POSTURING A CONSUMER RATIONALE OF THE AIRLINE PROMOTIONAL ADVERTISING SCAPE

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dx.doi.org/10.18374/IJBR-23-2.2

ABSTRACT

The purpose of this inquiry is to elucidate the theoretical and empirical connection between promotional advertising and consumer purchase behavior in commercial air transportation. The narrative stems from an initial inductive data-laden frame of limited but revealing statistical findings, followed by a deductive theory-laden consumer marketing discourse to explicate the concrete transactional and relational facets of this exchange process. The connection between airlines' marketing outlays and their effects on flight utilization through contiguous passenger throughput along serving airports as recipients of the Essential Air Subsidy program is explored by our theoretical discourse. The paper's detailed posturing of recursive relationship between the marketing games of airlines and airports along bridged integrated promotions synchronicities between both entities in the consumer commerce spectrum lends to offer insights toward how airlines and airports tread effectively with coordinated advertising functionality to market the travel experience.

Keywords: *Advertising, Promotions, Sales, Subsidies, Airlines, Airports, Air Traffic, Consumer Behavior*

1. INTRODUCTION TO THE INQUIRY

In October 1978, the US Congress approved the Airline Deregulation Act of 1978 which President Jimmy Carter subsequently signed into law, bringing about significant changes in the US air transportation system, and its effects impacted both airports and airlines as well as the regulatory structure of aviation in the United States, per Washington DC Federal Register 1978. Till then, the US air transportation system was regulated by the Civil Aeronautics Board (CAB) which acted as a central planner for both product availability in terms of aircraft seats for purchase and product price as tariff. The CAB's role was centric in following its specified process of airlines bidding for air routes and the pricing mechanisms. In addition to the planning of air routes and ticket prices, the CAB also determined which small cities needed airline service.

To facilitate these services, flights between larger cities were operated with intermittent stops at small cities along the way. For example, that Chicago flight may have had stops in Youngstown, OH and Altoona, PA enroute to Washington, DC. Rather than profitability of a single flight segment, termed logistically as a one takeoff through landing route, CAB's mandate was to manage a minimum level of scheduled air service to many relatively small communities. After deregulation many of these small airports would not be able to be served profitably by the airlines, so services to them were going to cease. In anticipation of this Congress wrote into the 1978 Airline Deregulation Act a mandate for a minimum level of essential air service to continue at many rural airports. Flights were to be partially subsidized by the US government for several years post deregulation. The Essential Air Service (EAS) program is the result of this legislation in List of Eligible Points 1979 per Washington DC Bureau of Pricing and Domestic Aviation.

In the original plan, EAS subsidies would not continue indefinitely, and by the late 1980s the subsidies were supposed to end. However, that never happened. The EAS program continues with significant annual disbursements in subsidies given to airlines providing services to small airports throughout the country. The subsidies are provided through competitive contracts designed to provide minimum amounts of airline seats and flights per day. This point is of particular importance because the subsidy requires only that the flights be completed. There are no stipulated requirements per se that airlines or airports as