

Marketing fundamentals

LCBB4004

Assignment one

Blog

Airbus A380



Prepared for Tushara Balendran

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Background - Petya Nedeva

Airbus is a European multinational aerospace organisation, operates worldwide. We do not only produce commercial aircraft, also helicopters, defence and space products. And is the second biggest aerospace and defence company in 2018 after the main competitor Boeing.

In July 1967 a meeting between ministers from France, Germany, and Britain decided to cooperate in aviation technology for the joint development and production of Airbus. In September 1967 the ministers met in London to sign a memorandum to launch the first phase of program A300. With shared work 37.5 percent between France and Britain and 25 percent for Germany (airbus, 2019)

French engineer Roger Beteille (technical director), Henri Ziegler (general manager), Franz – Josef Strauss (chairman) and Felix Kracht (sales and marketing) those men are recognised like “fathers” of Airbus.

The first commercial aircraft is A300B. Airbus engineers design A300B to be smaller,



lighter and economical.

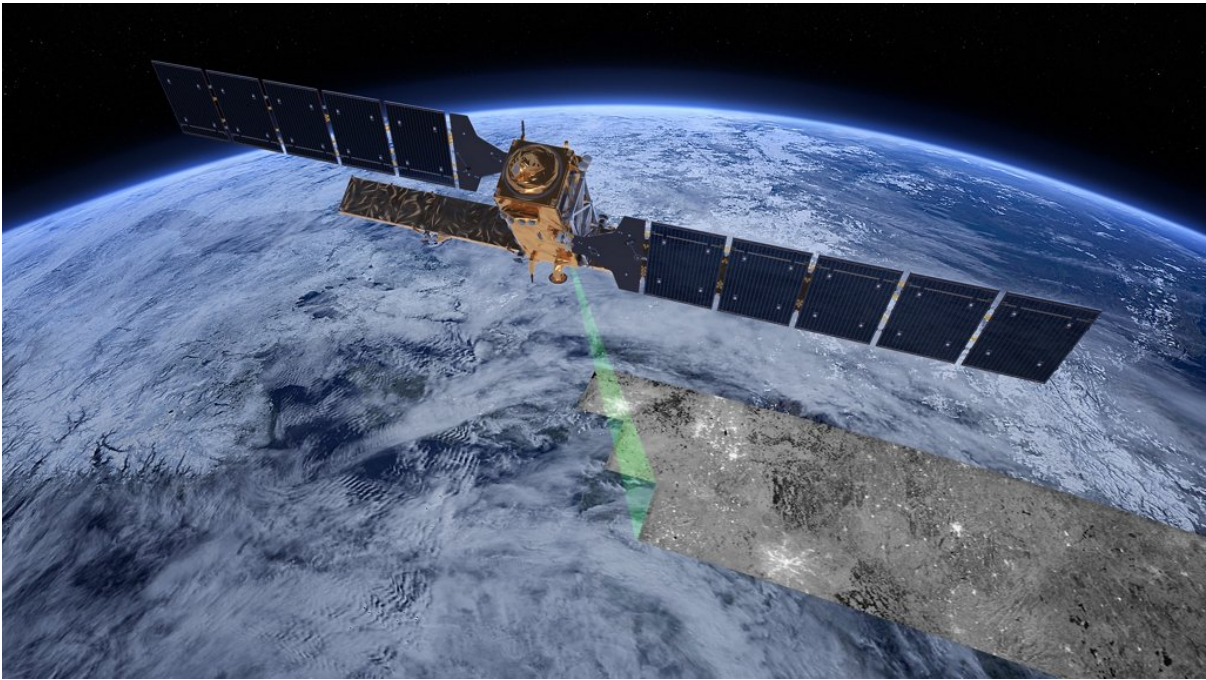
Picture 1 <https://australianaviation.com.au/2019/05/airbus-celebrates-50th-anniversary/>

To succeed our company need to took over a U.S. market. The general manager Henri Ziegler and the technical director Roger Beteille decided to take A300B on six weeks' adventure across South and North America. To show the U.S airlines they will miss if failed to buy. They put onboard crew, sales team, engineers and spears. Onboard was loaded a large amount of best champagne for the guests. The A300B flew from Toulouse in September 1973 to Dakar in West Africa. A300B flew across the Atlantic to Sao Paulo, Brazil, to Florida, Mexico City and Chicago. The mission was completed with success.

Our company produces a large variety of helicopters for civil, government, military needs. We do not only produce and sell helicopters but also provide global Customer service to bring competitive solutions to the customer doorstep.

We are No. 1 in Europa defence and are in the top 10 defence companies worldwide. With decennium experience behind, we are constantly developing technologies innovations. Also, we are number 3 worldwide in Secure Communications.

With more than fifty years space technologies experience proven systems with a wide range from “electronic components to full telecommunications relay platforms, scientific satellites, and manned spacecraft, developing the technology to send spaceships to planets – we provide solutions for customers and their programs around the globe” (airbus, 2019)



Picture 2

With decades of experience, our company is a world leader in aerospace. With designs and innovations solutions to create a safer and better – connected world.

Another very important mission for the company is a climate action plan. To help our environment and reduce pollution we try to improve fuel burn, developing sustainable fuels and invest in new technology (airbus, 2019)

“We are a leader in designing, manufacturing and delivering aerospace products, services and solutions to customers on a global scale. We aim for a better-connected, safer and more prosperous world” (comparably.com, 2019)

Product - Diana Dimova



According to Išoraitė, (2016), products are the end results of a business that provides in a market for meeting the needs and requirements of customers. Airbus is the company that manufactures aircrafts.

Different products

It has a diversified line of products including jetliners, military transports to private jets and freighters as well as space satellites, spaceflights and many more. In commercial passenger aircraft, the A380, A220, A320, A330 and A350 XWB are there.

Quality of chosen product

A380 is a commercial aircraft which has a unique design and architecture with two storeys. It has advanced technology with advanced recycling air filters cabin that used to make renewing air in every three minutes for cleanest breaths (iflya380.com, 2019).

Features and benefits

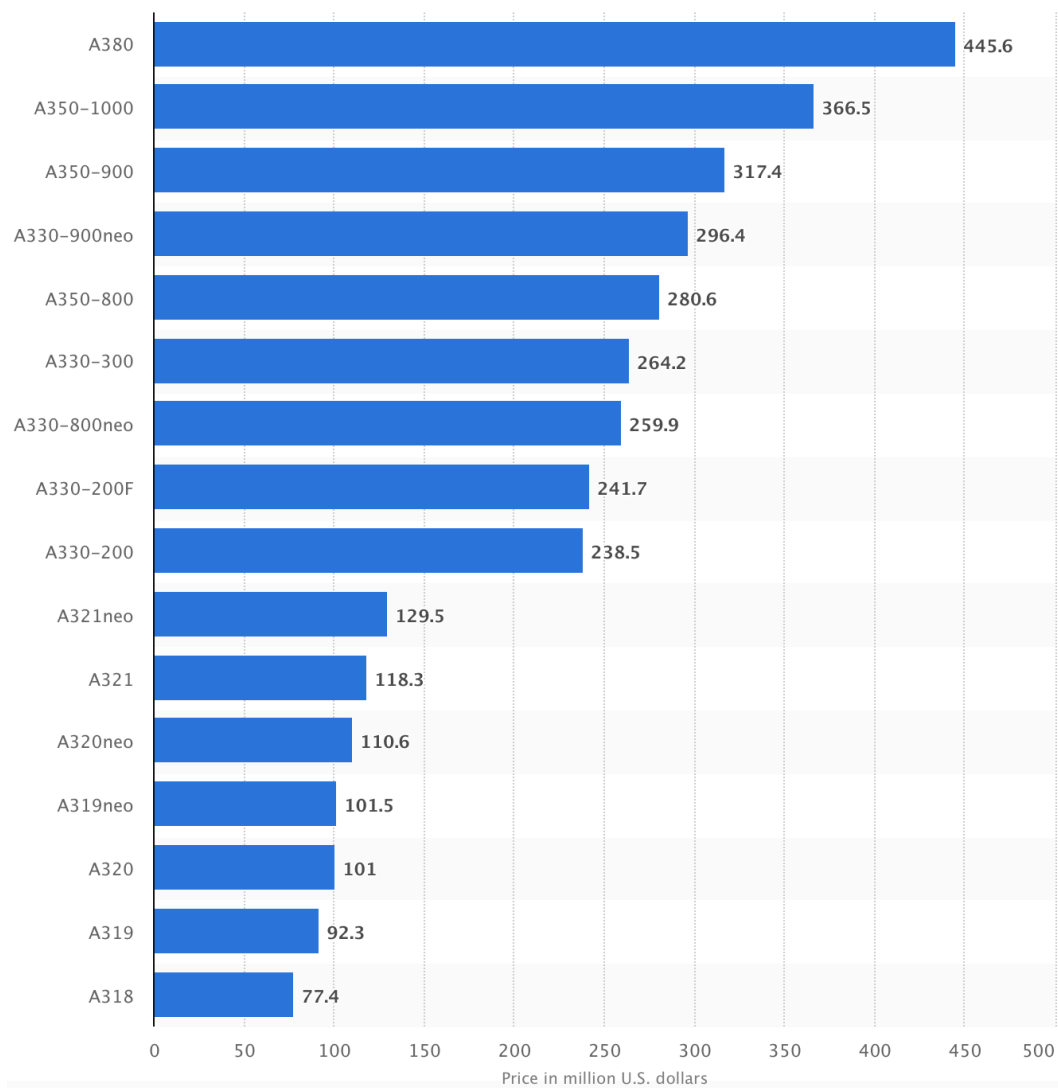
- Capacity for above 850 passengers with double deck feature with weight capacity of 575 tonnes (AIRBUS, 2019)
- Range of flying of A380 is 15200km
- Additional legroom facility even on the Economy class
- Quietest cabin even during taking off
- Passengers are not able to feel the turbulence with innovative technology for air supply in cabin (AIRBUS, 2019)
- First class is innovative with residence living space which is luxurious (AIRBUS, 2019)
- Facility of double suites

Packaging design

Airbus uses the highest of price for its A380 aircraft among other commercial aircrafts. It offers services through online bookings. It has network connection across the world and has the service of takeoff and landing in approximately 2 minutes interval. It is flying destination covering Europe, USA, Middle East counties along with eastern countries including Malaysia, India, and Australia as well.

Price - Aleksandar Nedev

According to Brassington & Pettitt, price is the value that is placed on something. (Brassington & Pettitt, 2006) There are different factors that contribute to the price of Airbus aircraft. The pricing in that industry strongly depends on the competitor's strategy and on the overall demand for aircrafts in the market as a whole. The specifications of buyers also influences the price quite strongly. Economies of scale also helps our business to cut the costs and increase our revenue. The price is calculated according to Airbus' standard formula for escalation and it enables us to remain quite profitable. Our prices also depend on designed weights, engines choice and level of selected customisation in corporate jets and passenger aircrafts. Airbus uses the product differentiation strategy. We have introduced new features frequently in the products such as the double decker, four engines and 853 passengers for our new A380. Therefore there is a price differentiation in the different customised variations demanded by our customers. Hence, the price strategy in the company's marketing mix strongly depends on demand, design, competition and level of customisation. As shown by the graphic below the prices range vastly from tens to hundreds US dollars.



SOURCE: STATISTA, 2019

Place - Maria Staneva

Place is one of the tactical tools (the four Ps) of the marketing mix that are under the control of the company. *Place* includes all the activities such as channels, coverage, locations, logistics that brings the product to the target customers. (Armstrong, G., Kotler, P. Marketing, 2015)

Airbus chose the way they make their product available to their customers on the base of the character of their product and the type of their customers.



They operate by securing key clients who become partners. Airbus work with these partners to manufacture aeroplanes they know the market wants. Due to the high costs of these aircrafts approximately \$450m (A380 Jumbo-jet history, 2019) they cannot simply make aircrafts and wait for them to be sold.

Airbus provides services as well as products.

They offer customer care and great customer service.

Airbus has a unique selling point under which they use companies from the UK, France, Germany, USA and Canada and act as an intermediary to sell these vehicles to the client. The number of suppliers Airbus use across their network numbers 7,700 and they all produce parts, systems and hardware (Market, 2019).



Airbus have 14 different clients they sell their A380 to. Emirates are their biggest customer. They have ordered 162 aircrafts and already accepted delivery of 112 A380s. The next 3 biggest customers are Singapore Airlines, Lufthansa, British Airways and Qantas. The current order book for the A380 sits at 251 confirmed orders. (Modern airliners, 2015).

The main techniques that Airbus use to market the A380 is by organising international exhibitions where the worlds biggest airlines come to learn about the aircraft in terms of its specification and how Airbus can customise the plane for use of a particular client.

Airbus also take part in different international Air Shows and Fairs. One example of them is the Dubai Air Show in the United Arab Emirates in November 2019 that offered a close look at the Airbus' huge jet, the A380. (Business Insider, Nov. 15, 2019).

The hope is commercial discussion will proceed this exhibition where Airbus can strike a deal depending on the number and specification of the aircraft being sold. Airbus also carry out flights where they are able to show off the capability of the aircraft in terms of performance and quality.

Promotion - Viktoria Adalbertova

The global aircraft maker AIRBUS is one of the leading manufacturer and designer of aircraft catering to the nations worldwide. It consists of 11 production sites all over the globe. Air bus is a European multinational which is dealing in aerospace, civil aircraft and defense. It uses targeting strategy to reach customer needs. IT meets all the needs of airlines and operators by producing the most modern aircraft and they are well known for the best quality products they supply.



Now let's talk about their one of their best product that is AIRBUS A380. This airbus is serving more than 10 years and this airbus consist of many facilities added to it. The plane has upgraded its technology and comfort for better passenger experience. The airbus is quieter and smoother than other comparable planes. Premium amenities are really innovative. The AIRBUS A380 was the world's largest passenger plane in the world. Airbus has booked 317 orders for the plane but is struggling. The future of this plane will remain uncertain. In the year 2007 the plane came to role in the market. In this year the plane has shown a huge number of good responses from their clients. This model is provided an excellence at that time. As time passed by this has served as many locations and gained huge amount of profit globally. The customers are so happy with the services that are provided in this plane and the reviews are always excellent. Many a times this plane had became the front pages of many newspapers. The first supplies are to the Singapore airline and got the prime factor from the years between 2012 and 2104. Later a part it came down to play when Emirates has decrease number of bookings to the airbuses. News papers have shown that they need business logic to survive. As per business view they came down to the market

as new models are providing more number of good reviews and comfort provided to their passengers. Marketing policy changes every situation here and there so the airbus facilities at that very point was not to the market needs. Australian airline Qantas has also canceled their contract with the AIRBUS which became a huge loss for the airbus. Qantas airline is one of the famous air lines in Australia and it operates on many locations and has huge respect by many customers. This has impacted a lot. The plane consists of 554 sits and don't have cargo in it. The plane is well furnished a designed both interior and exterior. To provide more amenities to the customers and to reach to their needs is all a company wants. Reaching the needs of the customer is their main objective to survive in the industry. Missing the cargo market was the huge aspect of losing the marketing needs. At that very time cargo was playing a huge role and this airbus due to missing in the cargo facilities had been defeated by the market.



The airbus had invested \$25 for the betterment of the airbus. To reach the market needs the airbus has invested a lot at that time for the betterment of the airbus. They also stated that the plane should not go on small routes. They decided that their investment will be basically on those routes which are more profitable and where they can make more money. They have focused on the routes which are giving more money to them and to gain a good position in the market. After losing controls from the major hubs they face a huge loss in the market. As hubs is one of the main sources for income. After this fallback their marketing strategies has been under a

downfall. After the investment they concentrated more on the marketing strategies.
This airbus has many times defeated BOEING in the market, its biggest competitor.

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picture 2

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