

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, May 2019**

**Course: BBA AVO**  
**Program: Aviation Marketing Management**  
**Course code: TRAV 3003**  
**Instructions:**

**Semester: VI**  
**Time: 03 Hours**  
**Max. Marks: 100**

**SECTION A**

		Marks	CO
<b>I</b>	<b>Answer All the questions</b>		
	A. Marketing management is _____.  1. managing the marketing process 2. monitoring the profitability of the company's products and services 3. the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value 4. developing marketing strategies to move the company forward	2	CO2
	B. Marketers often use the term _____ to cover various groupings of customers.  1. people 2. buying power 3. demographic segment 4. market	2	CO2
	C. If actual performance exceeds the expected performance of the product, Then customer is  1. Satisfied 2. Dissatisfied 3. Delighted 4. Neutral	2	CO3
	D. If an Airline is practicing _____, the firm is training and effectively motivating its customer-contact employees and all of the supporting service people to work as a team to provide customer satisfaction.  1. double-up marketing 2. interactive marketing 3. service marketing 4. internal marketing	2	CO4
	E. A cluster of complementary goods and services across diverse set of Aviation is called as  1. Market place 2. Meta market 3. Market space	2	CO2

	4. Resource Market		
	F. Adding new features to a product is advocated by which of the approaches? 1. Product Approach 2. Production Approach 3. Marketing Approach 4. Selling Approach	2	CO3
	G. _____ markets are made up of members of the distribution chain.  1. Consumer 2. Business-to-business (industrial) 3. Channel 4. Institutional	2	CO1
	H. Which of the following is considered a “key player” in the Aviation industry?  1. marketer 2. suppliers or vendors 3. distributors or retailers 4. all of the above	2	CO1
	I. Marketing Mix is the most visible part of the marketing strategy of an organization  1. True 2. False	2	CO4
	J. 3.The promotion “P” of marketing is also known as _____.  1. Product Differentiation 2. Distribution 3. Cost 4. Marketing Communication	2	CO3
<b>SECTION B</b>			
<b>II</b>	<b>Answer All the Questions</b>		
1	Define 5 core Product of Aviation?	5	CO3
2.	What do you understand by customer-centered business in Airline Segment?	5	CO4
3.	Explain what is Market-skimming?	5	CO3
4.	Mention 4 Marketing Communication strategy done by the Aviation Industry?	5	CO2
<b>SECTION-C</b>			
<b>III</b>	<b>Answer All the Questions</b>		
1	Explain three distinctive Market Segment for Airline, and mention in details all the needs and Challenges for the given three segment. ?	10	CO4

2	Based on average B737-800 type of configuration : around 8-9 pax with weight 1000 kgs @ 110 kgs per pax occupy approx. 14 cu metres of space, while cargo of same weight requires about 6 cu metres:  Calculate the Pax yield and make a comparison with cargo yield and Capacity cost?	10	CO2
3	Explain all the Pricing Strategy followed an LCC Carrier?	10	CO4

**SECTION-D**

**IV**  
**Analyze the Case Study and answer all the question below**

**CUSTOMER SATISFACTION AND LOYALTY IN THE AIRLINE INDUSTRY:**

Customer satisfaction is important because many researchers have shown that customer satisfaction has a positive effect on an organization's profitability. Due to this, the consequences of customer satisfaction and dissatisfaction must be considered properly for up gradation or whatever to achieve optimum productivity. There is also a positive correlation between customer satisfaction, loyalty and retention. Therefore, customer satisfaction, loyalty and retention are all very important for an organization to be successful (Harkiranpal Singh, 2006).

Satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire. Customer loyalty, on the other hand, according to Anderson and Jacobsen (2000) is actually the result of an organization creating a benefit for a customer so that they will maintain or increase their purchases from the organization.

Meanwhile, customer satisfaction surveys are typically the single largest tool of marketing research spending, and in many services companies, this is the only systematic market intelligence data gathered (Anderson et al., 2008; Morgan, Anderson, and Mittal, 2004). Customer satisfaction is important to achieve the service satisfaction. The customers' participation and suggestion give its impact on firm revenues.

Currently, the domestic airline industry in Malaysia is going through an interesting phase with heads on competition between Malaysia Airlines and AirAsia. According to O'Connell and Williams (2005), Malaysia Airline has been classified as a full service airline meanwhile AirAsia has been classified as a low cost airline. Malaysia Airlines services on its international and domestic routes across 100 destinations worldwide. Skytarx awarded Malaysia Airline as one of the six airlines that have 5-star rating. Meanwhile, AirAsia is the first low cost airline in this region. It operates on its international and domestic routes across 75 destinations in 21 countries. The Skytarx World Airline Award, voted AirAsia as one among the three best regional airlines in low cost airline category. Price is one of the factors that is competitive between these two airlines. AirAsia has been aggressively promoting itself with the tagline of 'Now Everyone Can Fly'. This has challenged the branding position of the long known Malaysia Airlines. Both airlines serve different customer base and offer different service experience. However, this may not necessarily be true in the cases of domestic flights and some short distant international flights, where the service differentiation is rather minimal. Nevertheless, it is expected that the customer satisfaction level for both airlines is different as the customers' perception on full service airlines and low cost airlines are different (O'Connell and Williams, 2005). As stated earlier, the pricing strategy is the main way to differentiate between the two airlines in Malaysia. However, most airlines are aware that cost cutting may not be the only factor that contributes to an effective strategy. It is also important to differentiate themselves from their competitors by providing quality services that improve customers' satisfaction. Based on previous studies, the airline industry has demonstrated that it is possible to achieve a clear differentiation through service brands (McDonald et al., 2001). Lim Seng Poh and M. Ghazali (2011) examined the branding satisfaction in the airline industry. However, till date

service satisfaction in airline industries is not achieved to its zenith. It's an ever expanding phenomenon for theory and practical evaluations. One of the interesting definitions of satisfactions is everyone knows what a satisfaction is, until asked to give a definition. Then, it seems, nobody knows it (Oliver, 1997). The organization needs to decide whether the consumer is satisfied with their performance or to deliver the maximum level of perceived service quality. As we know, customers often react strongly to service failure, so it is critical that organizational recovery efforts be equally strong and effective. When service failure occurs, the organization's response to reinforce loyalty or to exacerbate the situation and drive the customer to a competing firm.

Firstly, having a good feedback from consumers, the organization needs to have a good quality of their service. Feedback from consumers can help the organizations to do some.

improvement in their service and make a correct decision to make the consumer satisfaction. However, some feedback from consumers can give a negative effect to the organization. They may use the "word of the mouth" to their close friends and relatives. Some of them do not take a serious view of it while giving the feedback. They criticize the organizational service because they want to make the bad reputation to the organizations.

Airline Industry in Malaysia is operated by Malaysia Airlines (MAS) and several small companies. MAS serves in domestic flights and international flights sectors. Air transportation is an efficient means of transportation- quickly, but at a high cost. Sabah and Sarawak have many domestic airports. This is because many settlements are located in remote areas of mountainous townships. Landform factors also discourage land transport to be developed. Air transport can contribute to the economy. The travel time can be shortened and connecting rural areas in Sabah and Sarawak. Air transportation also can promote international trade and promote the tourism industry indirectly.

airline Industry in Malaysia is also operated by a number of low cost air services such as AirAsia, Pelangi Air and Water Sabah. AirAsia offers passenger transport services cheaper than MAS with the tagline "Now Everyone Can Fly". This ad-campaign was well received and made AirAsia to increase frequency of flights. For example, from the airport Labuan, from the frequency of two flights per week increased to daily flights. This is a positive development of the country's aviation system. AirAsia Airline, offer the lowest fare in the market first, later the prices rise as departure dates draw closer and the seats are sold likewise. The general policy would seem to be to sell a number of seats at the lowest fare and then increase the price. The price rises are increased above the normal level or fewer seats are offered at each price bracket or combinations of both; these strategies of sales on a particular flight are deemed for seats being taken up too quickly. Indeed, customer satisfaction can be measured by using a customer satisfaction rating (CSR) is often obtained through a questionnaire called customer satisfaction survey (CSS). This method, however, suffers from the drawback of customers likely being emotionally influenced while filling out these questionnaires (Murali Chemuturi, 2011). Moreover, Westbrook (1980) suggested that future research, propose a multi - item scale for measuring customer satisfaction, lowering measurement errors and improving the scale reliability at the same time. Ashish Bhave, (2002) stated that it can be assessed by using various methods such as Periodic Contract Reviews, Market research, Telephonic Interviews, Personal Visits, Warranty Records, Informal Discussions and Satisfaction Surveys. It depends on the customer base and available resource to choose the most effective method in measuring the customers' satisfaction

Q1:	Explain all the price strategy adopted by this airline and compare the relationship with customer satisfaction and customers for the Malaysian Airline and AirAsia?	15	CO2, CO4
Q2:	In the present study showed that it was important for the both airlines to be aware of the service quality and price that have influence on customer satisfaction and customer loyalty, Please suggests strategies and Policies should be adopted by the Malaysian Airline for their development?	15	CO3, CO1

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**SECTION A**

		Marks	CO
<b>I</b>	<b>Answer All the questions</b>		
	A. The most basic level of a product is called the 5. Core product. 6. Central product. 7. Fundamental product. 8. Augmented product.	2	CO2
	B. Marketing is both an “art” and a “science” there is constant tension between the formulated side of marketing and the _____ side.people 5. Creative 6. selling 7. Management 8. behavior	2	CO2
	C. If actual performance exceeds the expected performance of the product, Then customer is 5. Satisfied 6. Dissatisfied 7. Delighted 8. Neutral	2	CO3
	D. If an Airline is practicing _____, the firm is training and effectively motivating its customer-contact employees and all of the supporting service people to work as a team to provide customer satisfaction. 5. double-up marketing 6. interactive marketing 7. service marketing 8. internal marketing	2	CO4
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	F. Adding new features to a product is advocated by which of the approaches? 5. Product Approach 6. Production Approach 7. Marketing Approach 8. Selling Approach	2	CO3
	G. _____ markets are made up of members of the distribution chain.  5. Consumer 6. Business-to-business (industrial) 7. Channel 8. Institutional	2	CO1
	H. Which of the following is considered a “key player” in the Aviation industry?  5. marketer 6. suppliers or vendors 7. distributors or retailers 8. all of the above	2	CO1
	I. Marketing Mix is the most visible part of the marketing strategy of an organization  3. True 4. False	2	CO4
	J. Convenience products usually have intensive distribution because sales of these products tend to have a direct relationship to availability:  1. True 2. False	2	CO3

### SECTION B

<b>II</b>	<b>Answer All the Questions</b>		
1	Define cost Plus Pricing ?	5	CO3
2.	What do you understand by customer-centered business in Airline Segment?	5	CO4
3.	Explain what is Market-Penetration, give 2 Example of such Strategy?	5	CO3
4.	What do you understand by Influence of Elastic in an Airline pricing Strategy?	5	CO2

### SECTION-C

<b>III</b>	<b>Answer All the Questions</b>		
1	Explain three distinctive Market Segment for Airline, and mention in details all the needs and Challenges for the given three segment. ?	10	CO4
2	Based on average B737-800 type of configuration : around 8-9 pax with weight 1000 kgs @ 110 kgs per pax occupy approx. 14 cu metres of space, while cargo of same weight requires about 6 cu metres:  Calculate the Pax yield and make a comparison with cargo yield and Capacity cost?	10	CO2

3	Explain all the Pricing Strategy followed an FCC Carrier?	10	CO4

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