

AIR ARABIA - GROWTH OF POPULARITY AND PROFIT



It looks like Air Arabia is poised to have a good year this time. With quarterly revenues increasing by a margin not previously thought possible. The steep rise in profits was due to the increase in customers looking for low cost tickets. From the first quarter of 2012, profits rose by a margin of 11.7% and are looking to have a general trend in that direction.

With the constant increase in fuel costs, plane maintenance and the like; passengers usually look into buying the best deal possible. Which is a good sign for UAE budget carrier Air Arabia, for it entices many tourists to consider riding the airline.

For the first quarter, the airline earned a total of 47.7 dirhams, which is a big improvement from the 42.7 dirhams during the first quarter of the last year. With everything going its way, the airline is looking to buy significant upgrades and focus on providing the best services possible while still retaining that low budget ticket.

Including expenses, there was a gross revenue value of 621 million dirhams during the first quarter. This marks a significant spike in revenue sales as of last year, which garnered a total of 531 million dirhams. A 21% increase in revenues despite the increasing cost of fuel and other expenses tells something more than just the statistic.

The initial estimation of the growth of profits in Air Arabia exceeded what was originally thought. A forecast of an average 37.45 million dirhams has thus far been outweighed by the reality. The improving conditions in airline services and ticket sales helps, social networking sites are also a good investment in gaining more traction in competition. Social media sites like Facebook and Twitter are in the forefront of enforcing the reputation of airlines. The mere fact that customers who tweet about airlines positively help spread the information through various channels.

In the giant war for tourism, airlines have to compete for customers all year round. What better help to have than that of the customers themselves? It has a positive correlation that airlines who garner more mentions in social media site often have more customers. With the emergence of more people looking to purchase more low cost flights. There has been a trend with various airlines to lower costs also.

The Air Arabia has competition in various airports throughout. By sharing of hubs with low cost flyers in Egypt and Sharjah, competition for regional trips is all the more fierce. There is stiff competition with other airlines such as FlyDubai and Jazeera Airways. This is why social networking is so important for businesses nowadays. With information proliferating and the customer reviews being so significant, it poses an important issue by which airlines should take focus on.

The UAE Air Arabia is going to have a good year. The figures and the statistics speak for themselves. If this general trend of increasing its profits continues and continuance of providing low cost flights to passengers; also with harnessing the power of media, there is a good chance that further development will likely to happen in the near future.

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