Chapter 1

Introduction

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Recently the most striking topic in the current scenario as related to youth is employment. Wipro, Infosys, TCS etc. are the few names for which a qualified unemployed/employed youth always admire Anna Hazare, a social activist, took over and left indelible impression on almost the entire country just by refusing to his daily meal. What more could any brand ask for?

The driving force that acted upon the people compelled them to follow him. The driving force was his fight, as it was for the people, against the most dreadful enemy of the country - Corruption.

The aviation industry, is a service provider industry with barely any difference among the firms, needs to learn from Anna. Airlines need to express the adequate amount of care for their customer to enhance its customer relation that helps build loyalty towards the airline. Strong relationship with the customers further enhances company’s brand power. It’s not any magic spell that gives immediate results rather it is a ladder which is to be continuously used in which every step should be equally strong.

1.1 Introduction

The aviation industry should be thankful to Mr. Shivkar Bapuji Talpade. He was an Indian scholar and who is said to have created and flown an unmanned plane. The present day movie “Hawaizaada” (Puri, 2015) depicts a fiction form of his life and shows his journey of how in the british era, he accidentally receives the “Vyamanika Shastra” (Shastry, 1952) “shastra on the topic of Vimanas”; or "science of aeronautics" written in the early 20th century by Pandit Subbaraya Shastry.

India is a vast country, with increasing population and thereby its requirements which has led to the progress of the country the expansion of various factors. People had to go from one place to the other in search of work, for higher education, etc and due to the urgency they had to opt for a fast means of transportation. The government airline services emerged as most significant service providers’ inspite of being cost-ineffective. A serious attention if given to
marketing, comfort and convenient travel and co-operation of other means of transport with cost to suit all class of passengers can give better results.

Aviation Industry in India is a significant one among those industry segments that have experienced a phenomenal growth across the globe over the past years. It ranks 9th largest in the world (As per the Ministry of Civil Aviation statistics, in the year 2008). The open sky policy of the Indian government is a key factor that has allured international players into the Indian aviation industry. Today, private airlines alone bear the burden of majority of the domestic aviation requirements i.e., 29.8 million people travel to and fro. Widening opportunities in India will create room for foreign airlines if greeted into the Indian aviation. This will further enhance competition and the need for differentiation among the firms. This is where marketing and advertising or all the elements of Integrated Marketing Communication (IMC) become insufficient to empower the brand of service product and hence compel the firm to strengthen its customer relationships. Jet Airways faced immense criticism and opposition by various organizations and political parties in the late 2008 due to which its customers lost faith in the company. Other airlines also faced the same problems. Thus the role of Customer Relationship Management (CRM) was needed for enhancing the brand equity of aviation industry in general and Jet Airways, in particular.

The market share of Indian carriers as on December 2015 in the domestic aviation market is shown below as per statistics available:
Table 1.1: The market share of Indian carriers

<table>
<thead>
<tr>
<th>Airline/Company</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>IndiGo</td>
<td>36%</td>
</tr>
<tr>
<td>Jet Airways</td>
<td>21%</td>
</tr>
<tr>
<td>Air India (Dom)</td>
<td>17%</td>
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<tr>
<td>SpiceJet</td>
<td>13%</td>
</tr>
<tr>
<td>GoAir</td>
<td>8%</td>
</tr>
<tr>
<td>Air Asia</td>
<td>2%</td>
</tr>
<tr>
<td>Others (Vistara, Air Costa, Trujet, Air Pegasus)</td>
<td>3%</td>
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</tbody>
</table>

Figure 1.1: Market Share of Indian aviation industry, December 2015

Source: (Joshi, 2016)

Aviation: The Real World Wide Web

Air travel is one of the fastest growing industries contributing to economic development, world trade, worldwide investment and tourism making it fundamental to the globalization happening in other industries. The spirit of modern global economies thrives at air transport with a worldwide annual payload
of 2.5 billion passengers and approximately 50 million tonnes of freight. Over 5.5 million workers are employed directly in the industry worldwide, with a turnover of more than US$1 trillion. If aviation was an industry, it would rank 21st in the world in terms of Gross Domestic Product (GDP), generating US$425 billion of GDP, which is considerably larger than some members of the G20.

The airline industry has reached a crossroads. The effects of the worldwide economic slump and the aftermath of September 11th attacks have severely impacted airline economics and viability. Airlines may focus on operational improvements to reduce costs. But customer relationships must be fostered for airlines to maintain competitive advantage and profitability in the long term.

While concentrating on cost reductions and efficient operations they fail to identify that CRM as a comprehensive strategy; instead they view it as identical with their frequent flyer programs. In order to manage the customer more effectively across all lines of service, airlines must change their approach to CRM in a number of ways: 1) **Customer segmentation**—Airlines need to recognize that milege-based segmentation is inadequate, whereas value-based and needs-based approaches can help guide investment decisions and drive greater insight into the needs of high-value customers. 2) **CRM initiative development**—In order to differentiate themselves from the competition, airlines must focus on CRM initiative development, in favour of investing in initiatives with a high return, which responds to the needs and desires of their own customers. 3) **Organizational design and management**—Airlines need to instil a service mentality in their employees, empowering them and clearly articulating the employee’s role in the CRM strategy.

CRM strategy needs implementation of customer centric approach, this step will place Airlines in attracting high value and loyal customers. The advancement and execution of customer analytics and technologies to support decision making,
airlines can not only distinguish service levels based on customer worth, but moreover to impel critical operational decisions.

According to their most recent survey released in 2015 the world’s top 10 airlines are:

1  Qatar Airways
2  Singapore Airlines
3  Cathay Pacific Airways
4  Turkish Airlines
5  Emirates
6  Etihad Airways
7  ANA All Nippon Airways
8  Garuda Indonesia
9  EVA Air
10 Qantas Airways

Source: (Award, 2015)

1.2 Safety Concern and Air Crash

Airlines create a sense of dread and worry for safety of those who are on board. Times gone by are stuffed with huge number of air casualties leaving a heavy fatality rate in the majority of instances. More often than not, incidents happen either at the time of landing or take-off. The following is a list of chronologically arranged major air casualties globally since 2013(as per www.bbc.co.uk).

January 29, 2013
A Bombardier CRJ-200 crashed in thick fog on approach to Almaty, Kazakhstan killing all 16 passengers and 5 crew on board.

July 6, 2013
A Boeing 777 crashed short of the runway on landing at San Francisco International Airport killing three of 307 onboard and injuring 182. It was the first fatal accident involving the Boeing 777.

October 16, 2013
An ATR-72 crashed shortly before landing at Pakse International Airport under adverse weather conditions killing all 44 passengers and 5 crew on board.
November 17, 2013
A Boeing 737 crashes at Kazan International Airport, Russia during a go-around killing all 50 people on board.

November 29, 2013
An Embraer 190, en route from Maputo International Airport, Mozambique, to Quatro de Feveriero Airport, Angola crashes into Bwabwata National Park in northern Namibia, killing 133 people on board.

February 16, 2014
A de Havilland Canada DHC-6, crashes near Khidim about 74 km southwest of Pokhra, Nepal killing all 18 people on board.

March 8, 2014
A Boeing 777 en route from Kuala Lumpur to Beijing with 227 passengers and 12 crew on board, disappears from radar over the Gulf of Thailand. Has still not been found.

July 17, 2014
A Boeing 777 en route from Amsterdam to Kuala Lumpur, is shot down over eastern Ukraine, killing all 283 passengers and 15 crew on board in the deadliest civilian airliner shoot down incident.

July 24, 2014
A chartered Swiftair McDonnell Douglas MD-83 operating for Air Algerie en route from Burkina Faso to Algiers, crashes in the northern Mali desert after disappearing from radar approximately 50 minutes after takeoff, killing all 100 passengers and 6 crew members on board.

August 10, 2014
HESA Iran-140 crashes shortly after takeoff from Mehrabad International Airport, Iran, killing 39 of the 48 people on board.

December 28, 2014
AirAsia flying from Surabaya in Indonesia to Singapore went missing over the Java Sea. The pilot radioed for permission to divert around bad weather but no mayday alert was issued. There were 162 passengers and crew on board. Later it was found out that it crashed into the Java Sea.

February 4, 2015
An ATR-72 crashed into the Keelung River in Taiwan after striking the Huandong Viaduct. 42 out of 58 passengers and crew on board were killed.

March 24, 2015
A Germanwings Airbus A320 airline crashes in the French Alps near Digne, on a flight from Barcelona to Dusseldorf. All 148 people on board were feared dead.

1.3 Profile of Jet Airways
Jet Airways is one of India’s premier private airlines incorporated as an ‘Air Taxi’ operator on April 1, 1992. It started its commercial airline operations on 5 May 1993 with a fleet of four leased Boeing 737-300 aircrafts and 24 daily flights serving 12 destinations. In January 1994 a change in the law enabled Jet Airways to apply for scheduled airline status, which was granted on 4 January 1995. It began international operations to Sri Lanka in March 2004 with inaugural flight from Chennai to Colombo. Its main hub is Chhatrapati Shivaji International Airport and an international hub at Brussels Airport, Belgium. Jet Airways was set up by Naresh Goyal, who owned Jetair Private Limited. Jet Airways was started as a full-service scheduled airline that would give competition to state-owned Indian Airlines, who had enjoyed monopoly in the domestic market since 1953. Jet Airways has become India’s largest airline and the market leader in the domestic sector. It has acquired a pre-eminent position by offering high quality of service and reliable, comfortable, efficient operations, making its passengers feel “The Joy of Flying”.

In January 2006, Jet Airways announced that it would buy Air Sahara for US$500 million in an all-cash deal, making it the biggest takeover in Indian
aviation history but the deal fell through in June 2006. On 12 April 2007 Jet Airways agreed to buy out Air Sahara for INR 14.5 billion (US$340 million). Air Sahara was renamed as JetLite. JetLite has now merged into JetKonnect brand effective 25 March 2012.

Jet Airways currently operates a fleet of 90 aircraft, which includes 10 Boeing 777-300 ER aircraft, 12 Airbus A330-200 aircraft, 54 next generation Boeing 737-700/800/900 aircraft and 14 modern ATR 72-500 turboprop aircraft. With an average fleet age of 4.91 years, the airline has one of the youngest aircraft fleet in the world. It is about to add 49 new aircrafts in future. It strives to achieve its objectives while ensuring consistent profitability, achieving healthy, long-term returns for the investors and providing its employees with an environment for excellence and growth. The airline has clocked a strong 27.8% growth in international revenue passengers which stood at 3.89 lakh in July 2010 as compared to the same period last year. Jet Airways has retained the leadership position in an increasingly competitive market.

Recently, with India's middle class growing steadily, spending by consumers has continued to drive India's air transport business. Yet, the withdrawal of Kingfisher Airlines has reduced India's passenger fleet by nearly 68 aircraft in a matter of 18 months. The vacuum is reflected in the rise of ticket prices. To fill the void and to cater to the increased demand in international skies, India needs at least two more committed and mature operators. India also needs 150 more single aisle aircrafts and 40 extra twin-aisle aircrafts.

In September 2012, the government liberalized the FDI policy and allowed foreign airlines to buy up to 49% stake in Indian carriers under the government approval route. The liberalization has been made to open gates to additional avenues of finance for Indian carriers which are currently paralyzed by mammoth operating costs and mounting debt. After the relaxation in the FDI norms, a number of talks were on between Indian and foreign players and the Jet-Etihad deal has finally materialized. The deal is expected to fetch Jet about Rs 2000 crore. The deal has not only ensured an international airline buy a huge stake in an Indian airline but has also changed the policy structures of the government. The
seat carrying capacity on Dubai-India route has increased to 36,670 from current 13,300. The massive investment in Indian civil aviation will translate into value for passengers, too. Aviation sector experts say the deal will benefit passengers as increased competition will bring down air fares, besides bringing about improvement in the passenger amenities. Aviation analysts say Jet would benefit from Etihad’s strategic expertise, cheap financing and possible fuel import benefits in addition to the capital injection.

Historically, India's aviation sector has always been attractive to airlines globally owing to its strategic position. Etihad and AirAsia are among the first who sensed this potential. It's high time we too did.

**Business Model**

The company uses a business model as do the world’s leading LCCs like Southwest Airlines and Ryan Air in their category of the industry. A few major features of the model are listed as below:

1. High aircraft utilization: This is about the turnaround time of the aircraft on the ground. Right from early morning to the middle of night, the effort is to minimize the time of aircraft spent on the ground so that the use of the aircraft could be maximized.

2. Restricted service: The company does not offer in-flight services free of charge. However, meals snacks are served based on payment. The company does not practice ticket refunding, loyalty program, ticket booking (uses ticketless booking), and free seating.

3. Streamline operation: It uses the single type of aircraft usually A380 from Airbus or Boeing 737 from Boeing. Pilots, flight attendants, mechanics, and operational staff are at ease to get the training, which is cost effective. Standard Operating Procedure (SOPs) is important to achieve efficiency.
4. Secondary airport: This kind of airline uses the relatively small airport away from crowded city area. The airline uses all such airports for landing and take-off which achieves fast turnaround.

5. Point-to-point system: The direct flight is used rather than hub and spoke system as used by full-service airlines.

6. Distribution system: This is a lean system, which implies that the firm does not involve ticketing agent to sell the ticket. Direct purchase of the ticket is in practice through internet booking based on credit card payment. Also, this does not practice worldwide reservation system which all finally helps save more of the customer’s share of wallet.

**Positioning**

Jet Airways pays critical importance to its positioning, which is one of the key components of any marketing strategy. Since its establishment the company has positioned itself differently from its competitors by incorporating perceptively designed, develop, infused, innovative and traditional dimensions of positioning. The company has been successful in strongly placing its image against its competitors in the aviation industry. Jet Airways, at the time of its inception in 1990, was positioned against Indian Airlines, which was then a dominant player in Indian aviation. The slogan “The Joy of Flying” as an assurance to the customers has been very pertinent to its business model. The management has engaged a combination of marketing strategies to lead in its pursuit for foremost positions, reputations, and swift development and expansions. This strategy of providing joy of flying to the passengers through increased satisfaction levels has proven to be an effective tool in building a strong customer base and in achieving the goal of positioning.

The company is dedicated to providing outstanding service online reservation, baggage handling, timeliness, in-flight services and so on to its consumers. Jet Airways has very accurately acknowledged direct and veiled needs of the
passengers in and around the Indian market. The company has very wisely tried to capture the customers from all segments by offering a very wide range of fare schemes to choose from considering the fact that the middle and lower income groups constitute a major chunk of the Indian population. The company has tried its best to cover all the segments of the society through its LCC- JetKonnect. By doing this, the company has instilled an official and ingenious representation in the minds of its customers. Furthermore, most of the customers who once use this airline, for a variety of reasons including customer service as a core reason, tend to carry on with the same. The use of a variety of mediums such as classified ad, newspaper, magazine, image management, and event sponsorship or integrated marketing communication (IMC) techniques which have contributed to a complimentary, exceptional, and stronger image and repute of Jet Airways. In order to create a positive buying behavior in the customers the company maintains advanced and reliable quality across all touch points – right from reservations, to ground services at airports, to in-flight experience, to subsidiary services such as car rentals, hotel reservations, and holiday planning all at a very competitive price.

The key strategy incorporated by the management is to provide best quality and consistent services that its competitors at a price near to other premium carriers along with timeliness, discipline, committed service, customer centricity, customer care which the company considers uncompromising. Things like advertisement, corporate social responsibility and alliances further strengthened the positioning and create brand awareness, image, associations, feelings and relationship with the customers which are key constituents to ultimately build brand equity.

**Competition**

In the beginning Jet Airways had a more comprehensible brand propositioning. In the middle of several high class carriers that were present at the time, it managed to stand out as a brand that provided customer-centered, high quality service though at a premium. Jet had been the only premium carrier offering countrywide connectivity before the arrival of Kingfisher. Devotion to quality (flight
timeliness, staff training, and attention to aesthetics) was what made people feel contented paying a premium for travelling on Jet Airways. In the beginning Kingfisher posed a straight out competition, but, currently, IndiGo poses a direct competition to Jet Airways. Apart from its domestic competitors it also faces tough competition from airlines like South West Airline and British Airways. But, in spite of such strong competitors Jet Airways has proved to be a strong brand standing out globally.

**Performance of Jet Airways**

Since its inception, Jet Airways has been one of the best airlines in India and has been constantly heading towards a pathway of inspiring growth. Inspite of the industry suffering a slight slowdown Jet Airways has managed to be the best full service carrier in the Indian domestic aviation market. “Jet Airways has prepared a strategy to return to profitability by FY17, on the back of an expanding international presence (which enjoys higher margins), a rebranding exercise and capacity rationalization. Edelweiss analysts believe the focused expansion in international routes, single brand strategy, synergies from the Etihad deal and similar configuration in planes should help Jet deliver better performance.” (Sahu, 2014)

**Figure 1.2: Jet Airways net sales and net profit margins and estimates: FY2014 to FY2016**

Source: www.rediff.com

**Baggage limit**
“The Government of India regulations permit only one piece of cabin baggage on board. The dimensions of which should not exceed 115 linear cms and weight should not exceed 7 kgs. The dimensions of the hand baggage should not exceed 55 cm X 35 cm X 25 cm totaling not more than 115 linear cms for Boeing as well as Airbus. The hand baggage dimensions for ATR should not exceed 50 cm X 45 cm X 20 cm totaling not more than 115 linear cms. Trolley bags with the above specified dimensions will be allowed. An infant carrying basket is allowed per infant traveling within India.”(www.jetairways.com). Jet Airways charges an extra amount of around Rs. 5000/- for any kind of ammunition in their registered baggage on domestic sectors. The company does not take any responsibility for conditions that result from normal wear and tear such as scratches, minor cuts, dents, soil and/or damage to checked luggage.

**On-board services**

The company offers some quality services to the passengers of both Business class and Economy class and takes care of safety as well as comfort.

JetScreen: the company offers a wide range of blockbuster movies to the latest music albums, award-winning TV shows and games for entertainment of the passengers during flights.

Special Meal plans: Keeping in mind the cultural diversity in India Jet Airways provides this unique service. This is a service that provides a large variety of different meals to choose from namely Medical Meals, Vegetarian Meals, Children Meals, Religious Meals and Other meals.

SkyMart: the company provides exclusive discounts and offers on various products in two easy steps: select product from catalogue provided by the crew on board and collects the item from the AVA shop at arrival.

**On Ground Services**
Coach services: The company offers an outstanding service for transferring transit passengers from International airports to Domestic airports and Vice-versa at Delhi and Mumbai airports. The coaches are air-conditioned and are easily accessible with baggage trolley. The coaches leave at an interval of every twenty minutes.

JetSpark: This is a one of a kind initiative which is very unique. As part of this unique initiative an educational expedition is conducted for the young (aged between 12 - 18 years) JetPrivilege members which includes trip to the aircraft maintenance hangar where they are shown the inside, cockpit, the freight hold and the landing gear operations of the Boeing 737-800 aircraft and given a detailed explanation about the various facets of airline operations.

JetBoutique: This is an exclusive in-flight duty free shopping facility on international flights of Jet Airways. It offers a wide range of the latest high street shopping with a wide range of products including fragrances, trendy jewellery, travel accessories, etc. it is managed by Inflight Sales Group India Private Limited, part of the ISG Group which is Asia’s largest and most innovative inflight retailer.

JetKids: This is a special programme for children (2 to 12 years) travelling in Jet Airways. This service was launched considering the fact that kids can’t be amused by clouds for too long. Since then it has became an instant success with kids.

JetProtect Travel Insurance: This service is a superior feature that can cater to various situations that may arise as a passenger travels. It has been created in association with ICICI Lombard. It provides the customers protection for them and their most valued assets by providing coverage that includes medical expenses during the trip etc, Lost or delayed baggage, Protection for their home against burglary and fire while they are traveling, compensation for flight delays due to fog, Personal Accident cover etc.
Car Rentals: The company provides a service known as JetFleet which offers a variety of holiday destination plans on sedans and other taxis. It works in collaboration with various car rental companies and taxi facilities like Alamo, Apple cabs, AVIS, Hertz, Million Dots Taxi, Tab Cab, etc. both in India and abroad.

eduJetter: This is a service provided by the company to students who have got admission in universities abroad. It is valid for travel between India to United Kingdom, USA, Singapore, Hong Kong, Europe, Australia, Malaysia, & Canada - for flights originating in India. It provides the passengers with an excess baggage weight exemption up to 69kgs.

JetPrivilege: It is a frequent flyer programme by Jet Airways & JetKonnect driven and administered under Jet Privilege Private Limited (“JPPL”). It avails Minimum JPMiles and Ticketed Point Mileage (TPM) as the source for crediting JPMiles for air travel activities undertaken by passengers of Jet Airways. The members are provided a unique five tier membership: Blue, Blue Plus, Silver, Gold and the exclusive Platinum.

Hotel service: The company also provides its customers the facility to book hotels at their destinations and at the same time earn various benefits too. It has tie ups with some of the best hotels in India as well as other countries including ITC Hotels, World hotels, Shangri-La, etc.

Airport Lounges: the company offers its First Class/Première guest/JetPrivilege Platinum or Gold card member are provided the facility to loosen up and relax with snacks and beverages in Jet airways luxurious airport lounges.

1.4 CRM and Airlines

Though the acronym CRM that stands for Customer Relationship Management has been in use for centuries, the formal application of CRM is merely a two decade practice. And, it is a thing of business buzz today. The term is defined as “a business strategy that maximizes profitability, revenue, and customer
satisfaction by organizing around customer segments, fostering behavior that satisfies customers and implementing customer-centric process” (Buttle, 2009). (Sharma, 2007) Added, that “Customer Relationship Management is a pervasive strategy and procedure to generate finer value for the company by acquiring, retaining, and partnering with selective customers”. Customized software is often designed for the individual customer. “Customer Relationship Management (CRM) software solutions allow you to manage the relationships you have with your customers, using a combination of people, processes and technology. It is impossible to manage successful business without strong focus on CRM. After all, your business is all about the customer.”(Salesforce)

The technology involved in CRM is an enabler and not the thrust area for the system user. Quite good number of the people (potential buyers) conceive wrong notion about the technology. Such people believe that the users must be fully acquainted with technological components of the systems. In fact, developing customized software, installation, maintenance, and upgrading are the job of software selling companies, and not the user of the clients. The users are supposed to learn application part only. To make the things successful, there is the need of understanding the need of the program and supply accordingly. Misunderstanding creates problem, which is then quite costly affair for the buying company. Ineffective use is also costly, at the same time.

Today CRM is no more a catchy acronym; rather it is an indispensable part of business strategy. Gone are the days when seller’s market was preoccupied in production and sales used to just happen. But, today, business environment has taken a radical shift. Buyers market is brimming with crownless customer king. Sellers literally dance to the tune of buyers. This sharply reflects in mass customization, not to mention personalized products. Just selling to any customer essentially leads to slow death in a business world. Rather, selling practice must be grounded on the strong philosophy of “the right product to the right customer on right time”, sales techniques, relational marketing, required right knowledge, marketing strategy, goal, and commitment to satisfy the customers. Taking all
strategies along and placing customer at the center stage paves the way for possible business success. Notably, possible, not guaranteed!

The need of CRM has been recently realized more than ever. The business dynamics has largely changed in the wake of IT revolution and WTO agreement. The current global economic slowdown has heavily crippled the economy. Amidst such business turbulence, airlines industry, in particular has encountered fiercest competition ever. Since this is service industry, the firms cannot just create differentiating products. Difference creators, such as advertising, loyalty programs or frequent flier program (FFP), discounts, and such other promotions do not have long lasting competitive edge over close rivals in the airline industry. The use of promotional tools in airlines, in fact, is not strategic either. Rather they are seasonal, emotional, temporary, and opportunistic. In such a backdrop, the tailor-made CRM tools are much more effective to tap and retain the customers optimally. The synchronized database of the fliers is easy to tap into for information development, management, and processing. Following facts are eye opener for the need and demand of CRM in any enterprise. “The ever growing demand of CRM solutions finds its foundation in the perpetual shift of the market circumstance, and escalating leap forward in strategy formulation towards the customers.

A survey (result shown below) highlights the emergent base of CRM:

- The cost to sell to a new customer is six times greater as compared to an existing customer.
- A disappointed customer will notify 8-10 people.
- With an increase of 5% customer retention rate, profits could increase by 85%
- Probability of selling to fresh customers = 15%, as judged against for existing customers which amounts to 50%.
- 70% of the complaining customers will remain faithful if problem is resolved
- 90% of companies do not have the sales and service integration to support e-commerce” (http://crm.daffodilsw.com).
The efficiency of CRM depends on how this instrument is used. It in itself is not a solution for any business illness. “CRM requires the alignment of three building blocks: insight into customer decision making, information about customers, and information processing capability” (Stringfellow, Nie, & Bowen, 2004). “Most enterprises now recognize that their future depends on the strength of their business relationships, and most crucially, their relationships with customers.”

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**Figure: 1.3: The CRM Strategy Matrix showing degree of customer individualization**

Source: (Payne, 2006)

The CRM strategy as shown in figure 1.3 provides an instrument for taking into consideration a company’s current and upcoming state of affairs. “The CRM strategy option adopted should not be static; rather the aim should be for movement in the most appropriate directions-often towards top right” (Payne, 2006).
In this perspective, Airlines industry is essentially faced with recurrent problems and crisis both domestically and internationally. September 11 attack, epidemics, war, petroleum price, economic slump, and large entry of LCC have changed the business ball game significantly. US and European airlines have been hit hard in recent times. Some have tried to control operational part, while the others have concentrated on pricing strategies. But both are still not proven solutions. The next immediate focus of the airlines for driving to more efficient operations is on cost reduction. However, customer relationship management (CRM) is also a tool towards which many airlines are turning for managing relationships with customers. The airlines must alter their way to CRM in many ways in order to manage the clients more efficiently in all its operations as well as instill service mentality in their employees and articulate their role in the CRM strategy. (IBM Institute for Business Value, 2002)

CRM is not devoid of problems. The technologies are still new and area of improvement is wide. Some people view this as "technology that delays" or "stops service". Besides the supplier of CRM may not sufficiently know the change in policies and emerging needs in the client’s company, as a result, upgrading cost will be added and the users have to relearn the modules.

1.5 Brand Equity and CRM

Brand equity has two dimensions – one is brand equity based on market (MMBE), the other is brand equity based on consumer (CBBE). The first one deals with financial aspect of a brand. While the second one is about emotional component of a brand. Consumer-Based Brand Equity is defined as ‘a collection of brand assets and liabilities connected to a brand, its name and logo which add to or substract from the value provided by a product or service to a firm’s consumers (Aaker, 1991). The researcher intended to study the dependant variable which constitutes various elements and subelements of brand equity. These are concerned with the emotional, psychological, and informational aspects of customers.
In the case of airlines industry, differentiating offerings like price, allowed luggage, inflight frill benefits, loyalty programme points earnable, flight timing, convenience, safety, off and on ground airport personnel, etc. influence the perceptions, values, image, preferences, and loyalties of the passengers. Besides, today’s most customers are penny saving especially during economic slump, yet price sensitivity should be justified against the benefits realized. Enhancing brand image and value to the passenger is usually easier in full service airlines than budget airlines wherein pricing, timing, and destination are customer driving characteristics. Airlines plan on betterment of their websites to provide customers with ease on reservation/cancellation, redemptions of frequent flyer miles, etc. A majority of over 300 million passengers use web check-in or self service check-in kiosks every year which was expected to rise by around 200 million by 2012. Yet, despite this, the use of CRM system enables information flow in all directions, build, manage, and strategize on real time base, which eventually results in hassle-free process of flight. All this corollarily satisfies and retains customer, thereby enhancing brand equity. ‘Two best ways to measure marketing are by customer retention and by profits (Jay Conard L., 2010).’ Southwest Airlines, Jet Airways, Flydubai are all employing this tool and immensely benefitting from this.

1.6 Significance of the Study

The aviation industry, in the recent times has achieved substantial growth, but has simultaneously received jolts from derailing forces like war, terror attacks, epidemic, and so on. Besides, the new airlines entrants during the last decade have further reduced the share in the pie. The customers change the brand over to competitors as they do not receive the value for money. Specially, passengers are shifting to low cost carriers from full service carriers as has been hit by global economic crisis. The most important element that drives CRM is the customer centric mix tools—information warehousing, information mining, and personalization (Frazier, 2001). This facilitates the firm to meet even unmet needs of the customers.
As a result, the customers will be satisfied and turn to frequent flier enabling the company to earn more profits and thereby strengthening brand equity on long term basis. So, precisely put the use of CRM tools along with other marketing and promotional mix will retain the customer and widen the customer base as well finally to enhance the brand equity of aviation industry in general, and Jet Airways in particular.

1.7 Research Objectives and Hypotheses

i. To analyze the variance among the passengers of Jet Airways with respect to CRM and Brand Equity.

ii. To analyze the gap between the employees’ beliefs and customers’ perception about performance of employees of Jet Airways on Gandhian Philosophy.

iii. To evaluate the customer service gap i.e. gap between expectations of customers and performance of Jet Airways.

iv. To analyze the relationship between Brand Equity and Customer Relationship Management at Jet Airways.

Following are the null hypotheses proposed for the study:

i. Brand Association among passengers of Jet Airways has no significant difference. (Ho1)

ii. Brand Loyalty among passengers of Jet Airways has no significant difference. (Ho2)

iii. Perceived quality of Jet Airways among passengers of Jet Airways has no significant difference. (Ho3)

iv. Brand Awareness among passengers of Jet Airways has no significant difference. (Ho4)

v. Importance of maintaining relation with customers among passengers of Jet Airways has no significant difference. (Ho5)
vi. Effectiveness of guest relation services among passengers of Jet Airways has no significant difference. (Ho6)

vii. Effectiveness of customer care services among passengers of Jet Airways has no significant difference. (Ho7)

viii. There is a positive significant gap between customer expectation and perception about Jet Airway’s actual performance with regards to its employees. (Ho8)

ix. Customer Service Gap does not exist in Jet Airways. (Ho9)

x. Customer Relationship Management does not have any impact on Brand Equity. (Ho10)

1.8 List of Chapters

The present research study starts with the university’s conventional layout that is cover page, title page, abstract, acknowledgements, table of contents, list of tables, and list of figures. The work spans over five chapters.

**Chapter1: Introduction**, which stares with presenting a global viewpoint on the aviation industry, and Jet Airways. The researcher has presented a detailed coverage on Jet Airways covering various relevant aspects of the company. Subsequently, the researcher has covered all the details of the two most important topics on which the study is based, CRM and Brand equity. The researcher then covers the significance of the explaining about the role of CRM in enhancing brand equity and highlights the significance of the study for the future researchers, and other interested parties like Jet Airways, business practitioners, students, consultants, analysts, and the libraries. Thereafter, it includes research objectives, hypothesis, research methodology, data collection, data analysis and conclusion of the overall research.

**Chapter2: Review of literature**, which focuses on providing a detailed view about universal and significant concepts of aviation industry and airlines industry in India like environmental analysis like PELTS, service quality, customer
satisfaction, loyalty, meaning and concepts of customer relationship management, CRM tools, applications, challenges, shortcomings, myths and realities. Apart from this the chapter also covers various multidimensional concepts relating to brand equity with regards to consumer based branding such as service branding, brand equity and airlines, brand equity and satisfaction and so on.

Chapter 3: Research methodology, which covers the particulars about research methodology substantiating the research design, methods of sampling, size of sample, demographic characteristics of respondents, statistical analysis of their geographic extents, instrument, and its validation.

Chapter 4: Data analysis and interpretations, which presents comprehensive empirical analysis of the role of a CRM in enhancing brand equity. Appropriate statistical tools like Analysis of Variance, Correlation analysis etc. have been used using SPSS to test the hypotheses.

Chapter 5: Findings and conclusion, which includes result, discussions, recommendations and suggestions for improvements based on preceding chapters, and final conclusion that rationalize the research experience and opinion of the researcher during the tenure of doctoral work.

Apart from these five chapters mentioned above, it also includes references at the finish of every chapter and an all-inclusive listing at the end of the thesis. Questionnaires and some relevant information are attached in the appendix section.

1.9 Business/Management Implications of the Study

The research work is scholarly and fundamental in nature implying that the study is done with the view to demonstrate academic skills, insights, and contribution towards a particular industry and the society at large. This study is unlike a management issue which is independently identified and then an in-house or outsourced research firm is hired to analyze it and provide a report of suitable solutions for the issue. Rather, the findings of this study may not be too
dependable for the management of Jet Airways, considering the fact that some variables cannot be fully controlled and likely errors may influence the result.

However, the researcher has made her best efforts to scrutinize empirically and methodically to make certain that the thesis is a very rich source of information, findings, and recommendation to the management and a display of hard work of the researcher.

1.10 Delimitations

- The respondents have been only from Jet Airways which were not generalized for the entire aviation industry (However would provide concrete views about Jet that shall certainly help the company and will be of use to others also).
- This research covers the only customers in India and employees of Jet Airways for CRM and brand equity.
- Findings cannot be just generalized to other industries, as it has special reference to aviation industry and airlines specifically in India.

1.11 Research Gap

- A large number of researches have been done on Customer Relationship Management with reference to the aviation industry but almost all of them have been conducted on foreign airlines. Hence, it is important to analyse the role of CRM in enhancing brand equity and the measurement of CRM benefits with special reference to any airline in India. The present study is done with special reference to Jet Airways, India. Measurement of CRM benefits is a new field to be explored. This will help in filling the gap that exists due to the lack of any study on the above mentioned subject in India. On the other hand it can be used by foreign airlines as well.
References


