

Research Article

Up Into the Sky: A Comparative Study on the Different Marketing Strategies of Selected Commercial Airlines in the Philippines

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ABSTRACT

The airline industry in the Philippines is characterized by intense competition, where effective marketing strategies are crucial to influencing consumer behavior and sustaining profitability. This study conducts a comparative analysis of the marketing strategies of three major commercial airlines in the Philippines—Cebu Pacific, Philippine Airlines, and AirAsia Philippines—using the 5Ps model: Product, Price, Place, Promotion, and People. Employing a quantitative research design, data were gathered from 383 respondents through online surveys utilizing stratified sampling to ensure demographic representation. The responses were statistically analyzed using Two-Way ANOVA to determine significant differences in perceived marketing effectiveness across the three airlines. Findings revealed that Cebu Pacific consistently outperformed its competitors, receiving the highest mean scores across all five marketing components. Philippine Airlines displayed moderate performance, while AirAsia Philippines lagged in all strategic dimensions. The significant F-values and p-values (<0.0001) confirm substantial differences among the airlines' marketing approaches. Cebu Pacific's success is attributed to its competitive pricing, strong promotional strategies, and customer-focused service delivery. Based on the results, the study recommends that Cebu Pacific sustain its low-cost model while enhancing customer service and digital engagement. Philippine Airlines should capitalize on premium offerings and loyalty programs, targeting business travelers, while AirAsia Philippines is advised to undergo digital transformation and innovate its service strategies to remain competitive. These insights provide practical implications for airline executives, tourism stakeholders, and marketers aiming to refine strategy in a volatile aviation landscape.

Keywords: Airline Industry, Marketing Strategies, 5Ps Model, Customer Satisfaction, Aviation

1. INTRODUCTION

The airline industry is a rapidly expanding and competitive sector where companies continually innovate to attract and retain customers. Central to this effort are marketing strategies that encompass creating, communicating, delivering, and exchanging offerings that provide value to customers, clients, partners, and society. Airlines employ diverse marketing methods, including advertising, public relations, social media campaigns, and loyalty programs, to reach their target audiences. However, challenges such as cost control, demand management, and maintaining high service standards persist, making the evaluation of marketing strategies critical to understanding the industry's growth and future trajectory.

This study aims to assess the performance of three major airlines in the Philippines by analyzing the effectiveness of their marketing strategies. Using the 5Ps Model—Product, Price, Place, Promotion, and People—it evaluates whether any airline or specific strategy significantly outperforms others. The findings will guide recommendations for each airline, emphasizing strategies to improve market share and customer satisfaction.

The research offers valuable insights to travel agencies, airline companies, and industry stakeholders. It can help travel agencies optimize airline marketing strategies and enable airlines to innovate, attract more customers, and foster loyalty. Additionally, this study contributes to understanding consumer preferences and marketing dynamics, offering a foundation for future promotional plans for the Philippine airline industry.

The study focuses on the top three airlines in the Philippines, which collectively dominate the country's air traffic. This narrowed scope facilitates in-depth analysis but may not fully capture the relationship between demographic factors and marketing strategies, as smaller airlines are excluded. Despite this limitation, the depth of analysis outweighs the drawback, ensuring

meaningful insights into the marketing strategies of the leading players.

According to Lohmann and Spasojevic (2018), the airline industry is challenging, with lower returns on investment compared to other sectors. To address this, airlines adopt innovative marketing strategies that reduce costs and boost profitability. These strategies, influenced by global liberalization, often mirror those of international corporations rather than local businesses, highlighting the industry's complexity and dynamism.

As noted by Student Life Saviour (2022), the evolving competitive landscape has made marketing a shared responsibility across all levels of an organization. Factors such as customer service, performance, and corporate social responsibility influence consumer decisions. Reviewing and analyzing these strategies is crucial for tourism research and provides actionable insights for both the airline and tourism sectors. This study, therefore, aims to examine the marketing strategies of leading airlines in the Philippines to understand their effectiveness in achieving corporate objectives.

Sengur and Sengur (2021) highlighted the dramatic evolution of the airline market, particularly among low-cost carriers. Their analysis of passenger trends and profitability offers insights into the industry's operational environment and decision-making processes. This study draws on such insights to contextualize its findings within the broader trends shaping the Philippine airline market.

2. MATERIALS AND METHODS

This study employed a quantitative research design guided by a review of related literature. Data collection was conducted online using Google Forms to ensure broad reach and efficiency. The primary research question, "Which airline is performing better in marketing and through which strategies?" framed the study. A stratified sampling method was used to ensure representation across demographic categories such as age, gender, and economic status. Participants, who were required to have recently traveled on one of the three airlines under study, were recruited through social media. A total of 383 respondents were divided based on the airline they used and randomly assigned to evaluate their experience based on one of the five Ps of marketing: Product, Price, Place, Promotion, and People.

A Two-Way Analysis of Variance (ANOVA) was used to analyze the data, as it is particularly suited for comparing multiple conditions without relying on a control standard. This method was chosen because it actively contrasts all groups and accommodates unequal sample sizes. The study's matrix of conditions. ANOVA was applied to identify significant differences between the airlines and the marketing strategies, revealing which airline excelled and which strategies were most effective. This analytical approach offered comprehensive insights into performance variations and provided a foundation for actionable recommendations. A Two-Way Analysis of Variance (ANOVA) was used to analyze the data, as it is particularly suited for comparing multiple conditions without relying on a control standard. This method was chosen because it actively contrasts all groups and accommodates unequal sample sizes. The study's matrix of conditions. ANOVA was applied to identify significant differences between the airlines and the marketing strategies, revealing which airline excelled and which strategies were most effective. This analytical approach offered comprehensive insights into performance variations and provided a foundation for actionable recommendations..

3. RESULTS AND DISCUSSIONS

The study examined the perceptions of employees in manufacturing firms regarding the application of The study involved 383 respondents, predominantly residing in Metro Manila (48.83%), followed by Central Luzon (25.85%) and CALABARZON (25.33%). The majority of respondents were aged between 18 to 28 years old (34.73%), with declining representation across older age groups.

In terms of gender, 42.56% were female, while a notable 21.15% opted not to disclose their gender. The most common income range was ₱11,000–₱30,000 (24.02%), followed closely by ₱31,000–₱50,000 (23.50%).

Regarding occupations, the largest proportion of respondents were employed in Business Process Outsourcing, IT, and related services (20.89%), followed by the Real Estate Industry (14.10%). Other industries such as Construction, Manufacturing, E-commerce, and Tourism were also represented, but in smaller percentages.

The diversity in respondents' demographic and occupational backgrounds provides a comprehensive perspective on the study's findings.

MARKETING STRATEGY	AIRLINE	MEAN	SD	F VALUE	P VALUE	DECISION
PEOPLE	Air Asia	6.06	0.48	1145.4	0.0001	Reject null
	Cebu Pacific	9.73	0.68			
	Philippine Airlines	7.98	0.57			
	Overall	8.26	1.59			
PRICE	Air Asia	6.05	0.44	863.76	0.0001	Reject null
	Cebu Pacific	9.68	0.79			
	Philippine Airlines	7.89	0.7			
	Overall	8.2	1.62			
PROMOTION	Air Asia	6.07	0.53	1154.8	0.0001	Reject null
	Cebu Pacific	9.73	0.69			
	Philippine Airlines	8.01	0.51			
	Overall	8.27	1.59			
PRODUCT/SERVICE	Air Asia	6.07	0.53	1154.8	0.0001	Reject null
	Cebu Pacific	9.73	0.69			
	Philippine Airlines	8.01	0.51			
	Overall	8.27	1.59			
PLACE	Air Asia	6.06	0.48	905.2	0.0001	Reject null
	Cebu Pacific	9.67	0.85			
	Philippine Airlines	8.02	0.47			
	Overall	8.24	1.59			
OVERALL RATING	Air Asia	6.05	0.44	1428.5	0.0001	Reject null
	Cebu Pacific	9.73	0.67			
	Philippine Airlines	8.07	0.38			
	Overall	8.28	1.57			

The table presents a detailed comparison of the marketing strategies of three airlines—Cebu Pacific, Philippine Airlines, and AirAsia Philippines—across the 5Ps of marketing (People, Price, Promotion, Product/Service, and Place), as well as the Overall Rating.

Cebu Pacific consistently emerged as the top-performing airline in all categories, achieving the highest mean scores across all marketing strategies, with an overall rating of 9.73. This indicates that respondents perceived Cebu Pacific as significantly more effective in its marketing efforts compared to the other two airlines.

Philippine Airlines showed moderate performance, with mean scores ranging between 7.89 and 8.07. While its ratings were lower than Cebu Pacific's, it still outperformed AirAsia Philippines in every category.

AirAsia Philippines received the lowest ratings, with mean scores around 6.05, indicating that its marketing strategies were less favorably perceived by respondents.

The statistical analysis shows a significant difference between the airlines' ratings for each marketing strategy, as evidenced by high F values and p-values less than 0.05. This confirms that Cebu Pacific's ratings were significantly higher than those of both Philippine Airlines and AirAsia Philippines. Philippine Airlines' scores, while moderate, were also statistically different from both competitors.

Overall, the findings highlight Cebu Pacific's superior performance in all aspects of marketing, particularly excelling in the areas of promotion and product/service. Meanwhile, AirAsia Philippines' lower scores suggest key areas for improvement to enhance its competitiveness in the market.

4. CONCLUSION

The results of this study align with much of the existing literature, particularly that of Bautista (2022), which underscores the significant role marketing plays in the performance and public perception of airline companies. This is especially true in the post-pandemic "new normal," where consumers are increasingly discerning, demanding high-quality and safe services from companies that visibly prioritize customer care.

However, the findings—especially those related to AirAsia Philippines—contradict the optimistic projections made by

Putri, Putra, and Agustanton (2021), who predicted a strong recovery for AirAsia following the launch of its new mobile service app. AirAsia Philippines performed poorly in this study, particularly when compared to Cebu Pacific.

This study extends the work of Doria, DeVera, and Parel (2017), who highlighted the strengths of Cebu Pacific's marketing strategies and predicted the airline's continued growth and market dominance. In the post-pandemic era, airlines and other businesses must navigate a rapidly evolving marketing landscape, where every aspect of service is scrutinized by an increasingly vigilant and demanding consumer base.

The competitive advantage now lies with airlines that invest in robust marketing strategies, listen to customer feedback, and foster strong relationships with the public, particularly through social media. According to the survey results, Cebu Pacific is the preferred airline among customers in the Philippines. However, Philippine Airlines (PAL) and AirAsia Philippines each have their strengths and weaknesses and must address these issues to develop more effective marketing strategies.

Cebu Pacific should maintain and enhance its position as a low-cost carrier (LCC)—a reputation that has helped attract a wide customer base. To preserve its competitive edge, the airline should continue offering affordable fares and value-for-money packages while also expanding its route network to include more domestic and international destinations. Furthermore, Cebu Pacific should focus on improving its customer service and overall experience, including providing more responsive customer support, streamlining the online booking and check-in process, and enhancing in-flight amenities for greater comfort.

To boost its brand, Cebu Pacific should invest in targeted advertising campaigns aimed at its core customer segments. The airline should also leverage technology to improve operational efficiency and the customer experience—such as using data analytics to better understand customer needs, developing mobile apps to simplify the booking and travel process, and implementing self-service kiosks at airports.

Philippine Airlines, in turn, should focus on upgrading its fleet and amenities to offer a more premium experience. The airline should specifically target business travelers by providing tailored offerings such as priority check-in, lounge access, and flexible fare options. Additionally, PAL should establish a strong loyalty program that rewards repeat customers with incentives such as free flights, upgrades, and discounts. Digital marketing and customer engagement strategies—including social media, email marketing, and online advertising—should be embraced to reach and engage its target audience effectively.

For AirAsia Philippines, the focus should be on continuing innovation and digital transformation. The airline should explore the use of new technologies such as artificial intelligence and machine learning to enhance its operations and improve the overall customer experience.

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