6] KOTLER, P. 1995. Marketing management. Prague: Victoria Publishing, OJSC, p.237, ISBN 80-85605-08-2.
- [7] Ryanair Recruitment Team., 2011. Ryanair Full Year Results 2011th RYANAIR, App. 12th January 2012 [online] [cit. January 14, 2012]. Available from: <http://www.ryanair.com/einvestor/download/2011>

AUTHORS' ADDRESSES

Belkoťáková Monika, Bc.
Technical University of Košice
Faculty of Aeronautics
Rampová 7, 041 21 Košice
e-mail: monika.belkotakova@student.tuke.sk

Pružinský Michal, prof., Ing., CSc.
Technical University of Košice
Faculty of Aeronautics
Rampová 7, 041 21 Košice
e-mail: michal.pruzinsky@tuke.sk