

# Airline Branding

---

**Dr Keith Mason FRAeS**

**Istanbul Technical University**

**Air Transportation Management, M.Sc. Program**

**Airline Marketing**

**April 2016**

# Airline Branding

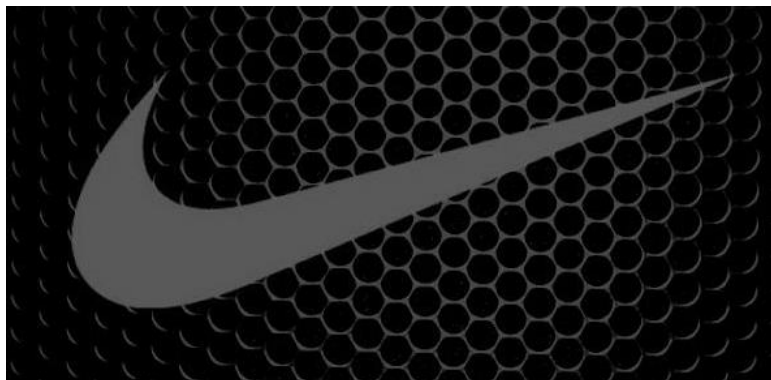
Without a heart,  
it's just a machine.



Dr Keith Mason

Head, Centre for Air Transport Management

# What brands define you?



What brand values differentiate these companies?





I'D LIKE TO BUY  
THE WORLD A COKE

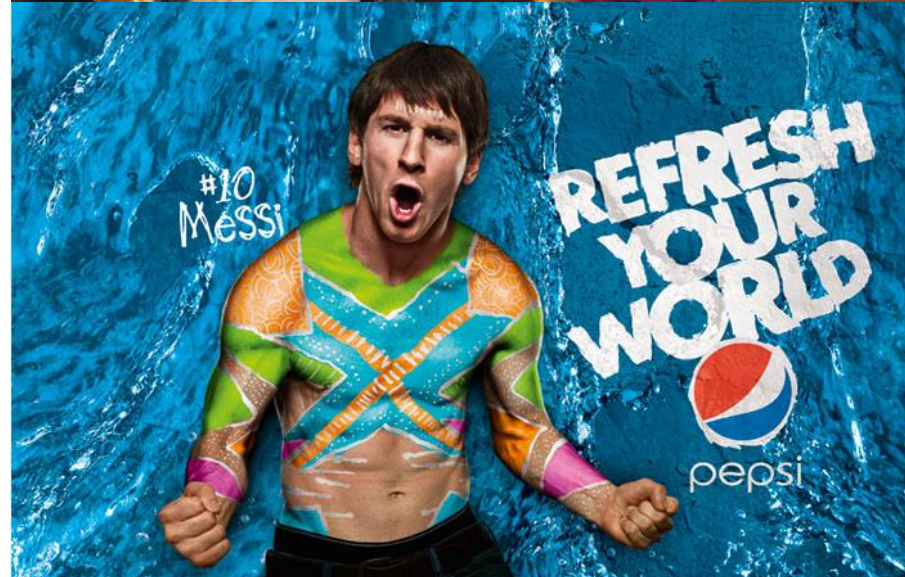
1971



Share a  
**Coke** with...



#ShareaCoke



# What is a Brand?



The brand is a promise of **value served** with unique integrity and passion. Brand is a unique combination of **rational**, **emotional values** and qualities associated with a single product, services or organisation that leaves an impression in the audience's mind. It act as a credible **guarantee of quality**. Over time a brand can become a valuable asset through accumulated customer experiences based on investment made in **quality, clarity** and **consistency of communication**.

Brand = Reputation

# Why Branding?

- Effective product differentiator
  - especially in markets where products or services are similar
- Increased customer loyalty
- Allow for price premium
- Can provide additional revenue through franchising activities
- Can be extended to other products/services
  - Costs and risk of developing new brands are very high
  - It is estimated that 19 out of every 20 new brands fail
- Can act as a barrier to entry for new products
- Attracts high quality employees

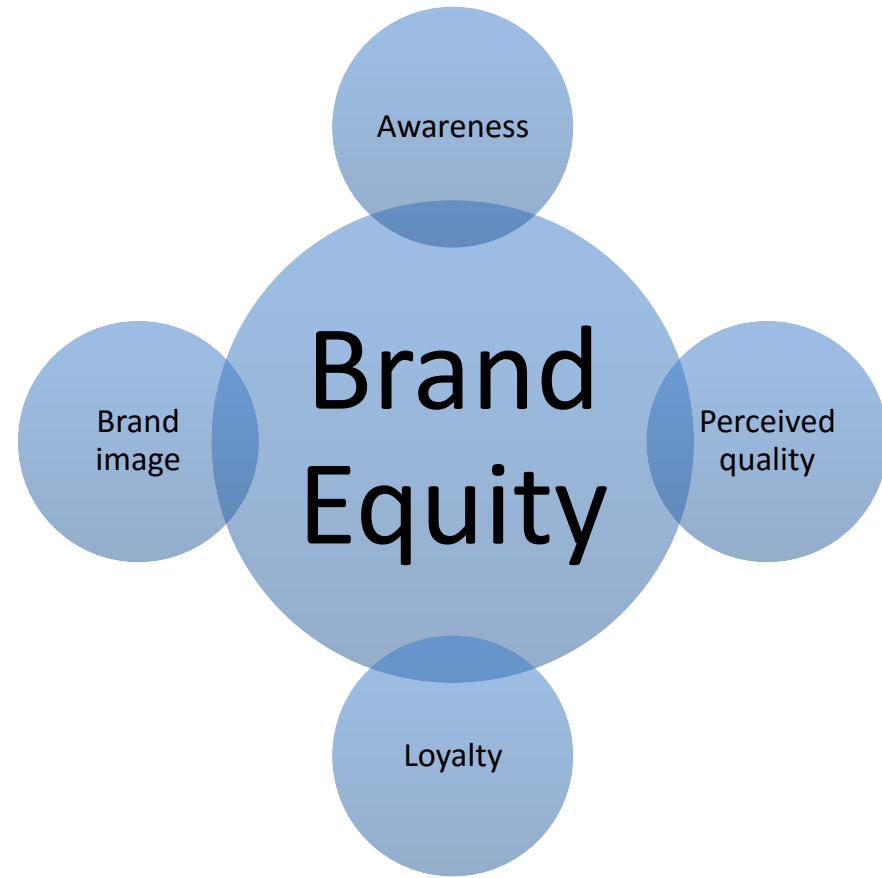
# Brand Evolution

- Brand recognition and awareness – familiarity
- Brand acceptance – seeing products in a positive light
- Brand preference – one brand is more desired
- Brand loyalty – regular purchase



# Consumer based brand equity

- Keller
  - A strong brand is an outcome of high brand awareness, positive associations that suit the needs of the customer.
- Kim and Kim and others
  - Brand equity given by loyalty, awareness, perceived quality, brand image and the interrelationships between the factors.



# Consumer based Brand equity

- Describes the brand and its identity/characteristics
- Sets direction for company
  - Communications, product, people
- Provides a backbone for measurement
  - people, product and performance
- Aligns the company behind one vision
  - Crucial for customer-facing staff

# Trying to understand airline brands: and why they aren't very good



"Someone calling themselves  
a customer says they want  
something called service."

# 2016 - Emirates #1 Airline Brand

- Brand Finance Global Top 500
  - Emirates brand value grew 17% to \$7.7bn
  - Is at #171 of the Top 500
  - Next closest airline brand is #218
  - *“We invest strategically in building our brand and it is reflected in everything we do. We have **differentiated** the Emirates brand not only through our **marketing** and **sponsorships** initiatives, but also through our competitive combination of quality **products and services**, and **technology**-driven customer initiatives that our teams deliver everyday both on the ground and on board. We work hard to identify, anticipate, and meet the ever-changing needs of our **diverse global audiences**, as we firmly believe that this will position us to outperform in our industry now and in the future.”* Boutros Boutros, SVP Comms, EK

# Top Global Airline Brands 2015



**1** Rank 2015: **1** 2014: **1** →  
BV 2015: **\$6,640m**  
BV 2014: **\$5,481m** +21%  
Brand Rating: **AAA**



**2** Rank 2015: **2** 2014: **2** →  
BV 2015: **\$6,336m**  
BV 2014: **\$4,736m** +34%  
Brand Rating: **AAA-**



**3** Rank 2015: **3** 2014: **4** ↑  
BV 2015: **\$4,861m**  
BV 2014: **\$3,831m** +27%  
Brand Rating: **AA+**



**4** Rank 2015: **4** 2014: **3** ↓  
BV 2015: **\$4,099m**  
BV 2014: **\$4,165m** -2%  
Brand Rating: **AA+**



**5** Rank 2015: **5** 2014: **9** ↑  
BV 2015: **\$3,649m**  
BV 2014: **\$2,617m** +39%  
Brand Rating: **AA**

BRITISH AIRWAYS

**6** Rank 2015: **6** 2014: **10** ↑  
BV 2015: **\$3,645m**  
BV 2014: **\$2,578m** +41%  
Brand Rating: **AA+**



**7** Rank 2015: **7** 2014: **13** ↑  
BV 2015: **\$3,466m**  
BV 2014: **\$2,282m** +52%  
Brand Rating: **AAA-**



**8** Rank 2015: **8** 2014: **8** →  
BV 2015: **\$2,953m**  
BV 2014: **\$2,669m** +11%  
Brand Rating: **AA**



**9** Rank 2015: **9** 2014: **5** ↓  
BV 2015: **\$2,936m**  
BV 2014: **\$3,250m** -10%  
Brand Rating: **AAA**



**10** Rank 2015: **10** 2014: **6** ↑  
BV 2015: **\$2,914m**  
BV 2014: **\$2,922m** +0%  
Brand Rating: **AA**



# Why's an airline brand different?

- Emotional
- 'Product AND service' not just a 'product'
- Different purchase drivers versus other industries
- Reliability on staff to deliver the brand experience
- 'Multi-locational'

# Why do airlines fail to create great brands?

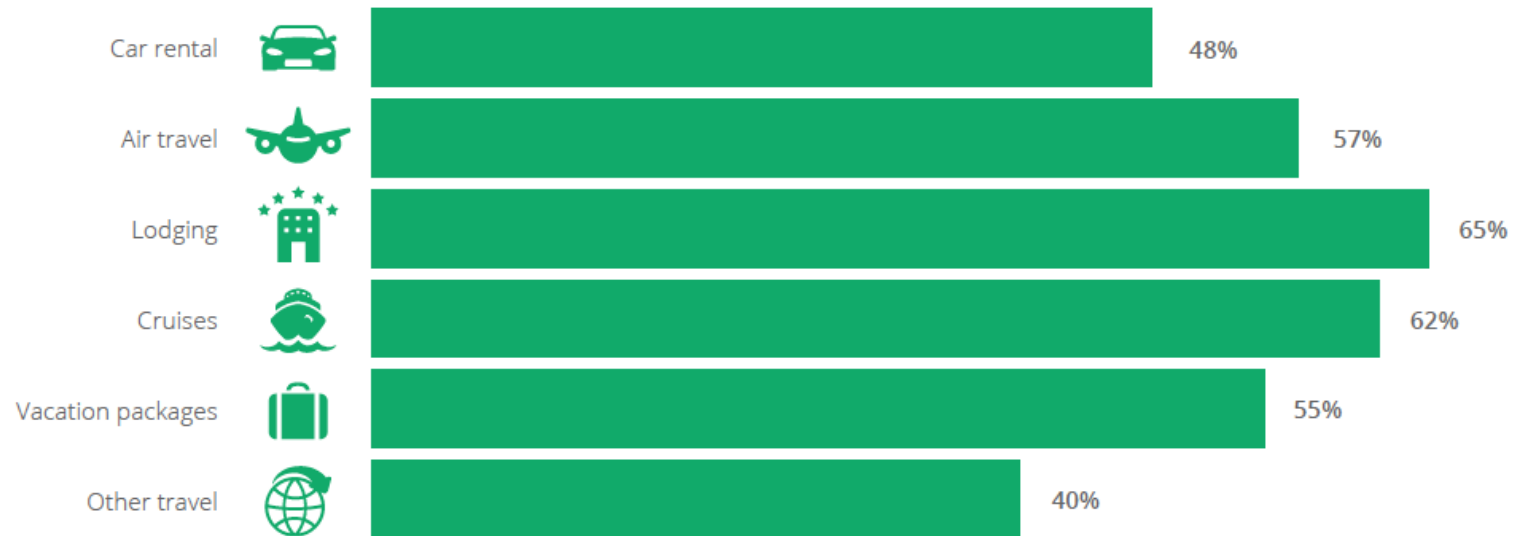
- Airline customers tend to base decisions on price, FFP, schedule and occasionally aircraft fleet
- Services are harder to brand than products
  - Intangible / perishable / heterogeneous
- (Rather) Small local markets and historically focus on nationality
- Airline services tend to be rather similar – tendency toward commodity
- Alliance membership reinforce a view that an one airline's product is much the same as another's.
- Not clearly communicated or understood brand values
  - How does an airline create meaningful relationships with customers?
  - Can we build an emotional connection to the brand - a Sense of Belonging?

# Differentiation – or lack thereof

Google Research, 2014

Many leisure travelers are also **unclear about the differences** among brands

PERCEIVED DIFFERENCE AMONG BRANDS (T2B\*)  
(among leisure travelers)



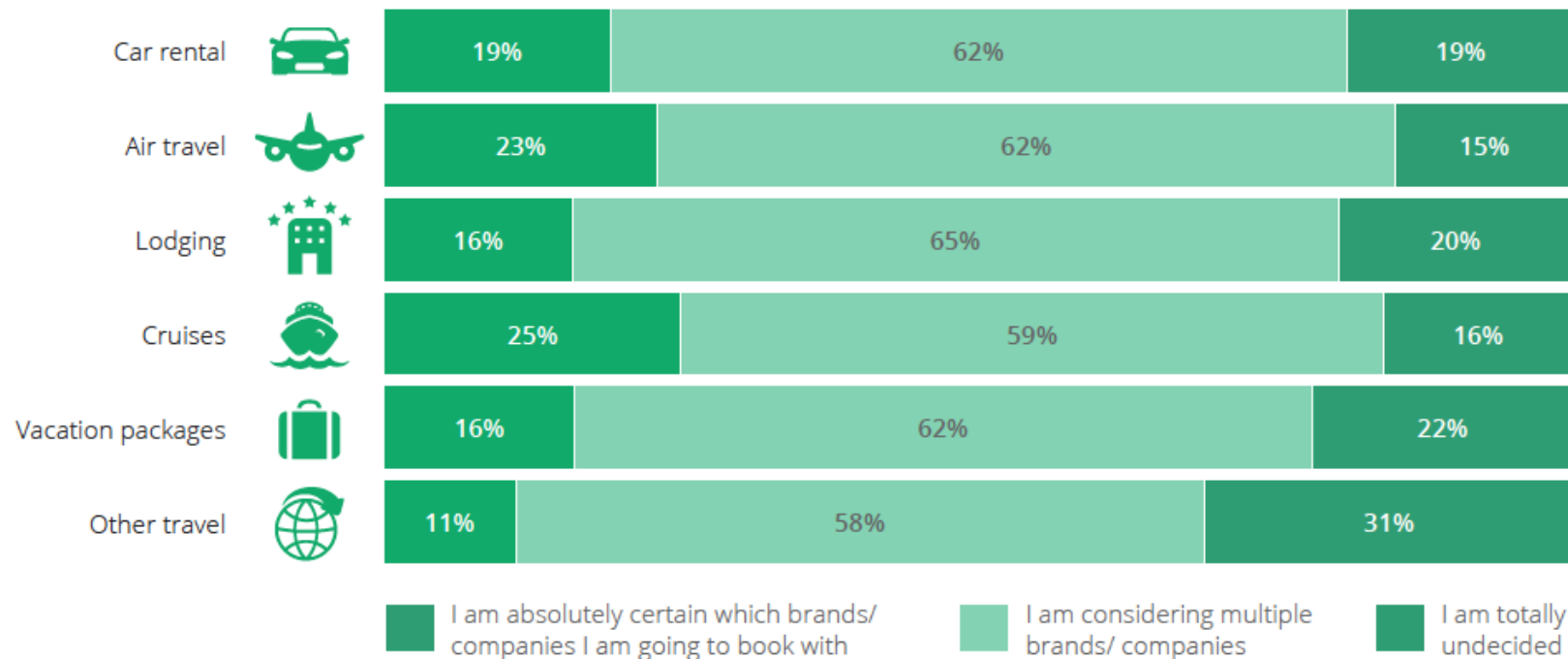
Heavy business travelers are more likely to see a difference, but not substantially more



\*Top 2 box on a five-point scale:  
5 = I see a clear difference  
...  
1 = I see no difference





## Many leisure travelers go into planning **undecided** on a brand

CERTAINTY OF SPECIFIC BRAND/COMPANY TO USE  
*(among leisure travelers)*



# Leisure travelers are increasingly **turning to search engines first** vs. brand sites/apps for online trip planning

SITE/APP\* WHERE LEISURE TRAVELERS TYPICALLY *FIRST START* ONLINE TRAVEL PLANNING

Top 2		2014	2013
Car Rental 	Brand sites/apps	38%	44%
	Search engines	24%	16%
Air travel 	Brand sites/apps	45%	49%
	Search engines	18%	13%
Overnight accommodations 	Brand sites/apps	31%	37%
	Search engines	26%	18%
Cruises 	Brand sites/apps	36%	36%
	Search engines	19%	14%



Note: brand sites/apps = airline/hotel/car/cruise sites/apps



# Airline missions/core values

## A bit “same-y”

- Swiss
  - Quality, punctuality and hospitality, and service quality
- LH
  - Quality focus, Customer satisfaction, innovation
- VS
  - To embrace to human spirit and let it fly
- SQ
  - Care and service, Meet customer expectations, innovation
- Emirates
  - “Hello Tomorrow” - Customer satisfaction, our people, operational efficiency
- Qantas
  - Safety, reliability, engineering and maintenance, customer service
- Thai
  - Safety, convenience, customer service/satisfaction, flavour of Thailand
- Cathay
  - Service straight from the heart, Safety, winning team
- American
  - Quality network, customer service
- KLM
  - Dutch, innovative products, customer service, safe, efficient

# Airline missions/core values

## A bit “same-y”

- Swiss
  - **Quality**, punctuality and hospitality, and service **quality**
- LH
  - **Quality** focus, Customer satisfaction, innovation
- VS
  - To embrace to human spirit and let it fly
- SQ
  - Care and service, Meet customer expectations, innovation
- Emirates
  - “Hello Tomorrow” - Customer satisfaction, our people, operational efficiency
- Qantas
  - Safety, reliability, engineering and maintenance, customer service
- Thai
  - Safety, convenience, customer service/satisfaction, flavour of Thailand
- Cathay
  - Service straight from the heart, Safety, winning team
- American
  - **Quality** network, customer service
- KLM
  - Dutch, innovative products, customer service, safe, efficient

# Airline missions/core values

## A bit “same-y”

- Swiss
  - **Quality**, punctuality and hospitality, and **service quality**
- LH
  - **Quality** focus, Customer satisfaction, innovation
- VS
  - To embrace to human spirit and let it fly
- SQ
  - Care and **service**, Meet customer expectations, innovation
- Emirates
  - “Hello Tomorrow” - Customer satisfaction, our people, operational efficiency
- Qantas
  - Safety, reliability, engineering and maintenance, customer **service**
- Thai
  - Safety, convenience, customer **service**/satisfaction, flavour of Thailand
- Cathay
  - **Service** straight from the heart, Safety, winning team
- American
  - **Quality** network, customer **service**
- KLM
  - Dutch, innovative products, customer **service**, safe, efficient

# Airline missions/core values

## A bit “same-y”

- Swiss
  - **Quality**, **punctuality** and hospitality, and **service quality**
- LH
  - **Quality** focus, Customer satisfaction, innovation
- VS
  - To embrace to human spirit and let it fly
- SQ
  - Care and **service**, Meet customer expectations, innovation
- Emirates
  - “Hello Tomorrow” - Customer satisfaction, our people, **operational efficiency**
- Qantas
  - **Safety**, **reliability**, engineering and maintenance, customer **service**
- Thai
  - **Safety**, convenience, customer **service**/satisfaction, flavour of Thailand
- Cathay
  - **Service** straight from the heart, **Safety**, winning team
- American
  - **Quality** network, customer **service**
- KLM
  - Dutch, innovative products, customer **service**, **safe**, **efficient**

# Airline missions/core values

## A bit “same-y”

- Swiss
  - Quality, punctuality and hospitality, and service quality
- LH
  - Quality focus, Customer satisfaction, innovation
- VS
  - To embrace to human spirit and let it fly
- SQ
  - Care and service, Meet customer expectations, innovation
- Emirates
  - “Hello Tomorrow” - Customer satisfaction, our people, operational efficiency
- Qantas
  - Safety, reliability, engineering and maintenance, customer service
- Thai
  - Safety, convenience, customer service/satisfaction, flavour of Thailand
- Cathay
  - Service straight from the heart, Safety, winning team
- American
  - Quality network, customer service
- KLM
  - Dutch, innovative products, customer service, safe, efficient

i.e. doing what we are meant to be doing – providing safe, on-time transport with reasonable customer service

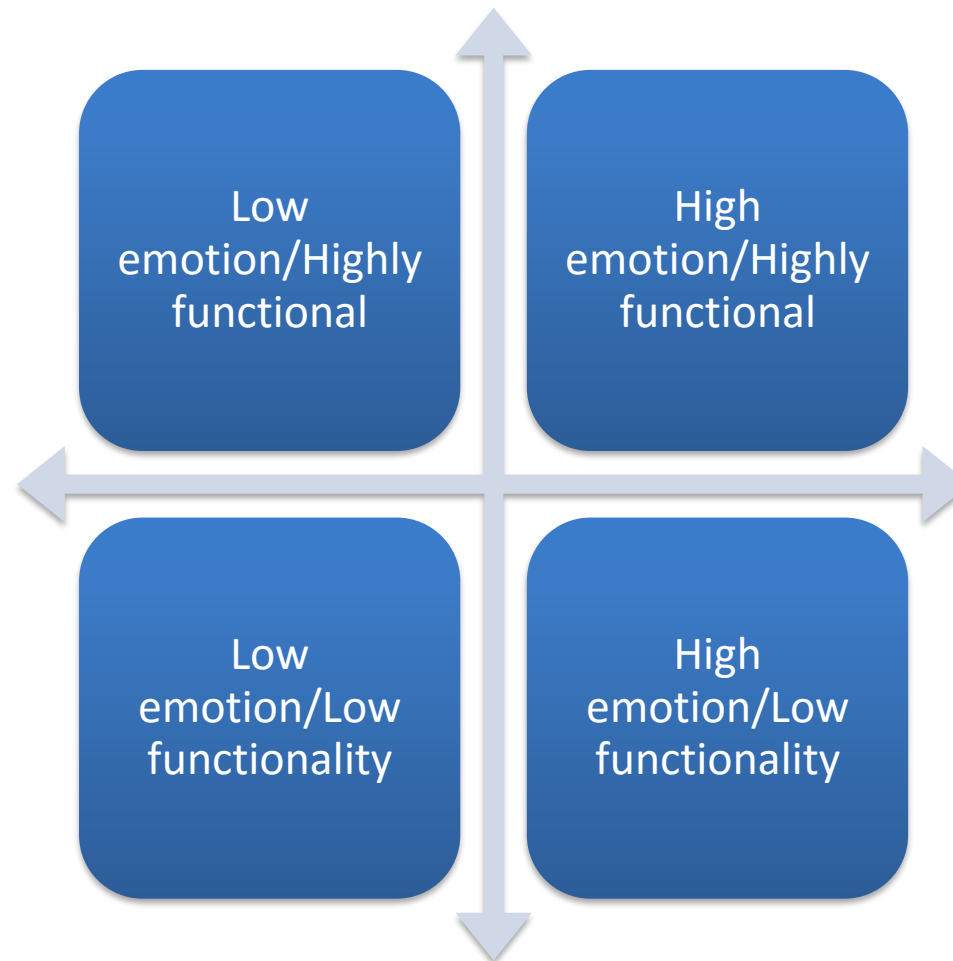


It's OK – we can use colour to differentiate!!!!

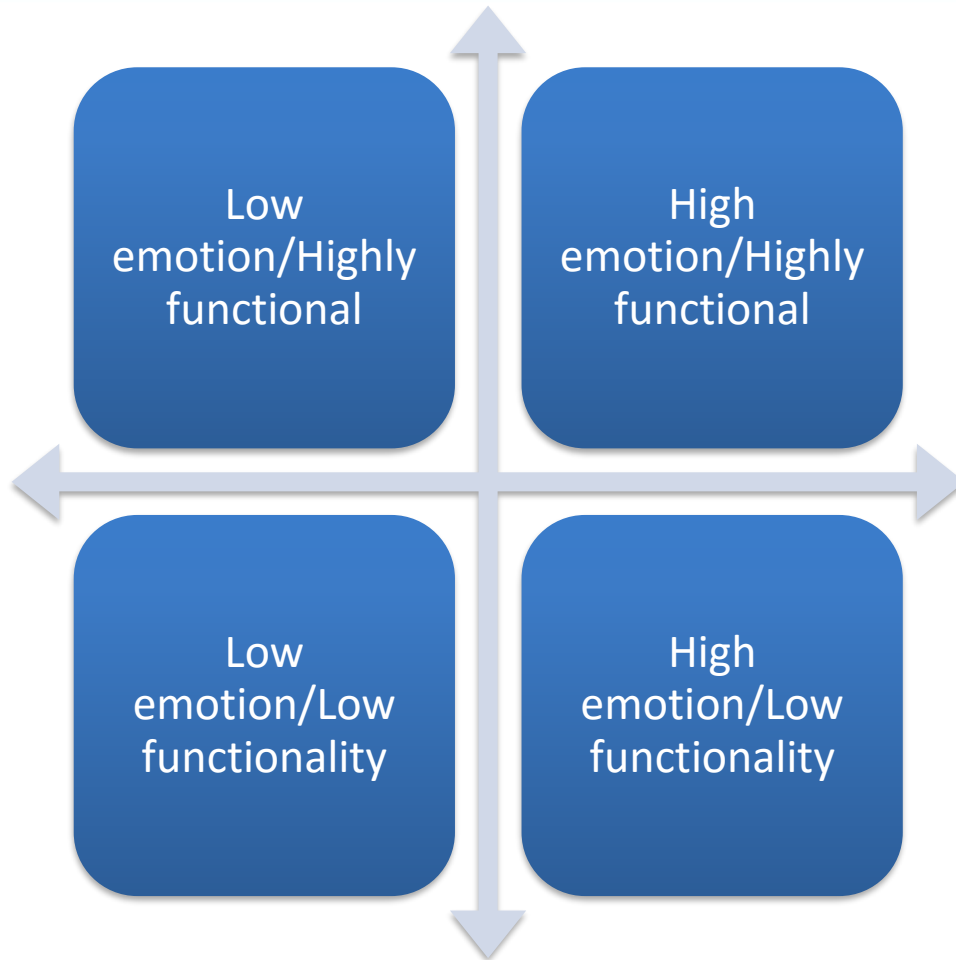


“When people hear the brand name, all you want is that they automatically connect it with their emotional benefit which makes them want to select your brand over and over again and recommend the experience, how they feel, to their family and friends.”

# Function and Emotion



# Differentiate on emotion Deliver on function



## Measured by:

- Functional
  - Cost leadership
  - On-time performance
  - Seat comfort
  - Network size
- Emotional
  - Brand rankings
  - Social media engagement
  - Skytrax

# Online survey of airline passengers

N=283

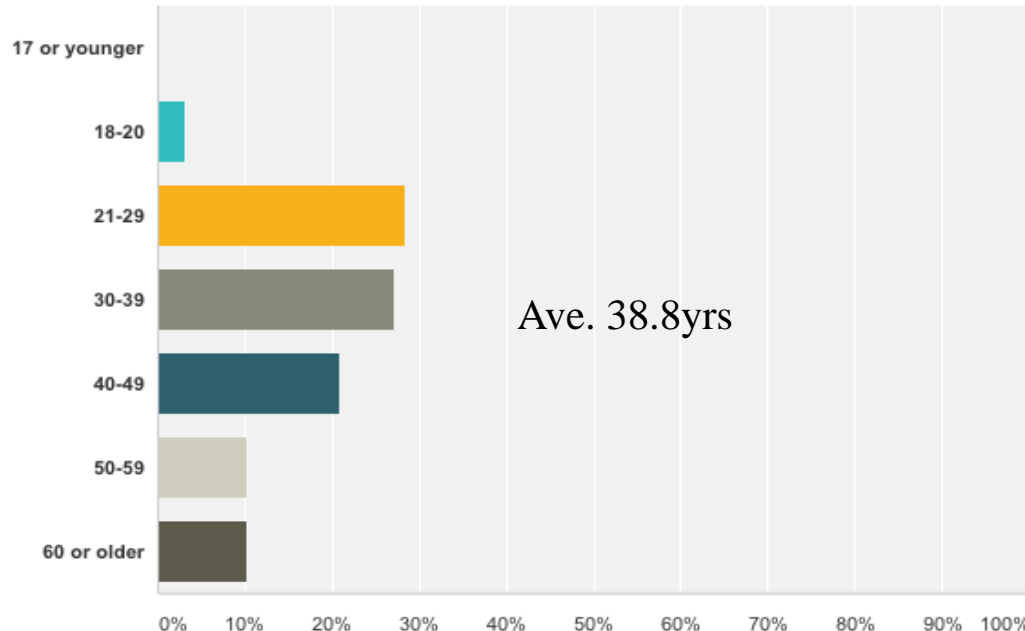
From 46 different countries,

Ave. trips p.a. = 7.17

Largest group from UK, Australia, France, Germany, NL

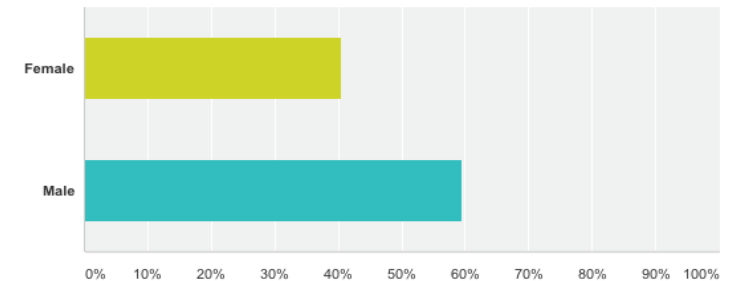
## What is your age?

Answered: 225 Skipped: 57



## Are you male or female?

Answered: 225 Skipped: 57





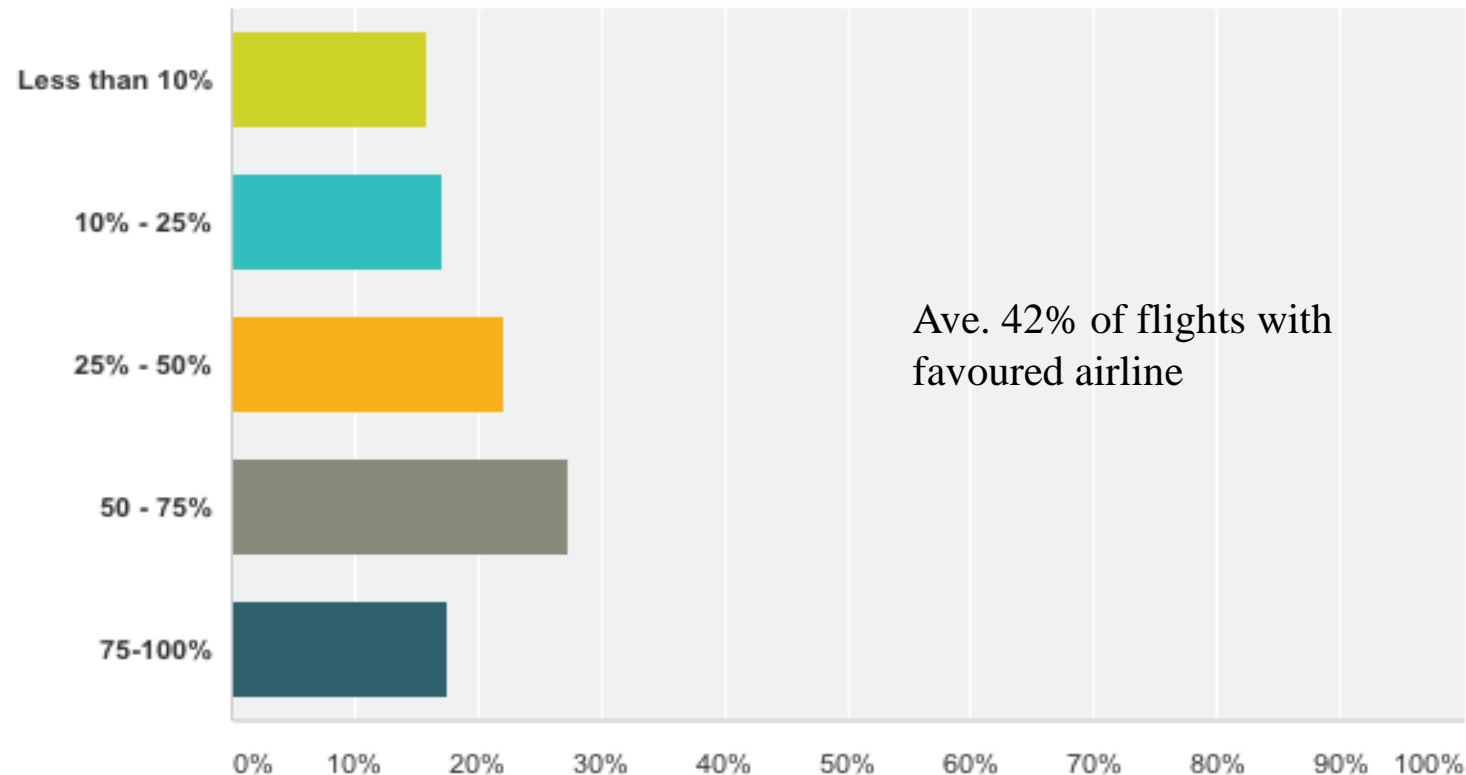
# Favourite airlines - unprompted

- 60 airlines selected as favourite
  - 54 FSCs
  - 6 LCCs
  - 5% respondents have no favourite
- 34.9% of respondents' favourite airline is from their home country
- 37.7% of respondents' favourite airline is from the country where they live
  - Local airline service aligned to home culture,
  - Or greater experience with the home carrier
    - it's likely to have more destinations that you need when you fly so you may have gotten accustomed to their service.

# Airlines win bigger “share of wallet” from loyal customers

**What proportion of the flights that you take, are taken with your favourite airline?**

Answered: 227 Skipped: 55



# FSC v. LCC

- No difference in number of trips

How many trips have you made by air in the past 12 months? (including a round trip as one) – Open-Ended Response

Type of Airline	Mean	N	Std. Deviation
FSC	6.97	186	8.671
LCC	8.44	36	10.152
None	5.00	4	3.742
Total	7.17	226	8.856

ANOVA Table<sup>a</sup>

			Sum of Squares	df	Mean Square	F	Sig.
How many trips have you made by air in the past 12 months? (including a round trip as one) – Open-Ended Response * Type of Airline	Between Groups (Combined)		85.116	2	42.558	.540	.583
	Within Groups		17559.912	223	78.744		
	Total		17645.028	225			

a. The grouping variable Type of Airline is a string, so the test for linearity cannot be computed.

# Those that favour a LCC travel more with that airline

## Report

Share\_of\_wallet

Type of Airline	Mean	N	Std. Deviation
FSC	40.8978	186	27.35266
LCC	56.3611	36	25.14547
None	24.4000	5	12.64120
Total	42.9868	227	27.43931

## ANOVA Table<sup>a</sup>

			Sum of Squares	df	Mean Square	F	Sig.
Share_of_wallet * Type of Airline	Between Groups (Combined)		8978.396	2	4489.198	6.239	.002
	Within Groups		161180.565	224	719.556		
	Total		170158.960	226			

a. The grouping variable Type of Airline is a string, so the test for linearity cannot be computed.

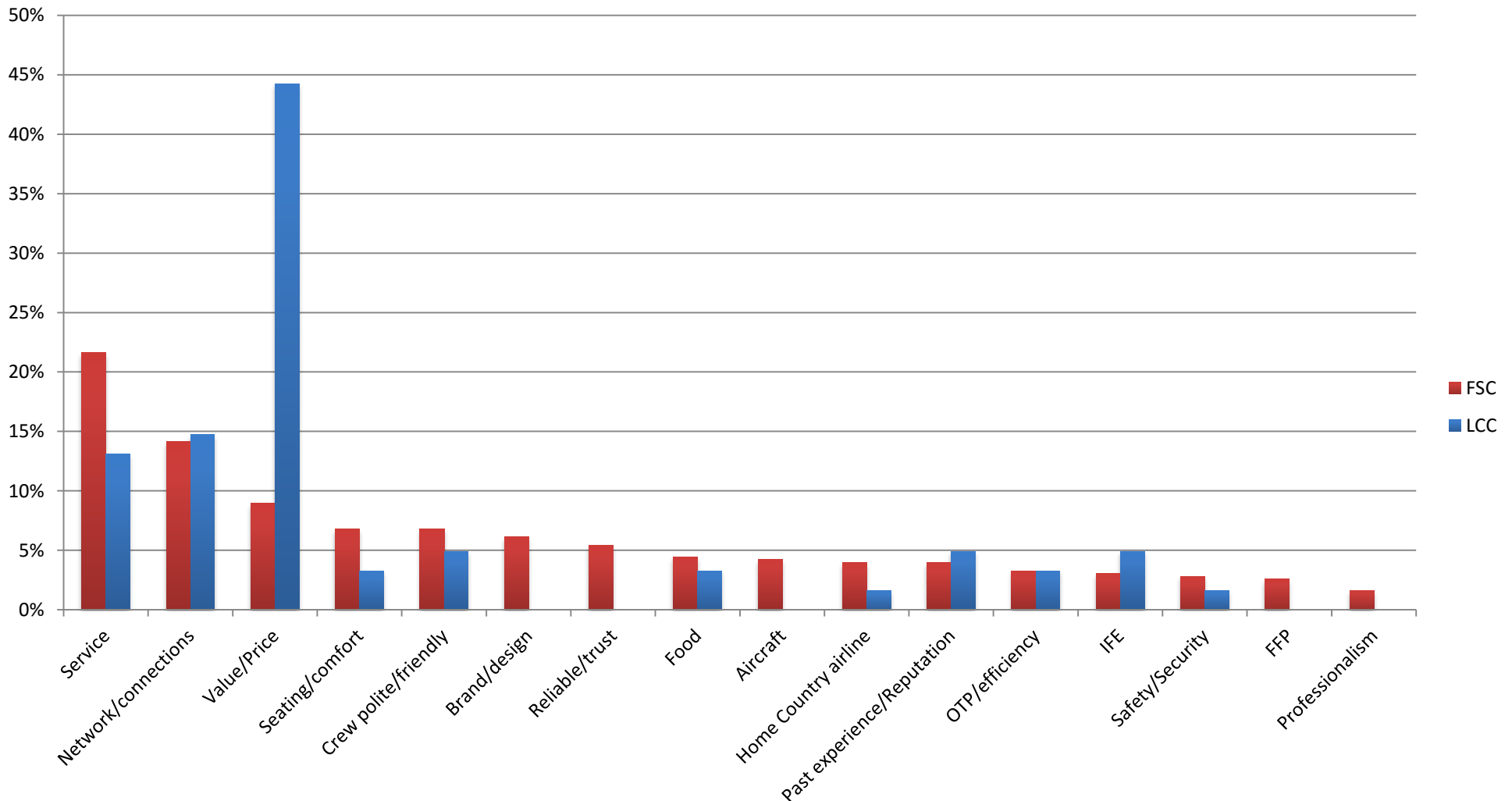
## Measures of Association

	Eta	Eta Squared
Share_of_wallet * Type of Airline	.230	.053

NB: “Share of wallet” should read  
“proportion of flights with favourite airline”  
– Fare not considered



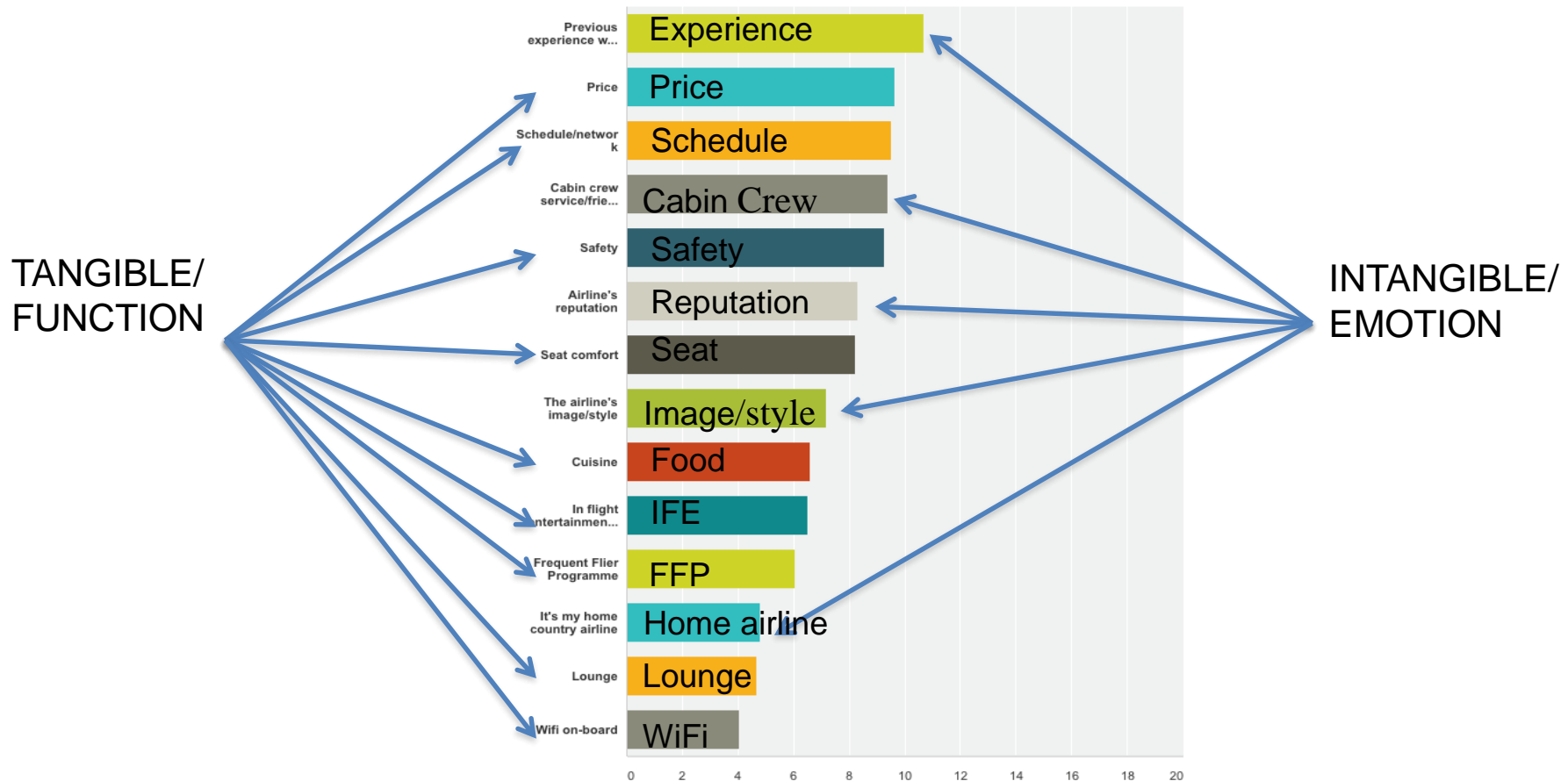
# Emotional & functional product elements influencing “favourite airline” - UNPROMPTED



# Ranking of “reasons for liking”

Please sort the following reasons for liking  
your favourite airline into your order of  
preference.

Answered: 229 Skipped: 53

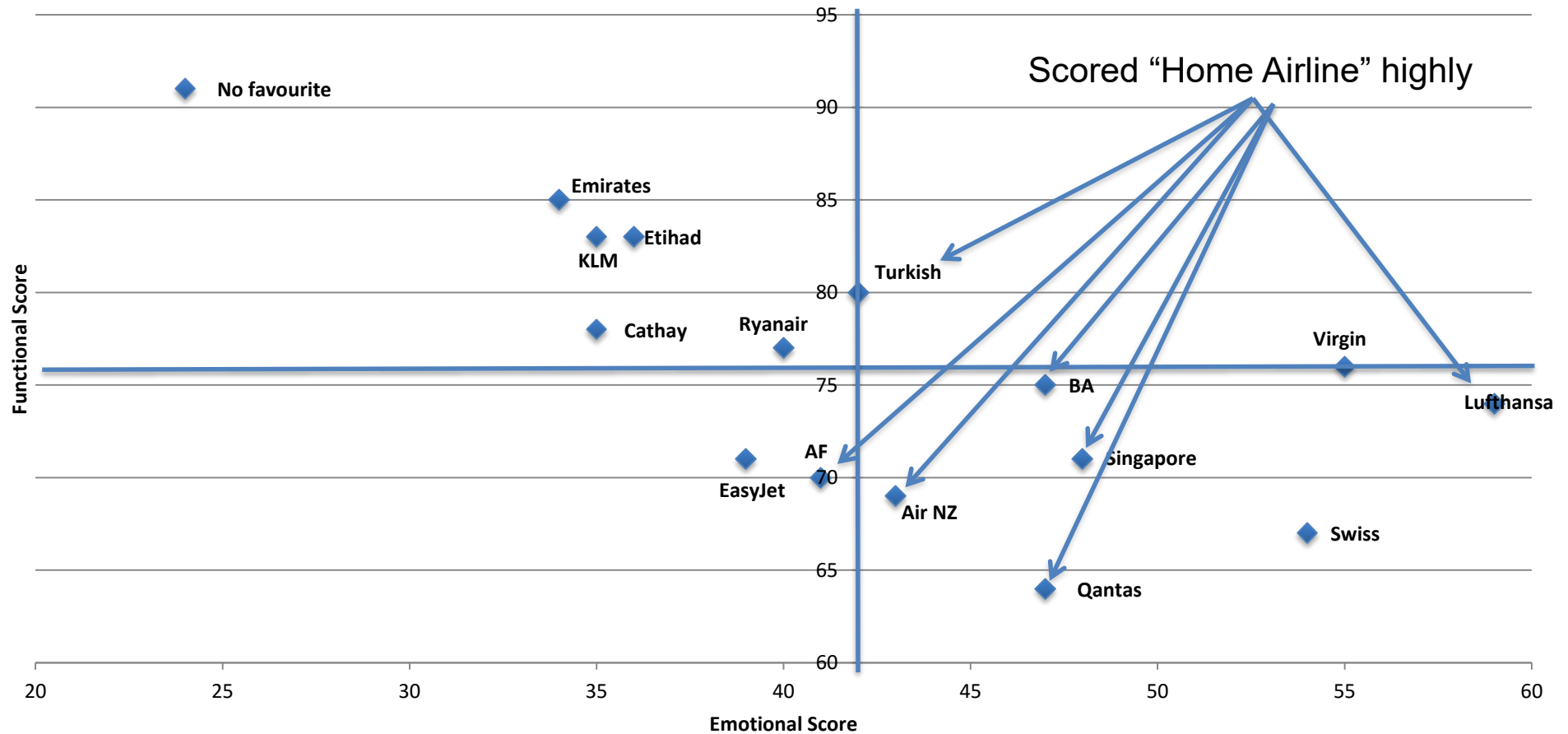




# First go at looking at emotional and functional aspects

- Took average scores for each functional and emotional item for each favoured airline
  - i.e. respondents indicated what is most important to them and we've averaged for each favoured airline
- Ranked these averages
- Aggregated for emotional variables and functional variables.
- Plotted on xy chart

## Functional and Emotional brand preferences



# Brand values in the airline industry

## Examples of Tangible

Safety  
Punctuality  
Seating Comfort  
IFE  
Seat pitch  
Minimum connect time

## Examples of Psychological Brand Values

‘Proven’ and ‘Trustworthy’  
Prestige/Status  
Fun  
Friendliness  
Patriotism  
Innovative  
Caring  
‘A Winner’

# Branding Strategies

- Global brand – a uniform brand name and product worldwide (not possible in airline industry due to ownership and bilateral regulations)
- Global brand modified for different markets (eg Global alliances?)
- Multi-brands – each product has its own unique brand name and separate brand identity. One owner but different brand names to avoid brand dilution (BA – Club World, Euro Traveller, World Traveller Plus )
- Sub-brands – brand extension on services in the same market (eg American Airlines, American Eagle)
- Corporate umbrella brands – company name becomes the brand name and used for different products and services in unrelated markets (eg Virgin and easy)

# Your brand helps you differentiate

- What you own dictates what space you occupy
- This allows the consumer to understand what you stand for and whether they're interested

# What does uniform say about your airline?



# Shandong and Sichuan Airlines

Shandong's "Me too" livery



Sichuan Airlines succeeds in differentiating its brand by drawing on traditional Chinese dress













# Successful Brand Characteristics

- Have evolved over time
- The brand values are clear (eg Virgin: fun, value for money, sense of challenge, innovation and quality)
- Company's culture is in line with brand values (eg Southwest)
- Employees recruitment is not just based on intellect and functional knowledge but also whether their values align with the value of the brand
- The employees have a good understanding of the brand and its position
- The corporate identity (logos, symbols, colours, etc) reflects the brand values
- The company is consistent in delivering its promises

# Source of Brand Strength

- Leadership - how dominant is the brand in its sector?
- Market - growth characteristics of market
- Stability – well established or not
- Internationality – international brands worth more than national ones
- Trend – sales, profits,...
- Support – marketing expenditure
- Protection – patent protection, copyright, imitation,etc

# Aspects of successful branding

Aspects of successful branding	
Consistency	36%
Understanding of customer/target	18%
Message/communication	15%
Creative/design/brand ID	13%
Relevance	12%
Differentiation/Uniqueness	12%
Key Stakeholder buy-in	11%
Positioning	10%
Clarity	9%
Connection to customer/target	9%
Awareness/recall/memorability	8%

A survey of branding experts. Source: Interbrand 2007.





**Can you believe everything you read about us?**

**Fly Irish to Ireland and discover the beautiful truth**

*Step on board the Shamrock Jet in New York or Boston and you're in Ireland. Or maybe it's just that the Irish hospitality and the charming Irish hostesses make it seem that way. So flying Irish is one way to extend your Irish vacation. Another way is to fall*

*so in love with the place, you won't want to move on anywhere else. But if you must—we help to ease the parting by flying you to almost any place you'd want to go, in Britain or continental Europe. But let's talk about that later. First of all come to Ireland and see if we're real.*



Boeing Shamrock Jets cross the Atlantic daily, touch-down at Shannon and Dublin. Network of fast One-Eleven Jets round Continental Europe. Viscount and Friendship Turbo-jets between Britain and Ireland.



**Travel time to Ireland: 2 Seconds!**

Ireland is just across the doorstep of a Shamrock Jet. Stay aboard! You're in a bright new world of warm and wondrous Irish hospitality. The hostesses are charming. And when their Irish eyes are smiling, yours are sure to smile, too. This is a happy flight, less than six flying hours from New York or Boston. Maybe what you like most is the elegant dining, or the superb service, or the serene comfort of your cabin. Or perhaps it's the fact that you're saving almost \$400 round trip, because you choose Silver Shamrock Economy Service instead of paying first class fares. You'll probably be sorry when your Irish International flight is over. But wait, you're in Ireland. Take plenty of time to get to know the friendly Irish

and the little bit of heaven they call home. Your singeing costs no extra fare. And when you're ready to leave, another smiling hostess will welcome you aboard an Irish flight from Dublin to London, Paris, Rome, Copenhagen, Barcelona, Amsterdam... any of 25 important destinations in Britain or on the Continent. Ask your Travel Agent to book your flight on the Friendly Jet Airline to Europe.



372 Fifth Avenue, New York 36, N.Y. Phone 7-0200



# Aer Lingus

Amchlár an  
Gheimhridh

1995/96

Winter Timetable



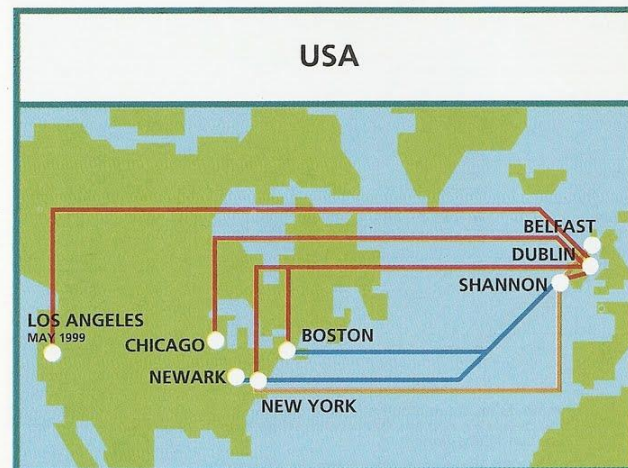
Effective from 22 October 1995

1999

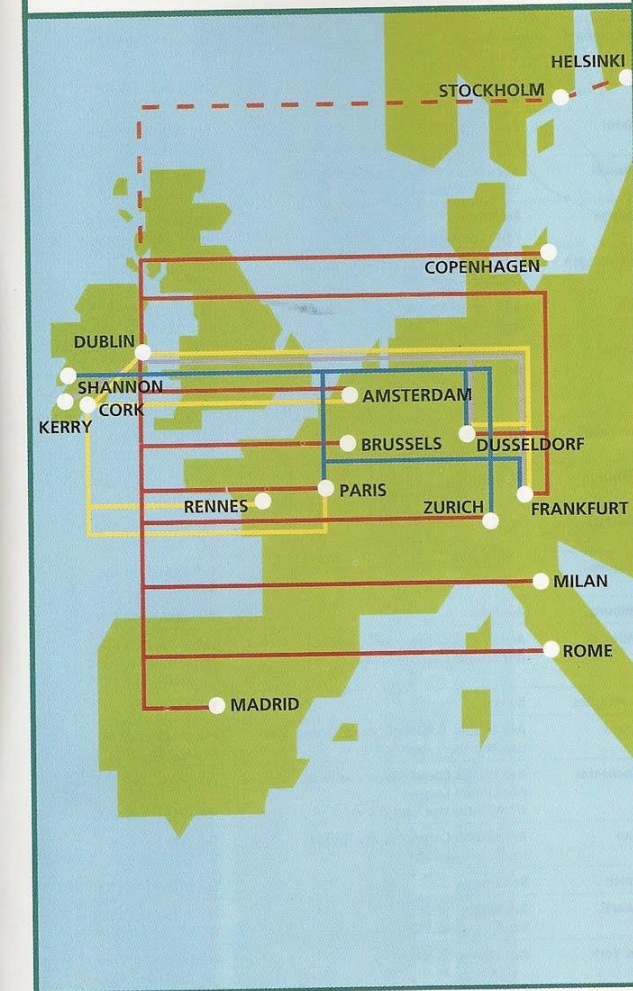
IRELAND AND UK



USA



CONTINENTAL EUROPE




KEY TO ROUTES

Dublin 

Cork 

Shannon 

Code Share 

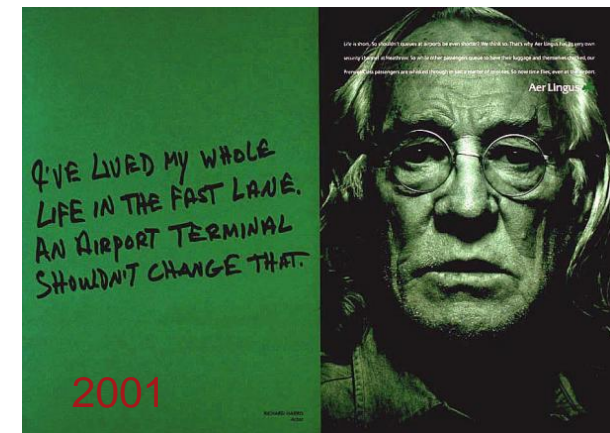
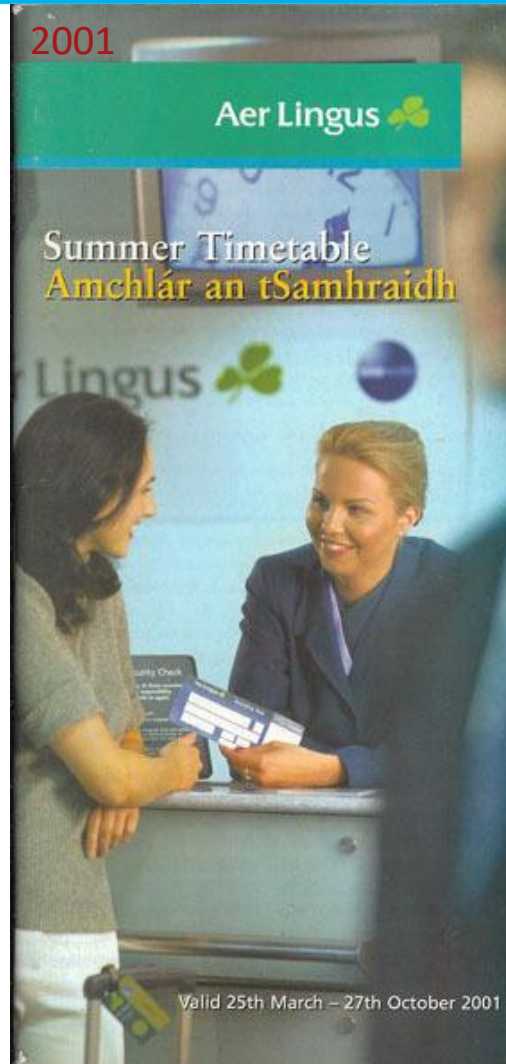
Kerry 

Knock 

Domestic 

Belfast 





2007



**Aer Lingus**   
*Enjoy Your Flight*

2008

*Some airlines claim to have the  
lowest fares, others claim the best service.*

*Not us...we've got it just right!*

*So take a fresh look and book  
your flight with Aer Lingus today.*

**aerlingus.com** 

Enjoy your flight



2008

**Ireland from**

Gatwick to Dublin from **£19**  
Heathrow to Dublin/Belfast/Cork from **£33**

All prices one way Incl. taxes + charges

**£19**

take a fresh look **aerlingus.com**

Valid for travel until 31 May 2008. Supplement applies for travel Fri - Sun. Handling charge of £4 for credit card may apply. Subject to terms, conditions and availability.

Enjoy your flight

2009

**Aer Lingus now  
fly low cost  
Gatwick to Europe**

**aerlingus.com**   
Enjoy your flight





# Full circle

2011



2013



Same as it ever was....



# Aer Lingus



Great Care. Great Fare.

# SQ in 1973



*The Advertising Archives*

**'ANNOUNCING  
THE ARRIVAL OF  
THE MOST DELICIOUS  
747 IN THE WORLD'**

In fact, our 747Bs will be the most advanced 747s in the world... and something more besides. As befits the airline whose inflight service even other airlines talk about.



**SINGAPORE AIRLINES**  
A great way to fly



2013



Does your airline have a heart?

