

The Strategic Planning of Fleet, Network, and Marketing at “XYZ” Air Company

Bc. Artur Alaverdyan

Master's Thesis

2025



Tomas Bata University in Zlín
Faculty of Management and Economics

Tomas Bata University in Zlín
Faculty of Management and Economics
Department of Management and Marketing

Academic year: 2024/2025

ASSIGNMENT OF DIPLOMA THESIS

(project, art work, art performance)

Name and surname:	Bc. Artur Alaverdyan
Personal number:	M230230
Study programme:	N0413A050032 Management and Marketing
Type of Study:	Full-time
Work topic:	The Strategic Planning of Fleet, Network, and Marketing at "XYZ" Air Company

Theses guidelines

Introduction

Define the objectives and the methodology used in the master thesis.

I. Theoretical Background:

- Compile the theoretical information about tailored marketing, fleet, and network strategies

II. Practical Application:

- Complete the analysis of current aviation market dynamics.
- Analyze models for integrating marketing with fleet and network strategies.
- Prepare a project design of a tailored marketing strategy aligned with passenger flow and customer behavior.
- Submit the project to cost, time, and risk analysis based on market conditions.

Conclusion

Length of diploma thesis: **approx. 70 pages**
Form processing of diploma thesis: **printed/electronic**
Language of elaboration: **English**

Recommended resources:

AMBROSE, Scott, and WAGUESPACK, Blaise. *Fundamentals of Airline Marketing*. Abingdon: Routledge, 2021. 214 p. ISBN 978-0367178031.
BROWN, Mike. *Strategic Airport Planning*. Abingdon: Routledge, 2022. 184 p. ISBN 978-1032002354.
HALPERN, Nigel, and GRAHAM, Anne. *Airport Marketing*. 2nd ed. Abingdon: Routledge, 2022. 440 p. ISBN 978-0367483708.
VENKATESAN, Raj, and LECINSKI, Jim. *The AI Marketing Canvas: A Five-Stage Road Map to Implementing Artificial Intelligence in Marketing*. Stanford: Stanford University Press, 2021. 272 p. ISBN 978-1503613164.
KOTLER, Philip, KARTAJAYA, Hermawan, and SETIAWAN, Iwan. *Marketing 5.0: Technology for Humanity*. Hoboken: Wiley, 2021. 224 p. ISBN 978-1119668510.

Supervisors of diploma thesis: **doc. Ing. Michal Pilik, Ph.D.**
Department of Management and Marketing

Date of assignment of diploma thesis: **February 10, 2025**

Submission deadline of diploma thesis: **April 25, 2025**

L.S.

doc. Ing. Michal Pilik, Ph.D.
Dean

doc. Ing. Michal Pilik, Ph.D.
study programme guarantor

In Zlín February 10, 2025

MASTER'S THESIS AUTHOR'S DECLARATION

I take cognizance of the fact that

- by submitting my Master's thesis, I give consent to the publication of my thesis in accordance with the Act No. 111/1998 Coll., as amended, regardless of the result of the thesis defence;
- the Master's thesis will be stored in electronic form in the university information system and will be available for consultation;
- one copy of the Master's thesis in hard copy form will be kept and stored by Tomas Bata University in Zlín;
- my Master's thesis is fully subject to the Act No. 121/2000 Coll. on Copyright, on Rights Related to Copyright and on Amendment to Certain Acts (Copyright Act), as amended, particularly to Section 35 Paragraph 3;
- according to Section 60 Paragraph 1 of the Copyright Act, Tomas Bata University in Zlín has the right to conclude a licence agreement on the utilization of a school work as is specified in Section 12 Paragraph 4 of the Copyright Act;
- according to Section 60 Paragraphs 2 and 3, I may utilize my school work – Master's thesis – or grant a licence to utilize it only with the prior written consent of Tomas Bata University in Zlín, which in such a case is entitled to require me to pay a reasonable contribution in order to cover the costs incurred by Tomas Bata University in Zlín for the preparation of the work (up to their full amount);
- if software provided by Tomas Bata University in Zlín or other entities was used for the preparation of the Master's thesis only for learning or research purposes (i.e. for non-commercial use), the conclusions of the Master's thesis cannot be used for commercial purposes;
- if the output of the Master's thesis is any type of software product, the source codes and/or files of which the project is comprised are also considered part of the thesis; failure to submit this part may result in a failure to defend the thesis

I declare that

- I have worked on my Master's thesis independently and properly cited the literature used; in case of publication of the conclusions, I shall be listed as co-author;
- the submitted hard copy version of the Master's thesis and the electronic version uploaded to the IS/STAG are identical in content.

In Zlín on

.....
author's signature

ABSTRAKT

Letecký průmysl je považován za jedno z klíčových odvětví 21. století, které čelí bezprecedentním výzvám vyplývajícím z intenzivní konkurence a digitální transformace. Letecké společnosti se musí neustále přizpůsobovat dynamickým změnám, aby udržely svou konkurenceschopnost a efektivně rozvíjely svou pozici na vysoce konkurenčním trhu. Vzhledem k rychlému tempu digitalizace se stává stále zřetelnější význam integrace marketingových strategií s provozními složkami. Úspěch leteckých společností je proto čím dál více závislý na schopnosti efektivně propojit marketingové přístupy na míru se strategickými rozhodnutími týkajícími se využití flotily a rozvoje tras.

Tato diplomová práce se zaměřuje na integraci marketingových strategií na míru s plánováním flotily a sítě, přičemž se specificky orientuje na nízkonákladové dopravce. Metodologicky spojuje teoretickou analýzu modelů strategického řízení, trendů digitálního marketingu a principů optimalizace flotily s praktickým hodnocením aktuálních tržních podmínek. Využívá smíšený výzkumný design, který zahrnuje obsahovou analýzu odvětví, srovnávací hodnocení integračních modelů a kvantitativní průzkumy mezi 236 leteckými profesionály.

Na základě komplexního analytického přístupu poskytuje tato diplomová práce cenné poznatky a praktické nástroje pro nízkonákladové dopravce při navrhování efektivních marketingových kampaní na míru. Praktická část výzkumu se soustředí na australský trh, přičemž využívá PEST analýzu a Porterovy pěti síly k identifikaci klíčových faktorů ovlivňujících konkurenceschopnost. Navrhovaná strategie pro leteckou společnost „XYZ“, která slouží jako prototyp, klade důraz na digitální zapojení zákazníků, flexibilní cenovou politiku a standardizaci flotily (Airbus A320neo/A321XLR) za účelem optimalizace nákladů a zvýšení provozní flexibility. Zjištění studie přinášejí hodnotná doporučení pro letecké společnosti, které usilují o vyvážení nákladové efektivity a konkurenčních výhod na rozvíjejících se trzích.

Klíčová slova: strategické plánování, letecký průmysl, správa flotily, optimalizace sítě, marketing na míru, nízkonákladový dopravce, digitální transformace

ABSTRACT

Aviation is considered one of the key industries in the 21st century and faces unprecedented challenges due to high competition and digital transformation. Airlines must constantly adapt to changes to keep their position and develop the company in a competitive market. The dynamics of digitalization strongly indicate the importance of having marketing strategies with operational components. Therefore, airlines' success increasingly depends on how well they integrate tailored marketing approaches with strategic decisions regarding aircraft utilization and route development.

This master thesis explores the integration of tailored marketing strategies with fleet and network planning, explicitly focusing on low-cost carriers. Methodologically, the master thesis combined theoretical analysis of strategic management models, digital marketing trends, and fleet optimization principles with practical market assessments. A mixed-methods design is adopted, including content analysis of industry reports, comparative evaluations of integration models, and quantitative surveys involving 236 aviation professionals.

With the deep analytical framework, this master thesis becomes the perfect guideline for low-cost carriers to build tailored marketing campaigns. The practical implementation focuses on the Australian market using PEST analysis and Porter's five forces. The proposed strategy for "XYZ" Air Company, which is a prototype, emphasizes digital engagement, dynamic pricing, and fleet standardization (Airbus A320neo/A321XLR) for cost reduction and increased flexibility. To reduce costs and enhance flexibility. The findings offer actionable insights for airlines aiming to balance cost efficiency with competitive distinction in emerging markets.

Keywords: strategic planning, aviation industry, fleet management, network optimization, tailored marketing, low-cost carrier, digital transformation

ACKNOWLEDGEMENTS

The Lord gave, and the Lord has taken away; blessed be the name of the Lord.

Job 1:21

First and foremost, I thank the Lord for being with me when no one else was, giving me the strength and perseverance to continue this journey.

I would like to express my heartfelt thanks to my family. To my beloved Mother, Nelli, your unconditional love, unwavering support, and sacrifices have been the foundation of my progress. I am also thankful to my sister, Ani, and my father, Simon.

I am deeply grateful to the Prime Minister of the Republic of Armenia, Mr. Nikol Pashinyan, and to Mr. Davit Gevorgyan for their exceptional support, which played a vital role in enabling my academic journey. Mr. Pashinyan's kindness brought a profound sense of justice into my life, for which I remain sincerely thankful.

I would like to express my sincere gratitude to my supervisor, Ing. Michal Pilík, Ph.D., for his valuable guidance, insightful feedback, and consistent support throughout the development of this thesis.

I am truly thankful to everyone who contributed through my GoFundMe campaign, and especially Mr. Armen Mkoyan. Your generosity and kindness provided not only financial support but also the motivation to keep going.

A special thanks to my language teacher, Mr. Sevag Aroyan, for his dedication, patience, and the important role he played in helping me adapt and grow academically.

To my friends, thank you for standing by me. I want to especially thank Vahan Chatinyan and Narek Ohanyan for their honest advice and friendship, and both Nawid Tawakoli and Jakub Wolski for their unwavering support and companionship. Finally, a very special thank you to Gregory Delrue. Your guidance and encouragement have had a profound impact on both my academic and personal growth. I am truly grateful for your mentorship.

I hereby declare that the print version of my Bachelor's/Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

Contents

INTRODUCTION	13
I THEORETICAL PART	16
1 AIRLINE STRATEGIC PLANNING	17
2 TAILORED MARKETING STRATEGIES IN AVIATION	21
2.1 Key Concepts And Framework	21
2.2 Definition And Importance	24
2.3 Practical And Theoretical Contributions	26
3 FLEET STRATEGIES IN AVIATION	29
3.1 Definition And Scope	29
3.2 Factors Influencing Fleet Decisions	34
4 NETWORK STRATEGIES IN AVIATION	39
4.1 Definition And Types	39
4.2 Network Planning Considerations	41
II PRACTICAL PART	48
5 PRESENTATION OF “XYZ” AIR COMPANY	49
6 MARKET ANALYSIS	52
6.1 The Structure Of Air Transportation In Australia	52
6.1.1 THE ROLE OF AIRPORTS IN THE AUSTRALIAN AVIATION MARKET	53
6.1.2 ANALYSIS OF PASSENGER FLOWS	57
6.1.3 COST OF PASSENGER AIR TRANSPORTATION IN AUSTRALIA	59
6.2 PEST ANALYSIS	61
6.2.1 POLITICAL FACTORS	62
6.2.2 ECONOMIC FACTORS	64
6.2.3 SOCIAL FACTORS	65
6.2.4 TECHNOLOGICAL FACTORS	67
6.3 PORTER’S 5 FORCES	70

6.3.1 COMPETITIVE RIVALRY	70
6.3.2 THREAT OF NEW ENTRANTS	71
6.3.3 BARGAINING POWER OF SUPPLIERS	71
6.3.4 BARGAINING POWER OF CUSTOMERS.....	71
6.3.5 THREAT OF SUBSTITUTES	72
6.4 RISK ANALYSIS.....	73
7 PROJECT OF TAILORED MARKETING	75
7.1 Objectives And Scope	75
7.2 Marketing Mix	77
7.2.1 PRODUCT.....	77
7.2.2 PRICE	81
7.2.3 PLACE	82
7.2.4 PROMOTION	83
7.2.5 INTEGRATION WITH FLEET AND NETWORK STRATEGY.....	87
7.3 TIME-COST-QUALITY FRAMEWORK.....	87
7.3.1 PROJECT TIME HORIZON	88
7.3.2 PROJECT COST.....	88
7.3.3 THE QUALITY IMPERATIVE.....	90
7.4 Evaluation KPIs	91
8 QUANTITATIVE RESEARCH.....	93
8.1 Methodology.....	93
8.2 Demographic Characteristics.....	94
8.3 Market Insights And Tailored Marketing Effectiveness	95
8.4 Data Usage In Strategy.....	97
8.5 Strategy Integration Potential	99
8.6 Project Justification.....	100
8.7 Limitations.....	101

CONCLUSION.....	103
BIBLIOGRAPHY	104
LIST OF FIGURES	113
LIST OF TABLES	114
LIST OF ABBREVIATIONS	115
APPENDICES	118
APPENDIX P I: SURVEY FOR AVIATION EXPERTS.....	119

INTRODUCTION

The modern aviation industry is transforming, and strategic planning is becoming a tool for sustainable development and the basis for survival in the face of high competition, digitalization, and changing passenger expectations. Fleet management, route network construction, and implementation of personalized marketing strategies are three interrelated vectors that determine the competitiveness of airlines in the 21st century.

This master's thesis aims to develop an integrated approach to the strategic fleet, route network, and marketing planning using the example of a hypothetical airline "XYZ." The work aims to identify synergies between these key areas and build a model that can adapt to modern market conditions, including digital transformation and passenger flow dynamics.

Methodologically, the study draws upon an interdisciplinary approach that combines theoretical concepts from the field of, strategic airline and route management, as well as practical analysis of the market situation. The main methods are content analysis, comparative analysis of integration models, marketing strategy design, cost, risk, and time analysis based on current market conditions.

The first chapter (Theoretical framework) systematizes modern approaches to developing personalized marketing strategies, fleet management, and route network design. Particular attention is paid to technological innovations.

The second part (Practical implementation) provides an in-depth analysis of the current situation in the aviation market, considering global and regional trends. Next, the models of marketing integration with operational aspects (fleet and network) are examined, including the design of a personalized marketing strategy based on passenger behavioral and demographic data. The developed project undergoes a triple check: cost, time, and risk, focusing on actual business conditions.

The methodological basis of this study is a systematic approach to tailored marketing, which became the foundation for the formation and development of marketing communications and promotion tools in the digital space. In the course of writing the thesis, such research methods used as analysis, in particular, content analysis to study the communications of aviation brands in social networks, competitive analysis to examine the key characteristics of competitor companies in the aviation industry, PEST and Porter's five forces analysis to

assess the prospects for the development of the company's digital marketing strategy take into consideration the strengths and weaknesses, opportunities and threats in the market, as well as target planning in the development of recommendations for the promotion of the studied business aviation airline.

Thus, the work offers a holistic view of strategic planning in aviation and can serve as a practical guide for aviation managers striving for technology-based, market-sensitive, and customer-oriented development of new-generation airlines.

OBJECTIVES AND METHODS USED IN THE THESIS

The objective of this master's thesis is to develop an integrated strategic approach to managing an airline's fleet, route network, and marketing processes using the example of a hypothetical carrier, "XYZ," operating in the Australian market. In the context of the global transformation of the aviation industry, the focus is on identifying points of contact between technology-oriented marketing and operational decisions that contribute to improving the adaptability and efficiency of the airline.

These countries are known for their high level of transparent industry reporting and development, and extensive strategic aviation planning experience. Their examples allow us to better understand the decision-making mechanisms in mature market conditions and adapt the identified models to the realities and prospects of the Australian aviation sector.

The interdisciplinary research methodology combines strategic analysis, marketing modeling, and operational management elements. The theoretical part used approaches proposed by leading authors in aviation marketing, digital technologies, and strategic management.

The methods used include:

- Content analysis of current scientific literature and industry reports to identify key trends.
- Comparative analysis of various models of marketing, fleet, and route network integration.

- Development of a project model of a personalized marketing strategy based on behavioral and demographic data.
- Evaluation of time, cost, and risk parameters allows the project to adapt to market and technological reality.

Thus, this work combines strategic vision with applied analysis and design tools, forming a scientifically based planning model for airlines focused on sustainable growth and digital transformation in emerging aviation markets.

I THEORETICAL PART

1 AIRLINE STRATEGIC PLANNING

Aviation is a vital part of the worldwide transportation network. Since aviation is the only option to travel rapidly over long distances, it is essential for international trade and tourism (Cook and Billig, 2023).

Over the past 50 years, commercial aviation has evolved and grown incredibly. Much of the industry has improved significantly, including aircraft and engines, navigation and communication equipment, and routes worldwide. When the first official aviation guide was published in 1929, airfares were listed alongside selected routes, paving the way for today's schedules and ticket pricing. Flights from X to Y cost a fixed price, with seat assignments and cabin classes coming out a few years later.

Until the 1970s, airline pricing was a tightly controlled affair. Any price increase had to be approved at the International Air Transport Association (IATA) Tariff Conference, which met twice a year. However, the economic pressures of rising inflation led to radical adjustments. In 1978, a landmark law was passed that led to the end of regulation, and by 1983, airlines were increasingly free to set their fares. Thus began the era of yield management, which evolved into the study of price optimization and airlines' strategic planning (OAG, 2024).

When strategic planning emerged in the mid-1960s, corporate executives recognized it as the “single best way” to develop and implement strategies to improve each division's competitiveness. According to Frederick Taylor's scientific management, the optimal solution was to separate thinking from doing and create a new department staffed with specialists: strategic planners. Planning systems would generate the most effective methods and step-by-step instructions for implementing these strategies, ensuring that the company's executors, or managers, do not make mistakes (Gallaughier, 2015; Mintzberg, 1994; Grant, 2013).

The air transportation market development strategy is a multi-purpose program to ensure sustainable and dynamic growth of the company based on effective planning, use of marketing methods, optimization of transportation plans, flexible regulation of financial resources, precise control of expenses and income, sustainable solvency, and self-financing. Strategic planning should become the top priority.

It is advisable to begin developing a strategic plan with an objective analysis of the current state of the enterprise and the market. To achieve optimal results, the airline must understand the nature and the influence of the environment in which it operates on its activities (Yang et al., 2024; US Department of Transportation, 2022; Shaw, 2020).

The choice of development strategy for an airline requires significant efforts and the professional skills of specialists to implement successive stages of strategic analysis of the internal and external environment.

Strategic analysis is a priority for an airline that seeks to maintain a leading position in the market. When choosing and implementing a strategy, great importance is attached to the analysis of market factors, which, due to constant variability, can affect the success or failure of the enterprise (Struckell et al., 2022).

On the other hand, it is necessary to consider the specifications of the enterprise's activities using systemic and situational approaches when choosing a development strategy. Suppose an airline defines economic activity as one of its priorities. In that case, it is imperative to form a specialized international strategy for the enterprise, introducing and maintaining the normal functioning of the strategic management system for its activities; in other words, a comprehensive analysis of its activities is needed to develop an airline development strategy.

The main strategic planning approaches are:

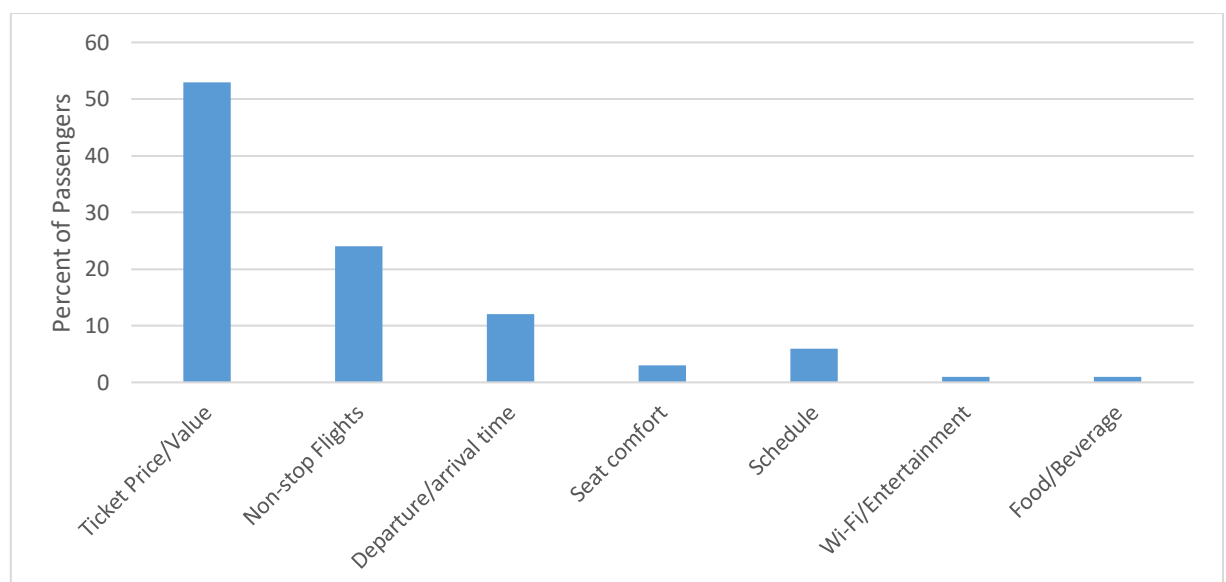
- **A growth strategy** is one in which the enterprise increases sales volumes, profits, and capital investments.
- **A stabilization strategy** is used in case of significant instability in sales volumes and profits.
- **A Survival strategy** is defensive and mainly used in crises.

A mandatory element of strategic analysis is the study of the influence of external macro- and microenvironment factors on the airline's activities, which includes an assessment of aircraft fuel suppliers and other components, the level of prices established in the industry, an evaluation of competitors and consumers, as well as passenger transportation services offered by the airline and competitors.

The analysis must be carried out to determine the airline's position in the passenger air transportation market and the airline's development directions in the existing competitive environment (Razumova et al., 2020).

Nowadays, airlines worldwide are forced to adapt to the external environment constantly and must be able to respond promptly to possible changes. Competition in the air transportation market, structural changes in the global and national economies, the level of inflation, state and international regulation, and other factors directly impact airlines' activities and determine the nature of the further development strategy (Wittmer and Bieger, 2021).

Figure 1. Passenger Criteria in Airline Choice



Source: Researchers' own, Data source: Airlines for America. (2025).

Despite all the above-mentioned factors that contribute to shaping airline strategy, it is crucial to note the elements that influence customer choice in the aviation market. Doganis (2019) outlines five important product aspects that affect a passenger's choice of airline: price, schedule, comfort, convenience, and image. Most airline customers travel for vacation or to see friends and family. Consequently, price/value is essential in selecting an airline (see Figure 1).

Considering all of this, we can confidently state that the main task of airline management in the relentless market conditions is to choose the optimal development strategy, considering

all factors of the external environment and fleet, network, and marketing as core pillars for an airline's overall success.

2 TAILORED MARKETING STRATEGIES IN AVIATION

In modern scientific literature devoted to the problems of personalized marketing, there are no established definitions of the terms: "individual marketing," "one-to-one marketing," "tailored marketing," and "database marketing." The phenomenon can be explained, on the one hand, by the relative novelty of the above-mentioned directions in marketing and, on the other hand, by the diversity of approaches to defining the essence and characteristics of these phenomena in the modern economy.

An analysis of recent studies and publications has shown various approaches to defining the essence of individual marketing. Since civilized countries are focused on building a competitive economy based on modern marketing concepts and introducing information technologies that ensure their practical implementation, the need for systematization and clarification of the above terms is increasingly growing.

2.1 Key Concepts and Framework

Certain aspects of tailored marketing have a centuries-old history, when the first craft productions focused on individual customers. Each seller personally knew their customers and could offer them a special product and approach to service. Currently, the most significant relevance for us is understanding the process of creating an individual product on a mass scale and identifying the factors that contributed to the intensive development of this direction in marketing (Keller, 2025).

Tailored marketing stems from the branches of marketing, One-to-One Marketing and integrated marketing communications. Therefore, it is essential to understand the concept's roots to define *tailored marketing*.

In the late 90s, the concept of "One-to-One Marketing" emerged in Harvard Business Review, which can be defined as "marketing aimed at an individual customer" or "individual marketing." Individual aspects of the concept are studied in marketing areas, such as segmentation, interaction with the client in sales, information technology, and services marketing (Peppers et al., 2014).

The concept of integrated marketing communications, or IMC, became widespread in the professional environment at the end of the last century. In many ways, this became

noticeable with the consolidation of advertising holdings, which began to gather under their roof not only creative and buying companies but also PR, event, promo, and other agencies specializing in individual types of marketing communications (Ang, 2021).

It is difficult to say what was primary and in what sequence the new concept entered the practice of marketing - either the concept of IMC stimulated the integration of agencies in the advertising market or, on the contrary, cooperation with a diversified holding involuntarily led to the idea of comprehensive management of marketing communications at the enterprise.

What is certain is that the advertising industry used the IMC model to accumulate all advertisers' expenses directed at communications with consumers and lock them within the framework of their group of specialized agencies, not allowing them to leak out to the outside. The change in the policy of individual enterprises on the construction of advertising campaigns fuelled the integration processes in the advertising industry, and the newly formed associations of agencies, in turn, became visible propaganda in favour of the integrated marketing communications method.

Integrated marketing communications became a response to the challenges posed to businesses by the media environment of that time. In the 90s of the last century, the media were experiencing their heyday and were the leading carriers of marketing information. They are heavily overloaded with advertising, the fundamental component of promoting goods and services.

The process led to competition striving for heights on store shelves and in the media space. The decreased effectiveness of advertising contacts in traditional media encouraged companies to look for freer alternative communication channels. Enterprises began to include cinemas, DVDs, books, sponsorship projects, and show events in their marketing plans (The Oxford Handbook of Business History, 2008).

IMC, as a model of marketing communications management, was developed by American practitioners, like many other things in the marketing field. Another keyword that is important for a correct understanding of this approach to creating advertising campaigns is management. The point is that the basic principle of IMC is to use a common denominator in any marketing communications emanating from the company.

As already mentioned, the media environment at the end of the last century was overloaded with advertising information from different companies, which brought problems with consumers' perception and memorization of the broadcast commercial messages due to the general information background of enormous power (Gersen and Steckel, 2023).

The first step businesses took in the fight against consumers' cognitive overload was the diversified use of tools and channels. This step revealed other problems related to the fact that, in this case, communications often came from disparate functions of companies. The second and more important step, which led to the emergence of integrated marketing communications, was the integration of business processes for planning, development, implementation, and control of all marketing communications.

Thus, integrated marketing communications include such basic elements as direct marketing, sales promotion, advertising, and PR. Let us consider the essence of each tool in the marketing communications complex.

Direct marketing. The tools used in this type of marketing communication are based on an individual design of messages for each specific consumer, which are delivered through channels and in periods based on the person's preferences.

The advantages are apparent since the response is always high if the offer best meets the interests of a specific consumer. The disadvantage is a continuation of the advantage since creating an individual offer requires knowledge of a person's preferences and consumer behaviour characteristics. Obtaining such information requires time and technical means for monitoring and collecting consumer data, as well as the availability of analytical tools to obtain appropriate conclusions for the subsequent implementation of marketing touches (Kotler et al., 2023).

Sales promotion. This type of marketing communication involves material incentives for consumers to take specific target actions. An example would be an offer to buy today for a significant discount on the next purchase.

The rational and straightforward nature of the advertising message of sales promotion tools gives a high response among consumers, which is a clear advantage of this type of marketing communication (Zhang et al., 2024).

However, the incentive works only in a short, limited period. If the discount is valid permanently or for a long time, it no longer motivates people to purchase (Kotler and Keller, 2016). Another disadvantage of sales promotion tools is the low concentration of information about brand values in the broadcast message, since its primary focus is the proposed material benefit of purchasing.

Advertising. It is a paid method of disseminating information to the target audience of consumers in the media space. The advantages of this type of communication are the promptness of access to the channel, the implementation of marketing contact with its users, and the relatively low specific cost of such contact. A significant disadvantage of this type of marketing communication is the limited format and short life of the advertising message, which requires multiple repetitions and payment for each of its appearances in the channels involved (Tian and Wang, 2025).

Public relations. Here, the main expenses are often associated with creating a communication message rather than paying for the channel used. Richer in content, which is practically unlimited in volume, PR communications provide ample opportunities for informing, educating consumers, and developing their preferences and purchasing habits (Ziegele et al., 2025).

However, the organic nature of distribution in a media channel significantly narrows the reach of the target audience. On the other hand, the advantage of this type of marketing communication is a longer period of existence of the broadcast message. For example, a video recording of a seminar posted online can remain relevant for the target audience for a very long time and perform its functions of influencing it.

2.2 Definition and Importance

Tailored marketing in the organization's marketing system requires a centralized approach to planning, creating advertising campaigns, implementing, and monitoring them. As we discovered above, each marketing communication type has advantages and disadvantages. The tailored marketing process creates conditions for their combination in such a way that they not only do not contradict each other but also complement each other, thus compensating for each other's shortcomings.

In light of the above, we will use the following definition of the subject:

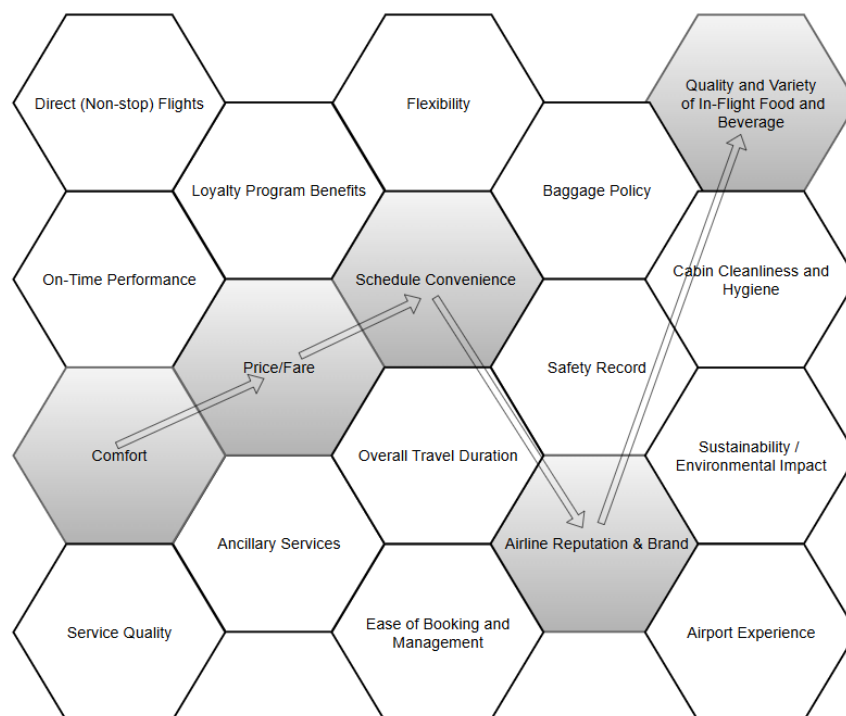
Tailored marketing is a data-driven, personalized approach for identifying, anticipating, and satisfying customer preferences.

A real-life example can represent the definition. The airline wants to adopt a tailored marketing strategy for its customers. To collect data related to the preferences of its passengers, the company sends them a list, where the customer can choose their preferences by priority before buying a ticket.

Tailored marketing can be represented with interdependent cells, where the dark cell represents one customer's preference, and the white cell represents the services that are not a priority for the customer (see Figure 2). It helps visually understand how the sequence can vary from customer to customer and the logic behind tailored marketing.

Suppose the airline sends 18 standard preferences listed for individual air transportation passengers, and the customer can choose by priority, 5. In that case, we can have 1,028,160 different possible ordered combinations (permutations) of 5 preferences that a customer might select as their top priorities from the list of 18.

Figure 2: Tailoring Based on Passenger Preference Components



Source: Researchers' own

The logical chain shows us that tailored marketing aims to have a coordinated impact on consumers and ensure better management of marketing campaigns. In practice, when implementing a promotion plan in the tailored marketing system, each type of marketing communication fulfils its purpose, making its contribution to the overall strategy of informing and interacting with the target audience.

Thus, the importance of a tailored marketing model lies in the fact that it solves the following range of problems:

1. Increasing the chances for a business to get the target audience's attention to the company's advertising messages by concentrating efforts.
2. Diversifying the impact on consumers, using a wide range of tools of all types of marketing communications in advertising campaigns.
3. Increasing the effectiveness of contacts with the target consumer audience by combining different marketing communications, achieving a synergistic effect.
4. Using messages in each specific type of marketing communication that exists in harmony, complement each other, and have an everyday basis.
5. The most essential thing is that *it gives a personalised message for each customer, according to their expectations.*

Tailored marketing describes a complete business model based on well-understood data that meets real customer needs. It is the future of any activities related to distributing a final product or service from the business to the end user.

2.3 Practical and Theoretical Contributions

One of the biggest companies that adopted tailored marketing is Edmond de Rothschild Group, the world's leading private banking company based in Switzerland. When, at the end of 2024, the company presented a new global head of marketing and products of private markets, they mentioned that the person is responsible for developing and implementing a tailored marketing strategy with €21,8 bn assets under management (Edmond-de-rothschild.com, 2024).

When companies switched to the tailored marketing model, several questions arose, the answers to which were previously unimportant. For example:

- How do we determine which combination of different types of marketing communications gives the best result?
- What set of marketing communications tools and at what point, based on behavioural characteristics, gives the best response from consumers to the company's appeal?
- What should a marketing communications calendar plan look like to maintain an integrated impact on consumers?
- How do we preserve the identity of brand positioning when constructing messages in an integrated marketing communications system?

It is essential to mention that the concept of tailored marketing strategy has forced companies to take a different look at the organization in which they manage their advertising campaigns. In many ways, this policy has expanded the field of opportunities for communications, introducing several innovations. Of course, what was new at the dawn of the formation of tailored marketing is now familiar and commonplace in the communication of brands with consumers. However, this became possible due to several integrated communications management features. Namely:

1. *Shifting focus from traditional media*, diversifying communication channels, and giving them equivalent importance in the overall campaign. With the introduction of tailored marketing strategies, marketers and companies began to pay attention to all contact points with consumers and consider them in communication plans. Ideas for deep branding of a sales office emerged that convey messages to consumers and position the brand through location and signage, interior space design, and the experience received. This new approach became a prerequisite for the emergence of a 360-degree branding strategy and, subsequently, the omnichannel nature of any interaction with the consumer. (Vernuccio et al.; 2024, Adeola et al., 2022; Huang and Hands, 2022).

2. *With the adoption of the concept of tailored marketing*, companies realized for the first time that an advertising campaign is no longer a monologue, where a business only broadcasts everything it wants to convey to its consumers. They are deprived of a voice and only have the right to listen. The tailored marketing strategy has come to understand that customers need feedback and are ready and willing to express their points of view on their

products and services to companies. Since then, marketing communications have become a two-way street, from companies to the target audience. Moreover, companies now involve consumers in developing and customizing their offer to be a customer-oriented business (Bleier et al., 2018).

3. To cover many channels, involving a larger number of performers is necessary, which requires a different level of control. Maintaining standards of interaction with consumers and brand identity in the integrated marketing communications system is becoming extremely difficult. Thus, such control tools as a brand book, a guide, or a sample with instructions for various uses, a test purchase, and mystery shoppers appeared in marketers' arsenal. In other words, the management of communication campaigns began to occupy a larger share in the work of a marketer than was previously necessary before the concept of tailored marketing (Eibl and Gregor, 2019; Rajagopal, 2019).

4. The next feature follows from the previous one. To comply with the principle of tailored marketing, it is necessary to have one control and decision-making center in which all highly specialized marketing services are involved in the brand promotion. Thus, the tailored marketing system requires the organization of a broad horizontal and vertical structure of the company's marketing function (Schlegelmilch, 2022).

The modern consumer, who has lived surrounded by multiple media channels for decades and has free access to any source of information, makes purchasing decisions differently today. Despite information overload and a shortage of time, his route from getting to know the brand to purchasing has become much more careful, longer, and winding. Moreover, the final decision is influenced by many factors, which can be standard for a specific audience segment and have an individual feature for one person (Lee et al., 2015; Hooley, 2020).

Considering this, tailored marketing communications carry certain advantages for the enterprise. Their centralized origin determines the importance of applying the tailored marketing strategy (Abraham and Edelman, 2024). This strategy allows companies to consciously influence the target audience of consumers using a wide range of channels and tools while maintaining high efficiency and identity in communication.

3 FLEET STRATEGIES IN AVIATION

Effective fleet management is one of the most pressing issues facing airlines. The complexity and multifactorial nature of this problem suggest using different approaches to solve it, providing information and algorithmic support for the decision-making process while implementing the airline's fleet management.

3.1 Definition and Scope

At the present stage of the market economy development, the need to develop and implement long-term management of the enterprise's performance is becoming increasingly relevant to obtain competitive advantages. Strategic management is a comprehensive system of setting and implementing an enterprise's strategic goals based on forecasting the external economic environment and developing methods for adapting to its changes.

The object of the management strategy is the enterprise, as well as its divisions. The strategy for managing the performance of an enterprise is a general strategy for the organization's development, which is implemented through functional strategies, including marketing strategy, production development strategy, innovation strategy, financial strategy, investment strategy, and strategy for organizational support of the enterprise management system.

The solution of optimization problems serves as the basis for building an effective air transportation management system. Thus, planning and implementing the above-mentioned functional strategies for an airline is based on solving specific intra-industry problems, such as planning and optimizing the route network and aircraft fleet, which should be solved in close interaction. However, given the budget constraints of an airline, the primary problem for optimizing the aircraft fleet is optimizing the route network, which requires analysis and forecasting of the air transportation market (Zhou et al., 2020).

The production and economic indicators of the airline's activity (number of flights and landings, flight hours and kilometers, aircraft configurations, capacity offered, proposed seat kilometers, passenger flows and passenger turnover (passenger-kilometers), income and expense rates calculated from the technical feasibility of their provision and the compiled route network) serve as the basis for preparing the airline's budget for future periods (Federal Aviation Administration, 2016).

The solution to the route network optimization problem includes a system analysis of many air transportation market indicators, such as the structure, condition, and optimization possibilities of the aircraft fleet; planned costs of maintaining representative offices; all types of operating expenses; market sizes by flight directions; opportunities to capture shares of these markets; opportunities to obtain convenient slots for drawing up a schedule that provides potentially popular connections at hub airports (Kamal-Idrissi, 2022). However, the fundamental role in justifying the feasibility of a flight is played by its profitability indicators and its impact on the network effect.

In addition to minimizing costs, the profitability of a flight is mainly influenced by the level of prices and commercial load, which, for passenger air transportation, is expressed in the seat occupancy rate. The methodological basis for solving the problems of forecasting demand and prices in the air transportation market is the availability of information systems that monitor market parameters.

The initial problem is the correct measurement and control of air transportation indicators, i.e., the issue of monitoring the implementation of air transportation plans and ensuring the receipt of prompt and reliable information about the air transportation market. The most important factor in effectively planning the airline's activities is the timely receipt of such information. Errors in assessing the leading indicators of the flight being performed as the initial input data for analysis entail subsequent errors in forecasting air transportation indicators (Sharko et al., 2020).

Situational analysis is the primary tool for identifying and assessing key trends and internal and external factors that affect the company's air transportation volume. Determining competitors' potential and identifying unsatisfied demand in the market play an important role. In addition, the analysis involves determining the strengths and weaknesses of the airline in comparison with its competitors.

In the aviation business, expert assessment methods are widely used to forecast air transportation indicators, the degree of reliability of which, due to the significant influence of external macroeconomic and political factors on the air transportation market, remains insufficient, which affects the effectiveness of management decisions. When approving the route network and flight frequency in specific directions after forecasting the air transport

market situation, it is necessary to proceed from the resources of the aircraft fleet and the possibilities for its optimization by the prospective flight directions.

It is necessary to analyse many factors arising in the sphere of aircraft production and the sphere of operation, affecting the formation of the aircraft fleet and its efficiency, to determine the optimal structure of the airline fleet. It is also necessary to analyse the process of passenger transportation, considering the requirements imposed on various parameters characterizing the aircraft's capabilities. At the same time, it is essential to consider external factors, such as climate and geography (Mcdougall et al., n.d.).

Comprehensive consideration of all possible factors of aircraft operation allows for the reduction of fuel and energy resources costs, eliminates downtime, and selects the most optimal aircraft option to achieve the set goal (Murrieta-Mendoza and Botez, 2019). This process is iterative in nature and can be divided into two stages:

1. The aircraft fleet is optimized, considering the entire range of services for a particular aircraft type, routes, load levels, and production costs.
2. Based on the results of the previous study, a choice is made based on economic criteria, and the optimal area of use for a given type of aircraft is determined.

As mentioned earlier, to solve the set tasks it is necessary to analyse all possible options for combining the parameters of aircraft types, the total number of routes (scheduled, irregular, charter), the number of passengers (per year, per month, per week, per flight), the number of flights (per year, per month, per week, per day), fuel consumption (per year, per month, per week, per day, per flight for each type of aircraft), the total cost of all flights (per year, per month, per week), the cost of one flight of each kind of aircraft, the flight time of one aircraft, the flight distance, the cruising speed of the flight.

When operating aircraft and striving to reduce their cost, there is a need for maximum unification, i.e., a reduction in the number of aircraft variants in operation. In this regard, to make the right decision when selecting aircraft variants for forming a fleet, it is necessary to carefully compare and measure all aircraft parameters and numerous requirements for the passenger transportation process to achieve maximum effect at minimum cost (Vasigh and Azadian, 2022).

The formation of the aircraft fleet should provide for the replacement of obsolete aircraft or deep modernization and modification. In this case, a task arises related to the forecast of costs determined by the renewal of the aircraft fleet and the development of the most economical replacement strategy (Dožić and Kalić, 2017).

The operation of obsolete aircraft is associated with increased production costs, but replacing old aircraft with new ones is also associated with significant costs. The plane has a certain service life, after which it is advisable to replace it with a new one. Due to economic problems, replacing the aircraft fleet in our country with new aircraft has some features that complicate the task.

When considering the issue of choosing the optimal fleet of aircraft, it is necessary to consider a systematic approach to planning the target, to consider both the development prospects of the target and a comprehensive solution using most of the interrelations within the aviation transport system and outside the system. Thus, it is necessary to solve three main hierarchical problems:

- a) achieving maximum efficiency of the aircraft fleet in passenger transportation.
- b) solving the economic and mathematical problem of optimizing the implementation of passenger transportation.
- c) determining the required number of aircraft of each option for each route to create an optimal aircraft fleet (Steniakin and Shevchuk, 2023).

As a result, using passenger flows and income, which are predicted based on the route network and aircraft movement plan, a flight budget is formed. To form a sales budget, together with the expected flight budget indicators, statistical data on sales of representative offices and the agent network are used, based on which models are developed that allow determining the revenue from ticket sales for each line based on the revenue from flights on these lines (Teoh and Khoo, 2015).

However, the structure of demand and flight profitability is spread out in space and time, creating specific difficulties in identifying these models. As a result, most airlines still lack a unified methodology for calculating sales revenue.

However, the statistics of these indicators should serve as the basis for optimizing the route network, forecasting, and subsequent planning of the airline's budget revenue. The incorrect use of revenue indicators from flights and sales revenue (revenue) often leads to significant methodological errors in forming the air transportation budget, making it either unreasonably understated or unfeasible. The incompleteness and unreliability of the original statistics used in calculating air transportation indicators aggravate the current situation.

Thus, the optimization tasks of drawing up a route network and an aircraft fleet plan form the basis for managing the economic efficiency of an airline's activities since they determine the initial indicators when developing its strategy.

The most reliable information is generated by collecting and cross-correlating it from various sources. However, the data may differ due to different technologies used for entry and accounting. Analysing the issues that hinder the effective optimization of the airline's route network, the future solution is to eliminate this fundamental problem by developing a single systematized database of air transportation markets containing the most realistic operational and statistical information (Schraven, 2021).

In addition, given the minimal marginality of airline operations, the slightest changes in external factors can significantly impact their profitability. This requires resources for possible sudden diversification of routes and airline fleets. To smooth out the effect of such risks and, therefore, more confident strategic planning, it seems necessary to have civil aviation authority support, a kind of "safety cushion" in the event of a sharp change in the external economic environment.

This would reduce the need for universality in the composition of the aircraft fleet, thereby increasing its economic efficiency in the context of the current market forecast. One type of such support could be fixing the limits of the price corridor for aviation fuel (as one of the most significant items of variable expenses) for airlines for specific periods, as well as ensuring the leasing obligations of airlines in the event of sharp fluctuations in exchange rates.

The above measures would make it possible to more accurately manage and plan an airline's fleet and thus increase the effectiveness of strategic decisions.

3.2 Factors Influencing Fleet Decisions

Many indicators can express the success of an airline's operations and fleet management, but the leading factor is profitability. Managing demand and supply is necessary to achieve good operating results. However, this is not as easy as it seems. Neither supply nor demand is subject to complete control by the airline.

The goal and strategy of the airline must set the volume of supply. Such indicators as capital, human resources, and aircraft capabilities also determine the supply level. Legislative restrictions, ranging from environmental standards to slot restrictions, also affect the volume of supply coming to the market from the airline (Orzach and Dix, 2021).

The target demand segment that the airline intends to satisfy is part of the overall passenger flow. However, the airline is not able to fully meet the demand of its target segment, especially if there are other companies in this segment, competitors. The airline brand, pricing policy, and distribution strategy also significantly affect demand (Avram, 2019).

In this condition, airlines need to have a clearly defined fleet strategy, which includes but is not limited to the choice of planes and the capacity of planes.

Selecting aircraft capacity

The capacity of the aircraft depends on the size of the target market. If the airline's strategy is to serve routes with dense passenger traffic, it needs an aircraft with increased capacity and optimal economic indicators per unit of aircraft. However, we often see that airlines prefer to increase the frequency of flights without expanding the plane's capacity, in which case, small-capacity aircraft are preferable (Carayannis, 2018).

For airlines operating in a narrow market niche, operating small-capacity aircraft is dangerous because a large competitor may emerge with large-capacity aircraft capable of fully serving that narrow segment. Closely related to the concept of capacity is the idea of comfort. All decisions regarding the comfort level directly concern the space intended for the passenger. Parameters such as seat pitch, i.e., the distance between rows and the number of seats per row, are the main ones when comparing aircraft economically (Gray et al., 2021). Although the level of comfort is a subjective parameter, it can have a significant impact when assessing economic efficiency.

The data provided by the International Air Transport Association (IATA) about the dominance of narrow-body jets in airline operations can be cited as proof of the above-mentioned statement (IATA, 2024). The graph represents widebody jets, narrowbody jets, regional jets, and turboprop usage represented by available scheduled seats (see Figure 3). By cramming many seats into the cabin, we achieve an excellent low cost per seat, but at the same time, this decision reduces the attractiveness of flying in such conditions and gives competitors a chance.

The cabin layout should be oriented not only to the current market situation but also to the future. Markets that are volatile or have rapid growth rates are complicated to serve because the aircraft will not always have the optimal capacity at any given time.

In this case, reducing the distance between the rows and installing an additional row of seats is possible. However, this is not the best solution since, in this case, the reduction of important (judging by market trends) comfort indicators.

The key to this situation is the airline's ability to respond flexibly to market changes and reconfigure its aircraft. Having flexibility in the market is easier to achieve with wide-body (twin-aisle) aircraft than with smaller ones.

Selection of technical characteristics of the aircraft

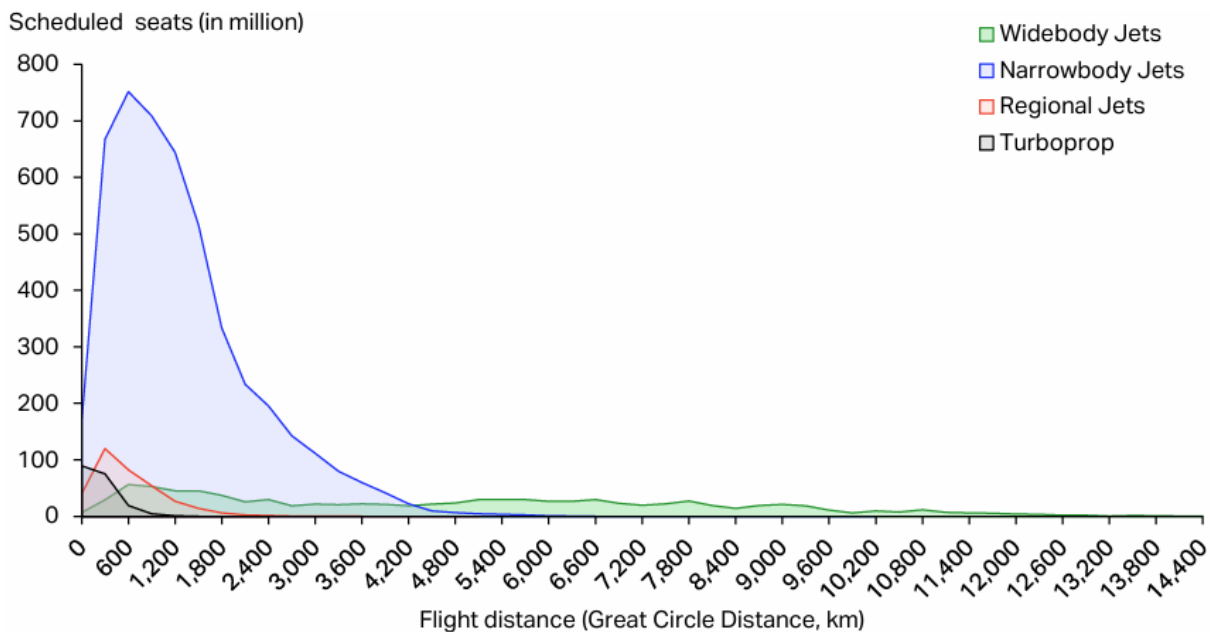
Traditionally, when choosing an aircraft, the dominant indicator of aircraft evaluation is its range. For airlines, the range is a constraint when planning the development of the route network.

Currently, most large aircraft have broad non-stop flight range capabilities, reducing the importance of this parameter. Boeing and Airbus have aircraft with 8000 nautical miles, equal to 14816 kilometres, in their product lines at maximum load, allowing airlines to serve pairs of large cities with high passenger traffic, making non-stop flights over long distances (Dožić and Kalić, 2017).

Many airlines continue to focus heavily on range when comparing aircraft. There are good reasons for this. For example, the future value of an aircraft is determined by the aircraft's range. Operators of early aircraft may suffer losses due to limited take-off weight and, therefore, range until design changes are made (Jacobson, n.d.). However, the payload is not only a function of weight but also a function of operating conditions and static load. In

addition, the number of engines and the position of the center of gravity are also limiting factors (Loss of Control In-Flight Accident Analysis Report 1st Edition, 2010).

Figure 3. Global scheduled seats by aircraft type, 2024, millions



Source: IATA, 2024

The possibility of changing the takeoff weight remains significant throughout the aircraft's life cycle. For example, the first version of the A310-200, introduced into service by Swissair and Lufthansa, had a maximum declared takeoff weight (MDTOW) of 132 tons and a range of 2800 nautical miles, which is equal to 5185,6 kilometers, with a maximum passenger load.

At the same time, the latest version of the A310, the A310-300 (1989), had a maximum takeoff weight of 164 tons and a range of 5350 nautical miles, equal to 9908,2 kilometers, with a maximum passenger load. Of course, many other structural elements, such as increased fuel capacity, were subject to change. If an airline orders the first version of a developed aircraft, this version may change. In this way, the airline assumes the risks associated with the impossibility of accurately determining the characteristics of the final product (Airplane Flying Handbook (FAA-H-8083-3C) Chapter 6: Takeoffs and Departure Climbs, n.d.).

An example is the situation with Austrian Airlines, which in 1979 placed an order for the initial version of the A310-200 to operate on European routes. For several reasons, this type

of aircraft was delayed many years, and by the time of the first delivery in 1988, the airline had acquired aircraft with a much longer range, the Airbus A310-300.

However, the airline had to reconsider using the received model significantly. In this case, the wide-body aircraft was no longer suitable for operation on European routes, but at the same time, the airline could operate long-haul flights from Europe to cities such as Tokyo and New York. Thus, the fleet planning strategy underwent significant changes due to the changed characteristics of the aircraft (Airwaysmag.com, 2016).

It is tough to predict precisely how the network structure will change during the life cycle of an aircraft. Buying a plane with too long a range means increasing expenses such as maintenance costs, take-off, and landing fees (Zgurovsky and Pavlov, 2018).

Ideally, there should be a match between the average network shoulder and the optimal flight range of the aircraft being purchased. In practice, this is rarely the case. The route network is usually heterogeneous and contains routes with different ranges. When planning, the problem is to find the optimal solution in coordinating the route network with a wide range of ranges and the optimal range of the aircraft being purchased.

Economic evaluation is not limited to cost analysis; it is essential to analyse the projected revenues. When evaluating a fleet planning decision, the basic point is to consider operating costs. In general, airlines seek to minimize costs, but increasing expenses to obtain promising long-term results is sometimes more profitable (Wolla and Backus, 2018).

As time passes, airlines need confidence that gradual changes in fleet capacity can be made with minimal disruption to operations. The issue of the structure of the aircraft fleet (single or mixed fleet) can be considered from two positions.

First, it is necessary to evaluate each model in the manufacturer's aircraft line from the point of view of the airline's needs. It is tough for suppliers to break the monopoly of an aircraft manufacturer or engine present in the airline's fleet.

Due to the existing differences in design, maintenance, passenger service standards, and management in general, the operation of a mono-fleet is more economically justified. In general, only large airlines can accumulate the resources necessary to operate a fleet of aircraft of different types.

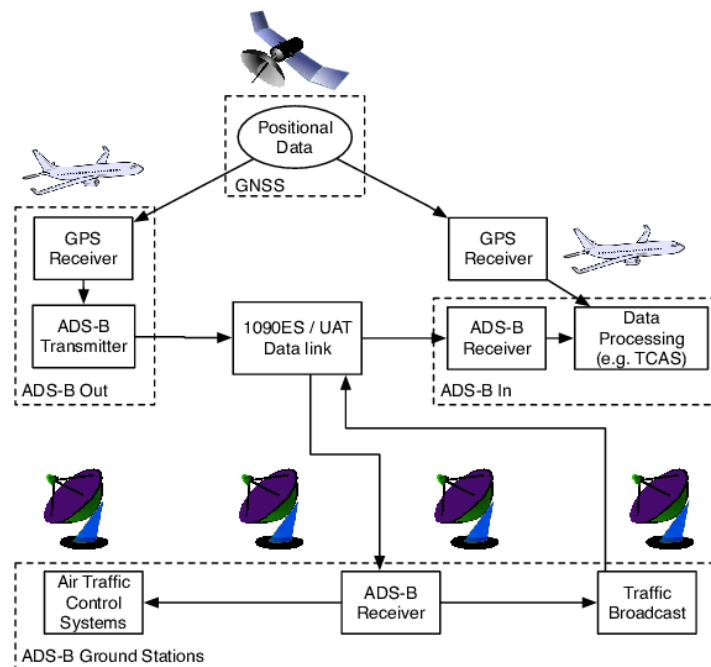
4 NETWORK STRATEGIES IN AVIATION

Air network planning is the process of collecting and processing information on expected air traffic, calculating the expected load of airspace and ATC units of individual zones, developing the procedure for performing flights by existing rules and taking into account existing restrictions, carried out to use airspace in the interests of ensuring flights of aircraft of all departments and eliminating overloading of individual zones and ATC units during air traffic control (Civil, 2008; Abdelghany, 2018).

4.1 Definition and Types

Flights of civil aviation aircraft in the world's airspace are carried out according to a schedule and unscheduled. Airspace planning and coordination are performed by the ATM Centres in cooperation with the air traffic services (flight control) units of the airspace users (see Figure 5).

Figure 5: ATC system holding



Source: (Strohmeier et al., 2015)

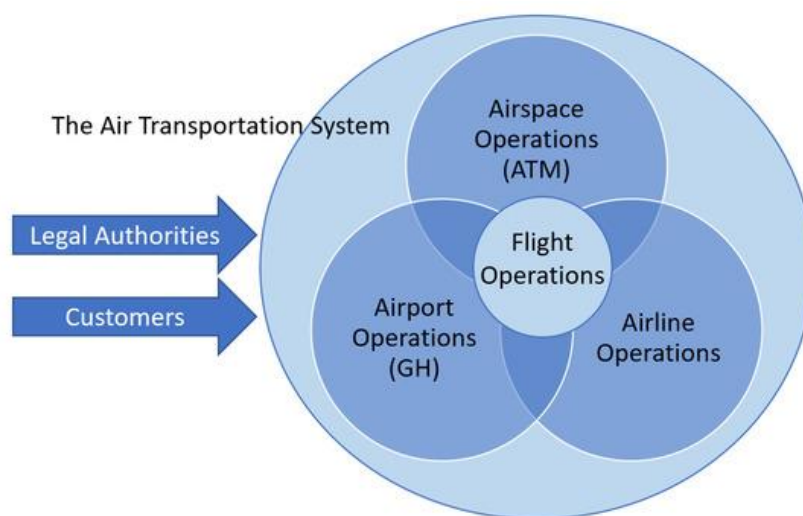
The ATM Centres perform preliminary, daily, and current airspace planning based on requests and schedules (graphs).

- **Preliminary airspace planning** is performed two or more days before the day of airspace use to coordinate issues related to the special organization of airspace and its provision.
- **Daily airspace planning** is performed on the eve of the day of airspace use to ensure the declared activity by distributing airspace by location, time, and altitude.
- **Routine airspace planning** is performed during the execution of the daily plan by redistributing airspace by time, location, and altitude to ensure the safety of the planned activity and the activity requests received on the current day (Faa.gov, 2025).

Coordination of air traffic control is carried out in planning and servicing air traffic with the aim of high-quality and timely performance of activities depending on the prevailing air, meteorological, and air navigation situation, and by state priorities in the use of airspace (see Figure 6).

Each airline studies passenger flows on various routes and plans its flights (recurring flight plans) based on this. Preliminary planning is carried out at this stage. The Main Center for Planning and Regulation of Air Traffic Flows (MC PPVD) coordinates these plans. Its tasks include smoothing out peaks in traffic intensity at departure and landing aerodromes, routes, and their intersections by changing the planned departure time and flight routes. By studying airlines' demand for specific destinations (routes), it is possible to design new air routes to reduce airline costs and improve safety (Faa.gov, 2024).

Figure 6: The air transportation system



Source: Hutter and Pfennig, (2023)

The result of air traffic planning is aircraft movement schedules (AFS), which are compiled to most fully satisfy the needs for air travel for the planned period, considering the requirements of cost-effectiveness and capacity restrictions of airports, the air route network, and ATC control towers. The flight plan parameters for individual flights obtained due to drawing up the AFS remain unchanged during the time interval coinciding with the periods of validity of the AFS until new AFS are drawn up or their necessary adjustments are made (Nats.co.uk, 2018).

Ensuring a uniform load on ATC zones is one of the main factors determining the quality of preliminary planning. Failure to consider this requirement leads to uneven distribution of air traffic flows in time and space during the implementation of the movement plan. Uneven flows create prerequisites for the emergence of situations when an air traffic situation may develop in the ATC zone or part of its airspace, leading to an unacceptable increase in the workload of ATC controllers, which will complicate the timely analysis of the air situation and the adoption of correct decisions. This results in the occurrence of dangerous aircraft approaches (Eurocontrol.int, 2023).

In addition, to ensure safety, the ATC controller, in conditions of increased load on airspace elements, is forced to assign flight levels that are economically unprofitable for flights and apply other recommended measures to ensure safety, including aircraft delays in holding areas and on the ground.

Thus, the uneven distribution of air traffic causes a decrease in the values of air traffic efficiency and regularity indicators. For these reasons, the quality of preliminary planning is assessed, firstly, by the efficiency of using the solutions obtained in the process of daily planning and their quality in the current planning process (Faa.gov, 2015).

4.2 Network Planning Considerations

In preliminary network planning, it is practically impossible to describe air traffic flows accurately and fully consider the influence of several factors on the efficiency of movement plans (weather conditions, the state of the ATC system, and the presence and nature of restrictions on the airspace). This type of planning is carried out under conditions of the most significant uncertainty compared to other levels of planning (www.iata.org, n.d.).

Daily planning is carried out on the eve of the day of use of the airspace. During daily planning, additional information is received on the modes and restrictions on air routes and airfields. Compared to preliminary planning, daily air traffic planning is characterized by a higher degree of certainty about the values of the parameters of the factors considered. Here, short-term (daily) forecasts of the expected state of the weather conditions and the navigation and ATC systems can already be used. The tasks solved at the level of daily planning have a more pronounced deterministic nature, although they contain random elements. Therefore, with daily planning, it is possible to most fully and accurately assess the expected efficiency of the planned air traffic both by integral indicators of safety, efficiency, and regularity of flights and by local indicators characterizing, for example, the efficiency of individual services that provide aircraft preparation and flights.

Let us list the main tasks that are solved during daily planning. These include:

- Optimal distribution of airspace use, considering the interests of all persons (individuals and legal entities) who have submitted applications for airspace.
- Checking airline licenses for the right to perform the declared flights. This check is related to the fact that licenses for the right to perform specific flights have a certain validity period.
- checking airline debt for air navigation services.
- checking the planned route for getting into zones of restrictions and modes.
- Smoothing out intensity peaks.

Based on the daily flight plans of aircraft approved by the ATC zonal center, daily airport plans are created to regulate the work of airport services on the day of flights (Civil, 2021).

In conditions of complete certainty about the needs for air traffic and a known priority between groups and individual flights, the rational organization of air traffic flows becomes central for daily planning. At the same time, the principle of coordination of decisions on air traffic planning in individual ATC zones and between them is decisive (Civil, 2021).

The need to ensure several flights on off-route routes leads to the establishment of corresponding restrictions on flights on routes. The restrictions introduced change during the day and when switching from one daily plan to another.

With the onset of a new day, the daily plan becomes current. From this time on, information on the flight status is updated at each stage of the flight.

One hour before departure, the aircraft crew must analyze the load, meteorological information, and the air navigation situation, calculate the fuel reserve, and decide on departure. Half an hour before departure, a flight plan containing the departure time and route is transmitted. This information is transmitted to the ATC centers along the flight route and to the bodies exercising control over the airspace. The actual flight route of the aircraft must correspond to that declared in the plan (except in emergency situations). The aircraft crew and the ATC dispatcher supervising the flight are responsible for compliance with the route. Information on the decision-making, engine start, start of taxiing, and the exit route from the aerodrome area for each flight is displayed in the ATC system holding forms. Information on takeoff is transmitted to the ATC centers along the flight route, where it is automatically processed, and the position of the flight in the ATC system holding forms is adjusted. After takeoff and entry into tracking, a constant comparison of the planned and actual routes is carried out, and as the route points are passed, subsequent planned times are adjusted, and the data is transmitted to the ATC centers along the flight route. It allows for the formation of waiting lists with sufficient accuracy (ICAO, 2025).

The accuracy of waiting lists helps the ATC controller make optimal decisions for aircraft control in their zone. After the flight is completed, the planned and actual flight routes remain in the ATC systems.

The entire scope of work related to air traffic planning requires automation. Such automation should be carried out considering the ICAO recommendations, which are set out in the European Air Navigation Plan.

Here, the following tasks must be considered and solved:

- Interaction with the military ATM systems of the country.
- planning and coordination of the ATM of the country and neighbouring countries.
- elimination of congestion in ATC zones, areas, and sectors through rational planning and streamlining of aircraft flows.
- Selection of the most economical routes and flight profiles, considering the interests of all airspace users.

- Implementation of ATM planning processes and calculation of air navigation charges using modern communication tools.
- Exchange of flight plans and aeronautical information between elements of the air traffic planning system of the country, neighbouring countries, and the planning bodies of the ICAO European Region.

All this implies that the planned information should be automatically processed in a convenient form in the form of planned tables, forms, and waiting lists, and, at the same time, include basic (information), planned, corrective data, meteorological information, and auxiliary information.

Basic information contains reference data on airports, points, routes, airlines, and airspace structure.

Planned information consists of repetitive flight plans, preliminary flight plans.

Corrective information is information on the actual movement of aircraft (takeoff, actual flight over specific points, updated planned time of flight over points along the route, updated flight route). This type of information also includes coordination between adjacent areas and information from military sectors of regional centers regarding airspace restrictions.

Meteorological information - weather forecasts at airfields and on routes, actual weather

Auxiliary information includes NOTAM messages, i.e., pilots' notifications about the state of air navigation equipment.

At the same time, interaction with sources and consumers of information is carried out via the AFTN (Aeronautical Fixed Telecommunication Network) via global, regional, and local air communication lines.

A necessary condition is the formalization of the transmitted information. The received and displayed information is printed as planning tables and reference books. Particular attention in the automation of the processing of planned information is paid to the following issues:

- Reception, processing, and issuance to workplaces of a set of planned and meteorological information, information on restrictions and modes of air navigation services, as well as reference and other auxiliary information.
- The type of information displayed at workplaces.
- Ensuring interaction with sources and external consumers of information.
- Monitoring and management of the technical condition of equipment.
- Documentation and reproduction of various types of information.
- The primary sources of information for planning are:
- Zonal centres of the Unified Air Traffic Management System.
- Airfield control towers (ACP) of airports.
- Automated air traffic control systems (AS).
- Airline planning services.
- Aeronautical information services.
- Meteorological complexes.

It is advisable to present the information structure of such an AS as a connection of individual functional modules. According to such a structure, the technical implementation of the AS for processing planned information is carried out. Let us list the main modules that are part of the corresponding structure (NBAA - National Business Aviation Association, 2019).

Module for interfacing with information sources. The main task of this module is to process and present the incoming information in a particular form.

Module for processing and storing information. This module performs the functions of archiving, administration, and backup. At the same time, data is backed up daily, and textual data backup is also used in case of hardware and software failures. Data is protected from destruction in case of accidents and power failures of the complex. Let us recall that the integrity of the system means its ability to independently determine the violation of its operating modes and the presence of failures.

Aerodrome Flight Planning Module. This module creates a current plan based on recurring flights and received requests for air traffic control. With this data, the module calculates the planned trajectory in the aerodrome area.

Route Flight Planning Module. This module calculates the planned trajectory, where the information is taken from the route plan. The planned trajectory is automatically recalculated when the aircraft flight parameters (departure time, route) change.

Statistical Processing Module. This module processes the completed aircraft flight plan, issues data for printing statistical samples, and creates a database for various output reporting forms.

Interfacing Module with Information Consumers. The main task is to ensure interaction with information consumers, particularly regarding the performance of air navigation services.

To summarize the issues of air traffic planning, we note that the planning system is an information and computing system of a network structure. Various information sources interact in its operation, and the planning information processing system (a lower-level system) ensures prompt processing and delivery of results to consumers.

Recurring flight plans related to frequently repeated (at least 10 times), regular (on the same days of the week) flights with identical basic characteristics, which are transmitted to planning and ATC authorities for storage and repeated use for specific individual flights (Evans and Moser, 2006).

The implementation of the RPL system allows:

- To organize preliminary air traffic planning considering the capacity standards of airspace elements, ATC authorities.
- To eliminate the need for the aircraft crew (operator) to submit a flight plan for each flight.
- To reduce the workload of aircraft crews at the pre-flight preparation stage.
- To reduce the likelihood of errors when filling out and sending flight plans for each flight.
- To reduce the workload of communication channels (AFTN).
- Provide air defense authorities and air traffic control points with accurate and advanced information on planned movement, indicating the aircraft's affiliation, route, altitude, and other flight details, including the estimated time of crossing air traffic control areas (state borders).

- Organize a system for calculating the planned expenses and income of enterprises for air navigation services for aircraft.

Airline crews use a repeating flight plan as a plan registered and approved by air traffic control authorities, accepted for unconditional support of the flight by air traffic control services, the air force, and air defense authorities.

RPL is used to obtain various information on the route, days of operation, aircraft type, and other characteristics to calculate the loading of airspace elements (ATC sectors, intersection points, airfields) and identify overload at the preliminary and daily planning stages.

Repetitive and other flight plans (FPL, PPL) are statistical documents used for mutual settlements for air navigation services and other services between user operators and ATC units. Air traffic controllers use RPL when monitoring crews' pre-flight preparation.

Aircraft crews receive information on the execution of a flight according to the RPL procedure in the airport navigation room or the order determined by the flight operator. Elements of each flight, except the cruising flight level, must have a high degree of consistency. Failure of aircraft crews (operators) to comply with the RPL procedure requirements may result in ATC authorities refusing to provide flight support.

The form and procedure for filling in the data. The RPL form must comply with the form recommended by ICAO for implementation from November 25, 1985. The RPL lists may be filled in manually on paper forms that allow them to be combined into a special file or submitted using media suitable for automated data processing (ICAO, 2016).

Preparation and submission procedure. The RPL is compiled for all flights of the international, domestic, and local schedules, as well as for any series of regular flights performed on airlines.

In conclusion, effective network and air traffic planning guarantees flight safety, operational regularity, and the best possible utilization of airspace resources. Automation and global coordination in planning procedures are becoming more and more crucial as the aviation industry expands. The problems of airspace constraints, traffic congestion, and changing weather conditions must all be addressed in future network strategy advancements.

II PRACTICAL PART

5 PRESENTATION OF “XYZ” AIR COMPANY

“XYZ” Air Company is a hypothetical low-cost carrier based in Sydney, Australia, and began operating in the competitive aviation market in 2024. This company carries out regular passenger air transportation on domestic and international routes.

The airline positions itself as one of the most budget-friendly carriers in Australia. At the beginning of its establishment, the company served on the domestic front, serving key cities such as Melbourne, Brisbane, Perth, and Adelaide. However, this year, it carried out its first international flight to Tokyo and subsequently launched services to Hong Kong. By 2026, the list of international flights is planned to expand.

The company's location is related to Australia's significant potential to reduce the high cost of air transport and improve service quality. These improvements promote tourism and develop business opportunities by removing economic barriers to new entrants and improving integration into the global air services network.

The company's development strategy is to improve the quality and accessibility of the air transportation industry. It includes increasing coverage of the entire territory of Australia by "XYZ" Air Company's aircraft. This can be achieved by opening new destinations in the largest cities of Australia and increasing regional transportation and flights for passengers. At the same time, improving and facilitating new international destinations by enhancing the long-haul aircraft fleet is a pivotal part of the company's strategy.

"XYZ" Air Company can use its competitive advantages to develop domestic and international transfers. In one of the most strategically essential routes, between China and Australia, the company offers lower ticket prices than its competitors while having high service standards. "XYZ" Air Company, as a part of its development strategy, aims to improve the quality of service, particularly by developing robust infrastructure. This objective can be implemented within the framework of two areas:

- **Providing technical maintenance:** purchasing tools and equipment for the technical maintenance of aircraft of all types, equipping hangar complexes.

- **Construction of new facilities:** Continued work on constructing a new hangar for servicing aircraft, design work on a building for technical maintenance, and repair of composite materials.

Nowadays, the Australian air transportation market is experiencing steady growth. Moreover, the demand for low-cost air companies serving the domestic market is also growing. Against the backdrop of broader industry growth, “XYZ” Air Company's mission is to give people freedom of movement with comfort.

The company's priority is to help customers safely implement their life plans and aspirations, from any point in the world, be close to family and friends, and discover new countries, with a clear vision of becoming the most customer-centric and sustainable airline in the Southern Hemisphere by 2035.

Main Services Provided by the Air Carrier:

- Domestic flights
- International flights
- Baggage packing services
- Baggage storage facilities

Additional Services:

- Paid transportation of oversized baggage
- Preferred seat selection
- Transfer booking services
- Online check-in
- Unaccompanied Minor service
- Cargo transportation

Based on market demand and supply of air services and Australia's geographical location, the company operates a modern and fuel-efficient fleet of 25 aircraft, including 20 Airbus A320neo and 5 Airbus A321XLR.

This standardized fleet from the same airplane family ensures operational efficiency, lower maintenance costs, and simplified crew training, which are crucial for a low-cost model. Below is a brief presentation of the fleet:

1. Airbus A320neo – Core fleet for domestic and short-haul international (up to 6 hours flight time).

Figure 7: Airbus A320neo aircraft



Source: Airbus (2024)

2. Airbus A321XLR – For longer-range flights within Asia-Pacific, offering extended range with low operational cost.

Figure 8: Airbus A321XLR aircraft



Source: Airbus (2024)

6 MARKET ANALYSIS

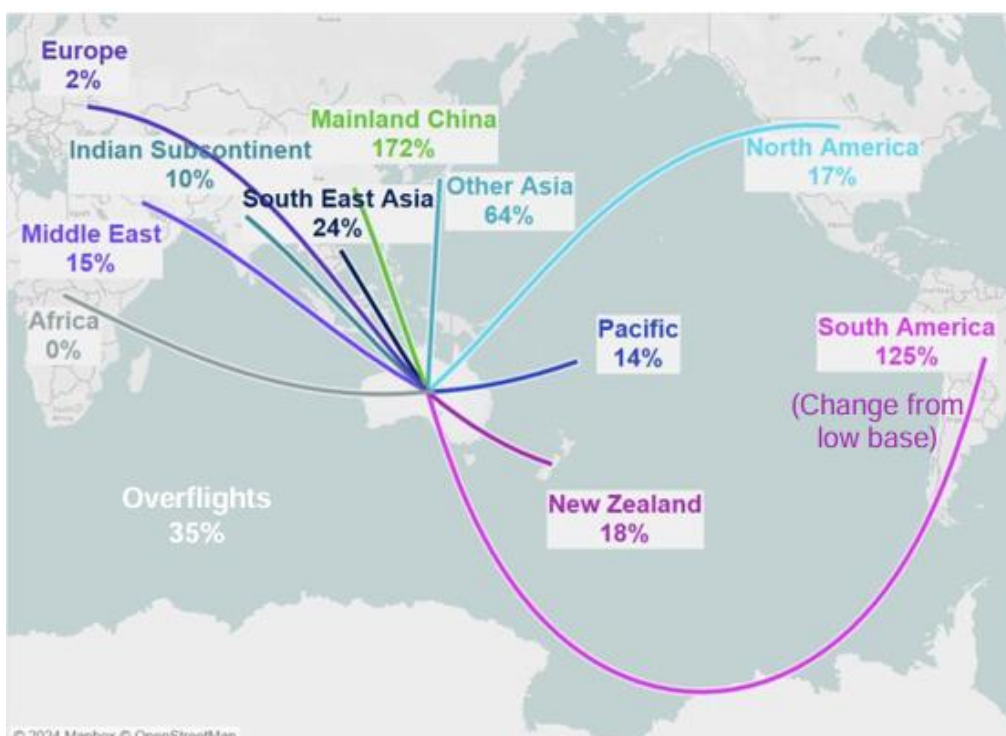
6.1 The Structure of Air Transportation in Australia

The share of international flights in the air transportation market continues to decline in favour of domestic flights in Australia. While the number of flights by Australian airlines on international routes recovered to 102% after the pandemic and has a 2% increase in domestic flights from FY2019 to FY2024, the number of flights on global routes is still 7% below pre-pandemic levels over the same period.

Southeast Asia and other Asian markets grew on robust leisure demand (see Figure 9). Growth in other key markets such as New Zealand, the Pacific region, and North America stabilised after a summer peak. China showed a growth acceleration at the end of fiscal year 2024, driven by a reciprocal visa-free policy, which is expected to boost travel in this market (Airservices Australia, 2024).

In 2024, passenger traffic on international routes exceeded high levels compared with the previous year. As we can see in Figure 9, the highest increase in total flights was with Mainland China, at 172 %.

Figure 9: Percentage change in total flights by international markets



Source: Airservices Australia (2024)

6.1.1 The Role of Airports in the Australian Aviation Market

The top ten airports in Australia as of 2024 are in Sydney, Melbourne, Brisbane, Perth, Adelaide, Gold Coast, Cairns, Canberra, Hobart, and Sunshine Coast. According to data for 2024, Sydney is the starting or final point of departure for 23% of passengers in the segment of international air routes.

Regional and local air transport share is currently tiny. For comparison, in 2023, the situation was approximately the same with annual growth. Three-quarters of all flights were made on regional and local routes, and only a quarter of trips were made through the Sydney aviation hub. The somewhat lower concentration in this segment is because the number of international flights from regional airports has increased over the past few years, primarily due to irregular (charter) flights (see Table 1).

Table 1: Top ten airports, RPT passenger movements (000s) — annual activity

Airport	YE Dec 2023	YE Dec 2024	% Change	% of Total
1 Sydney	24,136.5	25,136.2	4.1	• 21.2
2 Melbourne	23,397.2	24,146.5	3.2	20.4
3 Brisbane	16,353.8	17,115.0	4.7	14.4
4 Perth	8,403.5	8,889.3	5.8	7.5
5 Adelaide	7,116.9	7,387.5	3.8	6.2
6 Gold Coast	5,459.1	5,578.6	2.2	4.7
7 Cairns	3,970.5	4,091.7	3.1	3.5
8 Canberra	2,759.1	2,797.8	1.4	2.4
9 Hobart	2,579.5	2,729.3	5.8	2.3
10 Sunshine Coast	1,854.6	1,699.1	-8.4	1.4
Total top ten airports	96,030.6	99,571.1	3.7	84.0
Total domestic network	114,547.1	118,585.5	3.5	100.0

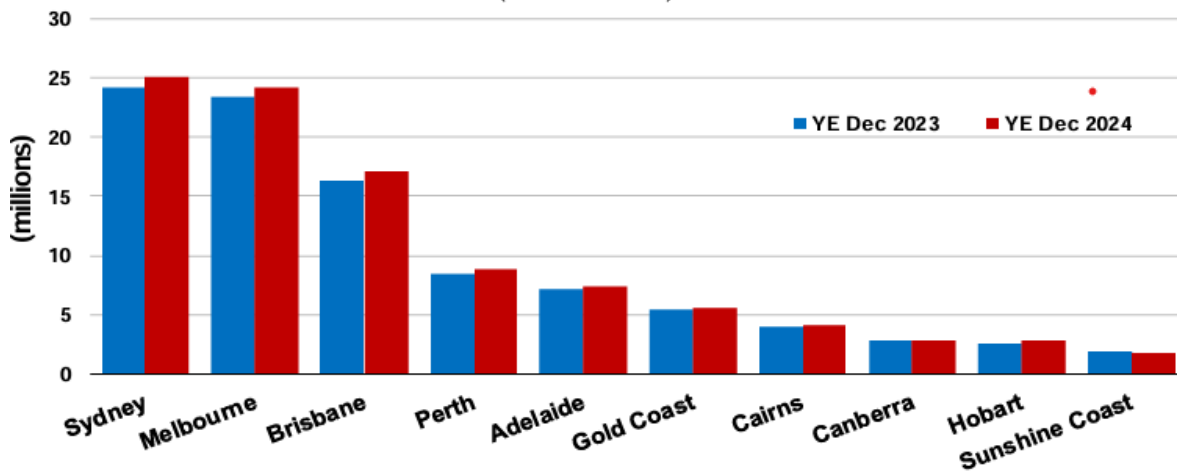
Note: Airport passenger movement numbers are the sum of passenger arrivals and departures at each airport.

Source: Bureau of Infrastructure (2024)

At the same time, the increase in RPT passenger movement from 2023 to 2024 is apparent. According to Tourism Australia, the Australian Government agency, it is related to the country becoming more engaging for tourists (see Figure 10).

However, the picture is different for domestic RPT cargo movements. The first place is Melbourne Airport. Despite capacity constraints, air cargo has increased its global share of international freight traffic. But at the same time, the RPT cargo movements have decreased at the top five airports in Australia (see Table 2).

Figure 10: RPT passenger movements



Source: Bureau of Infrastructure (2024)

As an example, we can cite the situation at Adelaide Airport. From 2023 to 2024, RPT cargo movements decreased by more than 15.8%, from 22500 tons to 18900 tons. Over the same period, cargo movements also reduced at other airports.

Table 2: Top five airports, domestic RPT cargo movements (000s tonnes) - annual activity

Airport	YE Dec 2023	YE Dec 2024	% Change	% of Total
1 Melbourne	96.8	89.8	-7.2	28.0
2 Sydney	82.9	75.4	-9.0	23.5
3 Brisbane	62.4	59.3	-5.0	18.5
4 Perth	35.2	34.7	-1.5	10.8
5 Adelaide	22.5	18.9	-15.8	5.9
Total top five airports	299.7	278.1	-7.2	86.8
Total domestic network	335.0	320.3	-4.4	100.0

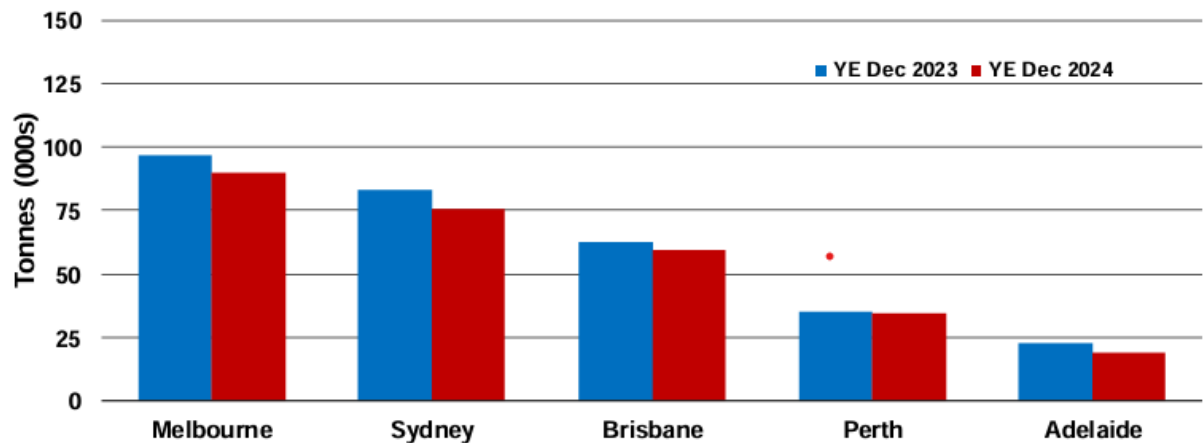
Note: Airport cargo tonnes are the sum of cargo tonnes on arrivals and departures at each airport.

Source: Bureau of Infrastructure (2024)

The tendency is related to the increasing use of trucks as the primary means for transporting cargo; at the same time, it is evident that air cargo transportation is way more expensive than transportation with lorries or ships.

Historically, in 1976–77, trains carried 22.8% of domestic light freight in Australia, while trucks carried 65.5%. In 2021–22, trains carried 16.7% of domestic light freight, while trucks carried 79.8%. Coastal shipping has declined significantly, from around 13% in the mid-1970s to less than 4%. Under these factors, it is obvious why the domestic cargo air traffic has decreased (Visontay, 2023) (see Figure 11).

Figure 11: Top five airports, cargo movements (Domestic cargo traffic - traffic on board)



Source: Bureau of Infrastructure (2024)

The top ten routes in Australia's domestic flights are:

1. Melbourne – Sydney;
2. Brisbane – Sydney;
3. Brisbane – Melbourne;
4. Gold Coast – Sydney;
5. Adelaide – Melbourne;
6. Gold Coast – Melbourne;
7. Melbourne – Perth;
8. Adelaide – Sydney;
9. Perth – Sydney;
10. Hobart – Melbourne.

As XYZ Air Company will initially operate in the domestic market, it is essential to mention the top competitive routes (see Table 3). The provided data shows that only one route has a -1.4% negative change compared with the previous year.

Therefore, we can assume that the growth of air transportation in the domestic market is obvious.

Table 3: Top 20 Competitive Routes in Australia

	City-Pair	YE Dec 2023	YE Dec 2024	% Change
1	Melbourne - Sydney	7,624.6	8,037.1	5.4
2	Brisbane - Sydney	4,250.6	4,358.3	2.5
3	Brisbane - Melbourne	3,311.8	3,499.3	5.7
4	Gold Coast - Sydney	2,436.6	2,538.0	4.2
5	Adelaide - Melbourne	2,284.0	2,331.1	2.1
6	Gold Coast - Melbourne	2,219.7	2,187.9	-1.4
7	Melbourne - Perth	1,915.8	2,030.6	6.0
8	Adelaide - Sydney	1,743.2	1,883.8	8.1
9	Perth - Sydney	1,586.8	1,639.4	3.3
10	Hobart - Melbourne	1,294.8	1,373.1	6.1
11	Brisbane - Cairns	1,243.8	1,305.5	5.0
12	Brisbane - Perth	1,009.4	1,090.9	8.1
13	Canberra - Melbourne	997.4	1,009.4	1.2
14	Brisbane - Townsville	872.8	940.8	7.8
15	Cairns - Sydney	879.5	919.2	4.5
16	Adelaide - Brisbane	819.2	875.3	6.9
17	Launceston - Melbourne	815.0	856.0	5.0
18	Cairns - Melbourne	811.0	824.8	1.7
19	Hobart - Sydney	734.9	804.8	9.5
20	Sunshine Coast - Sydney	756.8	777.8	2.8

Source: Bureau of Infrastructure (2024)

Regarding the level of aviation mobility of the population, Australia is significantly ahead of other countries. In 2024, one Australian, the Qantas Frequent Flyer program, alone has a membership of approximately 50% of the Australian population.

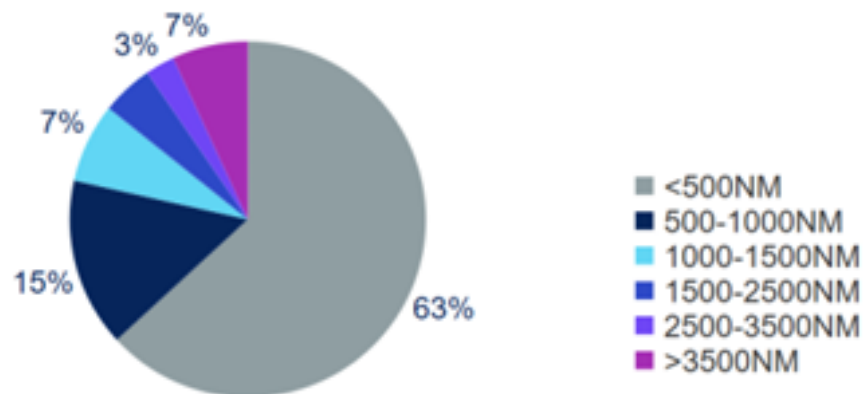
For comparison, the aviation mobility of the US population is four times less; one American makes an average of 2 flights per year.

On average, citizens of Germany, Belgium, and Iceland make 2-3 flights per year. Australia, Belgium, Iceland (flights per 1,000 population): IATA (data from 2023).

Local and regional air transportation displacement has led to medium- and long-haul transportation, which currently prevails in domestic air traffic.

The average flight distance of a passenger on domestic routes is 868 Nm, approximately 1607 Kilometers (see Figure 12).

Figure 12: Total flight distance category



Source: Airservices Australia (2024)

The long range of domestic flights against the background of a high concentration of air transportation through the Sydney air hub indicates the insufficient development of direct air traffic within regions of Australia.

6.1.2 Analysis of Passenger Flows

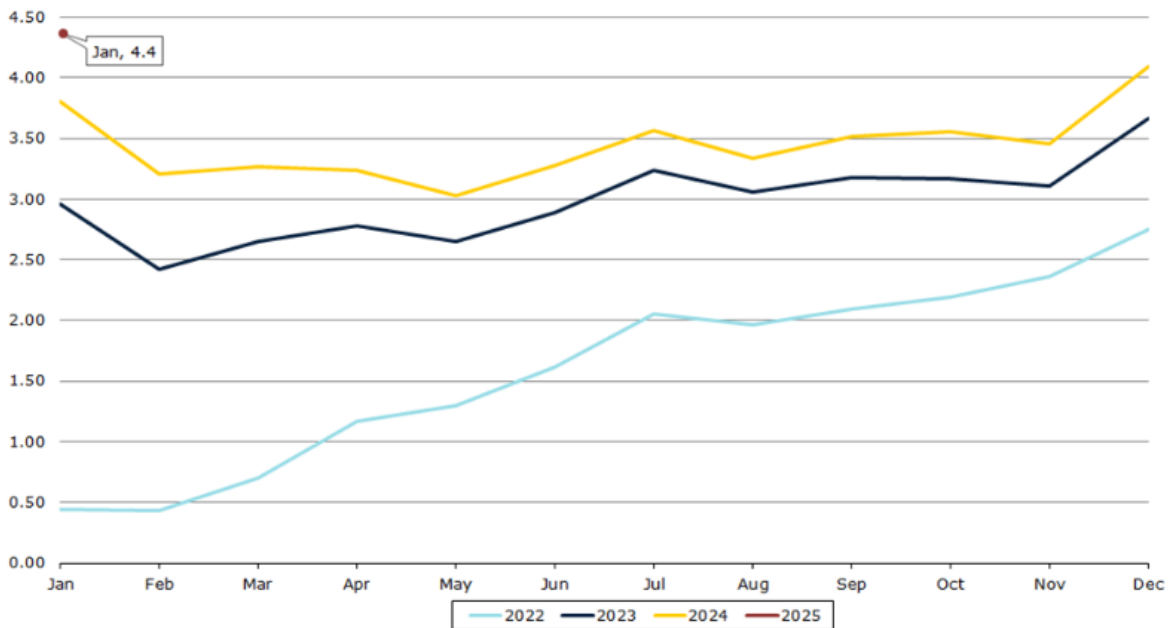
The passenger air transportation segment has been growing steadily over the last year compared with the same period. It is expected that the dynamics of passenger traffic will remain at a high level in 2025.

Thus, according to the Bureau of Infrastructure and Transport Research Economics of Australia, the number of passengers transported by air in the first ten months of 2025 has already reached 41.922 million people, which is 14.5% more than the result for the same period in 2024.

The total number of international passengers carried by air transport has increased by 14.8%, from January 2024 3.809 million to 4.373 million in January 2025. From 2022 to 2024, the number of passengers carried per month had an average growth of 2 times (see Figure 13) (Bureau of Infrastructure, 2025).

The share of air transport in the passenger turnover of public transport has increased by more than 3.5 %, from 57.57 million in January 2024 to 59.59 million in January 2025 (see Figure 14) (BITRE, 2025).

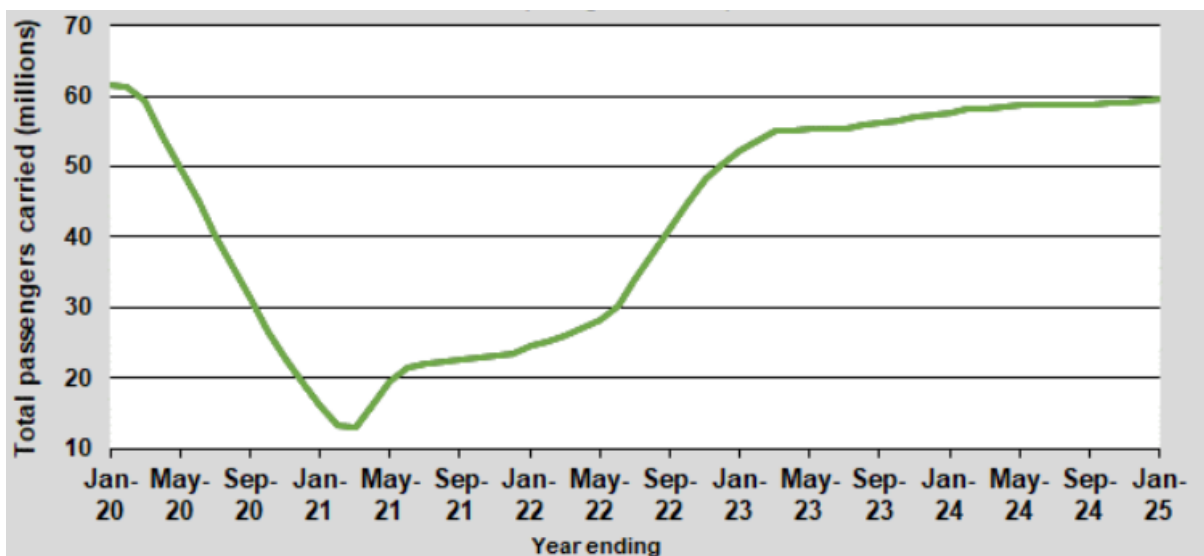
Figure 13: Passenger carried by month (millions)



Source: Bureau of Infrastructure (2025)

Scheduled passenger traffic in January 2025 was 4.373 million. Passenger traffic was 3.809 million in January 2024 and 2.961 million in January 2023. However, despite the dynamic growth, the level of mail (tonnes) achieved in January 2024 is 2.3% less than the volume of mail in January 2025.

Figure 14: Domestic RPT passenger traffic flights (moving annual totals)



Source: BITRE, (2025)

The overall seat utilisation percentage was 85.5 per cent in January 2025. Moreover, at the same time, the number of available seats (million) increased from 4.776 to 5.218, which means it has grown by 9.3%. these two indicators hurt airline operations (Bureau of Infrastructure, 2025).

The growth of domestic air travel and the associated increase in average travel distance have become the main factors in the accelerated development of air transport passenger turnover. In January 2025, it amounted to 71.45 billion revenue passenger kilometres, 3.9 percent more than in January 2024 (BITRE, 2025).

Despite the high growth rates of the air passenger transportation market, demand for air transportation is limited. The current growth in the number of passengers transported by air is not associated with an increase in the number of new passengers.

6.1.3 Cost of Passenger Air Transportation in Australia

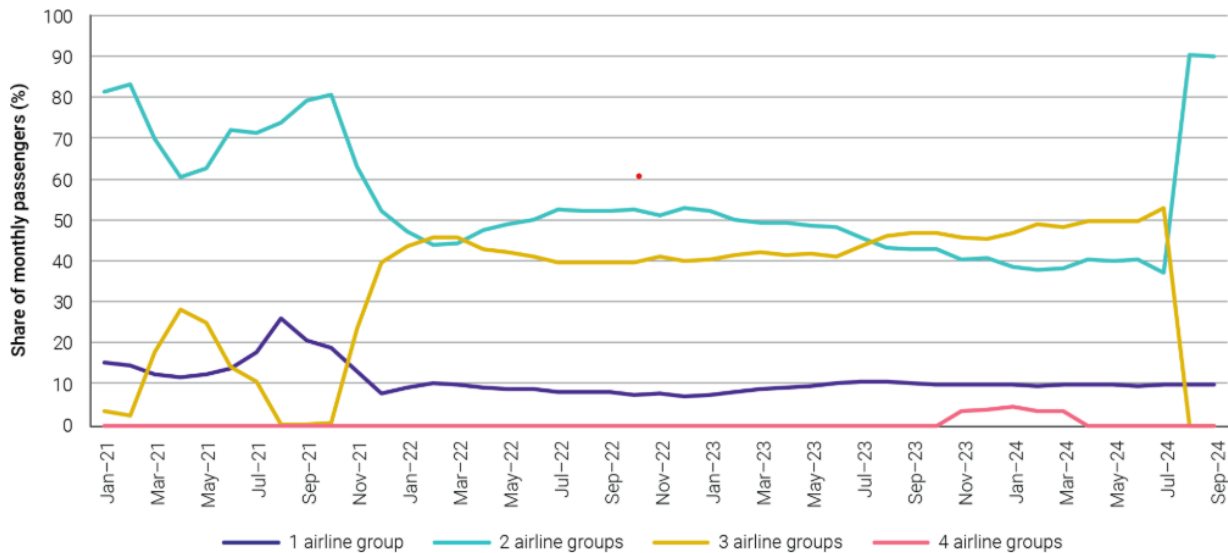
The high cost of air travel drives the average population's air mobility. According to the Australian Competition and Consumer Commission, air fares on all major city routes increased by 13.3 per cent per 1000 km in September 2024. Since July 2024, the number of flight seats between metropolitan cities has fallen by 6.0 per cent, while the number of domestic passengers on these routes has remained relatively stable, leading to more flights (ACCC, 2024).

At the beginning of 2024, almost half of all passengers travelled on routes operated by three or four airline groups. Currently, domestic flights are served by no more than two major airlines, with Qantas Group and Virgin Australia serving 98 percent of domestic passengers (see Figure 15).

The report found that “best-discounted economy” airfares increased between July and October 2024 between several cities no longer served by Rex. The most notable increases were from Adelaide to Melbourne (up 95 percent to \$296), Melbourne to the Gold Coast (up 70 percent to \$432), and Canberra to Melbourne (up 54 percent to \$298) (ACCC, 2024).

The industry conditions indicate an Oligopoly, which means 3 to 5 companies dictate the market conditions, specifically ticket prices for domestic flights.

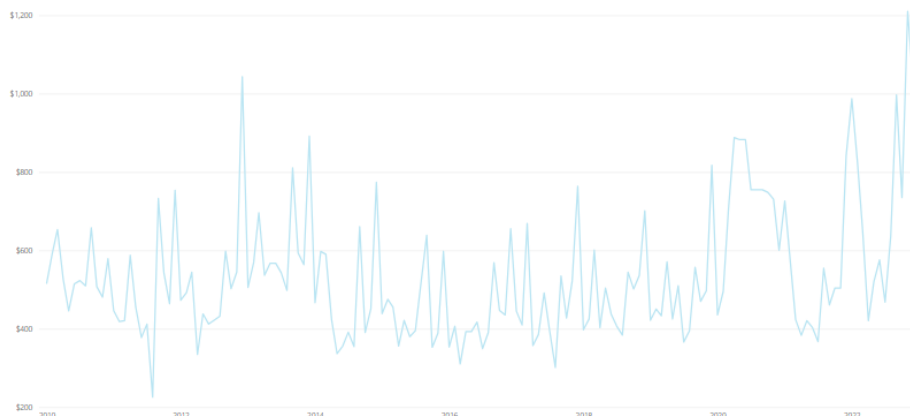
Figure 15: Share of passengers on routes serviced by 1, 2, 3, and 4 airline groups - January 2021 to September 2024



Source: Data collected by the ACCC from Bonza (up to March 2024), Jetstar, Qantas, Rex, and Virgin Australia.

Current legislation prevents more active development of the low-cost segment of the passenger transportation market in Australia. Changes are required to ensure the possibility of airlines using non-refundable tickets and reduce the list of free services on board (lack of food, introduction of a baggage fee). At the same time, when we see the graph of Domestic Discount Airfares, the price of tickets consistently fluctuates with a positive growth rate (see Figure 16).

Figure 16: Domestic Discount Air Fares



Source: (Bureau of Infrastructure and Transport Research Economics, 2021)

6.2 PEST ANALYSIS

First, we should evaluate the macro environment that affects the aviation industry; therefore, "XYZ" air company. To do this, we will conduct a PEST analysis.

PEST analysis is of utmost importance from a marketing perspective, especially in a sensitive and global industry like aviation, for the following reasons:

1. Understanding the external environment
2. Setting up marketing strategies
3. Defining the target audience and tailoring the offer
4. Brand and reputation sustainability

At the stage of determining the macroenvironment factors, it is necessary to determine which factors in different components influence the industry and the direction of their influence. For the analysis, we selected the following elements: political, economic, social, technological, legal, and demographic.

We will create tables where the positive and negative influences of the factors will be written separately. For Weighted Scoring Models (WSM), the impact strength will be distinguished in six categories: Strong-Positive, Average-Positive, Weak-Positive, Strong-Negative, Average-Negative, and Weak-Negative. The strength will be positive if the positive impact is dominant, and negative if the negative impact is dominant.

Table 4: Numerical values and the strength of Impact

Strength of Impact	Numerical Value
Strong-Positive	+6
Average-Positive	+4
Weak-Positive	+2
Strong-Negative	-6

Average-Negative	-4
Weak-Negative	-2

Source: Researchers' own

After that, we will use WSM to determine the R for all PESTEL factors, which is the influence index, and according to the average R, we will decide whether the business environment is favourable or not. Therefore, if R:

- $R > 0 \rightarrow$ The environment has a positive effect.
- $R < 0 \rightarrow$ The environment has an adverse effect.
- $R = 0 \rightarrow$ Neutral or compensating effects.

6.2.1 Political Factors

Table 5: Political factors and their influence (Australia)

Factor	Positive Impact	Negative Impact	Strength of Impact
Maintaining a stable parliamentary democracy and a two-party system.	Attracts foreign investors due to the stability of the political environment.	Limits the rapid implementation of reforms due to political competition.	Average-Positive
The military-political alliance AUKUS (Australia–Great Britain–USA) and strengthening defence cooperation with the US.	Increased defense security, access to advanced military technologies.	Increased tensions in relations with China, a key trading partner.	Average-Negative

Australia's participation in international climate agreements (Paris Agreement) and adoption of climate strategies.	Growth of "green" investments enhances the country's environmentally responsible image.	Pressure on the coal and gas industries - key export sectors.	Strong-Positive
The Skilled Migration Program and liberal immigration policy.	Influx of skilled labor, population growth and consumption.	Growing social tensions and political debates in society.	Average-Positive
The national program "Infrastructure Australia" is the development of transport, energy, and aviation infrastructure.	Improving logistics efficiency and accessibility of regions.	Increase in public debt and possible corruption risks during implementation.	Weak-Positive

Source: Researchers' own

$$\sum R(\text{Political Factors}) = \frac{+4 - 4 + 6 + 4 + 2}{5} = +2.4$$

While there are risks of negative impact on the political environment (e.g., AUKUS and China), the positive factors outweigh the negative ones because of the stable democratic system, participation in the Paris Agreement, which strongly influences the country's international reputation. On the other hand, the Skilled Migration Program helps fuel the economy with new professionals and positively influences the country's political image.

6.2.2 Economic Factors

Table 6: Economic factors and their influence (Australia)

Factor	Positive Impact	Negative Impact	Strength of Impact
Australian Dollar (AUD) Exchange Rate Fluctuations.	Attracts foreign tourists, increasing airline revenues.	Increased prices for imports (fuel, spare parts), which increase costs.	Average-Positive
Rising fuel prices (including those due to global instability).	Stimulates the transition to more efficient and environmentally friendly aircraft.	Increase in flight costs, especially for long-haul and regional flights.	Strong-Negative
Solvency of the population (growth of income and employment).	Increases demand for domestic and international air travel, growth of the premium segment.	—	Average-Positive
RBA (Reserve Bank of Australia) key rate cut. Instead of 4.35 percent in 2024 Feb, now it is	Cheaper loans for businesses and consumers, and increased demand for flights.	Economic overheating and inflation are possible.	Average-Positive

in 2025 it is 4.10 percent.			
Rebuilding economic ties with China after trade disputes.	Growth in tourism, an increase in student and business travel.	Dependence on one trading partner in the face of geopolitical risks.	Average-Positive

Source: Researchers' own

$$\sum R \text{ (Economic Factors)} = \frac{+4-6+4+4+4}{5} = +2$$

A comparably positive economic environment. Positive generally prevails despite the risks associated with fuel. The RBA key rate (or cash rate) is the interest rate at which Australian banks borrow and lend funds overnight. It has decreased and is now 4.10 percent (Reserve Bank of Australia, 2024).

It gives a strategic advantage, especially for expansive industries like aviation, to borrow cheaper loans to invest in the business. Overall, it is recommended that airlines monitor price risks, but the general trend is favourable for the development of the aviation industry.

6.2.3 Social Factors

Table 7: Social factors and their influence (Australia)

Factor	Positive Impact	Negative Impact	Strength of Impact
Shortage of qualified aviation specialists (pilots,	Opening migration programs to attract foreign personnel and	Overburdening existing staff, increasing the risk	Strong-Negative

engineers, flight attendants).	exchange experience.	of errors, and reducing safety.	
Increasing environmental awareness among the population.	Stimulates the development of "green" initiatives in aviation, improving the image of companies investing in sustainable development.	Public pressure to reduce flights, especially short-haul flights, and the possible refusal of some consumers to use aviation.	Weak-Negative
The growing popularity of flexible schedules and remote work.	Reducing demand for daily/weekly business flights, therefore optimizing the airline route network.	Reduced traffic on key business routes, especially within the country.	Average-Negative
Increasing the level of digital literacy of the population.	Increasing online ticket sales, automating passenger service, and reducing personnel costs.	Vulnerability of the elderly audience, possible difficulties with self-service at airports.	Weak-Positive
Domestic tourism growth after	Increased demand for regional and	Risks of infrastructure overload and	Average-Positive

COVID restrictions.	charter flights, revitalization of local airports.	resource shortages in remote regions.	
---------------------	--	---------------------------------------	--

Source: Researchers' own

$$\sum R (\text{Social Factors}) = \frac{-6-2-4+2+4}{5} = -1.2$$

Although there are positive shifts (domestic tourism, digitalization), but key social changes (staff crisis, remote work, eco-trends) are still restraining the industry. The negative impact of the social environment on Australian air transport is weak. If, from the political side, eco-trends have a strongly positive effect, from the perspective of social factors, they negatively influence the dynamics of aviation development.

6.2.4 Technological Factors

Table 8: Technological factors and their influence (Australia)

Factor	Positive Impact	Negative Impact	Strength of Impact
Digitalization of interaction with passengers.	Mobile apps for booking tickets and checking in for flights are rapidly developing in Australia, improving the customer experience. Biometric systems speed up the boarding process and enhance security.	Elderly passengers or those with limited access to technology may have difficulty using such systems.	Strong-Positive
	Introducing virtual simulators and online courses for pilots and	Despite the advances in IT-based training, virtual simulation	

Using technology to train aviation personnel.	technical personnel helps reduce training costs and speed up training.	cannot replace real training sessions, which include fuel costs, maintenance costs, etc.	Average-Positive
Using IoT (Internet of Things) for diagnostics and control of equipment.	Australian airlines are implementing IoT systems to monitor aircraft health, reducing inspection time, maintenance costs, and increasing safety and equipment life.	IoT systems can fail, leading to inefficient maintenance and delays in flight operations.	Strong-Positive
The development of the civil aviation industry in Australia.	Australia is constantly investing in the aviation industry, which includes modernizing airports and increasing the quality of air services, which could reduce dependence on overseas supplies.	There is currently no mass aircraft production in Australia, resulting in reliance on foreign supplies and high leasing costs for foreign aircraft.	Strong-Negative
State support for technological innovation in aviation.	Government programs encourage innovation in aviation, including developing clean technologies and new safety systems.	Reliance on government subsidies may limit private initiative and slow down the adoption of new technologies if budget cuts occur.	Average-Positive

Source: Researchers' own

$$\sum R (\text{Technological Factors}) = \frac{+6+4+6-6+4}{5} = +2.8$$

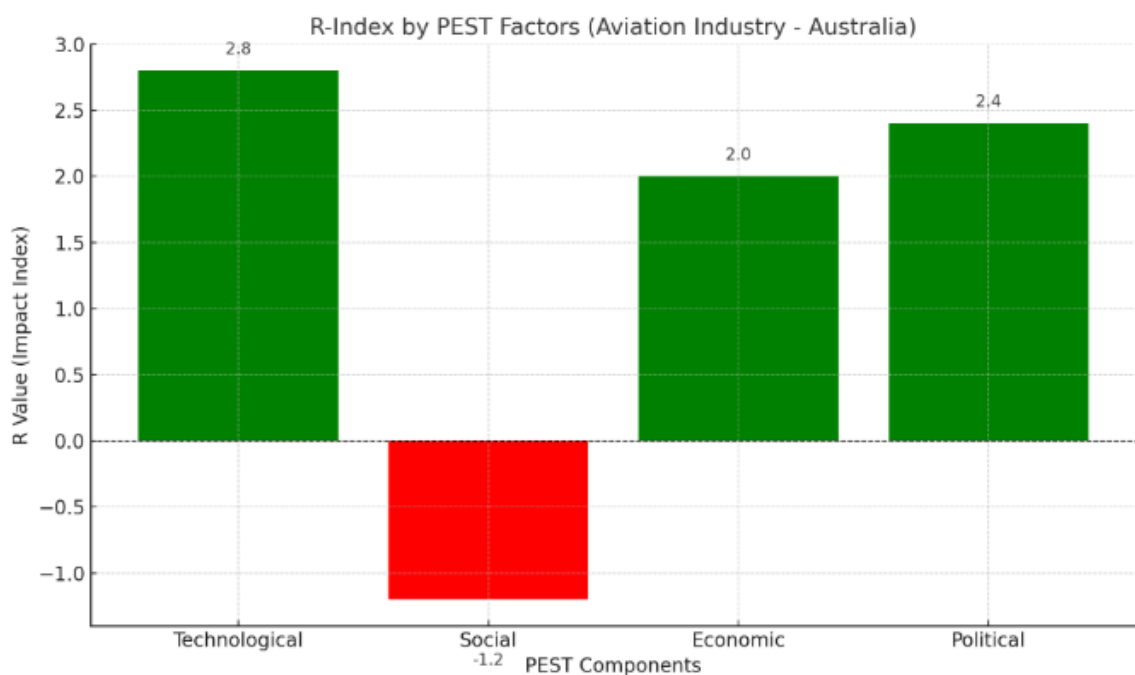
Technology is having a positive impact on Australia's aviation industry. Innovations in digitalization, IoT, and government support are helping to improve airlines' safety, efficiency, and competitiveness. However, the lack of a domestic aviation industry remains a limiting factor.

Conclusion

The analysis resulted in Figure 17 below showing the average impact index (R) values for each component of the PEST analysis. Figure 17 allowed for a visual assessment of the degree of influence of political, economic, social, and technological factors on the Australian aviation industry.

From a marketing perspective, the results can be generally positive, and here is why: the stable political environment in Australia and participation in international unions create conditions for the expansion of the route network. Stability, growth in consumer power, and tourism development in the economy indicate a high potential for growth in the aviation industry. On the other hand, social factors have a slightly negative impact, challenging marketers to change consumer behaviour towards companies. Technological factors have a moderately positive effect, confirming that innovation, digitalization, and modern technologies always provide a competitive advantage.

Figure 17. PEST analysis factors



Source: Researchers' own

From a marketing perspective, the environment is generally favourable for developing the aviation business in Australia. Particular attention should be paid to technology and strengthening the brand's social image to level out weaknesses and use strengths as effectively as possible.

6.3 PORTER'S 5 FORCES

The role and importance of competitive advantages for the progress of organizations have never been more decisive than now. The basis for developing a competitive strategy is the analysis of two critical factors: first, the attractiveness of the industry and market conditions in terms of long-term profitability, and second, the relative competitive position of the organization within the industry. In practice, not all industries have a high level of long-term profitability. Therefore, the profitability of the organization or a separate business unit is also partially determined by the industry's attractiveness. The choice of a competitive strategy should, of course, be carried out considering the above factors. Even if an organization operates in an industry that provides favourable conditions but does not have a successful competitive position, it may lose the opportunity to profit in the long term. Conversely, if an organization operates in an unattractive, unfavourable market, even a leading competitive position does not guarantee the prospect of making a long-term profit (Zhang et al., 2024).

6.3.1 Competitive Rivalry

The domestic aviation market in Australia is highly competitive. Qantas, Virgin Australia, and low-cost airlines like Jetstar and Rex are dominating the market, and those factors have become tremendous obstacles for newborn airlines like XYZ Air Company to survive in such a competitive environment. On the other hand, ticket price wars and tight margins are common in Australia's business aviation environment, especially in short-haul routes. As we mentioned previously, social factors and brand loyalty exist.

However, from a short-term perspective, it negatively affects the XYZ Air Company, as it does not have strong roots in the market, which makes it vulnerable to the company because of passenger price sensitivity. Post-COVID recovery has increased competition for fewer companies that have fewer passengers. Therefore, entering the aviation market in Australia requires strong brand positioning and tailored marketing to stand out, especially for XYZ Air Company as a low-cost carrier.

6.3.2 Threat of New Entrants

The aviation industry requires significant initial capital: purchasing or leasing aircraft, securing licenses, following to safety regulations (CASA), and obtaining airport time slots. However, the emergence of low-cost carrier business models and operational leasing opportunities for aircraft has somewhat reduced the barrier to entry.

Government regulation in Australia provides transparency but takes time. Limited slots at major airports (Sydney, Melbourne) also deter new players. Lastly, there is an opportunity to enter the market, mainly when focusing on regional or underserved routes. A flexible fleet and route strategy will increase the chances of success for the company.

6.3.3 Bargaining Power of Suppliers

One of the specific parts of air transportation is that the transport's technical inspection before movement is constant. It mainly brings on more problems, which gives suppliers an essential role in the aviation industry. Suppliers have high bargaining power:

- Aircraft manufacturers: The market is almost monopolized by two giants – Airbus and Boeing. This means limited choices and long delivery times.
- Fuel suppliers: Jet fuel prices are volatile and dependent on global markets.
- MRO (Maintenance and Repair) service providers are especially important for airlines operating a narrow fleet.
- IT services and booking platforms (e.g., Navitaire, Amadeus): increase dependence on external technologies.
- Skilled labour shortage: After COVID, many pilots and technical staff left the industry.

Here, XYZ needs to minimize dependence by choosing a unified fleet (savings on maintenance and training), a flexible fleet strategy (including leasing), and establishing partnerships with independent suppliers to reduce pricing pressure.

6.3.4 Bargaining Power of Customers

For most customers, ticket price is the most important factor. They look for the cheapest options, even if the flight is longer or the quality of service is not high. This is especially noticeable in Australia, where flights between cities are expensive and lengthy.

In low-cost airlines, where XYZ Air Company operates, price is everything. If a person lower the price a little, sales grow; if a person raise it, customers leave. Therefore, a person must set prices cleverly, monitor the market, and use flexible rates.

Nowadays, comparing prices is as easy as pie. Google Flights, Skyscanner, Webjet, and other sites will show a person many options in a minute. Passengers only see the price and basic details, proving that the demand in the market is mostly related to the ticket price. Well-known companies like Jetstar or Virgin Australia also lure in sales, complicating life for newcomers like XYZ.

6.3.5 Threat of Substitutes

In Australia, airlines like XYZ Air Company face a medium threat of air travel substitution, but it can't be ignored. People increasingly drive on short routes like Sydney to Canberra or Melbourne to Adelaide. A car allows to not hang around at the airport, and with good roads and a bunch of rental cars, it's even more convenient. Especially for business trips, the time for security and transfer can be longer than the trip itself.

Trains in Australia are not as cool as in Europe or Japan, but they are being developed on the east coast. If high-speed lines are launched, this could pull passengers away from short flights. Plus, for some, comfort and the ability to work on the road are more important than speed, which plays into the hands of trains.

There is also a catch in business: after the pandemic, many people replaced business trips with video calls. This will not kill all business trips, but the demand for regional flights has fallen. Tourists also sometimes do without planes — families and pensioners choose cruises or road trips with camping, so as not to suffer with transfers and luggage.

But on long-haul flights and international destinations, planes are unrivalled. Ships or trains with a bunch of transfers are too long and inconvenient. The only standard option is a flight to Europe, Asia, or America.

For XYZ Air Company, the main threat is short domestic flights, where cars, trains, and video calls can take away customers. We must offer low prices, speed, convenience, and excellent service. And even better, develop long-haul and international flights, where there are no substitutes, and demand is stable.

6.4 Risk Analysis

Key risks to project implementation and mitigation strategies include:

Table 9: Risk Analysis

Risk	Likelihood	Impact	Mitigation Strategy
Data integration delays	Medium (40%)	High (80%)	Allocate \$250k (20% of IT budget) for phased CRM rollout.
Social media algorithm changes	High (60%)	Medium (50%)	Diversify 70% of ad spend across TikTok/Instagram/LinkedIn.
Budget overruns	Medium (45%)	High (75%)	Reserve 15% (\$180k) contingency; quarterly reviews.
Low loyalty adoption	Low (25%)	Medium (60%)	Offer 2x points (costing 5% of loyalty budget) for app sign-ups.
Fleet mismatches	Low (20%)	High (85%)	Test routes with 30% fleet capacity for 3 months pre-commit.

Source: Researchers’ own

Rationale: For example, the risk of low loyalty program adoption aligns with the survey’s moderate loyalty impact score (3.17). Mitigation strategies like app-based rewards address the preference for digital engagement highlighted in the data usage section.

- 30% of respondents prioritized digital behaviour; delays risk 15% slower personalization.

- 60% of Sales teams rely on social data; platform dependency risks 25% engagement drop.
- Market volatility scored 3.08/5; 20% budget overage could delay fleet upgrades.
- 56% link loyalty to personalization; 10% adoption lag risks 5% revenue loss.
- 62% of Network Planning teams use route profitability data; mismatches risk 12% load factor decline.

7 PROJECT OF TAILORED MARKETING

The survival and development of any enterprise in a market economy largely depend on the ability to formulate and implement its marketing plan. This task is quite complex, as it requires coordinating the interests of various people with different opinions about good service in the aviation sector.

Advertising is a mandatory prerequisite for buying and selling airline air transportation services. However, the impact on the potential buyer is carried out both before and after the sale of air transportation tickets. All advertising and information activities carry a functional load aimed at presenting the airline to the public and creating the image of the airline.

As one of the most expansive industries, even if there is just one customer for the airplane, it should fly; having a personalised marketing approach for high customer engagement is preferable. And the risk of not having sufficient clients for even a short period is directly connected with the risk of company bankruptcy.

Based on the above-mentioned argument, we created a comprehensive marketing strategy for XYZ Air Company, a low-cost airline based in Sydney, Australia. The project focuses on three key elements: market presence, customer engagement, and operational alignment. Each project includes objectives, approaches, customer segmentation, campaign strategies, integration with fleet and route plans, and key performance indicators (KPIs).

7.1 Objectives and Scope

Attracting customers to air transport with the help of various types of commercial advertising is an essential tool in the competitive struggle in the air transportation market. Therefore, all airlines worldwide spend vast amounts of money on advertising in print, radio, television, and other means of advertising and information to the public. The annual advertising budget of American Airlines is up to 10 million dollars.

The top target that XYZ Air Company intends to reach in the near term is gaining 15% of the Australian market within one year. Essential support for this goal can be the application of marketing instruments, enlarging routes, enhancing the frequency of services, and creating a demand for services for the remote workers and potential customers who do not have specific needs to travel by air. Part of the company's marketing strategy will include

supporting the operational sectors, including the frequency of flights to the so-called busy cities in Australia (Melbourne, Brisbane, Perth, Adelaide).

The main principles of the XYZ Air Company's advertising campaign in the domestic market include:

- Strengthening the positive image of the airline through statements by its clients, who are popular and well-known people in the country.
- Media coverage of operational activities related to the current work of the airline (updating the aircraft fleet, purchasing modern Western technology and equipment, opening new flights and representative offices, working with tour operators, etc.).
- Analytical work with letters sent to the airline, working on topics raised during conversations on the "Helpline".
- Coverage of the most advantageous aspects of the airline's pricing policy.
- informing the audience about the high professionalism of the airline's employees.
- Prompt response to advertising messages disseminating false information when another air accident is automatically attributed to this airline.
- Using any information occasion to publish materials in the media that realistically and correctly reflect the situation of the airline's domestic competitors.

The choice of advertising distribution media depends on the airline's target market and advertising objectives, the airline's advertising budget, and the prices for different types of advertising. A tailored marketing approach is one of the optimal solutions for engaging a wide range of people. XYZ Air Company will create and adopt the approach as a pivotal part of its advertising campaign.

The primary advertising medium of XYZ Air Company is mobile applications for increasing the degree of advertising impact and the most popular websites in Australia, which are Youtube, Facebook, Reddit, and Instagram, as it is the cheapest mass media per contact at the national level to achieve a high level of coverage and frequency of daily users.

The press is one of the most selective media, as it can be selected with a focus on a narrow target audience. It serves as the best means of conveying more detailed information, has the most extended life cycle, and has the advantage of being viewed more than once.

On the other hand, television provides an opportunity for a visual demonstration of the airline's services and is a good image maker. However, according to different sources, 1 in 7 Australians now watch no Commercial TV, and the age of active users is mainly 50 plus, making it inefficient to promote the company via commercial television actively.

The scope of the strategic marketing plan of the XYZ Air Company is budget-conscious travellers (domestic and short-haul international), young adults, students, families, and emerging middle-class travellers in the Asia-Pacific region.

The geographic scope includes high-demand cities in Australia and expanding routes to New Zealand and Southeast Asia.

7.2 Marketing mix

Marketing mix is one of the most well-known marketing terms. It is a set of parameters (variables) located within a company, the management of which allows it to achieve its market goals. International marketing in the services sector should be considered a component of the knowledge system in the marketing industry. It is based on spatial and geographical factors associated with enterprises' activities in other countries' markets, including if it complements domestic marketing at the national level. International marketing of services involves systematic, planned, and active processing of international markets at various promotion stages to the buyer and expresses the scale of the company's foreign activities.

7.2.1 Product

The primary product of the XYZ Air company is the service of transporting passengers to a destination.

Core Service:

- Domestic flights
- International flights

Secondary services in XYZ Air Company in particular includes:

- Baggage packing services
- Baggage storage facilities

- Paid transportation of oversized baggage
- Preferred seat selection
- Transfer booking services
- Online check-in
- Unaccompanied Minor service
- Cargo transportation

The services of the air carrier are specific not only due to the inherent features in all services in general (intangibility, non-preservability, difficulty in comparison, inseparability from the source of the service). The main parameters of the airline services that affect the level of its competitiveness also include the level of comfort of the aircraft cabin, the possibility of a non-stop flight to the destination, the attentiveness of the flight attendants, the convenience of the schedule, the availability and features of meals during the flight, the type of aircraft, the image of the airline, ground handling at the airport.

XYZ Air Company uses a variety of customer incentives, including frequent flyer programs, discounts, special rates, free tickets, etc.

The most popular programs are for frequent flyers (FFP Frequent-flyer programs), in which for each flight completed, the participant is awarded bonus points depending on the booking class and the flight distance, which can then be used to purchase bonus airline tickets, upgrade the class of service, book hotels on the airline's website and receive other services from partner hotel chains, car rental companies, restaurants, and various stores.

FFP gives the airline a considerable amount of detailed information about the client's data, the number of tickets purchased, the preferred class of service, and the client's additional expenses when using the services of the airline's partners under the FFP program.

The ability to gain access to clients and the availability of key information about their needs and wishes in XYZ Air Company motivates representatives of other types of businesses to enter into partnerships with the airline. Airline partners include banks, credit card operators, telecommunications providers, hotels, car rental companies, shops, etc.

For the program to function, a computer database of participants, information technology for booking and selling flights considering accrued points and benefits for program participants, and direct communications with them are required. As the FFP system

develops, the database of participants is enriched with information about their habits and preferences (seat in the cabin for smokers or non-smokers, by the window or by the aisle, need for a telephone or fax, wish not to disturb during the flight, etc.).

XYZ Air Company uses sales promotion tools as part of tailored marketing in Australia, which are:

- a) **Excursion tariff.** It means the passenger undertakes to return on the ticket no less than 7 days after departure. Sometimes, the condition may be to return no earlier than Sunday, no matter what day of the week the person arrives. The validity period of the excursion tariff can be set from one month to six months. The passenger can change the departure date no less than three days in advance.
- b) **APEX tariff.** Tickets are valid for three months. The ticket must be ordered and purchased in advance, no later than a certain number of days before departure. The dates of the round-trip flight are strictly fixed. Sometimes, it is allowed to change the return flight date for significant compensation. In case of a ticket return, the penalty will be half of the cost paid.
- c) **PEX tariff.** It is almost the same as APEX, but the restrictions are set by a specific airline. The minimum redemption period is strictly regulated. The Sunday return rule applies. Any change in terms and return will lead to significant losses in money.
- d) **Youth fare.** Limits the maximum age of the passenger. The usual age is 25 years, with 1-2 years fluctuations. The airline determines all other characteristics, such as validity period, fixation of departure dates, and the possibility of changing them.
- e) **Student fare.** It may be valid seasonally, during periods of mass flights after completion or before the start of the educational process. There is also an age limit, ranging from 26 to 30 years. A mandatory condition for receiving a student fare is the availability of an ISIC (International Student Identity Card). According to aviation standards, the fare is similar to the youth fare.
- f) **Child fare.** A child under 2 years old can fly with parents without a separate passenger seat on the plane on an air ticket with a 90% discount. If there are several small children at once, then a separate children's air ticket is purchased for each subsequent child, intended for children aged 2-12. One adult can take only one infant without a seat. For the remaining children, it is necessary to issue a "children's" ticket with a seat, regardless of their age.

- g) **Family fare.** It is necessary to purchase at least two tickets. Tickets are valid for no more than a month. The flight route is minimal. The terms of purchase and flights are strict. Subsequent tickets for close relatives (spouses and children under 25) will be sold at a 50% discount.
- h) **Pension tariff.** Applicable only to persons who have reached retirement age, according to the legislation. The cost of the tariff is determined by the size of the discount from the standard tariff, within 15-30%. Offered by a limited number of airlines and on a minimal number of routes, all conditions are strictly fixed. Having this type of tariff will give strategic advantage to XYZ Air Company.
- i) **Group fare.** Provided for groups of at least 10 people. If the group consists of minors, one of the accompanying adults has the right to purchase a ticket according to this fare. Group fare applies to a few destinations, mainly to the most popular resorts and tourist routes.
- j) **Super Saver fare.** The most economical of the standard fares. It has sub-fares Super-APEX and Super-PEX, which are practically no different from each other in terms of These fares have a considerable number of restrictions, starting with deadline (the deadline for purchasing a ticket at this fare: 21 days, 14 days, 7 days, 3 days, and vice versa - not earlier than 7 days, not earlier than 3 days) and ending with the so-called Black Out days - days on which a person cannot fly at this fare. The restrictions are maximum; a person cannot change the departure dates, change, or return a ticket. Sometimes restrictions are imposed not only on flight numbers and specific airports in the city but also on days of the week, time of day, and even on the nationality of the passenger and the purpose of their trip.
- k) **Advertising tariff.** (This type of tariff is a more tactical pricing approach.) Their appearance relates to the desire of XYZ Air Company to fill unloaded flights in the off-season, attract passengers to new flights, and maintain competitiveness in a specific market direction. It is impossible to predict which airline and in what direction will come out with a special offer, its validity period, and the ticket cost.

After having a detailed tariff methodology for XYZ Air Company, we can create customer segmentation and behavioural insights, which are also related to standard practices of low-cost airline travellers, and identify three key customer segments, summarized in the table below and visualized in a pie chart.

Table 10: Customer Segmentation and Behaviour

Segment	Percentage	Demographics	Needs	Behaviour
General Travelers	50%	Ages 18-55, mixed income	Low fares, open to sustainable options	Price-sensitive, digital users
Community-Focused Customers	20%	Ages 30-60, regional residents	Social impact, local engagement	Value community-driven brands
Eco-Conscious Travelers	30%	Ages 25-45, urban, environmentally aware	Sustainable travel options, transparency	Prefer brands with green initiatives

Source: Researchers' own

Low-cost airlines do not fly complex routes and do not provide connections with network airlines with end-to-end check-in and baggage handling. However, as world practice shows, this is one of the most effective models of the aviation business in today's conditions, with high potential for further development, including in Australia. Therefore, XYZ Air company will adopt the same policy.

7.2.2 Price

The pricing strategies and tactics employed by XYZ Air Company are variables that depend on market demand and competition, Discount prices, and Promotional pricing. Moreover, the airline sector's ticket prices are generally changing daily. Therefore, mentioning constant prices is meaningless.

Pricing Strategies:

- ❖ Variable pricing based on factors like demand and competition (implied in the discussion of different tariffs)
- ❖ Discount pricing (youth fare, child fare, family fare, pension tariff, group fare)
- ❖ Promotional pricing (advertising tariff, super saver fare)

Tariff Structure:

- ❖ A detailed tariff methodology is in place, offering a range of fare types with varying conditions and restrictions.

7.2.3 Place

The place of XYZ Air Company is the distribution channels and points of customer interaction, primarily the location of the airport, the airline's sales offices, and its agents for the sale of air tickets. The airline must also select the channels for the sale of air tickets, distribute the resources of seats between agents and its sales, and consider the possibility of direct sales. One of the ways to increase customer satisfaction with the location of the provision of airline services is the introduction of various types of mobile applications in the activities of airports and airlines. Distribution channels and points of customer interaction are:

a) Direct Channels

- ***Mobile application*** (primary advertising medium and booking platform)
- ***Airline's website*** (for booking, information, and partner services)
- ***Offices and agencies, offices*** and other points of sale of air tickets

b) Indirect Channels includes:

- Partnerships with tour operators
- Partnerships with other businesses (hotel chains, car rental companies, etc.)

c) Geographic Scope:

- High-demand cities in Australia (Melbourne, Brisbane, Perth, Adelaide)

- Expanding routes to New Zealand and Southeast Asia

XYZ Air Company uses a Mobile application to make it easy for customers to:

- a) **Plan trips by creating the necessary route** using the user-friendly interface - the route designer is right on the main screen!
- b) **Choose the best fare** for a flight with travel options that fit customer needs.
- c) **Easily and quickly buy airline tickets** online for the desired route: add information and documents about passengers to the customer's personal account and book airline tickets in minutes.
- d) **Check-in online**, monitor the status of flights online, and get a boarding pass.
- e) **Manage booking and services**: Choose the customer's favourite seat in the cabin, pay for excess baggage and additional meals for the flight, and choose insurance for any occasion

7.2.4 Promotion

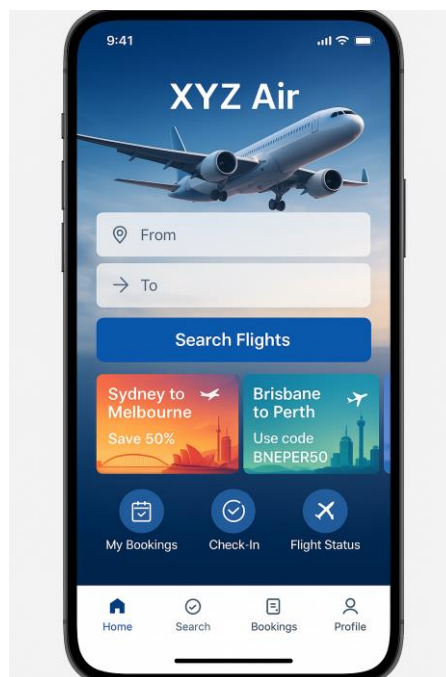
XYZ Air Company uses various types of commercial advertising channels aimed at informing, persuading, and reminding customers. IN particular

- **Mobile application** (See the prototype Figure 18)
- **Popular websites** in Australia (YouTube, Facebook, Reddit, Instagram)
- **Press** (for detailed information and reaching specific audiences)
- **Television** (for visual demonstration and image building - but considered less efficient for XYZ's target audience)

Familiar with all types of airlines, XYZ Air Company is highly sensitive to external factors. Examples of recent years, such as natural disasters, terrorist attacks, etc., show that aviation is most susceptible to the negative impact of these events. In this situation, only a well-built "line of defines" - joint communications and activities related to public relations will make it possible to quickly neutralize the impact of negative factors.

Public Relations activities of XYZ Air Company involve establishing and improving relations between an airline and the public in general, potential buyers, business circles, official authorities, cooperating and competing airlines and firms, and individual social groups. Intensive business contacts will allow XYZ Air Company to familiarize interested circles with the scope and geography of their transport services and the practice of organizing transportation, commercial, technical maintenance, sales systems, tariffs, and benefits of competing companies.

Figure 18: Mobile application prototype



Source: Resercher's own

Such business communication, based on a wide range of socio-psychological and ideological methods of influencing the clientele, effectively controls demand formation and attracts loads. For this purpose, XYZ Air Company provides for the creation of a public relations department in its structure, widely using various information materials, bulletins, and newspapers they regularly publish, which are sent free of charge. This and the public relations activities of the airline will make it possible to neutralize the influence of negative factors quickly.

The public relations department of XYZ Air Company will solve the following tasks:

1. Relations with the media, their establishment, and coordination, which includes monitoring the press, writing press releases and other materials for the press, organizing press conferences, etc.
2. Development of crisis management models and action plans for crises of varying severity (disaster involving one's aircraft; accident or incident that did not result in human casualties; event involving another airline). For each case, a legend (interpretation of the incident), the volume and period for the appearance of reference information, the timing of press conferences and release of information messages, a list of responsible persons, and persons in contact with the media are developed.
3. Maintaining relationships with current clients and attracting new ones, which includes a range of activities from the intensive promotion of poorly selling flight routes to advice to passengers on the specifics of the service.
4. Maintaining relationships with special groups – suppliers, students, non-profit organizations.
5. Work with corporate style and photos.
6. Organizing public opinion research.
7. Management consulting - developing recommendations for management on adjusting the goals and priorities of the company, as well as the activities of related departments (advertising, marketing, sales).

Public relations activities include a set of functions necessary to achieve the XYZ Air Company's objectives:

The information function aims to develop information policy, strategy, and tactics. It includes studying partners, analysing specific situations when forming a marketing strategy, assessing public opinion, moods, and reactions of passengers, and preparing an array of analytical data for decision-making.

The organizational and technological function implements comprehensive measures and actions to conduct and organize active events, PR campaigns, business meetings of various levels, exhibitions, and conferences.

The prestigious function aims to successfully position the company through informational, explanatory, and propaganda-advertising work. This function is aimed at developing commercial relations and popularizing the company.

The barrier function involves a set of measures to overcome obstacles associated with competitive struggle, unforeseen crises, harmful rumours, and possible conflicts.

The pre-advertising function uses mechanisms of psychological influence, sales stimulation for successful brand popularization, creation of a circle of potential clients, increase in transportation volumes, and strengthening of corporate influence in specific directions.

The humanitarian function is intended to form social responsibility, corporate style, and organizational culture and establish an atmosphere of trust, mutual understanding, and agreement.

The public relations department aims to create the image of the XYZ Air Company.

The image of the airline is created based on special external and internal design of offices, agencies, offices and other points of sale of air tickets, including the appropriate colour of furniture, the same for all premises of the airline, the corporate designation of the airline and its corporate logo placed on buildings, structures, in all types of advertising, on letters, envelopes, uniforms of airline employees.

XYZ Air Company's image creation process includes:

- Colouring and corporate designation of aircraft, lighting and music design of aircraft interiors, special colours of ground equipment specific to the airline.
- Appearance and attractiveness of the uniform, culture of behaviour, and professional level of employees in information and sales.
- Advertising and providing high-quality service to passengers on the ground and in the air.
- Selection and special training of flight attendants and other personnel in the intricacies of servicing passengers and clientele.
- Provision of exquisite dishes and various drinks on board the aircraft.
- Ensuring high regularity and safety of flights.

The above-mentioned activities will contribute to forming a sense of uniqueness and care among customers.

7.2.5 Integration with Fleet and Network Strategy

As part of a tailored marketing strategy, it is crucial to briefly present the airline's fleet and the optimal network strategy for a low-cost air carrier in Australia. The table below represents SAF-Compatible Routes and Fleet Allocation, aligning with the marketing project.

Table 11: SAF-Compatible Routes and Fleet Allocation

Route	Aircraft	Weekly Flights	SAF Usage (% of Flights)	Target Emissions Reduction
Sydney-Melbourne	A320neo	35	20%	5%
Sydney-Brisbane	A320neo	28	20%	5%
Sydney-Cairns	A320neo	7	10%	3%
Sydney-Tokyo	A321XLR	5	10%	7%

Source: Researchers’ own

XYZ Air Company’s fleet includes 20 Airbus A320neo and 5 Airbus A321XLR aircraft, which are optimized for sustainability, with the A320neo offering 20% better fuel efficiency than older models. The network strategy prioritizes SAF-compatible routes and aligns community programs with regional schedules.

7.3 Time-Cost-Quality Framework

This part of the project presents a Time-Cost-Quality Framework for the XYZ Air Company, which details the connection to the most important factors for "Time to Market." This includes strategic goals, resource distribution strategies, and expected results, and provides a comprehensive guide for effective project implementation and achievement of the airline's marketing goals.

7.3.1 Project time horizon

Time is the most essential criterion for this marketing project, determining the sequence, duration, and implementation of all planned activities. Strategic planning for market opportunities and competitive pressure requires understanding and frequent management of time factors.

Strategic timeline: The primary goal is to capture 15% of the Australian market annually. This ambitious, realistic time horizon is essential for all later marketing initiatives, affecting urgent campaign application and resource allocation. Achieving this goal will require a phased approach with clearly defined intermediate goals and significant performance indicators so that, if necessary, the strategy is on time and to adjust the plan.

Termination dates: The efficiency of various marketing measures will be evaluated on a seasonal basis, considering the behaviour of the target group and the competing environment. Especially for stimulating demand in a short time, the tour price will be introduced for 1 to 6 months, allowing a flexible response to the changed market conditions. On the other hand, APEX (Advance Purchase Excursion) tickets, which are intended to plan their visits, will have a 3-month specific validity period and require targeted marketing work to maximize sales during this period.

Implementation of marketing activities: Successful implementation of the full range of marketing activities, including a mobile application, will be done according to a detailed plan. Develop and launch a mobile application, implement social media campaigns, and develop partner programs. The scheme will include the project's main phase and intermediate functions, consisting of clearly defined times and responsible persons. For example, the development of a mobile application will be divided into several stages (analysis, design, development, testing, and launch), each of which will have a separate schedule. Similarly, material schemes, publication programs, and surveillance mechanisms for commitment will be developed for social media campaigns, aligning with the overall project plan.

7.3.2 Project cost

The table below shows the budget for the tailored marketing campaign based on the number of weekly flights, routes, and strategic goals for the XYZ Air company.

Table 12: Marketing Channels and Budget Allocation

Channel	Tools/Platforms	Budget for one year	Percentage of Total
Social media	Instagram, Facebook, Twitter	\$200,000	25%
Email Marketing	Mailchimp, personalized CRM	\$100,000	12.5%
Mobile App	Carbon offset feature, updates	\$150,000	18.75%
Partnerships	NGOs, local governments	\$150,000	31.25%
Website Optimization	Sustainability reports, SEO	\$100,000	12.5%
Total		\$800,000	100%

Source: Researchers' own

Application software and social media solve these problems in the air transportation industry. For example, Mailchimp, personalized CRM, one of the widespread marketing tools for personalized messages and follow-ups, has developed a solution package for air carriers, which includes the multifunctional Travelport Rich Content and Branding application with the ability to manage fare groups, sell related services and individual offers, as well as simultaneous purchase from various suppliers "in one go."

These marketing channels allow XYZ Air Company to become a leading low-cost carrier in the domestic market. It gives a vast perspective on expanding New Zealand and Southeast Asia operations.

Social media (Instagram, Facebook, Twitter): The 25% budget allocation for social media accounting illustrates the growing strategic role of these channels as brand building, customer engagement, and targeted advertising venues. This money will be spent on creating

content, paid advertising, community management, and the analysis of the efficiency of social media.

Email Marketing (using Mailchimp and personalized CRM systems): An investment of \$100,000 (12.5% of the total budget) explicitly focused on direct communication with potential and actual customers through custom-created email marketing initiatives that sequence towards subscription and/or purchase commitment and rely on the cars' customer data to help raise customer awareness and promote repeat transaction.

Mobile App Development and Support (including Carbon Offset functionality and regular updates): The allocation of \$150,000 (18.75% of the total budget) reflects the strategic importance of the mobile app as a key customer engagement channel and a tool to deliver additional value, such as carbon offset functionality. These funds will be used to develop the app, test it, launch it, and provide ongoing technical support and updates.

Partnership Programs (Collaboration with Non-Governmental Organizations and Local Governments): The investment of \$150,000 (18.75% of the budget) will go towards establishing programs for building relationships with non-government organizations and local government to help strengthen brands, reputation, and also together to implement socially relevant projects.

Website Optimization (Sustainability Reporting and SEO Activities): The allocation of \$ 100,000 (12.5% of the total budget) for website optimization, a set of works that help achieve high positions in search results and attract targeted traffic. In other words, for a resource to get to the first pages of results, it is necessary to bring it into compliance with the requirements of search engines. Website optimization includes the services of comprehensive Internet marketing for business.

7.3.3 The Quality Imperative

Quality is a critical success factor for XYZ Air Company's marketing strategy, primarily as it competes in a highly dynamic and price-sensitive low-cost carrier market. In this project, quality refers not only to the product (e.g., customer-facing platforms and campaigns) but also to the **processes, customer experience, and strategic alignment** of all marketing activities.

Quality is a key factor for XYZ Air's marketing strategy, especially given the low-cost airline segment's highly competitive and price-sensitive nature. This project's quality extends beyond the end product (e.g., digital platforms and advertising campaigns) to include processes, customer experience, and strategic alignment across all marketing activities. The following quality standards will be established to ensure high levels of marketing and brand consistency:

Digital Platform Quality: The mobile app and website will meet high standards of usability, accessibility, and security (ISO 9241 and WCAG compliance). Regular testing, including A/B testing and user feedback, will ensure continuous improvement.

Customer Experience (CX): Customer satisfaction will be measured using Net Promoter Score (NPS), CSAT (Customer Satisfaction Score), and CES (Customer Effort Score). Email and in-app surveys will help to tailor approaches promptly.

Content Quality: Social media content should align with brand tone, be culturally relevant, and be carefully curated.

Partnership Quality: Collaborations with NGOs and governments will be formalized through the Memorandum of Understanding (MoU), which includes quality criteria, ethical standards, and social impact assessment.

7.4 Evaluation KPIs

To measure the success of XYZ’s tailored marketing strategy, the following KPIs will be tracked, aligned with survey insights and operational goals:

Table 13: KPIs for Strategic Growth and Customer Engagement

KPI	Target	Measurement Method	Timeline
Load factor on regional routes	80%	Monthly flight occupancy reports	Q4 2026
App-based booking growth	20%	App analytics (user conversions)	Q3 2025

KPI	Target	Measurement Method	Timeline
Net Promoter Score (NPS)	70	Post-flight customer surveys	Annually
Loyalty program membership	25,000	CRM system tracking	Q4 2026
Social media engagement rate	15%	Platform analytics (likes/shares)	Quarterly

Source: Reserchers' own

Rationale: These KPIs directly address the survey-identified priorities of digital adoption (e.g., app bookings), customer loyalty, and route profitability. For example, the 80% load factor target reflects the importance of route optimization using booking trend data, while the NPS of 70 ensures alignment with customer satisfaction goals.

Conclusion

XYZ Air Company is positioning itself as a low-cost carrier and an environmentally responsible company in the aviation industry. The airline showcased its social responsibility through impactful outreach programs thanks to its Sustainability and Community Engagement Strategy. While keeping its low-cost business model, XYZ will attract eco-aware and community-focused clients by implementing effective outreach initiatives and utilizing digital platforms.

The \$800,000 investment will support XYZ's goal of being the most sustainable airline by reducing emissions by 10% and involving 500 community members. The tailored marketing project with visualizations of consumer segmentation, emissions objectives, marketing budgets, and timetables gives a strong foundation for becoming a leading airline in the Southern Hemisphere.

8 QUANTITATIVE RESEARCH

8.1 Methodology

We created a questionnaire to gather information from aviation professionals to evaluate the relevance and necessity of the company's tailored marketing project. The answers were completely anonymous for having explicit opinions.

The survey participants were 236 professionals in various occupations (e.g., operations, network planning, marketing/commercial) and organizations (e.g., airlines, airports, consultancies). The aircraft industry has high fixed costs, intense competition, and continually shifting customer needs. Low-cost airlines like XYZ must differentiate through innovative marketing, appealing to various consumer groups, including locals, business travellers, and holidaymakers.

The survey gives an understanding of tendencies in industry, highlighting how industry professionals from various organizations (e.g., airlines, airports, and consultancies) and functions (e.g., marketing/commercial, network planning, and operations) view the contribution of customized marketing towards profitability, customer satisfaction, and operational efficiency. This report's interpretation of these findings is the basis for XYZ's marketing strategy. It delivers actionable suggestions for its implementation to align with consumer requirements and industry trends.

Market insights, personalized marketing efficacy, data usage, strategy integration, and outcome expectations were among the categories on which respondents scored statements on a scale of 1 (low) to 5 (high).

Average ratings, percentages, and distributions were calculated using the aggregated data, and trends and variances by respondent attributes were found using statistical analysis. KPIs like reaching 80% load factors on regional routes, 20% growth in app-based bookings, and a Net Promoter Score (NPS) of 70 are among the KPIs directly related to XYZ's marketing goals and are the subject of the analysis.

Tables and charts were among the visualizations created to convey the results, making them accessible to XYZ's stakeholders and leadership. By recording a range of viewpoints, the

approach guarantees robustness and makes it possible to provide a thorough definition of the customized marketing plan.

8.2 Demographic Characteristics

The demographic profile of the participants provides important context for interpreting the results of this study. To better understand the strength and relevance of their opinions, we used their role in the aviation industry, years of experience, and the type of organization (Table 14).

Table 14: Demographic profile of the participants

N=236		
	Frequency	Valid Percent
Role in the Aviation Industry		
Fleet Planning	32	13.559
Marketing/Commercial	54	22.881
Network Planning	31	13.136
Operations	43	18.220
Sales	47	19.915
Strategy/Corporate	29	12.288
Years of Experience		
<3 years	55	23.305
3–5 years	45	19.068
6–10 years	79	33.475
>10 years	57	24.153
Type of Organization		
Airline	37	15.678
Airport	27	11.441
Consultancy	33	13.983
Government/Regulator	36	15.254
Manufacturer/Vendor	43	18.220

Source: Researchers' own

8.3 Market Insights and Tailored Marketing Effectiveness

Economic uncertainty, changing passenger habits, and technological breakthroughs contribute to the aviation industry's dramatic change. The poll offers important insights into these processes, emphasizing the necessity of flexible, tailored marketing tactics to stay competitive.

The average evaluations for important market insights and personalized marketing measures are compiled in Table 15, which shows significant support for customized tactics and moderate to high degrees of change. The market research analysis validates that XYZ's individualized marketing strategy is well-positioned to cope with passenger attitude changes, market unpredictability, and adaptation issues.

Table 15: Average Ratings for Market Insights and Tailored Marketing

Metric	Average Rating (1–5)	Interpretation
The Change of Passenger Behaviour	3.03	Moderate to high changes in behaviour necessitate adaptive strategies.
Adaptation Difficulty	3.28	Moderate difficulty in adapting to market changes highlights the need for agile marketing.
Market Volatility	3.08	Moderate volatility, supporting dynamic pricing and promotions.
Tailored Marketing Effectiveness	3.25	High perceived effectiveness, justifying personalized campaigns.

Improves Loyalty	3.17	Moderate to high impact on loyalty, supporting the project.
------------------	------	---

Source: Researchers' own

Passenger Behaviour Changed (3.03): Travel patterns changed substantially in that 54% of survey respondents gave three or higher ratings to changes in passenger behaviour. Two ways the company will attempt to attract younger customers are through email campaigns for targeted fare alerts and through online channels like Instagram.

Adaptation Difficulty (3.28): At 62% of voters giving a three or higher, the top average rating of the category shows that adapting to market changes is a moderate difficulty. The survey also validates XYZ's investment in AI-based fare suggestions on its mobile app by demonstrating the applicability of data analytics in addressing adaptation problems.

Market Volatility (3.08): As per the survey, 52% of respondents graded volatility three or higher, validating that the aviation sector is susceptible to competitive, regulatory, and economic issues.

Marketing Tailored Effectiveness (3.25): 58% of the respondents gave three or more scores to personalized marketing, indicating that it is successful in the airline industry.

According to the survey, targeted marketing works marvellously well in companies with very competitive markets where differentiation is achievable only based on improved customer care and experience. Specific to XYZ, this explains why the domestic market penetration strategy requires an outlay of \$300,000 on social media advertisements in 2026.

Increases Loyalty (3.17): 56% of the respondents, according to the survey, think that personalized marketing increases client loyalty, most strongly supported by Marketing/Commercial (3.35) and Sales (3.25) respondents. A report also identifies the significant use of loyalty programs with digital platforms, aligning with XYZ's program of giving personalized email promotions and app-based rewards.

8.4 Data Usage in Strategy

Strong data is the prerequisite for personalized marketing to effectively determine routes, design optimal prices, and know consumers' preferences. Digital behaviour, social media, passenger booking trends, and route profitability are given top priority among data sources, according to aviation specialists, according to the survey. A tabular breakdown by respondents' profiles of preferred data sources and differing priorities can be seen below in Table 16.

Table 16: Data Sources by Respondent Role

Role	Top Data Sources (% of Respondents)
Marketing/Commercial	Social media/digital behaviour (65%), Frequent flyer behaviour (58%)
Network Planning	Route profitability (62%), Passenger booking trends (55%)
Operations	Route profitability (50%), External market forecasts (45%)
Fleet Planning	Passenger booking trends (52%), Frequent flyer behaviour (48%)
Sales	Social media/digital behaviour (60%), Route profitability (55%)

Source: Researchers' own

As a result, we have:

- Social media/digital behaviours: 30%
- Route profitability: 25%
- Passenger booking trends: 22%
- Frequent flyer behaviour: 15%
- External market forecasts: 8%

Online behaviour and social media (30%): Social media and online activity (30%): This information source, quoted by 30% of the interviewees, is most trending, especially for salespeople (60%) and marketing/commercial people (65%). High popularity signals the influence of digital platforms on trip planning, especially among the younger generation, like Gen Z and Millennials. This supports XYZ's \$300,000 spent on TikTok and Instagram ads, which show affordable travel deals and target vacation travelers. Social media measurement can also guide content efforts that generate engagement and brand consideration, including influencer partnerships and interactive polls like "What's Your Dream Australian Destination?" the report further added.

Route Profitability (25%): Network Planning (62%) and Operations (50%) use this data source in the analysis of the financial profitability of the routes. According to the survey, profitability data are critical in determining opportunities in underdeveloped markets like Cairns and Darwin and in ranking high-demand routes like Sydney-Melbourne. This allows XYZ to realize an 80% load factor on local routes by optimizing the price and frequency of flights using data analytics. The survey also emphasizes the importance of profitability data in allowing a low-cost carrier to control promotional fares against operating costs.

Passenger Booking Trends (22%): 22% of the respondents pointed out passenger booking trends, which are especially crucial to those involved in fleet planning (52%) and network planning (55%). By making their schedule and deployment of fleet conditional on this information, airlines have the scope to anticipate booking trends. Assignment of A320neo aircraft to high-frequency domestic routes and opening new regional routes (such as Sydney-Darwin) is justified based on XYZ's booking trends. According to the survey, reservation details can also be personalized by sending early-bird fare alerts through email, aligning with XYZ's target of a 20% increase in app-based bookings.

Frequent Flyer Behavior (15%): Marketing/Commercial (58%) and Fleet Planning (48%) respondents have respect for this source of information and use it to maximize fleet use and develop reward schemes. The research says that information obtained from frequent flyers can be employed to identify high-value customers and propel personalized incentives like bonus points for same-location bookings. This benefits XYZ by affirming the project incentives and tiered design, which are used to accelerate membership to 25,000 members by 2026. In addition, by validating strong load factors on loyalty-driven routes, the data assists with marketing coordination with operational objectives.

External Market Forecasts (8%): Though not as common in usage, operations (45%) and network planning (40%) reactants appreciate this source of information in long-term planning. To expand globally to Singapore and Bali, projections offer sharp analysis on competitive forces, legislative changes, and economic trends. Given the survey, XYZ's \$1,000,000 investment to develop its fleet by Q4 2026 can be substantiated through enhanced strategic decision-making by integrating forecast data with digital habits and booking trends.

Implications for XYZ: XYZ's strategy of using social media, route profitability, and booking trends to inform marketing and operational decisions is highly consonant with the survey's affinity for data. The focus on digital activity supplements the utilization of AI-driven features of the mobile app, and data-driven fleet assignment and route planning are warranted by profitability and booking data. XYZ can maximize personalization and meet its revenue growth and market share targets by combining disparate data streams into one CRM and analytics system.

8.5 Strategy Integration Potential

Personalised marketing is most effective when combined with fleet deployment and routing planning. Although suffering from cooperation issues, the survey strongly supports this combination. Here are the mean ratings for a few key measures of integration:

- **Influences Route Planning:** 3.03 (56% rated 3 or higher).
- **Influences Fleet Allocation:** 3.25 (60% rated 3 or higher).
- **Teams Collaborate Well:** 3.08 (54% rated 3 or higher).
- **Integration Important:** 3.17 (58% rated 3 or higher).

According to a study, 56% of the interviewees think customized marketing significantly influences route planning; Network Planning (3.20) and Marketing/Commercial (3.15) yielded the highest support. It indicates how marketing information can impact the identification of markets without service and badly needed routes. For XYZ, this is the basis on which they are concentrating on introducing new long-haul routes (e.g., Cairns and Darwin) and more flights to major cities (e.g., Melbourne, 35 weekly). Sales promotional

activities can stimulate demand for new routes through OTA combos and competitive fares, stimulating interest in destination hotspots, as suggested by the survey.

This is consistent with that XYZ flies A320neo aircraft on high-frequency domestic routes and A321XLR aircraft on long-haul international routes (e.g., Sydney-Tokyo). According to the survey, XYZ's target of 75% load factor on international flights by 2026 can be achieved by optimizing fleet utilization through booking patterns and frequent flyer data. This makes it critical for XYZ to have formal collaboration methods, like standardized data platforms or quarterly workshops, to ensure the marketing activities are aligned with fleet and route plans. In addition, from the survey, airlines cooperate better than consultants (3.20), a model that XYZ can emulate.

8.6 Project Justification

The findings of the surveys inform us that XYZ Air Company's customized marketing program is based on consumers' needs and market trends. The implementation of data, successful marketing strategies, market forces, operational alignment, and expected results is discussed in the following sections.

The surveys' insights on market trends acknowledge the demands of adaptive approaches in this era of evolving aviation. Traveler preferences of passengers are diversified from value-conscious travellers to harassed corporate travellers, as reflected by the 3.03 passenger change behaviours rating, with 54% positive reviews.

XYZ Air company's customer segmentation into leisure (60%), business (25%), and locals (15%) is a response to change in the form of offering high-end services for corporate travel (i.e., Sydney-Melbourne) and promoting fares for local travel (i.e., Sydney-Cairns). By recording a 52% high score and a market volatility score 3.08, XYZ's adaptable pricing and business relationships with OTAs satisfy demand in volatile markets. Proof of the appropriateness of flexibility is in the difficulty rating of flexibility at 3.28, again in Favor of XYZ's emphasis on real-time data analysis and adaptive marketing interventions to counter market volatilities. With 58% high scores and a rating of 3.25 for higher marketing effectiveness, XYZ's commitment towards targeted digital initiatives is established.

The overwhelming support by Marketing/Commercial respondents (3.40) establishes the proven success of app-based, social media, and email advertising in customer acquisition

and retention. Millennials and Gen Z are targeted by the \$300,000 spent on Instagram ads by XYZ, and personalized fare notices are supported by the \$150,000 spent on email marketing. The project with reward and bonus points levels for national and international bookings is supported by its 3.17 loyalty impact score, with 56% positive ratings.

Internet channels best complement loyalty programs; hence, XYZ would look to email promotions and app rewards. Survey data priorities, such as trends for passenger bookings (22%), profitability of routes (25%), and digital behaviour/social media (30%), also go together with the predisposition of XYZ towards data. Mobility app capability in artificial intelligence, such as fare propositions and real-time reminders, is facilitated by digital behaviours monitoring, and route planning for major cities and new geographic markets is justified based on booking intelligence and profitability.

The study's cross-role value indicates that an integrated analytics and CRM platform is essential for a Marketing/Commercial and Network Planning competitor. XYZ offers substantial data utilization for \$250,000 in application development and \$100,000 in web optimization, enhancing customer-oriented interaction and business effectiveness. Tailored marketing optimizes decision-making operations, as reflected in ratings of integration of the survey, i.e., 3.03 in route planning, 3.25 in fleet allocation, and 3.17 in priority of integration. Higher load factors and fuel efficiencies are attained by implementing A320neo on local and A321XLR on overseas routes by XYZ, which is backed by 60% high scores in fleet deployment. More routes and frequent flights to Melbourne and Brisbane are supported by 56% high scores for route planning.

8.7 Limitations

While the survey provides actionable insights, several limitations must be acknowledged:

1. **Sample Bias:** The 236 respondents were aviation professionals (not end-customers), which may distort the results toward industry priorities rather than passenger preferences.
2. **Geographic Scope:** Participants were predominantly from Australia and Asia-Pacific, limiting insights into global markets like Europe or North America.

3. **Temporal Constraints:** Survey data reflects a snapshot in time shifting economic conditions, for example, fuel prices and recessions, could alter market dynamics.
4. **Self-Reported Data:** Ratings on adaptation difficulty (3.28) and marketing effectiveness (3.25) may be influenced by respondents' optimism or organizational biases.

Mitigation: XYZ will supplement survey findings with ongoing customer feedback (e.g., in-flight surveys) and real-time market monitoring to adjust strategies dynamically.

CONCLUSION

The master thesis presents a set of recommendations aimed at both international and national aviation brands. For international airlines, the suggestion is to adopt customized marketing strategies that focus on local digital engagement, standardize their fleets with models like the Airbus A320neo/A321XLR to keep costs in check, and utilize dynamic pricing strategies that respond to regional demand. At the same time, they should make sustainability a priority, like adopting sustainable aviation fuel (SAF), to attract eco-conscious travelers and set their brands apart.

The PEST analysis revealed Australia has a promising yet unpredictable aviation environment, where political stability and tech advancements meet social and environmental challenges. On the other hand, Porter's Five Forces showed fierce competition, supplier influence, and customer price sensitivity. A quantitative survey of 236 aviation professionals further confirmed the need to blend marketing insights with fleet and network optimization to boost load factors, customer loyalty, and profitability.

By focusing on sustainability (like adopting SAF) and embracing digital transformation (such as AI-driven mobile apps and IoT diagnostics), "XYZ" Air Company can not only cut costs but also attract eco-conscious travelers and tech-savvy customers. The strategies proposed—from flexible fare structures to community-driven partnerships—provide practical ways to balance competitive uniqueness with growth in emerging markets.

These strategies are designed to help aviation brands boost customer loyalty, strike a balance between cost efficiency and competitive edge, and navigate the market fluctuations brought on by digital changes. By syncing marketing innovation with fleet and network flexibility, airlines can build long-term resilience in a global aviation landscape that's becoming more fragmented and high-stakes.

BIBLIOGRAPHY

Cook, G.N. and Billig, B.G. (2023). *Airline Operations and Management*. Taylor & Francis.

Shaw, S. (2020). *Airline Marketing and Management*. Taylor & Francis.

OAG (2024). The Story of Airline Pricing Strategies | Airlines | OAG. [online] Oag.com. Available at: <https://www.oag.com/blog/the-story-of-airline-pricing-strategies>.

Gallaugh, J. (2015). *Information Systems: A Manager's Guide to Harnessing Technology*. University Of Minnesota Libraries Publishing.

Mintzberg, H. (1994). The Fall and Rise of Strategic Planning. [online] Harvard Business Review. Available at: <https://hbr.org/1994/01/the-fall-and-rise-of-strategic-planning>.

Yang, C.-H., Kuo, L., Liu, Y.-Y. and Pan, K.-L. (2024). Incorporating resource optimization for sustainable airline service innovation business decision model: toward circular economy policy achievement. *Annals of Operations Research*. doi:<https://doi.org/10.1007/s10479-024-05981-y>.

US Department of Transportation. (2022). DOT Strategic Plan FY 2022-26. [online] Available at: <https://www.transportation.gov/mission/us-dot-strategic-plan-fy-2022-2026>.

Grant, R.M. (2013). *Contemporary strategy analysis*. Hoboken, N.J.: Wiley ; Chichester.

Wittmer, A. and Bieger, T. (2021). Airline Strategy – From Network Management to Business Models. *Classroom Companion: Business*, pp.139–184. doi:https://doi.org/10.1007/978-3-030-79549-8_5.

Razumova, E., Kyrylenko, O., Gurina, A. and Novak, V. (2020). STRATEGIC ANALYSIS AS A TOOL FOR THE FORMATION AND IMPLEMENTATION OF AIR COMPANY DEVELOPMENT STRATEGY. *Financial and credit activity: problems of theory and practice*, 3(34). doi:<https://doi.org/10.18371/fcaptp.v3i34.215456>.

Struckell, E., Ojha, D., Patel, P.C. and Dhir, A. (2022). Strategic choice in times of stagnant growth and uncertainty: An institutional theory and organizational change perspective.

- Technological Forecasting and Social Change, [online] 182(1), p.121839. doi:<https://doi.org/10.1016/j.techfore.2022.121839>.
- Doganis, R. (2019). Flying off course airline economics and marketing. London Routledge, Taylor & Francis Group.
- Airlines For America. (2025). Air Travelers in America: Annual Survey | Airlines For America. [online] Available at: <https://www.airlines.org/dataset/air-travelers-in-america-annual-survey>
- Keller, K.L. (2025). The evolution of modern branding: Historical origins, current perspectives, and future directions. Journal of Business Research, [online] 194, p.115359. doi:<https://doi.org/10.1016/j.jbusres.2025.115359>.
- Peppers, D., Rogers, M. and Dorf, B. (2014). Is Your Company Ready for One-to-One Marketing? [online] Harvard Business Review. Available at: <https://hbr.org/1999/01/is-your-company-ready-for-one-to-one-marketing>.
- Ang, L. (2021). Principles of Integrated Marketing Communications. doi:<https://doi.org/10.1017/9781108628662>.
- The Oxford Handbook of Business History. (2008). doi:<https://doi.org/10.1093/oxfordhb/9780199263684.001.0001>.
- Gersen, J.E. and Steckel, J.H. eds., (2023). The Cambridge Handbook of Marketing and the Law. [online] doi:<https://doi.org/10.1017/9781108699716>.
- Kotler, P., Hermawan Kartajaya and Setiawan, I. (2023). Marketing 6.0. John Wiley & Sons.
- Zhang, L., Wang, X., Majeed, S. and Zhou, Z. (2024). How do sales promotions, communication agents, and psychological contracts determine purchase hesitation? Evidence from live stream influencers' fan groups. Journal of Retailing and Consumer Services, 84, pp.104193–104193. doi:<https://doi.org/10.1016/j.jretconser.2024.104193>.
- Kotler, P. and Keller, K.L. (2016). Marketing management. 15th ed. Pearson.

- Tian, S. and Wang, Y. (2025). Towards a Conceptual Framework for Understanding the Experiential and Perceptual Effects of Augmented Reality Advertising. *Computers in Human Behavior*, pp.108656–108656. doi:<https://doi.org/10.1016/j.chb.2025.108656>.
- Ziegele, D., Siegel, C. and Zerfass, A. (2025). Does quality matter? Understanding quality of communication consulting from a client and consultant perspective. *Public Relations Review*, 51(2), p.102563. doi:<https://doi.org/10.1016/j.pubrev.2025.102563>.
- Edmond-de-rothschild.com. (2024). Edmond de Rothschild Asset Management appoints Melinda Käs Dorf as Head of Marketing Private Markets. [online] Available at: <https://www.edmond-de-rothschild.com/en/news/show/1565-13762-edmond-de-rothschild-asset-management-appoints-melinda-kaesdorf-as-head-of-marketing-private-markets>
- Vernuccio, M., Boccalini, S. and Patrizi, M. (2024). ‘Being’ with the brand in the metaverse: Strengthening brand anthropomorphism to foster brand love. *Journal of Retailing and Consumer Services*, 84, pp.104204–104204. doi:<https://doi.org/10.1016/j.jretconser.2024.104204>.
- Adeola, O., Hinson, R.E. and Sakkthivel, A.M. (2022). Marketing Communications and Brand Development in a Changing World: Introduction, Issues, and Perspectives. *Marketing Communications and Brand Development in Emerging Markets Volume II*, pp.3–21. doi:https://doi.org/10.1007/978-3-030-95581-6_1.
- Huang, Y. and Hands, D. (2022). *Design Thinking for Branding*. Springer eBooks, pp.127–148. doi:https://doi.org/10.1007/978-3-030-94206-9_7.
- Bleier, A., De Keyser, A. and Verleye, K. (2018). Customer Engagement Through Personalization and Customization. *Customer Engagement Marketing*, [online] pp.75–94. doi:https://doi.org/10.1007/978-3-319-61985-9_4.
- Eibl, O. and Gregor, M. (2019). A Brief Historical Overview of Political Campaigning: Theories, Concepts, and Approaches. *Political campaigning and communication*, pp.1–17. doi:https://doi.org/10.1007/978-3-030-27693-5_1.
- Rajagopal (2019). Distribution and Promotion Strategy. *Contemporary Marketing Strategy*, pp.215–244. doi:https://doi.org/10.1007/978-3-030-11911-9_8.

- Schlegelmilch, B.B. (2022). Organizational Design for Global Marketing Strategy. Management for professionals, pp.319–348. doi:https://doi.org/10.1007/978-3-030-90665-8_12.
- Lee, J.-Y., Kozlenkova, I.V. and Palmatier, R.W. (2015). Structural marketing: using organizational structure to achieve marketing objectives. Journal of the Academy of Marketing Science, 43(1), pp.73–99. doi:<https://doi.org/10.1007/s11747-014-0402-9>.
- Hooley, G. (2020). Marketing Strategy and Competitive Positioning, 7th Edition. Pearson UK.
- Abraham, M. and Edelman, D.C. (2024). Personalized. Harvard Business Press.
- Orzach, R. and Dix, R. (2021). Market Power Spillovers Across Airline Routes. SSRN Electronic Journal. doi:<https://doi.org/10.2139/ssrn.3915484>.
- Avram, B. (2019). Airlines Customer Segmentation in the Hyper-Competition Era. Expert Journal of Marketing, [online] 7(2), pp.137–143. Available at: <https://marketing.expertjournals.com/23446773-713/>.
- Carayannis, E. (2018). Strategic Management of Technological Learning. CRC Press.
- Gray, N., McDonagh, S., O'Shea, R., Smyth, B. and Murphy, J.D. (2021). Decarbonising ships, planes and trucks: An analysis of suitable low-carbon fuels for the maritime, aviation and haulage sectors. Advances in Applied Energy, 1, p.100008. doi:<https://doi.org/10.1016/j.adapen.2021.100008>.
- Dožić, S. and Kalić, M. (2017). Aircraft Type Selection Problem: Application of Different MCDM Methods. Advances in Intelligent Systems and Computing, pp.156–175. doi:https://doi.org/10.1007/978-3-319-57105-8_7.
- Jacobson, S. (n.d.). Aircraft Loss of Control Causal Factors and Mitigation Challenges. [online] Available at: <https://ntrs.nasa.gov/api/citations/20100039467/downloads/20100039467.pdf>.
- Loss of Control In-Flight Accident Analysis Report 1st Edition. (2010). Available at: <https://flightsafety.org/wp-content/uploads/2017/07/IATA-LOC-I-1st-Ed-2015.pdf>.

- Airplane Flying Handbook (FAA-H-8083-3C) Chapter 6: Takeoffs and Departure Climbs. (n.d.). Available at: https://www.faa.gov/sites/faa.gov/files/regulations_policies/handbooks_manuals/aviation/airplane_handbook/07_afh_ch6.pdf.
- Airwaysmag.com. (2016). 4/03/1982: First Flight of the Airbus A310. [online] Available at: <https://www.airwaysmag.com/legacy-posts/3-03-1982-a310>.
- Zgurovsky, M.Z. and Pavlov, A.A. (2018). The Four-Level Model of Planning and Decision Making. *Studies in Systems, Decision and Control*, pp.347–406. doi:https://doi.org/10.1007/978-3-319-98977-8_8.
- Wolla, S.A. and Backus, C. (2018). The Economics of Flying: How Competitive Are the Friendly Skies? [online] @stlouisfed. Available at: <https://www.stlouisfed.org/publications/page-one-economics/2018/11/01/the-economics-of-flying-how-competitive-are-the-friendly-skies>.
- IATA (2024). The dominance of narrowbody jets in airline operations. [online] Available at: <https://www.iata.org/en/iata-repository/publications/economic-reports/the-dominance-of-narrowbody-jets-in-airline-operations/>.
- Miller, S. (2021). Air Canada refreshes Rouge A321s, adds legroom on board | PaxEx.Aero. [online] PaxEx.Aero. Available at: <https://paxex.aero/air-canada-rouge-a321-increased-legroom/> [Accessed 27 Apr. 2025].
- Zhou, L., Liang, Z., Chou, C.-A. and Chaovalitwongse, W.A. (2020). Airline planning and scheduling: Models and solution methodologies. *Frontiers of Engineering Management*, 7(1), pp.1–26. doi:<https://doi.org/10.1007/s42524-020-0093-5>.
- Kamal-Idrissi, A. (2022). Air transport network optimization: analysis and selection of new markets. *4OR*. doi:<https://doi.org/10.1007/s10288-022-00528-y>.
- Federal Aviation Administration (2016). Operational Metrics | Federal Aviation Administration. [online] Faa.gov. Available at: https://www.faa.gov/data_research/aviation_data_statistics/operational_metrics.

- Sharko, M., Shpak, N., Gonchar, O., Vorobyova, K., Lepokhina, O. and Burenko, J. (2020). Methodological Basis of Causal Forecasting of the Economic Systems Development Management Processes Under the Uncertainty. *Advances in Intelligent Systems and Computing*, pp.423–436. doi:https://doi.org/10.1007/978-3-030-54215-3_27.
- Mcdougall, G., Cho, D., Aceti, R., Services, M., Challenger, C., Beardsley, P., Chastain, T., Roger, T., Moog, P., Hines, R. and Research, M. (n.d.). PART I FORECASTING GENERAL AVIATION ACTM1Y. [online] Available at: <https://onlinepubs.trb.org/Onlinepubs/trcircular/372/372-001.pdf>
- Vasigh, B. and Azadian, F. (2022). Aircraft Variants and Manufacturing Specifications. *Aircraft Valuation in Volatile Market Conditions*, pp.67–112. doi:https://doi.org/10.1007/978-3-030-82450-1_2.
- Murrieta-Mendoza, A. and Botez, R.M. (2019). Commercial Aircraft Trajectory Optimization to Reduce Flight Costs and Pollution: Metaheuristic Algorithms. *Lecture Notes in Mechanical Engineering*, pp.33–62. doi:https://doi.org/10.1007/978-981-13-9806-3_2.
- Dožić, S. and Kalić, M. (2017). Aircraft Type Selection Problem: Application of Different MCDM Methods. *Advances in Intelligent Systems and Computing*, pp.156–175. doi:https://doi.org/10.1007/978-3-319-57105-8_7.
- Steniakin, I. and Shevchuk, D. (2023). Optimization Model of Airline Fleet Management Under Conditions of Uncertainty. *Lecture notes in networks and systems*, pp.311–320. doi:https://doi.org/10.1007/978-3-031-38082-2_24.
- Teoh, L.E. and Khoo, H.L. (2015). Airline Strategic Fleet Planning Framework. *Journal of the Eastern Asia Society for Transportation Studies*, [online] 11(0). Available at: <https://trid.trb.org/view/1378320> [Accessed 27 Apr. 2025].
- Schraven, J.-C. (2021). From Airline Network Development to Airline Operations. *Classroom companion: business*, pp.185–224. doi:https://doi.org/10.1007/978-3-030-79549-8_6.

- Hutter, F.G. and Pfennig, A. (2023). Reduction in Ground Times in Passenger Air Transport: A First Approach to Evaluate Mechanisms and Challenges. *Applied sciences*, 13(3), pp.1380–1380. doi:<https://doi.org/10.3390/app13031380>.
- Strohmeier, M., Lenders, V. and Martinovic, I. (2015). Intrusion Detection for Airborne Communication Using PHY-Layer Information. *Lecture Notes in Computer Science*, [online] pp.67–77. doi:https://doi.org/10.1007/978-3-319-20550-2_4.
- Civil, I. (2008). *Manual on Air Traffic Management System Requirements*.
- Abdelghany, A. and Abdelghany, K. (2018). *Airline Network Planning and Scheduling*. Newark: John Wiley & Sons, Incorporated.
- Faa.gov. (2025). Airspace Planning and Analysis. [online] Available at: https://www.faa.gov/air_traffic/publications/atpubs/pham_html/chap1_section_3.html
- Faa.gov. (2024). Coordination. [online] Available at: https://www.faa.gov/air_traffic/publications/atpubs/atc_html/chap8_section_2.html.
- Nats.co.uk. (2018). ENR 1.10 FLIGHT PLANNING. [online] Available at: <https://www.aurora.nats.co.uk/htmlAIP/Publications/2018-12-06-AIRAC/html/eAIP/EG-ENR-1.10-en-GB.html>
- Eurocontrol.int. (2023). Guidelines for the Coordination and Transfer of Control in ATC. [online] Available at: <https://www.eurocontrol.int/publication/guidelines-coordination-and-transfer-control-atc>
- Faa.gov. (2015). General. [online] Available at: https://www.faa.gov/air_traffic/publications/atpubs/atc_html/chap2_section_1.html?utm
m
- www.iata.org. (n.d.). ATM Operational Concepts. [online] Available at: <https://www.iata.org/en/programs/ops-infra/air-traffic-management/operational-concepts/>.
- Civil (2021). Proficiency check. [online] Civil Aviation Safety Authority. Available at: <https://www.casa.gov.au/licences-and-certificates/pilots/ratings-reviews-and-endorsements/flight-reviews-and-proficiency-checks/proficiency-check>

Civil (2021). Licences and certificates. [online] Civil Aviation Safety Authority. Available at: <https://www.casa.gov.au/licences-and-certificates>.

ICAO (2025) European Air Navigation Plan – Volume II. [online] Montreal: International Civil Aviation Organization. Available at: https://www.icao.int/EURNAT/EUR%20and%20NAT%20Documents/EUR%20Documents/_eANP%20EUR%20Doc7754/Doc%207754%20EUR%20eANP%20Vol%20II_January%202025.pdf

ICAO (2016) Global Air Navigation Plan. 6th ed. [online] Montreal: International Civil Aviation Organization. Available at: https://www.icao.int/publications/Documents/9750_6ed_en.pdf

Integrating advanced weather forecast technologies into air traffic management. Lincoln Laboratory Journal, [online] Available at: <https://www.ll.mit.edu/sites/default/files/publication/doc/integrating-advanced-weather-forecast-technologies-evans-ja-10425.pdf>

NBAA - National Business Aviation Association. (2019). Airspace Flow Program (AFP). [online] Available at: <https://nbaa.org/aircraft-operations/airspace/tfm/airspace-flow-program-afp/>

Evans and Moser, W. (2006). Integrating Advanced Weather Forecast Technologies into Air Traffic Management Decision Support VOLUME. LINCOLN LABORATORY JOURNAL, [online] 16(1). Available at: <https://www.ll.mit.edu/sites/default/files/publication/doc/integrating-advanced-weather-forecast-technologies-evans-ja-10425.pdf>

BITRE (2025). Domestic aviation activity. [online] Bureau of Infrastructure, Transport and Regional Economics. Available at: <https://www.bitre.gov.au/statistics/aviation/domestic>.

Bureau of Infrastructure, T. and R.E. (2025). International airline activity. [online] Bureau of Infrastructure, Transport and Regional Economics. Available at: <https://www.bitre.gov.au/statistics/aviation/international>.

Bureau of Infrastructure, T. and R.E. (2024). Australian Domestic Aviation Activity Annual Publications. [online] Bureau of Infrastructure, Transport and Regional Economics. Available at: https://www.bitre.gov.au/publications/ongoing/domestic_airline_activity-annual_publications.

Visontay, E. (2023). Of fumes and freight: why Australian cargo is increasingly being sent on trucks, not trains. The Guardian. [online] 28 Jan. Available at: <https://www.theguardian.com/australia-news/2023/jan/29/of-fumes-and-freight-why-australian-cargo-is-increasingly-being-sent-on-trucks-not-trains>.

Airservices Australia. (2024) Australian aviation network overview: Financial year 2024. Available at: <https://www.airservicesaustralia.com/wp-content/uploads/2024/07/Australian-Aviation-Network-Overview-Financial-Year-2024.pdf>

ACCC (2024). Domestic airfares increase amid reduced airline competition. [online] Australian Competition and Consumer Commission. Available at: <https://www.accc.gov.au/media-release/domestic-airfares-increase-amid-reduced-airline-competition>.

Bureau of Infrastructure and Transport Research Economics (2025). Domestic Air Fares. [online] Bureau of Infrastructure and Transport Research Economics. Available at: https://www.bitre.gov.au/statistics/aviation/air_fares#anc_graphs.

LIST OF FIGURES

Figure 1. Passenger Criteria in Airline Choice	19
Figure 2: Tailoring Based on Passenger Preference Components	25
Figure 3. Global scheduled seats by aircraft type, 2024, millions	36
Figure 4. Airbus A321 seats map	38
Figure 5: ATC system holding	39
Figure 6: The air transportation system	40
Figure 7: Airbus A320neo aircraft	51
Figure 8: Airbus A321XLR aircraft	51
Figure 9: Percentage change in total flights by international markets	52
Figure 10: RPT passenger movements	54
Figure 11: Top five airports, cargo movements	55
Figure 12: Total flight distance category	57
Figure 13: Passenger carried by month (millions)	58
Figure 14: Domestic RPT passenger traffic flights (moving annual totals)	58
Figure 15: Share of passengers on routes serviced	60
Figure 16: Domestic Discount Air Fare	60
Figure 17: PEST analysis factors	69
Figure 18: Mobile application prototype	84

LIST OF TABLES

Table 1: Top ten airports, RPT passenger movements (000s) - annual activity	53
Table 2: Top five airports, domestic RPT cargo movements	54
Table 3: Top 20 Competitive Routes in Australia	56
Table 4: Numerical values and the strength of Impact	61
Table 5: Political factors and their influence (Australia)	62
Table 6: Economic factors and their influence (Australia)	64
Table 7: Social factors and their influence (Australia)	65
Table 8: Technological factors and their influence (Australia)	67
Table 9: Risk Analysis	73
Table 10: Customer Segmentation and Behaviour	81
Table 11: SAF-Compatible Routes and Fleet Allocation	87
Table 12: Marketing Channels and Budget Allocation	89
Table 13: KPIs for Strategic Growth and Customer Engagement	91
Table 14: Demographic profile of the participants	94
Table 15: Average Ratings for Market Insights and Tailored Marketing	95
Table 16: Data Sources by Respondent Role	97

No table of figures entries found.

LIST OF ABBREVIATIONS

IATA	International Air Transport Association
PEST	Political, Economic, Social, Technological (analysis)
SAF	Sustainable Aviation Fuel
ATM	Air Traffic Management
ATC	Air Traffic Control
ACCC	Australian Competition and Consumer Commission
RBA	Reserve Bank of Australia
FFP	Frequent Flyer Program
NPS	Net Promoter Score
CSAT	Customer Satisfaction Score
CES	Customer Effort Score
CRM	Customer Relationship Management
ISO	International Organization for Standardization
WCAG	Web Content Accessibility Guidelines
IoT	Internet of Things
AI	Artificial Intelligence
SEO	Search Engine Optimization
OTA	Online Travel Agency
APEX	Advance Purchase Excursion
ISIC	International Student Identity Card

NGO	Non-Governmental Organization
MRO	Maintenance, Repair, and Overhaul
AUD	Australian Dollar
AUKUS	Australia, United Kingdom, United States (security pact)
RPT	Regular Public Transport
CASA	Civil Aviation Safety Authority (Australia)
AFS	Aircraft Movement Schedules
AFTN	Aeronautical Fixed Telecommunication Network
NOTAM	Notice to Airmen
PR	Public Relations
IMC	Integrated Marketing Communications
MDTOW	Maximum Declared Take-off Weight
KPI	Key Performance Indicator
CX	Customer Experience
MoU	Memorandum of Understanding
ICAO	International Civil Aviation Organization
OAG	Official Airline Guide
NATS	National Air Traffic Services (UK)
FAA	Federal Aviation Administration (USA)
NBAA	National Business Aviation Association

BITRE Bureau of Infrastructure, Transport and Regional Economics
 (Australia)

APPENDICES

Appendix P I: Survey for Aviation Experts

APPENDIX P I: SURVEY FOR AVIATION EXPERTS

Dear Aviation Family Member,

I am working on my master's thesis, which explores how tailored marketing strategies can be integrated with fleet and network planning in our industry.

As someone who lives and breathes aviation, your insights are incredibly valuable. I'd be grateful if a person could spare 5 minutes to complete a short survey supporting this research.

Best Regards,

Artur Alaverdyan

Master's in management and marketing,

(+420) 777 148 304 | a_alaverdyan@utb.cz

Zlín, Czech Republic

Type of your organization.

- Airline
- Airport
- Consultancy
- Government/Regulator
- Manufacturer/Vendor

Which data sources are most useful for tailored marketing in aviation? (Choose up to 2)

- Passenger booking trends
- Frequent flyer behaviour
- Route profitability
- Social media/digital behaviour
- External market forecasts

Statements

Please rate the following statements from 1 (Strongly Disagree) to 5 (Strongly Agree) based on your experience and observations within the aviation industry.

Passenger behaviour has changed significantly in the last 3 years.

1 2 3 4 5

It is difficult for airlines to adapt fleet and network strategies to changing customer demand.

1 2 3 4 5

The current aviation market is highly volatile and unpredictable.

1 2 3 4 5

Tailored marketing is effectively used in the aviation industry.

1 2 3 4 5

Tailored marketing has the potential to improve customer loyalty.

1 2 3 4 5

Tailored marketing influences route planning decisions.

1 2 3 4 5

Tailored marketing influences fleet allocation decisions.

1 2 3 4 5

Marketing and network/fleet planning teams collaborate well in my organization.

1 2 3 4 5

Integrating marketing with fleet and network strategy is important.

1 2 3 4 5

My organization is actively working on integrating these strategies.

1 2 3 4 5

Such integration would improve long-term profitability.

1 2 3 4 5

Integrating marketing with fleet/network strategy adds unnecessary complexity.

1 2 3 4 5

Integration would improve fleet utilization.

1 2 3 4 5

Integration would improve customer satisfaction.

1 2 3 4 5

Integration would improve schedule reliability.

1 2 3 4 5

Integration would help reduce operating costs.

1 2 3 4 5

Role in the aviation industry.

- Marketing/Commercial
- Operations
- Network Planning
- Strategy/Corporate
- Sales

Years of experience.

- <3 years
- 3–5 years
- 6–10 years
- >10 years