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CASE STUDY

Optimising the Marketing Strategies of Qantas and Thai Airways

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Abstract

First, there is brief review of the literature regarding airline marketing strategy, its components, code-share agreements, Business Model Canvas (BMC) and the benefits of marketing via strategic alliances. Due to the growth in the low-cost airlines sector and air transport passengers, traditional airlines have become increasingly exposed to a highly competitive international market, with airfares having to be reduced and efficiency increased. In response, airline companies have shifted their focus to investing in airline marketing and strategy research. In the meantime, passenger expectations change, and markets evolve rapidly. Hence, this case study is aimed at examining recent trends in passenger satisfaction and expectations, with reference to the marketing factors and airline cooperative strategies of Qantas and Thai Airways. For the study, both qualitative and quantitative approaches were employed and the results are presented separately. In the quantitative section, the BMCs of Qantas and Thai Airways are discussed to determine whether these two airlines can implement the code-sharing agreement. In the following part, customer satisfaction and expectations survey results are used to identify optimal marketing strategies and to formulate recommendations.

Keywords: Airline Marketing; Airline Strategy; Code-Sharing Agreement; Qantas Airways; Thai Airways.

Introduction

Nowadays, there is no denying the fact that it is challenging for companies to exist alone in the marketplace. Every member of the organisation plays a critical role in reaching different targets. Progressively, organisations have started to boost their qualities and services to sustain the existing customers as well as gaining new ones. The same goes for airline companies. In 2018, the International Air Transport Association (IATA) revealed fast-growing trends in air transport passengers that could reach up to 8.2 billion by 2037. The most prominent growth, constituting more than half of these new

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passengers will come from the Asia-Pacific region (IATA, 2018). The International Civil Aviation Organization (ICAO) has also estimated the amount of global passenger traffic will grow at 4.6% annually up until 2032. Due to the rise in passengers, new airlines may need to be established, and the existing airlines may have to expand their services to address this. As a result, there will be a significant increase in airline competition. Hence, several researchers have recommended that the existing airlines enter into strategic alliances or draw up code-sharing agreements to expand their networks, sustain their market and strengthen their brand images. They also been urged to raise their barriers, thus preventing existing airlines from encroaching on their business or new entrants attempting to capture a market segment (Rhoades & Lush, 1997; Goh & Uncles, 2003; Zou & Chen, 2017). Recently, low-cost carriers have challenged the full-service airline business model and have remarkably changed the competitive dynamics of the airline environment. At the current pace, full-service airlines will lose a significant proportion of the rising numbers of passengers to no-frills carriers (Williams & Connell 2005). For that reason, many airline companies have become interested in and started to invest in, airline marketing and strategy research. Qantas and Thai are airlines that have begun focussing on marketing research.

This paper is aimed at developing and recommending optimal marketing strategies for full-service network carriers through a case study of Qantas and Thai Airways. The methodology of this research involves investigating passenger expectations regarding these airlines as well as analysing the airlines' business models. The findings will be used to make recommendations to these airlines for developing successful marketing strategies in order to: (a) gain customers and retain existing ones; (b) persuade customers to take up their brand rather than those of their rivals; (c) increase future sales and company revenues; (d) help the airlines introduce a new product that fits with customer expectations, and (e) create barriers to entry as well as obtaining a better competitive position.

Strategy and Airline Marketing Strategy

Strategy has been defined as a process where making the right decisions, at the right moments and with the right information are essential to delivering business success (Guerras-Martin, Madhok & Montoro-Sanchez, 2014). A good strategy has proved to be a significant contribution in determining organisational achievements (Hoskisson et al., 1999). In recent years, researchers have been investigating the notion of "strategic management", which can be defined as the process for implementing and formulating a strategy.



Strategic management can apply to various types of business, whether airlines, hotels, restaurants, educational institutions and even in relation to sports teams. Strategic management has been widely discussed in both the academic and marketing spheres (Tapera, 2014). Many business researchers have focused on developing strategic approaches in order to achieve their business aims and objectives (Elbanna, Thanos & Colak, 2014). However, little of that knowledge has been filtered to the realm of airline marketing. During the past decade, the competition of the airline market has significantly increased, while airfares dramatically fell (Morrison & Winston, 1990), meaning that airlines are struggling to increase their revenue. Hence, research and development on airline strategy and marketing is crucial.

Elements in Airline Marketing Strategies

Unlike organisations that sell tangible products to customers, the airlines sell a superior experience that is intangible. Hence, in airline marketing, it is vital to understand intangible factors, such as passenger psychology. For example, delays at baggage counters or those in the boarding process can result in a lasting negative perceived impact on the passengers. Airline marketing is a strategy/process used to understand the customers' expectations before, during and after flights, which can help improve the level of customer satisfaction, increase in loyalty and lead to the spreading positive word of mouth.

Airline marketing strategies are about sales, product, flight promotion, advertising campaigns, customer loyalty, customer satisfaction, and relationship marketing. The ultimate goal is to gain customers and retain them in order to increase airline revenue. For several years, researchers have been investigating the components of airline marketing. For instance, Hazledine (2011) examined the product and pricing strategies that full-service national network carriers, such as Air Canada and Air New Zealand, used to overcome the threat from low-cost airlines. The results from the flight and airfare observation indicated that these two airlines have the advantages of being national carriers and thus, being capable of operating long haul routes, where low-cost airlines cannot follow. Hence, strengthening their home market route or domestic flights, as well as increasing privileges for long haul travellers, can help airlines in attracting customers and gaining revenue.

According to Hamill (1993), a promotional campaign or advertisement is another factor of marketing strategy that can be used to emphasise the brand image and increase brand awareness. Chen and Tseng (2010) investigated the relationship between airline

customers and brand image. Their results revealed that better airline brand image leads to higher preference and purchase intentions of customers.

For decades, promotional strategies, such as frequent flyer programmes (FFPs), have had a considerable impact on passengers' choice of airline. FFPs offer passengers free travel, upgrades, privileges, and priority as incentives to travel with the airline (Chin, 2002). Regarding which, Hess (2007) claimed that they are the most successful marketing strategy for creating customer loyalty. The author found that business travelers are willing to pay more in exchange for receiving privileges, such as reduced check-in and boarding time as well as traveling in a better class. Moreover, a study by Forgas, Moliner, Sanchez, and Palau (2010) also elicited that customer loyalty plays a significant role in strengthening an airline's competitive positioning. Their results showed that, whilst the value of money stands out in the strategy of low-cost airlines to sustain their competitive advantage, the professionalism of personnel and services are critical elements in the strategy of full-services airlines. Accordingly, these strategies are being used to create trust and increase passengers' level of satisfaction.

Hapsari, Clemes, and Dean (2016) investigated the interrelationship among service quality, perceived value, and customer satisfaction. The results showed that service quality and perceived value both have a significant effect on customer satisfaction. Therefore, airline practitioners should focus on providing a higher level of service quality as well as delivering perceived value in order to enhance customer satisfaction. Recently, relationship marketing has become one of the leading trends in the airline industry. Gilbert (1996) defined this as a process that the airline industry uses to achieve higher returns from customers. Relationship marketing does not just entail combining direct marketing, advertising, and sales promotion, but also, creating long-term customer satisfaction and loyalty (Pi & Huang, 2011).

Benefits of Marketing Strategic Alliances and Code-Share Agreement

It is undeniable that studying and understanding marketing factors, such as price, product, promotion, advertising, and customer behaviours, can help airlines to grow significantly. However, other airline marketing strategies, such as alliances and code-share agreements (CSAs) also offer higher flexibility for airlines to sustain or increase their market share and to generate more profit. A strategic alliance refers to airline partnerships, where two or more companies decide to share resources and accomplish mutually beneficial goals (Rajasekar, 2000). For instance, United, SAS, Air Canada, Lufthansa,



and Thai Airways together formed the largest and most mature alliance called "Star Alliance" in 1997. Subsequently, Qantas, American Airlines, Canadian Airlines, British Airways, and Cathay Pacific established the "OneWorld Alliance" in 1998. Two years after that, the "SkyTeam Alliance" was founded by Air France, Korean Air, Delta, AeroMexico, and CSA (Zou & Chen, 2017). These are the three global alliances, where all members adhere to one another's FFPS, lounges, schedules, and fare planning. The benefits of joining such global alliances from the airlines perspective are: (a) increasing market access and overcoming the restrictions on routes enforced by national governments; (b) increasing flight frequency and reducing operating costs; (c) optimising the demand for each flight by coordinating the schedules; and (d) developing the organisation's structure as well as raising barriers to new entrants (Rhoades & Lush, 1997; Goh & Uncles, 2003).

On the other hand, the benefits of global alliances from the passengers' perspective are: (a) greater network access; (b) offering seamless travel; (c) achieving priority status (d) increased lounge access and; (e) enhancing frequent flyer programmes (Goh & Uncles, 2003). Several studies have proved that strategic alliances can enhance customer loyalty and retention since the airlines involved can offer more itinerary choices to passengers than non-alliance airlines. (Kandampully & Duddy, 1999; Vowles, 2000; Goh & Uncles, 2003; Zou & Chen, 2017). A code-sharing agreement is one of the most common types of airline alliance, whereby one airline can use its code on a flight operated by another airline (Dresner & Windle, 1996). Airlines can gain several benefits from developing this kind of partnership apart from joining a global alliance. For instance, an airline can enhance the efficiency of hub-and-spoke networks by using its regional affiliates to feed the traffic from the minor cities to the major one. A code-sharing agreement will increasing the frequency of service to passengers and link-up the traffic between domestic and international routes (Oum, Park & Zhang, 1996).

Moreover, an airline can market and sell tickets under its code on the flights operated by its partner. Such a strategy will also help the partner airline to generate revenue through market expansion and traffic feeds. There are two types of code-sharing agreements: "freesale" and "hardblock". Under the former, the marketing carrier is freely selected to sell any number of the seats operated by its partner carrier's flight at the negotiated price. While with a hardblock agreement, the marketing carrier agrees, first, to buy a specific group of seats or block, regardless of the number of seats, and sell as many

seats as possible. Hence, the pressure to sell the seats from a hardblock agreement might result in price competition.

Both types of code-share agreements have proven to be an extremely efficient way of expanding the airline route network without the need for investing in new fleet and ground infrastructure (Dresner & Windle, 1996). Dresner and Windle (1996) suggested that airlines should engage in code-sharing agreements since those in such partnerships may gain competitive advantage over non-partnership airlines. Recently, Zou & Chen (2017) investigated the effect of code-sharing partnerships on airline profitability and concluded that the airlines that are already members of one of the global alliances would benefit more, if they formed such agreements with those in the alliance. In the case of two airlines from different global alliances realising the value of working together, it is possible to form a code-sharing agreement on their specific routes in order to access more destinations (Fan et al., 2001). In terms of customer loyalty, the marketing carrier and the operating carrier should recognise each other's frequent flyer programmes and lounge access in order to maintain the loyalty of its passengers when travelling with the partner carrier. In addition, the seats purchased by the marketing carrier will also be charged with the costs of loyalty by the operating carrier (Dresner & Windle, 1996).

Business Model Canvas

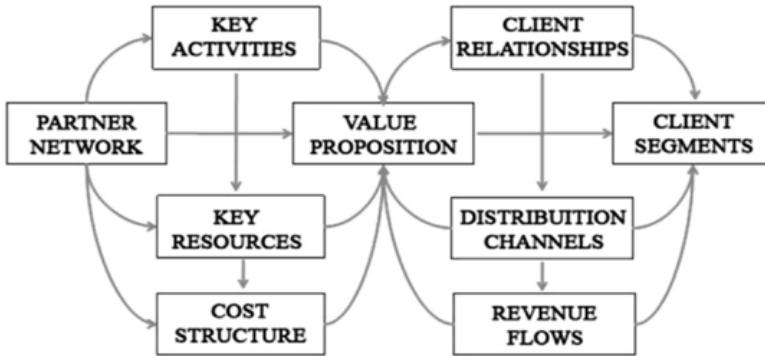
Formulating strategies is conceptually the same for large or small as well as profit or non-profit organisations. There is a debate among academicians and practitioners of strategic management as to the extent to which the process should be more quantitative as opposed qualitative (David, 2009). Pereira and Caetano (2015) held that the business models traditionally adopted by airlines when the previous strategies of the airline were found to be inadequate to penetrate the new market(s). On the other hand, Remane et al. (2017) argued that business models are adopted when airlines see the opportunities for innovation and differentiation.

The current research is aimed at developing a cooperative strategy for Qantas Airways and Thai Airways, which has not been engaged in before. The purpose of this cooperative strategy is to increase the revenue of both airlines and strengthen their competitive positioning. The best tool for analysing and comparing the airline business factors is the Business Model Canvas. According to Pereira and Caetano (2015), it decomposes the airline business factors into nine blocks, as represented in Figure 1 below. Pereira and Caetano also defined these nine components as a simplified and representative description



of complex airline business structures, which is extremely useful for strategic analysis in a competitive business environment.

Figure 1. *Business Model Canvas (Osterwalder 2005)*



Data and Methods

This research was based on secondary and primary data sources: from the database on Qantas Airways and Thai Airways operational factors and a questionnaire survey among passengers who have or have not travelled with Qantas Airways and Thai Airways. As aforementioned, the approaches in this research rely on both qualitative and quantitative analysis (See, for more information, Newman et al., 1998). According to Vanderstoep et al. (2008), a combination of qualitative and quantitative research is the best technique for exploring human social behaviour.

The Business Model Canvas of both airlines was compared and analysed to identify the similarities and differences. The similarities of both airlines could indicate the possibility of implementing a code-sharing agreement between these two airlines. Information, such as key partners, key activities, product, fare structure, channels, loyalty programmes regarding Qantas Airways and Thai Airways, was collected from the secondary data, including the airlines' annual reports, websites, mobile applications, advertising campaigns, promotional events and regular flight schedules. Then, the obtained data were allocated to the Airline Business Model Canvas. There were some limitations in this study. The authors did not have access to the confidential information of Qantas and Thai Airways in relation to their marketing operations. So, all of the information that was used to investigate the code-sharing agreement between both airlines was that gathered from airline websites, annual reports, and other reliable websites.

In marketing research, consumer surveys are commonly used in forecasting business models and marketing strategies (Nardo, 2003). The primary qualitative measures of expectations were initiated by Theil (1952), and this has triggered the development of the probability method (Carlson & Parkin, 1975). In aviation, the qualitative approach is one of the complementary methods that researchers can combine in their surveys to obtain rich data (Shafiee et al., 2014). Whilst a qualitative inquiry is less structured, it can probe more in-depth into the topic to understand the customer's impressions, opinions, and views, than quantitative investigation.

This study focuses on Thai and Australian populations who recently travelled with Thai and Qantas Airways, have flown with either of the airlines in past years or who have never flown with either of the two. To develop appropriate marketing strategies, it is useful to analyse the reasons why Thai and Australian travellers have not chosen to travel with certain airlines.

A non-probability sampling technique ("purposive sampling") was used to reach the target population since random sampling was not possible to pursue. A purposive sampling technique is also called judgment sampling, where underlying theories or a set number of participants is not required (Yilmaz, 2013). In simple words, the researcher decides what needs to be known and sets out to find people who are willing to provide information from their experiences (Etikan, 2015).

The questionnaires about customer satisfaction and expectations of each airline were developed. The questions comprised both multi-response questions and short multiple-choice questions, where each item was set to elicit passenger perspectives towards the airline and travel preferences. Ten short multiple-choice questions were utilised to survey customers who have or have not travelled with Qantas and/or Thai Airways.

Due to the limited time and relatively limited access to Australian customers, the final sample was skewed towards Thai respondents (240) as fewer Australians (112) responded, which should be kept in mind when interpreting the results. However, the data collected still reflect the variance in consumer opinions and offer an in-depth understanding of the customer's opinions and experiences toward the airlines under investigation.

Findings

Qantas and Thai Airways were selected as two main competitors and collaborators between connection Australia and Thailand in order to



ascertain customer preferences and thus, be able to create a successful marketing strategy for this market for both airlines.

The quantitative data were obtained from the Qantas Airways Annual Report (2018), Qantas Airways Website, Thai Airways Annual Report (2018), Thai Airways Website, Melbourne Airport Annual Report (2018) and the Suvarnabhumi Annual Report (2018). Only the information relevant to a code-share agreement between Australia and Thailand route was placed in the Business Model Canvas. For the analysis, the nine elements of the Business Model Canvas are presented separately in eight tables below. The full business model canvas of Qantas and Thai Airways can be seen in Appendix A.

The key partners of both airlines (Table 1) are relatively similar; they operate both Boeing aircraft and Airbus aircraft. Moreover, both airlines have other partners such as investors, banks, hotels, trailer rental, food suppliers and sponsorship to support passengers' visits and promote their airline. In terms of the partnership, Qantas Airways is a founding member of the OneWorld alliance and has established a total of 29 code-sharing agreements to several parts of the world. In contrast, Thai Airways is one of the members in the Star alliance, having entered into code-sharing with 28 leading carriers worldwide.

Table 1. Key Partners for Qantas and Thai Airways

Qantas Airways	Thai Airways
Aircraft manufacturers (Boeing and Airbus)	Aircraft manufacturers (Boeing and Airbus)
OneWorld Alliance	Star Alliance
Airports (75 airport Qantas lounges access)	Airports (15 airport Qantas lounges access)
Qantas Engineering Support (Available at all Australian international and domestic terminals and at some overseas ports)	Ministry of Finance
Retail Investors	Retail Investors
Banks	Banks
Hotels and Car Rentals	Hotels and Car Rentals
Retail and Lifestyle Companies	Retail and Lifestyle Companies
Food Suppliers	Food Suppliers
Sponsorship	Sponsorship
Code-Share (29 Agreements)	Code-Share (28 Agreements)

Table 2. Key Activities in the Thailand and Australia market

Qantas Airways	Thai Airways	
(Direct Flight Schedule) Departure	(Direct Flight Schedule) Departure	Arrival
<i>Sydney to Bangkok</i>	<i>Bangkok to Sydney</i>	<i>Sydney to Bangkok</i>
QF23 (Airbus A330-300) 9.50am-16.40pm	TG475 (Boeing 747 All Series) 19.20pm-7.20am	TG476 (Boeing 747 All Series) 10.00am-16.20pm
Arrival	<i>Bangkok to Melbourne</i>	<i>Melbourne to Bangkok</i>
<i>Bangkok to Sydney</i>	<i>Bangkok to Melbourne</i>	<i>Melbourne to Bangkok</i>
QF24 (Airbus A330-300) 18.10pm-6.25am	TG465 (Airbus A350-900) 00.15am-12.05pm	TG466 (Airbus A350-900) 15.15pm-21.45pm
	TG461 (Airbus A350-900) 8.10am-20.00pm	TG462 (Airbus A350-900) 23.30pm-6.00am
	<i>Bangkok to Brisbane</i>	<i>Brisbane to Bangkok</i>
	TG473 (Boeing 777-200/300) 00.01am-11.50am	TG474 (Boeing 777-200/300) 14.00pm-20.20pm

Key activities (Table 2) are mainly focused on the daily direct flight schedule of the airlines. According to the Qantas Airways and Sydney Airport websites, Qantas Airways only operates one direct flight from Sydney to Thailand by Airbus A330-300. On the other hand, Thai Airways operates three direct flights from Bangkok to three destinations in the eastern states of Australia (Sydney, Melbourne, and Brisbane) by Boeing 747 all series passengers, Airbus A350-900 and

Boeing 777-200/300, respectively. In terms of schedule, the departing flight from Sydney to Bangkok of Qantas Airways is scheduled from 9.50 am to 16.40 pm, whilst its return flight takes place from 18.10 pm to 6.25 am. For the Thai Airways' schedule, the Bangkok to Sydney route is set from 19.20 pm to 7.20 am, with the return flight from 10.00 am to 16.20 pm. This information indicates that both airlines operate the Bangkok-Sydney route covering almost the same time slot.

This finding suggests that Qantas and Thai Airways can form up the code-share agreement on the Sydney-Bangkok route. To optimise this route, both airlines might need to make a scheduling adjustment, given the operating times for both are so similar. For instance, the airlines could target more of the different types of customers (e.g. business travellers in the morning and leisure travellers in the evening) by operating in the morning with one airline and operating in the evening with the other.

In terms of key resources (Table 3), Qantas Airways has a total fleet of 130, which consist of 40 Airbus and 90 Boeing planes, while Thai Airways has a total fleet of 100, which comprises 53 Airbus and 47 Boeing aircraft.

Table 3. Key Resources

Key Resources	Qantas Airways	Thai Airways	
	12 Airbus A380-800	6 Airbus A380-800	15 Airbus A330-300
	6 Boeing 747-400ER	7 Boeing 747-400	6 Boeing 787-8
	4 Boeing 747-400	12 Airbus A350-900	2 Boeing 787-9
	5 Boeing 787-9	6 Boeing 777-300	20 Airbus A320-200
	75 Boeing 787-800	14 Boeing 777-300ER	
	18 Airbus A330-200	6 Boeing 777-200	
	10 Airbus A330-300	6 Boeing 777-200ER	

In terms of European and American destinations, Qantas Airways operates Airbus A380-800 and the Boeing 787-9 Dreamliner on the direct flight to America and the A380 for the connecting flight to Europe by using Dubai International Airport and Singapore Changi Airport as hubs. Thai Airways uses Airbus A380-800 on a direct flight to Europe, with Narita International Airport being used as a hub to deliver Boeing 787-8 to America. In the Asia-Pacific region, Qantas Airways operates Airbus A330 for direct flights to 17 major cities, while Thai Airways uses several types of aircraft for direct flights to 48 international destinations in the region.

Table 4 presents the awards that each airline received between 2013 and 2018. Both airlines achieved the world's best economy class, the



world's best economy class onboard catering, and the world's best lounge spa between 2015 and 2018. Thai Airways received the best cabin crew in Thailand, whereas Qantas Airways received Australia's favourite international airline on TripAdvisor. This would suggest that both airlines have the same value propositions from the customer perspective. Hence, it would be possible for both airlines to create a coopetition strategy, such as a code-share agreement.

Table 4. Value Propositions

Value Propositions	Qantas Airways	Thai Airways
	Australia's favourite International airline in TripAdvisor's 2015 Travellers' Choice Awards	World's Best Economy Class from the Skytrax 2017-2018
	Best Premium Economy Class Airline, 2015 Business Traveller Middle East Awards	World's Best Airline Lounge Spa from the Skytrax 2014-2018
	Best Business Class Airline, 2015 Luxury Travel magazine Gold List Awards	Best Economy Class Onboard Catering from the Skytrax 2017-2018
	Sydney International First, awarded Best Airport Lounge in TheDesignAir Top 10 Airport Lounges 2015	One of the 10 Best Airlines in the World by the Skytrax
	Best Catering at 2015 AirlineRatings.com Airline Excellence Awards	Best Cabin Crew in Thailand
	Best Airline Australia-Pacific at 2016, 2014 and 2013 Skytrax World Airline Awards	Best Economy Class in Asia
	Best Premium Economy Class Onboard Catering at 2016 and 2014 Skytrax World Airline Awards	
	Australia's favourite International airline in TripAdvisor's 2015 Travellers' Choice Awards	
	Best Premium Economy Class Airline, 2015 Business Traveller Middle East Awards	

Regarding the customer relationships on the ground (Table 4), both Qantas and Thai Airways have lounge access at Singapore Changi Airport and their own country's airport. Also, Qantas Airways has spa facilities at Melbourne and Sydney airports in Australia, whilst Thai Airways also has such a facility at Suvarnabhumi airport. Since both of

the airlines are full-services carriers, they have the inflight-meals, inflight-entertainment, duty-free onboard, electric ports, and WIFI during flights. Hence, both airlines seem relatively similar in terms of on-ground services and inflight services. However, the airlines' loyalty programmes follow different procedures.

Table 5. Customer Relationship

Customer Relationships	Qantas Airways	Thai Airways
On Ground	Lounges (Mel, SYD BNE and Singapore Changi Airport)	Lounges (Suvarnabhumi and Singapore Changi Airport)
	Spa (Melbourne and Sydney Airport)	Spa (Suvarnabhumi Airport)
In the Air	Cuisine Entertainment Spirit of Australia Magazine	Cuisine Entertainment Sawasdee Magazine
	Duty-Free Use of Electric Device	Duty-Free Use of Electric Device
	WIFI on Board	WIFI on Board
		Entertainment for Children
Customer Relationships (cont.)	Qantas Airways	Thai Airways
Earning Points	First Class 1,400 minimum points	Earning Miles First Class 150% of travelled miles
	Business Class 1,200 minimum points	Business Class 125% of travelled miles
	Economy Class 800 minimum points	Economy Class 100% of travelled miles
Redeeming Points	Classic Upgrade Rewards (Seat, Baggage)	Spending Miles Excess Baggage with Thai Airways
	Qantas, OneWorld and Partners Flight Rewards	Air awards with Thai Airways and Partners
	Shopping and Entertainment	Lounge access with Thai Airways
	Holidays, Travel and Insurance	Hotel Awards
		Lifestyle Awards
		Catering with Thai Airways
		Magazine and Thai Gift Shop



The frequent flyer programme of Qantas Airways is a points system, where the passenger can earn points according to the price of the airfare. The minimum points earnings for First Class, Business Class and Economy Class are 1400, 1200, and 800 points, respectively. Conversely, the frequent flyer programme of Thai Airways is a mileage system, where the passenger can earn miles, according to the distance of travel. Passengers who travel in First Class, Business Class and Economy Class receive 150%, 125% and 100% of traveled miles, respectively.

In terms of redeeming points, Qantas customers can use the points to upgrade the seat/baggage, purchase shopping items, book a hotel, or exchange them for a flight ticket with Qantas Airways, OneWorld or Qantas's partners. The same goes for Thai Airways, where customers can spend their miles on air tickets with Thai Airways and its partners, excess baggage with Thai Airways, lounge access with Thai Airways, catering with Thai Airways, hotel awards or lifestyle awards.

The sale and distribution channels (Table 6) of Qantas Airways and Thai Airways are almost identical. They both use the website, airport, travel agencies, social media, mobile application, and live chat as booking sites as well as for distributing the sales and promotions. The only difference is that Qantas Airways has launched a chatbot in order to give customers faster response and more relevant information via accessible channels.

Table 6. Channels of Distribution (sales and distribution)

Channels	Qantas Airways	Thai Airways
Sale and Distribution	Website	Website
	Airports	Airports
	Travel Agencies	Travel Agencies
	Social Media	Social Media
	Mobile App	Mobile App
	Live Chat	Live Chat
	Chatbot	

Table 7. Revenue Structure

Revenue Streams	Qantas Airways	Thai Airways
	Passenger Revenue (+6%)	Passenger Revenue and Excess Baggage (+1.75%)
	Freight Revenue (+6.5%)	Freight Revenue (+10.2%)
	Foreign Currency Exchange Rates (+6.3%)	Foreign Currency Exchange Rates (-53.8%)
	Others Revenue (+6.3%)	Interest Income (+2.9%)
	Total Revenue (+6.1%)	Total Revenue (+5.1%)

The revenue structures of Qantas and Thai Airways obtained from annual reports are very similar since they are both full-service network carriers. Moreover, it can be seen that, in 2018, both airlines achieved approximately 5% higher total revenue than in 2017.

Table 8 shows the fare structures one month before travel of the return trip of each airline for three different routes. The direct return flight from Sydney-Bangkok-Sydney of Qantas Airways Airbus A330-300 cost 869 AUD for Economy Class and 4,800 AUD for Business Class. On the other hand, the same flight route by Thai Airways, Boeing 747 All Series Passengers cost 1,257 AUD for Economy Class, 4,719 AUD for Business Class, and 6,712 AUD for First Class. Regarding the Bangkok-Brisbane route, Qantas Airways Airbus A330-200 has no direct flight on this route. Consequently, passengers have to change to JetStar Asia flights at Singapore Changi airport, and the total price is 867 AUD for Economy Class and 5,180 AUD for Business Class.

Table 8. Customer Segment (fare structure one month before travel of return trip)

Customer Segment (Fare Structure 1 month before travel of Return Trip)	Qantas Airways		Thai Airways
SYD to BKK	Return Trip (Direct Flight 9.50 hrs.) <i>Airbus A330-300</i> Economy ~ (869 AUD) Business ~ (4,800 AUD)	BKK to SYD	Return Trip (Direct Flight 9.20 hrs.) <i>Boeing 747 All Series Passenger</i> Economy ~ (1,257 AUD) Business ~ (4,719 AUD) First ~ (6,712 AUD)
BNE to SIN to BKK	Return Trip (Connecting Flight 11.40 hrs.) <i>Airbus A330-200</i> (Connected by <i>JetStar Asia</i>) Economy ~ (867 AUD) Business ~ (5,180 AUD)	BKK to BNE	Return Trip (Direct Flight 8.49 hrs.) <i>Boeing 777-200/300</i> Economy ~ (970 AUD) Business ~ (4,521 AUD)
MEL to SIN to BKK	Return Trip (Connecting Flight 11.40 hrs.) <i>Airbus A380-800</i> (Connected by <i>JetStar Asia</i>) Economy ~ (911 AUD) Business ~ (4,559 AUD) First ~ (7,678 AUD)	BKK to MEL	Return Trip (Direct Flight 8.50 hrs.) <i>Airbus A350-900</i> Economy ~ (1,102 AUD) Business ~ (4,498 AUD)

In contrast, Thai Airways has direct flights on this route operated by Boeing 777-200/300, with the price being 970 AUD for Economy Class and 4,521 AUD for Business Class. Lastly, the route from Melbourne-Bangkok of Qantas Airways Airbus A380-800 also involves a connecting flight at Singapore Changi Airport and transfer to JetStar



Asia. The price of this Airbus A380-800 is 911 AUD for Economy Class, 4,559 AUD for Business Class and 7,678 AUD for First Class. In contrast, Thai Airways operates a direct flight to Brisbane by Airbus A350-900, with the price being 1,102 AUD for Economy Class and 4,498 AUD for Business Class.

Table 9. Cost Structure

Cost Structure (From 2017 to 2018)	Qantas Airways	Thai Airways
	Jet Fuel (+6.2%)	Jet Fuel (+17%)
	Staff Related Cost (+6.4%)	Staff Related Cost (+3.8%)
	Non-Cancellable Aircraft Operating Leases (-26.8%)	Aircraft Operating Leases (+28.4%)
	Depreciation and Amortisation (+10.1%)	Depreciation and Amortisation (+11.2%)
	Sales and Marketing	Sales and Marketing (-3.4%)
	In-Flight Catering and Related Costs	In-flight Catering and Related Costs
	Overflying	Flight Service Expenses (-0.8%)
	Facilities and IT Related Costs	Facilities and IT Related Costs
	Aircraft Maintenance	Aircraft Maintenance (+12.1%)
	Landing and Parking	Landing and Parking
	Cost of Goods Sold	Insurance Expense (+14.2%)
	Crew Expense	Crew Expense (-0.5%)
	Total Expenses (+5.43%)	Total Expenses (+9.3%)

The cost structures of Qantas and Thai Airways obtained from the annual airline reports are quite similar since they are both full-service network carriers. Table 8 also shows the percentage increase and decrease of their cost structures between 2017 to 2018. Due to the fact that both airlines planned to increase their fleet and networks as well as the significant rise in fuel price, it is clear that the total expenses of both airlines in 2018 increased. However, it can also be seen that both airlines tried to reduce unnecessary expenses, such as the reduction in non-cancellable aircraft operating leases of Qantas Airways and the reduction in sales and marketing, flight services and crew expenses of Thai Airways.

A total of 401 respondents were asked voluntarily to complete a questionnaire relating to Qantas and Thai Airways. The questions

included the respondent demographics, preference of travel, passenger experiences, and brand recognition (Appendix B). The duration of interviewing was three months. The proposed project was reviewed and approved according to the formal research ethics procedure at RMIT University.

The respondent demographics were gathered through three questions, as illustrated in Figures 2, 3 and 4 below. They were asked to indicate their gender, age range and nationality, respectively. In terms of gender, there were 223 females (55.6%) out of the total of 401 respondents who completed this survey. The age distribution (Figure 2) shows that the biggest group was that from 46 to 55 years (146 responses, 36.4%), followed by 22 to 35 years (98 responses, 24.4%). Overall, the age distribution of this survey is roughly similar to the IATA global passenger survey (2018), where the significant number of passenger's age groups ranged from 25 to 54 years (IATA 2018). Lastly, the nationality (Figure 3) shows that 240 participants were Thai (59.9%), followed by 122 respondents who were Australian/New Zealanders (30.4%) and the rest (9.7%) had other nationalities. Given the case study is focussed on Thai and Qantas Airways, higher numbers of Thai and Australian responses were expected than other nationalities.

Figure 2. Gender of respondents

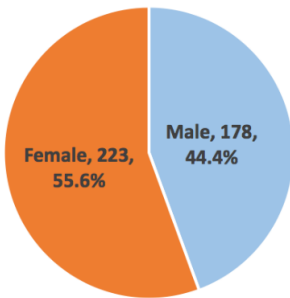
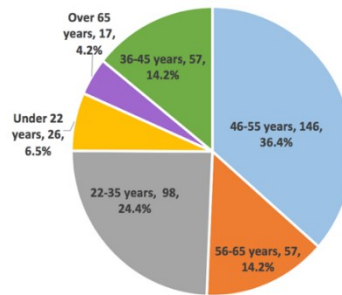


Figure 3. Age of respondents



Participants were also asked questions about their travel preferences, such as the type of attraction and season to travel (Figure 5). The type of attractions (Figure 4) that the participants prefer to visit are nature (66.1%) and architecture (33.9%). The high season flights by Qantas and Thai Airways to Europe and the Asia Pacific are from June to September (Qantas Website 2019; Thai Website 2019). Therefore, it could be possibly due to factors, such as cheaper flights and accommodation rates, not overcrowding, fewer delays and interruptions, as well as moderate temperatures that influence the participants to prefer traveling in spring (in Northern Hemisphere).

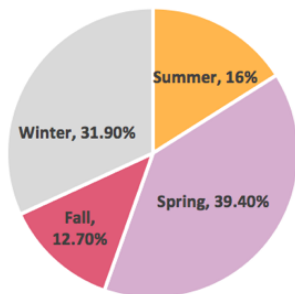
In the next part of the survey, the participants were asked about their opinion, experience, and recognition regarding Qantas and Thai



Airways. There was a total of eight questions pertaining to the frequency of travel, the purpose of travel, the reasons to travel, the customers' recognition in relation to both airlines, and the customers' opinions about both airlines. The participants were also asked about their flying frequency with Qantas and Thai Airways, whether they often flew with the airlines, have flown with the airlines, but not very often or have never flown with either airline. The results indicate that it is uncommon for passengers to fly with the airlines more than five times a year. 27.7% of passengers flew with Thai Airways and 14.2% with Qantas Airways once or twice a year.

Figure 4. Season preferences for travel in the Asia-Pacific region and Europe

Asia-Pacific Region



Europe

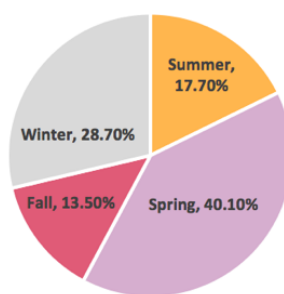
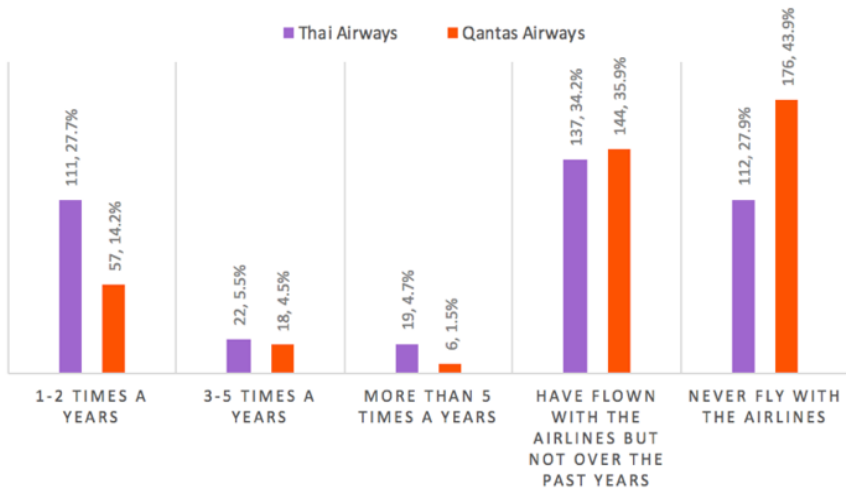


Figure 5. Flight frequency with Qantas and Thai Airways

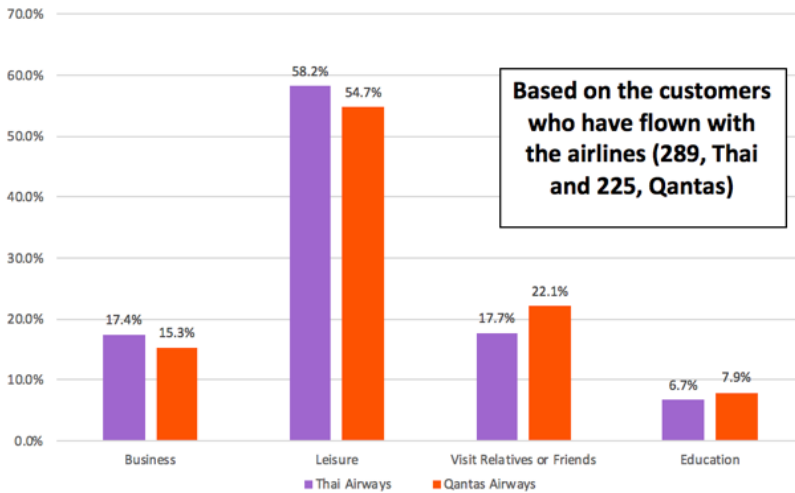


Thailand and Australia, as relatively small markets, carry only around 70,000,000 passengers per year (Knoema, 2019). Next, the results show that 34.2% of participants had flown with Thai Airways and 35.9% with

Qantas Airways, but not in recent years. On the other hand, there were 27.9% of participants who had never flown with Thai Airways and 43.9% who had never done so with Qantas Airways. The reason why the numbers of participants who had never flown with the airlines are relatively high is due to the fact that Thai people did not recognise Qantas Airways, and Australian people did not know Thai Airways. Overall, there were 289 customers who had flown with Thai Airways and 225 who had flown with Qantas.

Next, the results are only based on the customers who have flown with the airlines (289, Thai and 225, Qantas). Figure 6 indicates that the most common purposes for traveling with either airline are leisure (56%) followed by visiting relative or friends (20%), business (16%) and education (8%), respectively.

Figure 6. *Purposes of traveling with Qantas and Thai Airways*



Regarding why participants chose to travel with the airlines (Figure 7), there were several choices of answer, including: it is the best for connecting flights it offers a lot of direct flights, it offers an excellent frequent flyer programmes, it offers good value for money, it has a positive brand image, it has excellent inflight service and entertainment, it provides modern fleet services, it has an extensive flight network, it has a convenient schedule, it offers cheap airfares, nationality of airlines, it is reliable, it has a safety record, a previous good experience with the airline has been had. The results from Figure 7 below show that the nationality of the airline is the most frequent reason why participants chose to travel with it. It is commonly reported by our respondents that traveling with their national airline make passengers feel more comfortable as it is easier to listen to the flight



conditions from the aircrew in their national language. In terms of similarities, both airlines were perceived a very similarly regarding reliability, safety, and previous good experience. These three factors were also among the main reasons for participants to choose the carrier.

Figure 7. *Reasons for traveling with the airlines*

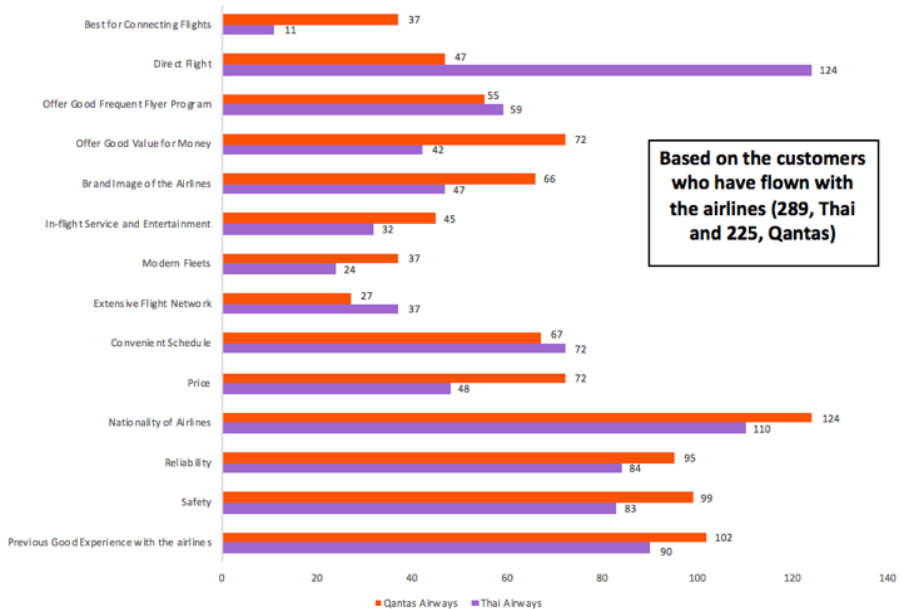


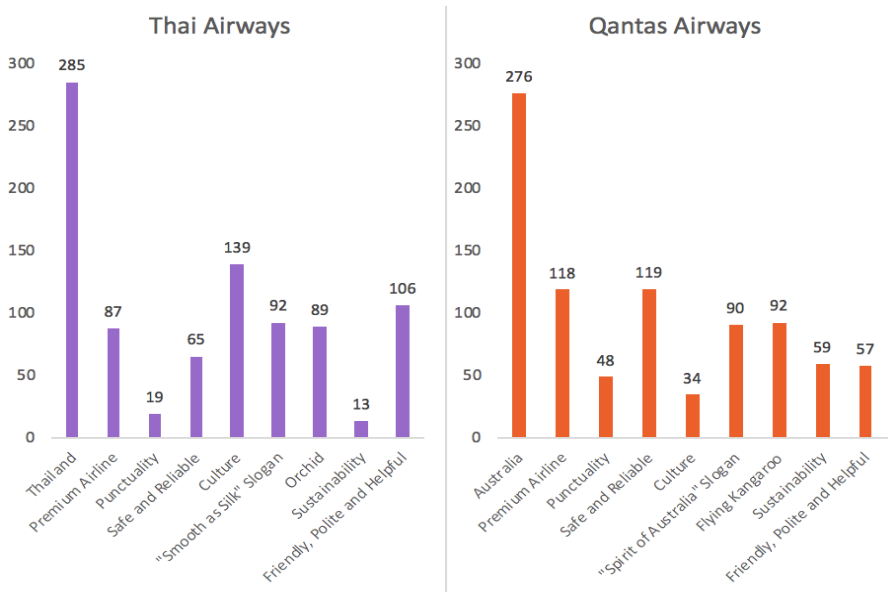
Figure 8 shows a summary of what comes to the customers' mind when they are exposed to the airlines investigated in this study. The countries of origin of both airlines were the first thing customers recalled: Australia (276 response) and Thailand (285 response), which is approximately about 70% out of the 401 respondents.

In terms of the quality of the airlines, 87 respondents considered Thai Airways, and 118 saw Qantas Airways as a premium airline. The percentage difference between these two values is approximately 30%. Moreover, respondents seemed to believe that Qantas Airways was better in terms punctuality, safety operations, and the sustainability of airlines than Thai Airways, whereas Thai Airways users appeared to be more impressed in relation to culture, friendliness, politeness and helpful customer services. Regarding brand image, 22% or 90 respondents out of 401 respondents recognised the airline slogans and brands.

The final question was about the respondents' recognition of the Qantas and Thai Airways advertising campaigns. For Thai Airways, the

most recognised airline advertising campaign was the “Rak Khun Tao Fah” event (192 responses, 47.9%), whilst there were 164 or 40.9% of the respondents who did not recognise any of the presented campaigns. For Qantas Airways, the most recognised airline advertising campaign was the “Feels like Home” campaign (105 responses, 26.20%), whilst there were 223 or 55.6% of the respondents who did not recognise any of the given campaigns.

Figure 8. *Connotations of the Two Airlines in respondents minds*



Conclusion and Recommendations

The authors investigated the question of the marketing strategy for two airlines in international markets. To provide insight into, we conducted an in-depth case study of an illustrative case of Qantas and Thai Airways, two competitors in the international aviation market. Bringing together all the literature regarding the airlines' marketing strategy in terms of their elements, code-share agreements, Business Model Canvas and the benefits of marketing strategic alliances, the main ideas and concepts were discussed.

The recent trends of passengers' expectations towards the marketing of these two airlines in the Australia-Thailand market can be analysed in terms of customer preferences, the season of travel, the brand recognition, customer expectations and customer satisfaction. The results can be interpreted as that the main purpose of travel with these two airlines is leisure. Both airlines can offer more traveling packages to leisure travelers who often expect alternative ways to

enhance their travel experiences. Leisure travelers are drawn to hotel packages and facilities, such as kid's clubs or pools more than the business travelers.

Second, the results also indicated that spring is the high season that passengers prefer to travel for both Qantas and Thai Airways, while autumn is a low season of travel desirability. In order to optimise the profitability of the airlines, they could increase their flight frequency in spring to cope with the high market demand and increase the promotions in the autumn to maintain the load factor and revenue.

Third, the survey outcomes also indicate that customers often heard more about corporate social responsibility (CRS), new routes, and new products than the new promotions and new services. It is, therefore, recommended that the airlines should consider focusing more on advertising campaigns and disseminate these through social media (e.g. YouTube, chat applications, Instagram) or television, as these channels received the significant number of positive responses in the survey. As a consequence, the airlines could increase their brand recognition as well as the customer's awareness of their promotional campaign. In terms of the reason why some of the customers never fly with the airlines, it would appear that neither airline is well known for foreigners. Therefore, it is recommended that they should implement some strategies to enter new foreign markets in order to increase their brand awareness. Regarding which, a code-sharing agreement is an effective way to increase the awareness of foreign customers about these airlines. This will enable foreign customers to experience their flight services and products. It has also emerged that passengers were more interested in nature than built environments used in advertisements of both airlines. Given promotional campaigns, like the Rak Khun Tao Fah event, are very popular, it is also recommended that Thai Airways continuously organises such exclusive fares arrangements rather than investing in other promotional events. On the other hand, the Feels Like Home advertising of Qantas is the most recognised campaign, so it is recommended that it should produce more of the inspiration videos that relate to the essence of family and homecoming, as this can capture the viewers' hearts and minds.

The findings of this study can be useful in comparing the value proposition between Qantas Airways and Thai Airways on this specific Australia and Thai market. Comparison of results can then be used for probing the possibility of forming the code-share agreement between the airlines. From the survey, it can be concluded that the level of customer services and the value propositions of both airlines are relatively similar. From the Business Model Canvas, it can be

concluded that both airlines are two profitable full-services network carriers operating direct flights on the Sydney-Bangkok route with a similar fare structure. There are no regulatory restrictions in Australia or Thailand on such air services agreements involving such code-share agreements. Hence, it is practically possible for Thai Airways and Qantas Airways to create a code-share agreement on the Bangkok-Sydney route. However, there are some factors, such as the differences in the fleet, schedule, and frequent flyer programmes that might need some adjustment for better cooperation between these two airlines.

First, it is recommended that using the same type of aircraft is better for code-sharing flights. At the present time, Qantas Airways operates the Airbus A330-300, while Thai Airways operates the Boeing 747-400 on the Sydney-Bangkok route. It is easier for an airline to recognise the partner's operations and offer more comfortable passenger experiences, if both airlines code-share the same type of aircraft.

Second, the airlines could further optimise their flight schedule to increase flight frequency. For example, Qantas Airways could operate in the morning, and Thai Airways in the evening. This would allow them to target the different segmentation of passengers who might prefer to travel in the evening than in the early morning.

Third, the frequent flyer programmes of both airlines need to be recognised by each other. That is, Qantas Airways should acknowledge Thai Airways mileage systems, whilst the latter should accept the former's points earning system. For example, Qantas frequent flyer members could earn Qantas Points and status credits when booking code-share flights with Thai Airways. In terms of benefits, both airlines could increase their brand recognition as well as the customer value proposition by allowing the partner's passengers to experience their flight and services. As a result, Thai people would come to know more about Qantas Airways, whilst the same would be true the other way round. A code-sharing flight could also increase the passenger traffic of both airlines, whilst minimising the operational cost.

Furthermore, code-sharing could increase access to the domestic market in each country and result in an increase in the GDP of both countries as well as strengthen the barriers to entry on the Sydney-Bangkok route. Regarding the type of code-share agreement, it is recommended for both airlines to implement a "freesale" agreement since a "hardblock" one might result in the pricing competition between both airlines, which is not considered as the best option when aiming to create optimal cooperative strategies. Lastly, the final



task of this research is to provide recommendations for the full-service network carriers or future academic research regarding this area. The current research has shown that the methodologies, such as implementing the Business Model Canvas or conducting a customer expectations survey, can help in understanding the differences and similarities of two airlines. Specifically, such treatment can demonstrate whether or not the airlines have the same operations, value proposition, customer services, and customer expectations. Whilst it is uncertain whether the airlines would succeed or not, based on the results of this research, it would appear that investigating the recent trend in passenger expectations and the implementation of a cooperative strategy, such as a code-sharing agreement, is an effective way of assessing potential cooperation between two or more airlines.

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Appendix A

Business Model Canvas of Qantas Airways

Key partners	Key activities (Direct Flight Schedule)	Value propositions	Customer relationships	Customer segments
<ul style="list-style-type: none"> Aircraft manufacturers (Boeing and Airbus) OneWorld Alliance Airports (75 airport Qantas lounges access) Qantas Engineering Support (Available at all Australian international and domestic terminals and at some overseas ports) Retail Investors Banks Honors and Car Rentals Retail and Lifestyle Companies Food Suppliers Sponsorship Code-Share (29 Agreements) 	<p>Domestic</p> <ul style="list-style-type: none"> Sydney to Bangkok Daily QF21 (Airbus A330-300) 9:50am - 6:40pm <p>Annual</p> <ul style="list-style-type: none"> Bangkok to Sydney Daily QF24 (Airbus A330-300) 8:10pm - 6:25am 	<ul style="list-style-type: none"> Australia's Favorite International Airline in TripAdvisor's 2015 Travellers' Choice Awards Best Premium Economy Class Airline, 2015 Business Traveller Middle East Awards Best Business Class Airline, 2015 Luxury Travel magazine Gold List Awards Sydney International First, awarded Best Airport Lounge in TheDesignAir Top 10 Airport Lounges 2015 Best Catering at 2015 AirlineRatings.com Airline Excellence Awards Best Airline Australia-Pacific at 2016, 2014 and 2013 Skytrax World Airline Awards Best Premium Economy Class Onboard Catering at 2016 and 2014 Skytrax World Airline Awards 	<p>On Ground</p> <ul style="list-style-type: none"> Lounges (Melbourne Airport, Sydney Airport, Brisbane Airport, Singapore Changi Airports) Sys (Melbourne and Sydney Airports) <p>In the Air</p> <ul style="list-style-type: none"> Cuisine Entertainment Use of Electronic Device Spirit of Australia Magazine Duty-Free WiFi Onboard <p>Online Points</p> <ul style="list-style-type: none"> First Class 1,400 minimum points Business Class 1,200 minimum points Economy Class 800 minimum points <p>Reckoning Points</p> <ul style="list-style-type: none"> Classic Upgrade Rewards (Seat, Baggage) Qantas, OneWorld and Partners Flight Rewards Shopping and Entertainment Holidays, Travel and Insurance <p>Channels (Sales and distribution)</p> <ul style="list-style-type: none"> Qantas Airways Website Airports Travel agencies Social media Mobile App Live Chat Charlot 	<p>(Fast Structure One Month Before Travel)</p> <ul style="list-style-type: none"> Sydney-BKK return trip (Direct Flight 5.50 hrs.) <p>Alpha A330-300</p> <ul style="list-style-type: none"> Economy - (869 AUD) Business - (4,800 AUD) <p>BNE-SIN-BKK return trip (Connecting Flight 11.40 hrs.)</p> <p>Alpha A330-200 (Connected by Jetstar Asia)</p> <ul style="list-style-type: none"> Economy - (867 AUD) Business - (5,180 AUD) <p>MEL-SIN-BKK return trip (Connecting Flight 11.40 hrs.)</p> <p>Alpha A380-800 (Connected by Jetstar Asia)</p> <ul style="list-style-type: none"> Economy - (911 AUD) Business - (4,559 AUD) First - (7,678 AUD)
Cost structure	Key resources (Fleet)		Revenue streams	
<ul style="list-style-type: none"> Jet Fuel (~6.2%) Staff Related Cost (~6.4%) Non-Cancellable Aircraft Operating Leases (~6.8%) Depreciation and Amortisation (~10.1%) Sales and Marketing In-Flight Catering and Related Costs 	<ul style="list-style-type: none"> 12 Airbus A380-800 6 Boeing 747-400ER 4 Boeing 747-400 5 Boeing 787-9 75 Boeing 787-800 18 Airbus A330-300 10 Airbus A330-300 		<ul style="list-style-type: none"> Passenger Revenue (~6%) Freight Revenue (~6.5%) Foreign Currency Exchange Rates (~6.3%) Other Revenue (~6.3%) Total Revenue (~61.1%) 	



Business Model Canvas of Thai Airways

Key partners	Key activities (Direct Flight Schedule)	Value propositions	Customer relationships	Customer segments (Free Structure One Month Before Travel)
<ul style="list-style-type: none">Aircraft manufacturers (Boeing and Airbus)Star AllianceAirports (15 airport Qantas lounges access)Ministry of FinanceRetail InvestorsBanksHotels and Car RentalsRetail and Lifestyle CompaniesFood SuppliersSponsorshipCode-Share (28 Agreements)	<p>Demand</p> <ul style="list-style-type: none">Bangkok to Sydney DailyTG475 (Boeing 747 All Series) 19:20pm-7:20amBangkok to MelbourneTG465 (Airbus A350-900) 00:15am-12:05pmTG461 (Airbus A350-900) 8:00am-20:00pmBangkok to Brisbane DailyTG473 (Boeing 777-200/300) 00:01am-11:50am <p>Actual</p> <ul style="list-style-type: none">Sydney to Bangkok DailyTG476 (Boeing 747 All Series) 10:00am-16:20pmMelbourne to Bangkok DailyTG466 (Airbus A350-900) 15:15pm-21:45pmTG462 (Airbus A350-900) 23:30pm-6:00amBrisbane to Bangkok DailyTG474 (Boeing 777-200/300) 14:00pm-20:20pm <p>Key resources (Fleet)</p> <ul style="list-style-type: none">6 Airbus A380-8007 Boeing 747-40012 Airbus A350-9006 Boeing 777-30014 Boeing 777-300ER6 Boeing 777-2006 Boeing 777-200ER15 Airbus A330-3006 Boeing 787-82 Boeing 787-920 Airbus A320-200	<ul style="list-style-type: none">World's Best Economy Class from the Skytrax 2017-2018World's Best Airline Lounge Spa from the Skytrax 2014-2018Best Economy Class Onboard Catering from the Skytrax 2017-2018One of the 10 Best Airlines in the World by the SkytraxBest Cabin Crew in ThailandBest Economy Class in Asia	<p>On Ground</p> <ul style="list-style-type: none">Lounges (Suvannabhumi Airport, Singapore Changi Airport)Spa (Suvannabhumi Airport) <p>In the Air</p> <ul style="list-style-type: none">CuisineEntertainmentUse of Electric DeviceSawasdee MagazineDuty-FreeEntertainment for ChildrenWiFi Onboard (free or not) <p>Partners Miles</p> <ul style="list-style-type: none">First Class 150% of travelled milesBusiness Class 125% of travelled milesEconomy Class 100% of travelled miles <p>Starline Miles</p> <ul style="list-style-type: none">Air Awards with Thai Airways, Thai Smile, Star alliances and codeshare partnersHotel awardsExcess baggage with Thai AirwaysLounges access with Thai AirwaysLifestyle awardsCatering with Thai AirwaysMagazine and Thai Gift Shop <p>Channels (Sales and distribution)</p> <ul style="list-style-type: none">Thai Airways WebsiteAirportsTravel AgenciesSocial MediaMobile AppLive Chat	<p>BKK-SYD return trip (Direct Flight 9.20 hrs.)</p> <ul style="list-style-type: none">Boeing 747 All Series PassengerEconomy ~ (1,257 AUD)Business ~ (4,719 AUD)First ~ (6,712 AUD) <p>BKK-BKK return trip (Direct Flight 8.49 hrs.)</p> <ul style="list-style-type: none">Boeing 777-200/300Economy ~ (970 AUD)Business ~ (4,521 AUD) <p>BKK-MEL return trip (Direct Flight 8.50 hrs.)</p> <ul style="list-style-type: none">Airbus A350-900Economy ~ (1,102 AUD)Business ~ (4,498 AUD)
<p>Cost structure (from 2017-2018)</p> <ul style="list-style-type: none">Jet Fuel (~17%)Staff Related Cost (~3.8%)Aircraft Operating Leases (~28.4%)Sales and Marketing (3.4%)Depreciation and Amortization (~11.2%)	<ul style="list-style-type: none">Flight Service Expenses (~0.8%)Aircraft Maintenance (~12.1%)Insurance Expense (~14.2%)Crew Expense (~0.5%)Total Expenses (~9.3%)	<p>Revenue streams (From 2017-2018)</p> <ul style="list-style-type: none">Passenger and Excess Baggage Revenue (~1.73%)Freight Revenue (~10.2%)Mail (~3.8%)Foreign Currency Exchange Rates (~53.8%)Interest Income (~2.9%)Total Revenue (~5.1%)		

Appendix B

Customer Satisfaction Survey a case study of Qantas Airways and Thai Airways

Participation Information:

You are being invited to take part in research on optimizing and analyzing the marketing strategies for Qantas Airways. Varit Prakittachakul, a postgraduate student at Royal Melbourne Institute of Technologies (RMIT) University is leading this research. Before you decide to take part it is important you understand why the research is being conducted and what it will involve. Please take time to read the following information carefully.

Information Statement:

The aim of this study is to propose optimal marketing strategies for full-service network carriers by using the case study of Qantas Airways. Your participation in the survey is entirely voluntary. If you are happy to take part, please answer the following questions relating to your perspective towards Qantas Airways and some of the additional personal preference question. Your answers will help us to examine the efficiency of airline and develop recommendations on how the airline can improve its marketing strategies. The survey should take approximately 4 to 5 minutes to complete. Your answers will be treated confidentially and the information you provide will be kept anonymous in any research outputs and publications. All data will be deleted by 20/10/2019. The project has been reviewed and approved through the formal Research Ethics procedure at RMIT University. For further information, or if you have any queries, please contact me at s3726217@student.rmit.edu.au. Thank you for taking the time to participate in this survey. Your help is very much appreciated.

By continuing to take part in this survey you are confirming and accept the following information:

- I have read and understood the above information.
- I understand that, because my answers will be fully anonymized, it will not be possible to withdraw them from the study once I have completed the survey.
- I agree to take part in this questionnaire survey.

General Questions

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1.) What is your gender?</p> <ul style="list-style-type: none"> <input type="radio"/> Male <input type="radio"/> Female | <p>2.) What is your age?</p> <ul style="list-style-type: none"> <input type="radio"/> Under 22 <input type="radio"/> 22-35 <input type="radio"/> 36-56 <input type="radio"/> 46-55 <input type="radio"/> 56-65 <input type="radio"/> Over 65 |
| <p>3.) What is your nationality?</p> <ul style="list-style-type: none"> <input type="radio"/> Thai <input type="radio"/> Australian & New Zealander <input type="radio"/> Asian <input type="radio"/> American <input type="radio"/> Others | <p>4.) How often do you travel with the airline in one year?</p> <ul style="list-style-type: none"> <input type="radio"/> 1-2 times a years <input type="radio"/> 3-5 times a years <input type="radio"/> More than 5 times a years <input type="radio"/> Have flown with the airlines but not over the past year <input type="radio"/> Never fly with the airlines |



Multi-Response Questions

(Participants may choose more than one answer)

5.) What is the purpose of your trip when travelling with the airline?

- o Business
- o Leisure
- o Visit Relatives or Friends
- o Education
- o Never fly with the airline

6.) Why did you choose to travel with the airline?

- o Previous good experience with the airline
- o Safety
- o Reliability
- o Nationality of airline
- o Price
- o Convenient schedule
- o Extensive flight network
- o Modern fleet
- o In-flight service and entertainment
- o Brand image of the airline
- o Offer good value for money
- o Offer good frequent flyer program
- o Direct flight
- o Best for connecting flights
- o Never fly with the airline

7.) How did you hear about the airline?

- o Television
- o The airline website
- o Social Media (Facebook, Instagram and YouTube)
- o Newsletter
- o Radio
- o Print Media
- o Airline Advertising Campaign
- o Billboard Ads
- o Never know about the airline

8.) Which of the following did you hear most about the airline?

- o New products e.g. aircrafts, cabins, technologies
- o New routes
- o Corporate Social; Responsibility (CSR) e.g. education, poverty, disabilities, equality
- o New services
- o Promotions
- o Never

9.) What comes to your mind when mention about "Qantas Airways"/ "Thai Airways"?

- o Australia
- o Premium Airline
- o Punctuality
- o Safe and Reliable
- o Culture
- o "Spirit of Australia" Slogan
- o Flying Kangaroo
- o Sustainability
- o Friendly, Polite and Helpful
- o Never know about Qantas Airways
- o Thailand
- o Premium Airline
- o Punctuality
- o Safe and Reliable
- o Culture
- o "Smooth as Silk" Slogan
- o Royal Orchid
- o Sustainability
- o Friendly, Polite and Helpful
- o Never know about Thai Airways

Questions required for participants who never fly with Qantas Airways or Thai Airways

10.) Why you never choose to fly with the airline?

- | | |
|------------------------------------------------------------|-------------------------------------------------------------------------|
| <input type="radio"/> Not my national airline | <input type="radio"/> Not well known |
| <input type="radio"/> Not price worthy | <input type="radio"/> Not Safety and Reliable |
| <input type="radio"/> Lots of negative feedback | <input type="radio"/> Less direct flights to international destinations |
| <input type="radio"/> Less international route network | |
| <input type="radio"/> Complexity of frequent flyer program | |

Closed-Ended Questions

11.) Which kind of attractions you prefer to visit?

- ☐ Nature
- ☐ Architecture

12.) In which season do you prefer to travel in Asia-Pacific region?

- ☐ Summer
- ☐ Spring
- ☐ Fall
- ☐ Winter

13.) In which season do you prefer to travel in Europe?

- ☐ Summer
- ☐ Spring
- ☐ Fall
- ☐ Winter

14.) Which Qantas Airways/ Thai Airways advertising campaign do you recognize most?

- | | |
|--------------------------------------------------------------|-----------------------------------------------|
| <input type="radio"/> I've been everywhere | <input type="radio"/> Anniversary Campaign |
| <input type="radio"/> Big on all the little details | <input type="radio"/> Rak Khun Tao Fah Event |
| <input type="radio"/> Bringing the world closer | <input type="radio"/> Surprise On the Way |
| <input type="radio"/> Feels like Home | <input type="radio"/> Thai Market Place Event |
| <input type="radio"/> Starring Hugh Jackman & Maroubra Beach | |
| <input type="radio"/> None | |

