

Airline Branding

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Air Transportation Management, M.Sc. Program

Airline Marketing

Module 2

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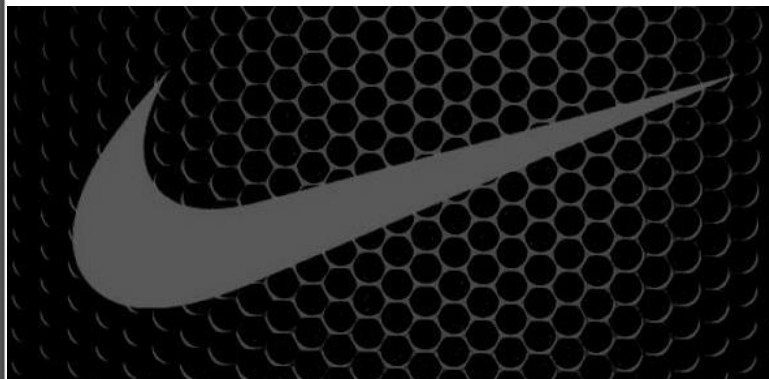
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The Outline

- What is a brand?
- Why branding?
- Branding strategies
- Characteristics of successful brands



D&G



What brand values
differentiate these
companies?



Can anything be a brand?



Can anyone be a brand?



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What is a Brand?

- A name, term, sign, symbol or design or combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors.
- It is an outcome of a carefully conceived array of activities across the whole spectrum of the marketing mix directed towards making customers to recognise the relevant added values that are unique in meeting their requirements.

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

Difficult making decisions in a crowded market

“Your brain is constantly bombarded by decisions, you get to the point where you can’t take any more.”

confusion



anxiety

frustration

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'

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

Branding Strategies

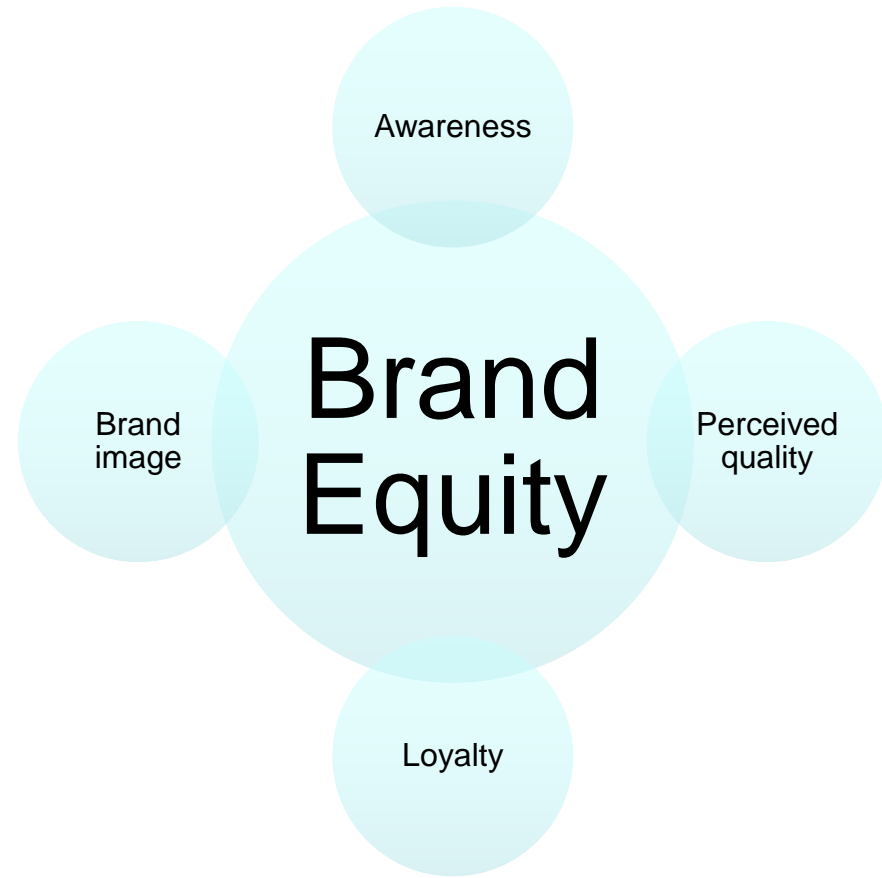
- Global brand – a uniform brand name and product worldwide (not possible in airline industry due to ownership and bilateral regulations)
- Global brand modified for different markets (eg Global alliances?)
- Multi-brands – each product has its own unique brand name and separate brand identity. One owner 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)

Brand Equity

- Consumer based brand equity
- Finance based brand equity

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

Finance based brand Equity

- A set of assets and liabilities linked to a brand name and symbol that adds to or subtracts from the value provided by a product or service to a firm and its customers
- For some companies intangible assets such as its brand accounts for a large proportion of its value (eg Coca cola attributes only 7% of its value to its machinery, Nestle bought Rowntree in 1988 for £2.5bn when its tangible assets were worth around £300m)

It's hard to be different in the airline industry

- Purchase drivers within the commercial airline market are different from many other industries
- Ultimately we all get people from A to B
 - How do we do it differently so they actively care about picking a certain carrier?
- Product innovation soon becomes the norm and expected
- Larger airlines can copy and overtake product standards fairly quickly

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?







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.



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Winter Timetable

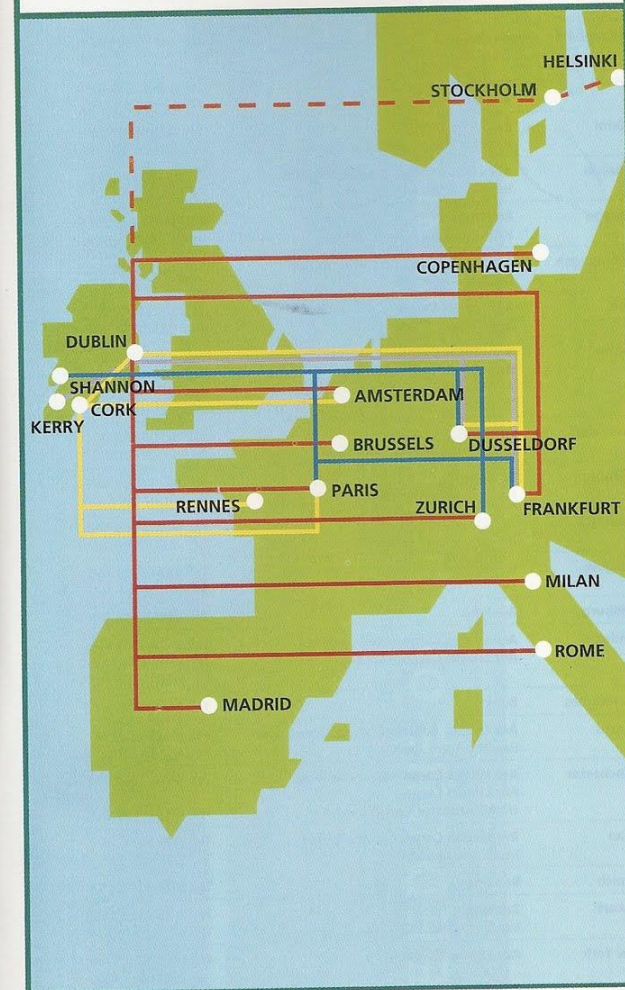
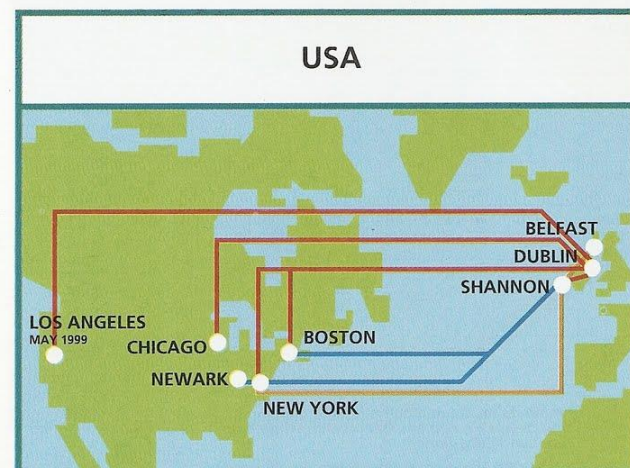


Effective from 22 October 1995

CONTINENTAL EUROPE



USA



KEY TO ROUTES


Dublin

Cork _____

Shannon _____

Code Share

Kerry _____

Knock 

Domestic

Belfast

PREMIER
Class

2001

Aer Lingus

Summer Timetable
Amchlár an tSamhraidh

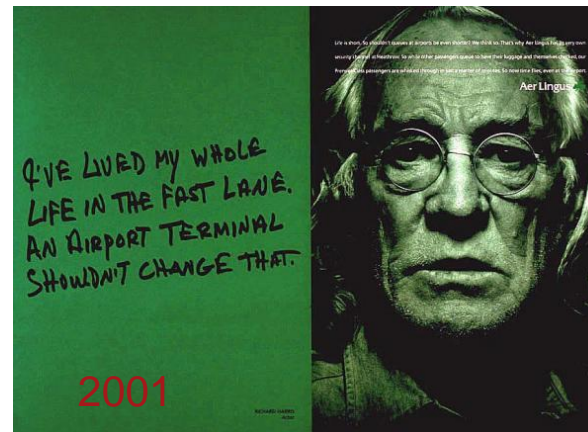
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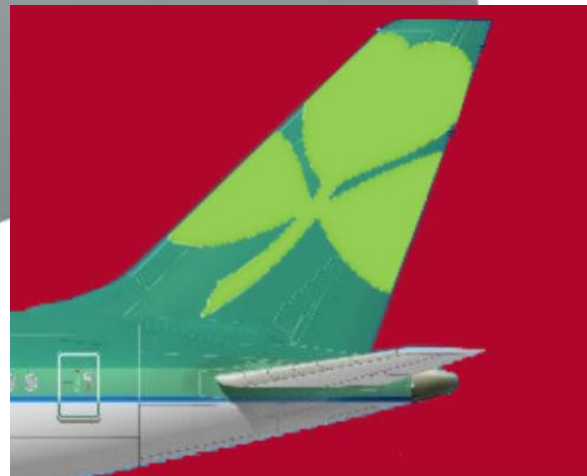
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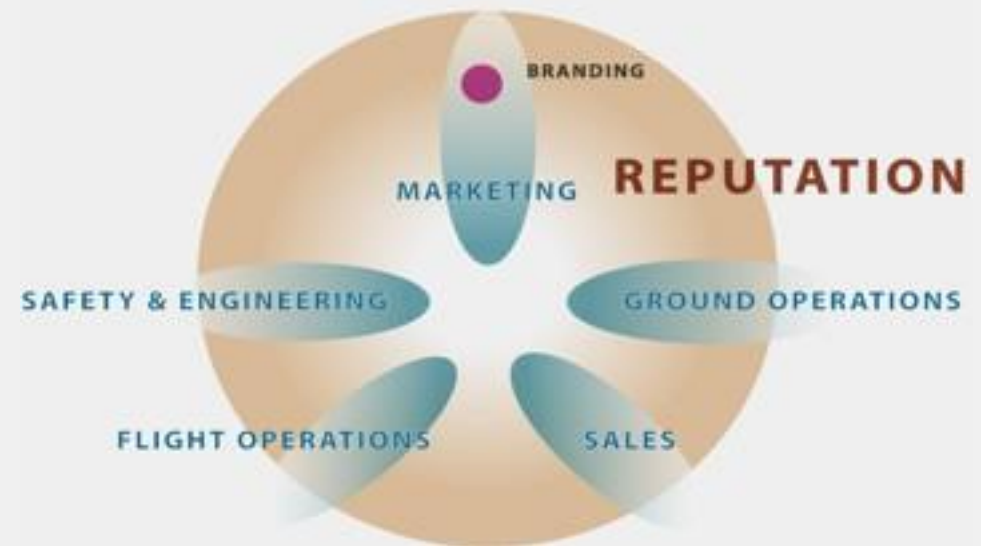


Why do airlines fail to create great brands?

- Airline customers tend to base decisions on price, FFP, schedule and occasionally aircraft fleet
- Services are harder to brand than products
- Airlines focus on easily copied functional not emotional values
- Not clearly understood or communicated brand values
- Rather (small) local markets and historically focus on nationality
- Alliance membership reinforce a view that an one airline's product is much the same as another's.



**Marketing owns
Branding**



**Everyone owns
Reputation**