### UNIVERSITI TEKNOLOGI MARA

## EFFECTIVENESS OF WEB MARKETING: A CASE STUDY OF AIR ASIA AND MALAYSIA AIRLINES (MAS)

### NASRUL AZREEN BIN AHMAD

(Bachelor of Finance (Honours), UiTM)

Independent Study Report is submitted in partial fulfillment of the requirements for the degree of

Master of Science in Information Technology

**Faculty of Information Technology & Quantitative Sciences** 

**APRIL 2005** 

#### **ACKNOWLEDGEMENT**

First of all, I thank Allah Al-Mighty for His blessings, wisdom and strength given into me in the process of completing this research paper.

A very special thanks and gratitude to my advisor, Pn Anitawati Binti Mohd Lokman for her continuance guidance, patience, support, advices and comments throughout the semester for the completion of this research paper. She is responsible in fulfilling the fruitful knowledge bestowed to me during the duration of this project.

I would also like to thank all the people who have given their support and assistance directly or indirectly to me in completing this research.

To all the Part-Time students of MSc IT, my colleagues and friends, thank you for sharing your valuable time and opinion.

Finally, to my beloved wife, the deepest gratitude is bestowed upon you for your patience and support. Your sacrifice never is forgotten.

# **TABLE OF CONTENTS**

		Page
TITLE PAGE		
ACKNOWLE	DGMENT	
TABLE OF C	ONTENTS	
LIST OF FIGU	URES	vi
ABSTRACT		vii
CHAPTER 1	INTRODUCTION	1
	1.1 Background Of The Study	1
	1.2 Objectives Of The Study	2
	1.3 Problem Statement	2
	1.4 Scope Of The Study	2
	1.5 Significant Of The Study	3
	1.6 Limitation Of The Study	3
	1.7 Research Methodology	4
CHAPTER 2	LITERATURE REVIEW	5
	2.1 Introduction	5
	2.1.1 Information Quality In E-Business	6
	2.1.2 Why E-Customer Return	7
	2.1.2.1 Valuable Content	7
	2.1.2.2 Fast	8
	2.1.2.3 Reliable	9
	2.1.2.4 Easy to use	9
	2.1.2.5 Meets my expectations	9
	2.2 E-Marketing	10
	2.3 E-Commerce	11

	2.4 Internet Marketing	12
	2.5 Road To On-Line Success	14
	2.6 Sustained Competitive Advantage	15
	2.7 Definition Of Marketing	16
	2.8 Developing Web Site Marketing Plan	19
CHAPTER 3	ANALYSIS AND FINDINGS	21
	3.1 Background of AirAsia	21
	3.2 The Philosophy	22
	3.3 The Essentials	22
	3.3.1 Low fare, no frills	22
	3.3.1.1 How Air Asia can give low fares to	22
	customers and still make profit?	
	3.3.2 Frequent flights	24
	3.3.3 Guest Convenience	24
	3.3.4 Safety first	25
	3.3.5 The people's airline	26
	3.4 The Story So Far	26
	3.5 Web Marketing By Air Asia	27
	3.5.1 Channel for Entertainment	29
	3.5.2 On-line Shopping	31
	3.5.3 On-line Investment Information	32
	3.6 Effect Of Web Marketing to Air Asia	32
	3.7 Background of Malaysian Airlines System (MAS)	40
	3.8 Mission of MAS	41
	3.9 Information Technology In MAS	41
	3.10 Web Marketing by Malaysian Airlines System	46
	3.11 Effect Of Web Marketing to Malaysia Airlines	49

#### **ABSTRACT**

This study was conducted to identify and determine the usage of web marketing by Airlines Company in Malaysia, which are Air Asia and Malaysia Airlines (MAS). In addition, this study will identify the effect of web marketing implementation towards profitability and costs to the company. Also, the study will look at company's web site in order to identify what are other services provided to the customers instead of only producing one type of services or products.

Two factors were identified to be the main reason why airlines companies are implementing web marketing. The factors are level of profitability and high savings costs to the company. All these are very important in order to make sure every company is competitive in the market. This will determine the level of company survival in the future.

By doing this, the study found that instead of using web marketing to do an online transaction, the company can take this opportunity to be a marketing place or portal for other companies in the world to promote their products and services.