

# Airline Marketing and Management

## Fifth edition

by Stephen Shaw

In his book *Airline Marketing and Management*, Stephen Shaw gives a very insightful look on airline marketing. Using many case studies and examples from the industry, he emphasizes the importance and the use of airline marketing.

By Jasper Spruit

### The review in short

The book uses many ‘everyday’ examples from the industry. It is easy to read, especially for those, who aren’t that familiar with the airline industry. For those who are, the book can be used to explore some of the key marketing tools used in the industry. At the end of each chapter, Shaw concludes with a small paragraph with the caption ‘Successful airlines’ and he points out specific elements that, in his opinion, are shared by all successful airlines. These elements are actually very good to discuss in each chapter, something that works very well in a book like this.

### Reviewer’s recommendation

*Airline Marketing and Management* is a very practical book and one that is easy to read. I recommend it especially to students and to those who pursue a career at an airline company in the field of marketing and sales.

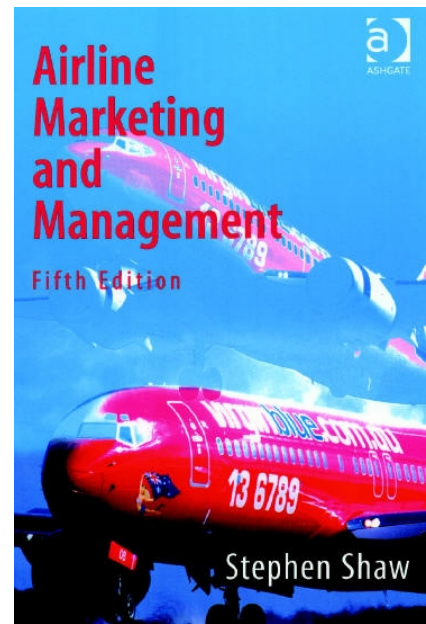
### Each chapter in detail

The book consists of eleven chapters. The first chapter starts with the fundamentals of marketing. In this very short chapter, the basics of marketing are introduced and are clearly explained to the reader. Also,

the definition of marketing that the writer uses in this book is presented. In the second chapter, called ‘The Market for Air Transport Services’, the basics of the airline industry are described, that are necessary for a thorough understanding of the remaining chapters. These basics on airlines, passengers and airfreight customers are illustrated by several hands-on examples.

After chapter 2 and 3, the first marketing model, called PESTE (Political, Economic, Social, Technological and Environmental), is introduced. PESTE is a marketing model that is used to study a firm’s marketing environment. This model suggests that all relevant factors should be divided into categories of Political, Economic, Social, Technological and Environmental. Using this model, some basic examples are given to get a better understanding of the marketing environment in the airline industry.

After the PESTE model, Porter’s Five Forces Model is introduced in chapter 4, which is called ‘Airline Business and Marketing Strategies’. In this chapter, strategic families (from cost leadership to differentiation) are also discussed.



Several strategies for the airlines of today, are illustrated with several ‘everyday’ examples. This is the first chapter that includes a combination of a marketing model with the aviation industry. Several interesting topics are discussed in this chapter, such as: the power of suppliers in the industry, new entrants, different strategic families that can be distinguished, and the competitive advantages they have. At the end of the chapter, common mistakes in airline marketing strategies are briefly touched upon.

Chapter 5, called ‘Product Analysis in Airline Marketing’, gives a small piece of a big discussion: What is the product? The product of an airline is split up in several parts: fleet and schedules, customer service, controlling product quality and even the air freight product. In the ‘business’ approach, the company is not observed in terms of the stages of the product life cycle analysis, although it might be so in the minds of management, but it is rather observed on a daily basis, although this is a very good way to build an overview of the industry. Aspects such as network, planes and configuration are all translated in the marketing strategy.

Personally, because of my profession, I am interested the most in Chapter 6, called 'Pricing and Revenue Management'. Revenue Management is, of course, a very important part in the 'triangle' of marketing, sales, and pricing & revenue management. A substantial part of the chapter is reserved for the structure of air freight pricing, which is a very interesting part about the developments of this part of the industry. The effective use of revenue management is also discussed here, and is done so in a very sharp and incisive way. Currently, there are several developments going on in the field of revenue management, but it is clear that there isn't enough room in a book about airline marketing for just revenue management, so I missed a bit in the connection between marketing and sales.

Very close to revenue management is distribution management. Chapter 7, called 'distributing the product', provides a good overview of the possibilities to identify ticket distribution channels. Distribution seems to become more and more part of several interesting discussions. The various Global Distribution Systems (such as Galileo, Sabre and Amadeus) are examined, with a paragraph on the history, background

and some current issues of those systems. What I missed in this chapter, were the more modern ways of distribution such as Internet, and the development of low-cost airlines and their distribution methods.

Very important to an airline is its brand. In chapter 8, called 'Brands Management in Airline Marketing', Shaw presents very pointedly what the meaning of a brand is and how it works in the airline industry. In my personal opinion, the value of a brand of a successful airline is underestimated, but, in this book, all the aspects are covered: from the meaning of a brand, brand-building in the airline industry to brand strategies.

Chapter 9 is called 'Relationship marketing'. Relationship marketing is about maintaining and strengthening relationships with existing customers. It is not just about frequent flyer programs, but also about promises in advertisements and about the warm welcome that the existing heavy user, main customer, wants. Chapter 10, called 'Airline Selling, Advertising and Promotional Policies', provides and analyses selling and sales management. Interesting points in this chapter are good airline advertising and media relations. The

final chapter, called 'The future of Airline Marketing', is a very short chapter that looks ahead to the future.

#### About the author

Stephen Shaw is Managing Director of SSA Ltd, UK; a firm specialized in providing courses in marketing and economics to airlines and aerospace firms.

#### About the Reviewer

Jasper Spruit studied economics at the Erasmus University Rotterdam. He researched the success and fail factors of low-cost airlines in the US, Europe and Australia. He wrote his thesis about low-cost airlines and regional airports. (Title: 'Low-Cost Airlines and Regional Airports'). The research focussed on the influence of low-cost airlines on regional aviation and specific a regional airport. For the research an extensive case study was carried out on the European low-cost models, European aviation markets and the differences between European airports.

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