

# Airline Marketing and Management

## *Seventh Edition*

This leading textbook on airline marketing offers a review of both the air transport market and the marketing environment, followed by an examination of airline business and marketing strategies. The second part of the book details the wide range of marketing activities, such as product design and management, pricing and revenue management, distribution channels, and selling, advertising and promotional issues.

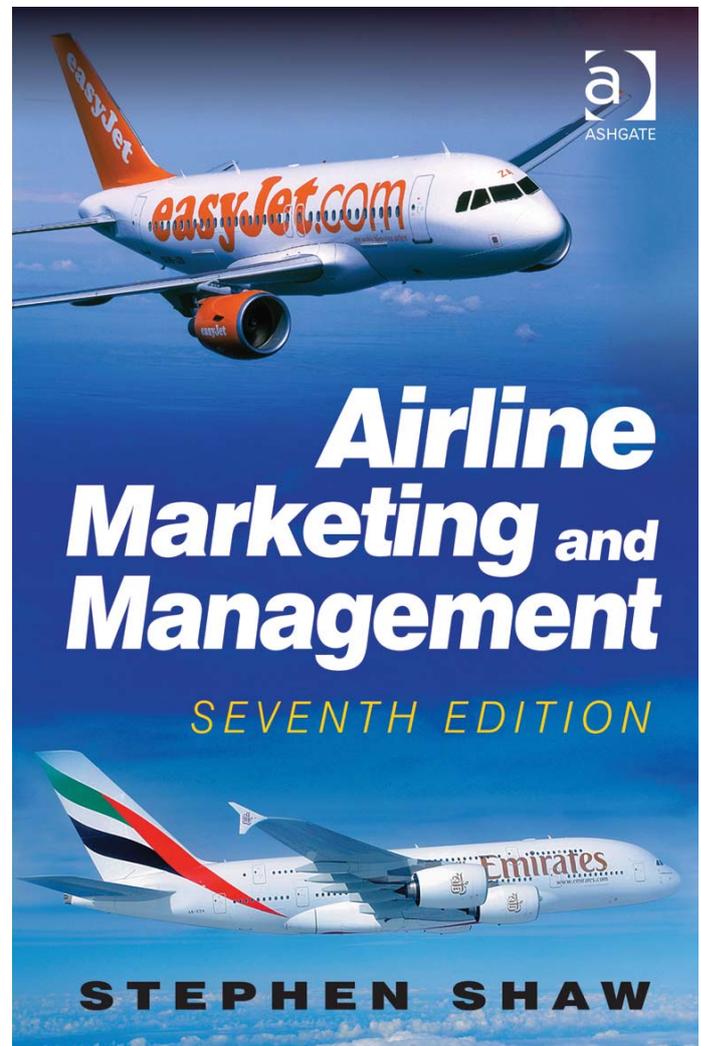
By Stephen Shaw

Book Review by Frank van der Zwan

When you first pick up the 7<sup>th</sup> edition of Shaw's *Airline Marketing and Management* and hold it next to the 6<sup>th</sup> edition, you cannot help but notice: with over forty extra pages compared to the previous edition, this latest edition looks considerably thicker than its predecessor. Expectations rise: what changes and additions to the previous edition have been made? Just so as to manage these expectations: The overall structure of the book has remained unchanged, and the bulk of these additional pages come from minor additions to the existing text and changes in the lay out, rather than new content. But on a more positive note: these changes in lay out do improve the readability of the book. Next to that, the book has indeed – as indicated on the back cover – been “carefully revised”: numbers and examples are updated, e.g. using the latest figures for aircraft list prices, crew costs, or the advent of new aircraft types such as the Boeing 787 and Airbus A350.

Furthermore, new content has been added to reflect the latest changes in the airline marketing field. For example, in the discussion of business models, Shaw has introduced “the hybrid low cost carrier model”, which describes a low cost business model which incorporates features normally associated with traditional, full-service airlines trying to make the airline more attractive for business travellers or trying to generate greater customer loyalty. These features include choice of airports, introduction of frequent flyer programmes or being linked to a GDS. Examples of these hybrid airlines are AirBerlin, easyJet, and AirTran.

Also new information on ‘all business-class’ airlines is provided. These type of airlines exclusively focus on meeting the needs of the high-end business and leisure passengers prepared to trade higher fares for greater standards of luxury. Although the strategy appears to be an attractive one, most of the initia-



tives have turned out to be not economically viable (Maxjet, Eos, Silverjet) and Shaw explains that this concept is based on a fundamental misunderstanding of business-travellers' needs: “although high-standards, status and exclusivity are important, high frequency of conveniently timed flights over a broad route network are much more important”.

This edition also boasts more information on pricing and revenue management. It explains ‘a la carte pricing’, which is a pricing philosophy where the basic fare only buys you the flight itself. If passengers require other product features such as catering or priority boarding they have to pay for them as extras. In this light, it is important to acknowledge that different types of passengers have a different ‘willingness to pay’ for these product features and the airline has to find ways to charge passengers at a price which is as high as they are willing to accept to pay, in order to successfully capture passenger value. Finally, new content has been added on ‘ancillary revenues’ and the airlines’ drive to generate new traffic flows.

Overall, with the textual changes made and topics added, Shaw has ensured the latest edition of his book remains one of the leading textbooks on airline management and product planning.

#### About the author

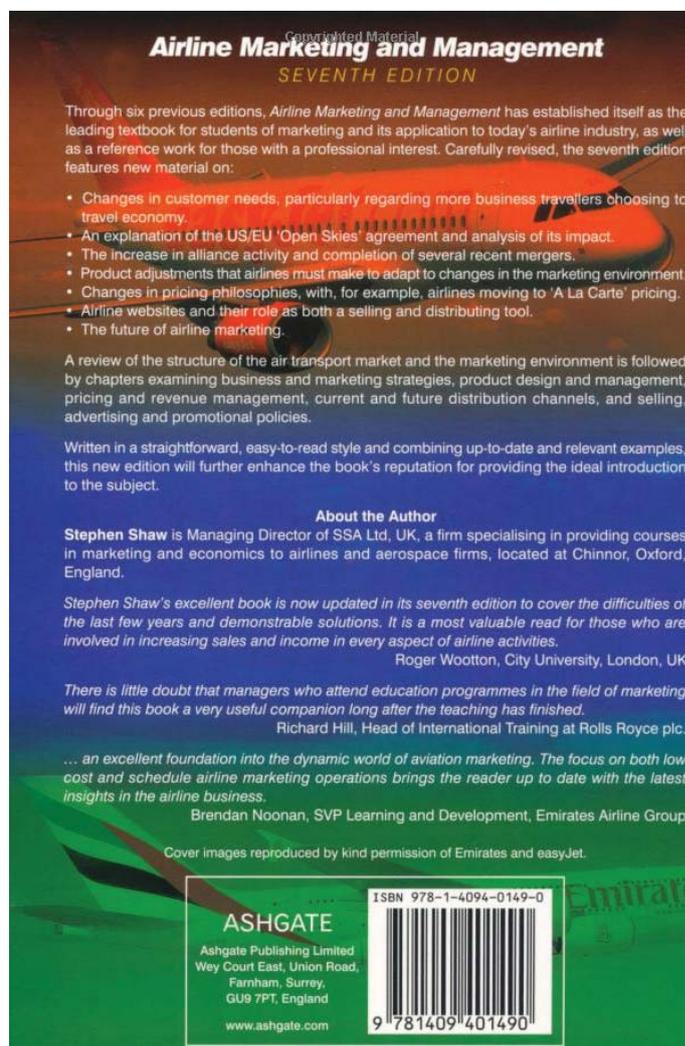
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#### About the book

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