



NEAR EAST UNIVERSITY

**Faculty of Economics & Administrative
Sciences**

BUSINESS ADMINISTRATION DEPARTMENT

Cyprus Turkish Airlines

Graduation Project

Student : ibrahim Önderol - 971255

SUPERVISOR : Asst. Prof. Dr. Erdal GÜRYAY

Nicosia - 2002



TABLE OF CONTENT

ABSTRACT

INTRODUCTION

I. CTA OVERVIEW

1.1. Mission

1.2. Plans

1.3. Environmental scan

II. CTA MARKETING STRATEGY

2.1. Marketing mix

2.2. Environmental

III. SITUATIONAL ANALYSIS

3.1. PEST analysis

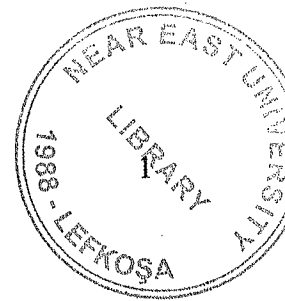
3.2. SWOT analysis

3.3. Total Quality Management

CONCLUSION AND RECOMMENDATIONS

APPENDIX

REFERENCES



INTRODUCTION

This paper aims to study Cyprus Turkish Airlines its markets, products and strategies in the context of selected business concept as a from of assessment for the graduation project required by the Business Administration Department of the Near East University, And The project also aims to be at least 2000 words excluding appendices and to be completed before January 2002 as required by the Department.

Cyprus Turkish Airlines was established immediately after the 1974 peace operation. The only way opening to the outside world was through Turkey. There was only one Ferry Boat sailing from Famagusta and Mersin in those days. Timbu Airport, an ex-British air base was quickly repaired and arranged for small aircraft landing. Barracks of around 100 sq. meters were used as terminal buildings.

Cyprus Turkish Airlines first used F-28 aircraft's, which could only take about 50 passengers. But it did not take long to prepare the present apron and the terminal buildings. Cyprus Turkish Airlines is one of the very few establishments, which is continuously growing. As will be seen from the figures they usually satisfied their targets and in many cases they had been able to exceed the expectations.

Cyprus Turkish Airlines (CTA) was selected for a case study method, personal Interviews were Conducted with key CTA personal, and relevant course notes and books were referred to from a theoretical frame

I. CTA OVERVIEW

1.1. Mission

The mission of CTA is of two-fold

- to be a flag-carrier of the Trak
- to achieve air-transport services for the TRNC.

As an improving and growing organization, they aim to serve to bigger markets. CTA at the moment only fly to and from TRNC. They can do better than that. They can have planes operating from Istanbul to any other part of the world. There are possibilities and opportunities in operating outside TRNC as well.

1.2. Plans

CTA depends on market research and past experience to adjust the flights according to the needs. Tickets are sold through agents in TRNC and also many agents everywhere in Europe. CTA is in closed contact with the agents, and is able to evaluate the market conditions through these agents. Offices outside Cyprus¹ are also under control of the head office in Nicosia. One very important office is in London, which is fully equipped to deal with flights to and from UK. CTA also have offices in Istanbul, Ankara, İzmir and Adana.

Cyprus Turkish Airlines is the main air carrier in Turkish Republic of Northern Cyprus . It carries almost 70% of the air passengers to and from TRNC. They handle almost all the air cargo to and from TRNC.

As the tourism and education sector is improving demand is growing for air travel. Although there are rooms for improvement, Cyprus Turkish Airlines can be considered as successful in meeting the demands. Despite the embargo on Turkish Republic of Northern Cyprus, mainly forbidding the Cyprus Turkish Airlines to make direct flights to European destinations, they have been able to organize flights with technical touch-down at Turkish airports. Price of tickets are reasonable and services are at a good level.

¹ In Turkey (Istanbul), and in G.B. (London).

Another important role of Cyprus Turkish Airlines other than carrying passengers is cargo services. Main exports of Turkish Republic of Northern Cyprus are garments. Material and trimmings for the garments are usually send to TRNC from UK, by air and finished products are then send back again by plains.

Cyprus Turkish Airlines handles almost all of the cargo to and from Turkish Republic of Northern Cyprus.

Decision of the European Court (1995, Abant) had almost brought the garment manufacturing sector to a stop. After the court decision an extra cost of 15% had to be dealt with. It was not possible to simply add this to the prices since this would make the prices uncompetitive. Cyprus Turkish Airlines has took a responsibility at this stage and carried the cargo ' free of charge' to keep the business going.

1.3. Environmental Factors

Airlines are national pride of every country². Each country has national or private airlines, which is a part of the image of those countries. Ideally these airlines should be profit makers but usually they receive subsidies. CTA has to compete with these big airlines. Fortunately they are working efficiently.

There are private companies who also serve from TRNC. Although they offer lower prices, CTA is usually the favored airlines. Transport is one of the most important factors affecting the economy of the islands. To compete with the other states the first thing they should organize is a good transportation system. Since they don't have the advantages of land transport, they have to design a convenient way of transportation by sea and by air, in order to export their produce with competitive transportation cost and bring in the tourist at reasonable cost. One of the biggest challenges for the island economies is establishment of transport system to minimize the extra cost of transportation with respect to continental states.

Being an island is not the only problem Turkish Republic of Northern Cyprus is facing. She has another big disadvantage, and that is, not being recognized as a legitimate state and

worse than that the seaports and airports are considered as illegal. With all these negative aspects, Turkish Republic of Northern Cyprus has come a long way in her economy, and Cyprus Turkish Airlines has a very big role in the economy of Turkish Republic of Northern Cyprus.

And today Cyprus Turkish Airlines operates with the most modern aircraft's such as AirBus and along with some private airlines they give service to most parts of the Europe.

II. CTA MARKETING STRATEGY

2.1. Marketing mix of CTA

Product

Product in this case is the "seats Product in this " available for sale to the consumer. Number of seats available differs seasonally, and according to the destination. Primary objective of the CTA is to meet the demand and work to full capacity. 413,464 passengers preferred to fly with CTA in the year 1997.

Cyprus Turkish Airlines has direct flights to all the major cities of Turkey. There are daily scheduled flights to Istanbul and Ankara and flights to Izmir Adana and Antalya. As mentioned earlier, there are some practical difficulties in flights to Europe. Due to embargo, direct flights are not allowed to European cities. This is handled by technical touch-downs. What this means that planes, land to a Turkish airport for a short time and carry on from there. On important route for Cyprus Turkish Airlines as will be seen is Ercan -London Flights to Heathrow airport in London are organized through Izmir and Istanbul. Planes land to these ports for half an hour to one hour before they take off again.

One of the important functions of the CTA is the ground service. The airlines have fully equipped offices at the airport. The officers at the airport have the task of;

- Issuing tickets,
- Issuing boarding cards,
- Checking in the passengers,

² Under the name of turkey, because of political problem.

- Checking in the luggage
- Cargo services,
- Care for the disabled and elderly

Cyprus Turkish Airlines is the head news in the past few weeks. There is an argument about the authority over the organization. The Minister of the government is in an argument with the Head of the Board of Directors. This is a very serious problem and it is harming the image of the organization. If this happened in a western country, the organization may bankrupt. The recent events are clear indication of unprofessional manner of management of the organization. Political influence or fight for power is not a good image for such an organization. One of the important services of the airlines is the cargo service. People can use this service to send small items in a very fast way. An item can reach to a person in London within a day. There are also commercial cargo services. Especially the garment manufacturers use this service to export their products to many European countries.

For the independent of spirit, there can be no better way of exploring North Cyprus than hiring a car at least for a few days of your holiday and discovering the beautiful countryside and the many historical sights at your own pace. Away from the main roads, public transport is scarce and not particularly reliable, so for those choosing to stay in more remote locations, we would certainly recommend car hire. Cypriots drive on the left-hand side of the road and conditions are relatively good in the towns and on main roads, although those exploring the country-side will certainly come across a few bumpy patches and hair-raising bends! Speed limits are low, in keeping with the general pace of life, and road signs are international, although it may be useful to bear in mind that the word "DUR" means "stop"- the red background offers a clue! Although it is possible to hire cars locally through your holiday representative, we would recommend prebooking your car, especially in high season, since there is a limited numbers of cars available. In order to hire a car in North Cyprus, you must be in possession of a full British Driving Licence and over the age of 25 years. Cars can be delivered to any location of your choice. CDW usually costs £3 per day and must be paid locally.

Table2.1. Fleet of the CTA

NAM OF PLANE	MODEL	DATE OF PRODUCTION	DATE OF JOINING CTA	SEAT CAPACITY
BEŞPARMAK	B-727-200	1974	22/06/1990	164
YAVRUVATAN	B-727-200	1974	20/12/1990	164
YEŞİLADA	B-727 (F)	1981	12/03/1993	158
ERENKOY	A-310 (200)	1982	01/01/1995	230
GİRNE	B-727 (200)	1974	28/02/1996	164
LEFKOŞA	A-310 (200)	1985	15/05/1999	246
MAĞUSA	B-737 (800)	1999	26/04/2000	177
GUZELYURT	B-737 (800)	1999	26/04/2000	177
TOTAL CAPACITY				1486

Source:annual yearbook 2000.

Pricing strategy

As the CTA enjoys a monopolistic position in the domestic TRNC market pricing is mainly influenced by such factors as costs, and politics. Here there are two conflicting objectives. One is the high costs of running an air line business and the other is trying to attract tourists to the TRNC through low-priced flights. Concessions are regehed through discriminatory and seasonal pricing policies . For example , Low priced charter flights are offered at Bairam periods. Low prices are also offered to some tour operators Who book and pay in advance .

CTA Holidays³ has been offering holidays to North Cyprus from the UK since 1977, which makes us the UK's longest established specialist tour operator in this market. We are a wholly owned subsidiary of the national carrier, Cyprus Turkish Airlines, which offers scheduled services to North Cyprus. As such we feel that it is our duty to represent the best that North Cyprus has to offer the holidaymaker by featuring the widest possible choice of hotels with accommodation to suit everyone, all representing excellent value for money. We are also the only airline to offer direct flights from the UK to Antalya throughout the year and have chosen to

feature some of Turkey's finest resorts in this area. CTA Holidays is a wholly owned subsidiary of Cyprus Turkish Airlines, the national carrier of North Cyprus, whose fleet currently consists of two Airbus A310, two 737-800 and four B727 aircraft. Cyprus Turkish Airlines currently employs approximately 900 personnel in offices throughout North Cyprus, Turkey and in the UK. Welcome to CTA Holidays they feel sure that passengers will find the holiday which they are looking for within the pages of brochure, and look forward to welcoming you to North Cyprus.

All children under the age of 2 at the time of departure from the UK are classed as infants. The charge for infants is £45, however, passengers may have to pay for meals locally. Passengers may request a cot if one is required; there may be a charge for this locally. Infants are not entitled to their own seat on the aircraft. Children aged from 2-li are entitled to a reduction of 30% off the adult price, as long as they are sharing a room with two adults, or in the case of apartments, as long as the minimum occupancy is made up of adults.

Young people aged from 12 to 18 years are entitled to a discount of 5% off the adult price, providing that they share a room with two full fare paying adults, or in the case of apartments, as long as the minimum occupancy is made up of adults.

As a specialist in travel to North Cyprus, CTA aim to offer you as much flexibility as possible in passengers holiday arrangements. With this in mind, they are happy to provide guests with a personalized quotation for a holiday made up to an itinerary of passengers choosing. This could be for two different resorts or for more than one hotel in the same resort.

During the winter months, North Cyprus enjoys a mild climate with minimal rainfall. This, combined with the low cost of living and, in particular, the favorable rates which CTA are able to secure from the hotels during this period, means that a holiday abroad can be enjoyed for little more than the cost of winter heating at home. There are substantial savings to be made on stays of four, five or six weeks at selected hotels.

In addition to the financial strength of the parent company, Cyprus Turkish Airlines, guests holiday security is also guaranteed by the bond which CTA hold with the Civil Aviation Authority under ATOL licence no 1000B. For passengers peace of mind, they are also members of the tour operators' class of the Association of British Travel Agents, holding ABTA licence no V3370.

³ Especial offer during a year.

Place

The CTA has various service stations at various locations. Following are the places of the CTA in Cyprus

1. Ticket sales
 - * Cyprus Sales Management
 - * Nicosia Sales Offices
 - * Reservation Management
 - * Kyrenia Sales and Reservation
 - * Famagusta Sales and Reservation
 - * ERCAN Airport
2. Lost and Claim Service
3. Accounting Department
4. Cargo Management: Sales and Reservation
5. Catering & In-Flight Services Management:

CTA depends on market research and past experience to adjust the flights according to the needs. Tickets are sold through agents in TRNC and also many agents everywhere in Europe. CTA is in closed contact with the agents, and is able to evaluate the market conditions through these agents. Offices outside Cyprus are also under control of the head office in Nicosia. One very important office is in London, which is fully equipped to deal with flights to and from UK. CTA also have offices in Istanbul, Ankara, Izmir and Adana.

Promotions

The communication mix of the CTA aims not only to attract more flyers but also to contribute to the possible recognition of the TRNC overseas. In line with these aims TRNC tries to promote its business through its own journal (Caretta) and in other foreign Journals. Public Relations activities are frequently carried out at international tourism fairs together with other governmental and non-governmental TRNC representatives. The Communications mix of the CTA is given below in more detail.

Magazines

As part of PR activities CTA publish a magazine (Caretta) which is distributed at the airplanes free of charge. The magazine includes information about the tourism activities and the airlines itself Typically, the magazine starts with a message from the president. It continues with the tourism information, the recent activities of the airlines and some suggestions for the tourists. The magazine contains many advertisements from various privately owned enterprises. There is also a section about the food recipes. This magazine can be rated as a standard promotional activity. But we have to state here that the same old magazine tends to be available at the flights and those who fly frequently get fed up with the same magazine.

News releases

One of the successful PR activity of the firm is the frequent appearance at the local media. The management is successful in attracting the attention of the media. There are frequent news in the media and this is a good promotion to the company. The management has a regular news releases to keep the media informed.

Press Relations

The company is particularly careful about the relations with the media. There are several occasions when the management call for a press conference or sometimes arrange a reception directed to the press. The press is always informed of activities. Special occasions are when new aircraft are purchased. Occasionally the management take the press for a flight to introduce the new planes.

Special Offers as part of PR

In Cyprus there are various big groups that needs special attention. CTA is well aware of this and they have special price policy for the various groups. For example the press, students, the military personnel and some non-governmental organizations such as the consumers association receive special reductions with their travel by the CTA.

Frequent Flyer Services

The Frequent Flyer Program (FFP) is a special program for the CTA passengers who fly abroad frequently. With a Frequent Flyer Membership Card you will enjoy special services that will make for a smoother, more comfortable trip. Throughout your membership period you will obtain free tickets according to the number of credits you receive based on the number of flights made and their destination. The FFP membership also enables you to make use of the Business Class Waiting Lounge at the Ercan Airport. CTA always has surprises in store for those passengers who fly very frequently.

2.2. Environmental scan

Stakeholders

CTA is the TRNC international airline that formed by the TRNC government just after 1974 to provide air services from TRNC. CTA had difficulty producing a consistently high level of earning.

While CTA has long operated in a very competitive business environment, the airline has demonstrated an ability to maintain a strong market position and record healthy result.

The Board of CTA recommends to Government that the company be mandated to proceed with such a major operational strategic alliance, subject to satisfactory due diligence, documentation and regulatory approval. The aviation industry as a whole has continued to grow, with increased prosperity and international business stimulating demand for air transport, in both the full service and no frills sectors. CTA also became a full member of the one-world global airline alliance with customer benefits. Agreements between member airlines enable customers to benefit from better access to global route networks improved customer support services, closer linking of member airlines.

III. SITUATIONAL ANALYSIS

3.1. PEST analysis

Political

The airline and its administrative organization is partly owned by the TRNC government and partly by the Turkish Airlines, which will give any outside interest, be it domestic or foreign, a considerable amount of difficulty in trying to gain involvement in the company.

Should the private sector gain a role in the non-airline activities of CTA, it may face the situation of high regulations should it be a foreign entity, especially if the government is being lobbied by nationalists or is part of a coalition government which includes a party seeking a review of all potential foreign investments.

Economic

As the government of TRNC partly directly owns the airline, overall economic conditions will be directly felt by the company to a greater degree than it would as a part of the private sector. An example of how economic events would influence the performance of the company is cited with the economic cycles. As situations improve or worsen, the funding from the government will either increase or decrease according to the situation, and amounts in the change will vary according to how severe the situations may be. Since the Turkish currency, the TL is worth a lesser amount in comparison to the foreign currencies there is the potential to make a major return on any investment made over a period of time. With a credible high return on investment it should be easy to attract new, major high-profile members into a partnership for an investment scenario, as such a success will perhaps reduce any potential skepticism as whether the allocation of a company's resources towards a new venture would be a considerable risk.

Since CTA is TRNC's major national airline, it is assumed that its operations as a passenger airline are like any other in the world, offering the usual levels of service, i.e. First Class, Business, Economy), with changes to each level made in accordance to usage or popularity.

While not as major an airline as several other international airlines, flight destinations are not as likely to be as numerous. The airline industry was facing many problems in the early 1980s and sales were much lower than previous years because of this.

CTA relies heavily on partnerships between privately-owned companies, so that details such as daily operation are not managed by CTA, plus such things as local markets for the owned company are understood better by the owned companies, so CTA doesn't need to research markets other than its own.

Due to the geographical distance between the companies, structural changes to the parent company, Aer Lingus, may not affect the self-managed business. The self-managed business would likely have more independence over its operations because of the distance between the two.

Social and Cultural

CTA, being seen as a national airline, albeit one particularly identified with a nation, is generally unlikely to change its overall atmosphere, even in the event of a restructuring to allow for a potential foreign interest. Since TRNC has been (and still is) trying to attract foreign investors, CTA will require a greater promotion and upgrade of its business class service, especially for overseas markets and customers. The airline itself, however must not and cannot afford to neglect its basic service priorities, namely the maintenance of standard passenger classes such as economy, and first, second, etc. Since the general Irish public is more likely to use such services than anything to a premium above what they are accustomed to.

Technology

CTA is seeking an interest in automation and also in new planes. As an airline requires technological improvements to its operations, such an inclusion could benefit the company in a positive manner. With the company's non-airline sector to be influenced by a company with expertise in an element of that sector, the company can gain expertise in that area for any future operations, especially if there is a shakeup in the company administration later on.

CTA aims to improve their fleet. On the April 24, 2000 The Boeing Company today confirmed that Cyprus Turkish Airlines (KTHY) accepted delivery of two Boeing Next-Generation 737-800s. These two airplanes are the first Next-Generation 737-800s for KTHY. The airplanes are being leased from Sunrock Aircraft Corporation Ltd.

The Next-Generation 737-800 is an integral part of CTA crucial fleet modernization and expansion plan to cope with the tourism growth of the Turkish Republic of Northern Cyprus.

They look forward to operating this airplane on CTA route network between Northern Cyprus, Turkey, Israel, United Kingdom, Germany and other major destinations in Europe.

The 737-800 provides great reliability, excellent comfort, and better value for customers. The new 737s were developed to provide maximum value for operators like KTHY. The strong economic and technical performance of the 737-800 allows the airline to serve growing markets and expand into new ones while delivering exceptional range to cover KTHY's current and future routes."

The Next-Generation 737 family entered service in 1998, and is the newest, most advanced single-aisle airplane family in its class. The airplane's completely redesigned passenger cabin delivers comfort and spaciousness for travelers. With the most aerodynamically advanced wing in its class, the Next-Generation 737 can fly higher, farther, and more economically than competing models.

The Boeing 737 is the best-selling commercial jetliner of all time, with over 4,500 ordered. Since the launch of the Next-Generation 737 in 1993, customers worldwide have ordered over 1,400 of the advanced twinjets. More than 1000 737s are in the air at any time; one takes off somewhere in the world every 5.5 seconds.

3.2. SWOT analysis

With the above data we have obtained and analyzed, we can now make an effort to propose some alternatives that the CTA can use to promote their business. The first thing we should do is to run a SWOT analysis to determine the strengths, weaknesses, opportunities and threats to the company.

Strengths

- Being owned by Turkish and Turkish Cypriot governments in partnership gives CTA a good financial make up.
- Monopolistic position in the domestic market.
- Technical aid and advice received from Turkish Air lines.
- Having a young fleet of aeroplanes.

Weaknesses

- Political interventions sometimes undermine profits.
- Limited Cargo facilities not satisfying the local demand .
- Large organisation slow in responding to market needs.
- Lack of recognition of the TRNC.
- Limited flying destinations.

Opportunities

- Growing demand from university students in TRNC.
- Possible new destinations in Eastern Turkey such as Diyerbakır and from other parts of the Middle-East.

Threats

- Political pressures (both domestic and external).
- Possibility of new domestic private companies operating as in the past.
- Private universities in Turkey may become more attractive to Turkish Students studying in Northern Cyprus.

3.3. Total quality management (TQM)

Since last two years there is a new management at the airlines. The new management headed by Zeki Ziya is very sensitive about the consumer satisfaction. They also give great importance to public relations. As a result they started publishing a magazine called Caretta. This magazin reflects the new approach of the new management. The message of the general manager Zeki Ziya is published in the Caretta Magazine Issue 3 on Autumn 2000. In his message the chief executive officer Zeki Ziya is addressing the Cyprus Turkish Airlines passengers and potential passengers. The main theme of his article is consumer satisfaction. He strongly argues that the company is very keen on satisfying the passengers.

He attempt to prove that he is aware with the consumer needs and the airlines business. He states that whatever the principles and values of each airlines business is the organization needs to

adopt the international principles to be successful. He continues with saying that, as the years passed the Cyprus Turkish Airlines gained experience and became very efficient. He says that Cyprus Turkish Airlines personnel serve its passengers with the benefit of corporate experience accumulated over the years. The message includes information about the technological developments and capabilities of the Cyprus Turkish Airlines. With its modern young fleet and Flight Center he claims that the Cyprus Turkish Airlines is very reliable and safe. The message includes mentioning of the personnel and also the passengers. The final point of the message is gratitude for the loyal passengers and the dedicated efforts of the personnel.

The text is representing the management of the Cyprus Turkish Airlines. On one hand the message is addressing the employees at the operational level and on the other hand the message is addressing the passengers. In this message the Cyprus Turkish Airlines is photographed as a mature organization that aims to create passenger satisfaction and perfect itself over the coming years. The message includes the photo of Mr. Ziya. He is smiling in this photograph to show his goodwill and gesture to the readers. He is consumer oriented since he is addressing the consumer and giving certain messages to the consumers. In his statement he first points out that the Cyprus Turkish Airlines is an experienced and consumer oriented since he is addressing the consumer and giving certain messages to the consumers. In his statement he first points out that the Cyprus Turkish Airlines is an experienced and consumer oriented organization. It is not one of the temporary organizations with no background. The message also comforts the readers that although they are a mature organization they are not old fashioned. They change with time and modernize. Although the organization is old they are dynamic and young in their services. The Cyprus Turkish Airlines is also portrayed as a fleet of new airplanes. It is clearly indicated in the message that the Cyprus Turkish Airlines has the advantage of having one of the youngest crews in the world. This is an assurance to the passengers that they will fly in modern airplanes with good service by young personnel. Mr. Ziya gives a message that the Cyprus Turkish Airlines has customer loyalty. He says that the Cyprus Turkish Airlines owes their success to the young crew and personnel. By saying this he assures the passengers that they do not have to search for better airlines, since the Cyprus Turkish Airlines is one of the best. Ziya says that the success of the Cyprus Turkish Airlines is owed to the dedicated efforts of the personnel. By saying this he is motivating the personnel. But the message is really for the customers. He is saying that when they fly with the Cyprus Turkish Airlines they will be served



by experienced and dedicated personnel.

As a whole the message of the text is a good image for the Cyprus Turkish Airlines.

The CTA must be made more aware of the modern management skills. As explained earlier the company has frequent changes in the management and this is effecting the Lower levels. There is no modern management concept and there is a lack in the quality.

A company can be product oriented or consumer oriented. Product oriented marketing is the situation where the emphasis is on the product. There is no consideration for the consumer. Consumer oriented activities gives maximum priority to the consumer. The sole objective is to satisfy the needs of the customer. As long as the customer is happy the company is happy to. The range of satisfaction varies from product to product and from person to person. When consumer finds out that the product has extra values that was not expected while buying, the satisfaction becomes a delight. For example: a customer may use the services of the CTA and frequently travels to abroad. ile usually expects to get a light snack and a soft drink at the short journeys and a three course meals at the longer journeys. A small pen with a logo, a toy for the accompanying child, a shopping bag or a hat with a logo are things that we do not expect to get and if such things are given the satisfaction increases.

Customer satisfaction⁴ has become very important and there are new systems to achieve total satisfaction. Total Quality management is used for achieving total satisfaction. Total quality management (TQM) can be characterized by such features as: The availability of services at 100 per cent of quality specification, with zero errors. The objective of seeking to attain total customer satisfaction, with zero customer complaints. The widespread diffusion of corporate values based upon the total acceptance of quality, reliability, service and value for-money as the motivating force for the activities of the enterprise. The widespread diffusion of corporate values based upon customer orientation and customer care.

⁴ By giving trust, quality services, fly in time.

CONCLUSIONS AND RECOMMENDATIONS

CTA depends on market research and past experience to adjust the flights according to the needs. Tickets are sold through agents in TRNC and also many agents everywhere in Europe. CTA is in closed contact with the agents, and is able to evaluate the market conditions through these agents. Offices outside Cyprus are also under control of the head office in Nicosia. One very important office is in London, which is fully equipped to deal with flights to and from UK. CTA also have offices in Istanbul, Ankara, Izmir and Adana.

Cyprus Turkish Airlines is the main air carrier in Turkish Republic of Northern Cyprus . It carries almost 70% of the air passengers to and from TRNC. They handle almost all the air cargo to and from TRNC.

- Training of personnel to upgrade the standard of services both off the plane and on board the train.
- Arrange flights to new destinations even if it has no link to TRNC.
- Make a strategic plan to renew all the planes and get new more modern air fleet
- Improve the relations with the tour operators in the various countries with potential customers.
- Adopt TQM Concept as a system of quality.

CTA must strive to continually "raise the bar", by setting new product and service quality standards for the aviation industry. In the early years in-flight refreshments comprised a thermos flask of iced water; this was later extended to sandwiches and cold drinks; today customers expect a lot more. There is a great opportunity for airlines to offer added value for their passengers. This is achieved through a host of additional extras that make up the customer service package. As the industry is so competitive, standards are continually improving.

CTA must be at the forefront of developing new initiatives over the coming years including

- To offer free headsets, a choice of meals and free drinks in Economy class
- Introduction of satellite-based in-flight telephones
- In-flight entertainment and communications system across all three classes.

Training must be taken very serious. It should be designed to support staff in learning to anticipate and meet the needs of all passengers, e.g. during the course trainees should be encouraged to visit old people's homes and to work with children while they are undergoing training. Other aspects of training should include grooming and make-up, plus detailed Health and Safety Training.

The main emphasis must be on top quality customer service and attention to detail. Language training is important and staff must be able to speak a number of international languages including English. Training encourages team spirit and *staff* understand that they are ambassadors for TRNC. For many visitors CTA staff will be their first glimpse of TRNC, so it is vital to create a positive impression.

By continually pushing up the level of service CTA should create a standard which others find difficult to follow.

CTA's policy should be that all promotion should come from within the company, so there is plenty of scope for staff development. CTA should develop some product innovations which gives it further competitive advantage:

- Investment in leading-edge technology should enable CTA to achieve an industry leadership position in the field of in-flight entertainment.
- CTA should take in-flight dining to new heights with the formation of its International Culinary Panel (ICP) and the introduction of World Gourmet Cuisine.
- Customers on CTA should enjoy an extensive selection of wines and champagne from the world's major wine-producing regions.

CTA should also create unbeatable packages in each Class (students should be able to view the interiors of CTA planes by following a virtual tour on the Airlines website.

CTA should provide an excellent example of continuous improvement in the face of extensive global competition. Staying ahead of the field means that a company can never afford to stand still.

CTA should successfully differentiate its product by continually providing the benefits to meet the needs of the modern air traveller whether a child, a young person, a tourist, a business traveller, a film star or a Prime Minister. By steadily improving the quality of products by using the world's best designers and chefs, CTA should be able to create the synergistic benefits that stem from working with the best employees in the world.

Objective is to serve to bigger markets. CTA at the moment only fly to and from TRNC. They can do better than that. They can have planes operating from Istanbul to any other part of the world. There are possibilities and opportunities in operating outside TRNC as well.

Our strategy must be world wide. Increase in the number of the planes and diversify in destinations.

Our new products will be the new destinations. One new product may be for the newly democratic states. People from these countries are usually flying to certain parts of the world for shopping purposes.

They should be competitive in pricing. At present the prices are reasonable compared with the world prices.

They should build up an image that they are good enough for the world and they are serving not only to TRNC but to the other parts as well.

Our idea will not be easy to implement, since there are some political constraints even today, but the new set up of the company as a Turkish based organization will help. The important thing here is the support of Turkish Airlines.

APPENDIX

- a) CTA** Cyprus Turkish Airlines
- b) Caretta** CTA Magazine
- c) FFP** Frequent Flyer Program
- d) PR** Press Relations
- e) TQM** Total Quality Management

REFERENCES

- a) 1998 Program, State Planning Organization, Office of the Prime Minister
- b) Interview with the CTA Management
- c) Morden Tony, Business Strategy and planning, McGraw Hill, 1993
- d) CTA Annual Yearbook, 2000
- e) Ziya Zeki, General Manager, Personal Interview, January 2001
- f) Ergin Mehmet, Personnel Manager, Personal Interview, January 2000
- g) Yalovali Recep, Ass. Personnel Manager, Personal Interview, January 1999
- h) Başoglu Hasan, Financial Manager, Personal Interview, January 1999