

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
End Semester Examination (Online) – July, 2020

Program: MBA (Aviation Management)
Subject/Course: Marketing Management
Course Code: MKTG 7001

Semester: II
Max. Marks: 100
Duration : 3 Hours

IMPORTANT INSTRUCTIONS

1. The student must write his/her name and enrolment no. in the space designated above.
2. The questions have to be answered in this MS Word document.
3. After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.

		Marks	COs
Q.1.	Assume you have been hired into the marketing department of a major airlines, such as Singapore Airlines. You are having lunch with some new colleagues in other departments – finance, manufacturing, and logistics. They are arguing that the company could save lakhs of rupees if it just got rid of the marketing department. Develop 5 arguments that would persuade them otherwise.	20	CO1
Q.2	Choose three companies you believe - the first builds customer value through product excellence, the second through operational excellence and the third through customer excellence. Justify your answer.	20	CO2
Q.3	Discuss in detail 5 trends in the business environment that will affect marketing by the airlines industry in the next decade.	20	CO3
Q.4	A customer has the following reservations. How do you respond? a. “I really like all the things this copier does, but I don’t think it’s going to be very reliable. With all those features, something’s got to be wrong.” (10) b. “Your price for this printer is higher than the price I saw advertised on the Internet.” (10)	20	CO2

<p>Q.5</p>	<p>Case Study: Emirates</p> <p>Emirates is an airline company with a mission to provide high-quality commercial air transportation services. The company’s global strategy aims at efficient competition, exceeding far beyond limits of the Arabian Gulf and Middle Eastern markets. In 1985, the Dubai government, cognizant of the country’s limited oil resources, launched the flag carrier as an alternative means to economic growth in the United Arab Emirates (UAE).</p> <p>In the very beginning, the airline served 60 destinations in 42 countries across Europe, Middle East, Africa, Asia and Europe, Middle East, Africa, Asia and Australia. To keep up with the aggressive competition, Emirates emphasized product, equipment, and excellent service, and promoted a quality image. To do so, a multinational crew was recruited and a state-of-the art fleet was purchased.</p> <p>Within two decades, Emirates expanded its destinations and had remarkable financial returns. In 2014, it served 142 destinations in 80 countries from its hub in Dubai. It carried 44.5 million passengers, 5.1 million more than in 2012-13, and 2.3 million tons of airfreight, up by 8 percent, which contributed to the 26th consecutive year of profitable operations. The company has witnessed a steady growth over time since it’s inception-it carried 26 million passengers and served 101 destinations in 2010; these figures were 14.5 million and 83 in 2005. Emirates operates four of the 10 longest, non-stop commercial flights in Dallas, and Houston. It employs over 52,000 people from 162 different countries. Emirates has also been the world’s most valuable airline brand for the third consecutive year, with a value of \$5.5 billion. It was awarded the prestigious Airline of the Year Award numerous times by Air Transport World, in addition to more than 400 other distinguished industry sector awards.</p> <p>The company has a fleet aged 72 months (as of 2013), young in comparison to that of the industry, which is 140 months old. Good</p>	<p>20</p>	
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terms with Airbus and Boeing favored huge acquisitions of long-haul airplanes. These massive purchases have made Emirates the largest Airbus (A380) and Boeing (777) aircraft operator in the world, reflecting the global aspirations of the company.

Emirates is looked upon as an innovative organization in terms of technology due to its acquisition of the groundbreaking storage infrastructure in the Middle East. Additionally, the company is a major shareholder in luxury five-star hotels. Its performance is attributed to its customer-oriented approach revolving around the provision of a quality product: exclusive grade-A manufactured Boeing and Airbus aircrafts, premium flight services, and traveling at a competitive price. To cost-effectively carry out cargo and ground handling, catering services, information technology, and other travel amenities, Dnata supports Emirates global ambitions. It is considered one of the largest and most competitive air service providers worldwide.

In terms of corporate positioning, Emirates is not looked upon as an Arab airline operating internationally but rather as a global company based out of the Middle East. This global positioning of the company has spawned aversion from competitors that considered Emirates as a serious threat in the market. These competitors are struggling to compete with Emirates, particularly due to its significant cost advantage. Some of these competitors unequivocally accused Emirates of benefitting from obscured UAE subsidies and exemptions on airport and aviation service charges. They also alleged that Emirates takes advantage of the UAE's sovereign borrowing status to secure loans below market rates.

Despite its many strengths, the airline company is not without faults. In its disregard for growing regional competition, Emirates overlooks very obvious flaws in its market strategy. For instance, Etihad Airways, an arm of Abu Dhabi government, is offering products that appeal to travelers seeking premium services at competitive prices. Gulf Air,

	<p>which is partly owned by the Abu Dhabi government, has also taken advantage of the open skies policy to gain free access massively acquiring aircrafts and inflating the size of it's fleets. While this represents vast investments, the implications are far-reaching. To be able to have long-term advantages, the company should become a shareholder in the Airbus or Boeing companies. The airline endures cost pressure as fuel costs represent leading expenditures accounting for 30.7 percent (2013) of the overall operating costs. .The company's human resources are already lean and it is cost effective on other cost components. For how long can Emirates hold on to its cost-cutting strategy without paying attention to competitors?</p> <p>(a) How has Emirates been able to build a strong brand in the competitive airline industry worldwide? Support your answer. (10)</p> <p>(b) What are some of the apparent weaknesses with the company's strategic direction? How can the airline address them? Prepare a report outlining your answer. (10)</p>		<p>CO4</p> <p>CO5</p>
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ANSWERS