

MARKETING EXCELLENCE 2

Virgin Atlantic

Still pioneering after
all these years



MARKETING
SOCIETY

AWARDS FOR
EXCELLENCE

in association with
Marketing

About The Marketing Society



INSPIRING BOLDER MARKETING LEADERSHIP

The Marketing Society is a not-for-profit organisation owned by its members, with over 2500 senior marketers. Over the past 50 years it has emerged as one of the most influential drivers of marketing in the UK business community.

The Society challenges its members to think differently and to be bolder marketing leaders by supporting the development of leading-edge thinking, and promoting the evidence of effective marketing. The Society does this through the Marketing Society Awards for Excellence; its publications Market Leader, Our Week and rich online Knowledge Zone; a national programme of world-class events; innovative professional development, such as the annual Marketing Leaders Programme; and extensive on-and-offline networking opportunities.

www.marketing-society.org.uk

Foreword

By Roisin Donnelly,
President of The Marketing Society

What is marketing excellence?



Roisin Donnelly
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Corporate Marketing
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Marketing excellence can drive breakthrough business results for the short and long term. Marketing excellence requires great strategic thinking, great creative thinking and perfect execution.

But how do we assess *marketing* excellence? First we choose brilliant industry judges who are all experienced and successful practitioners of excellence and we ask them to pick out the cases which they see as remarkable. We ask them to look for two key qualities from our winners: creativity and effectiveness.

But marketing continuously changes and evolves, as consumers become more sophisticated and demanding and the media for communicating with them ever more diverse. So the standards for marketing excellence change and in turn become more demanding.

We believe that The Marketing Society Awards for Excellence in association with *Marketing* set the standard of marketing excellence in the UK. They have established this reputation over a period of

more than 25 years, and they have always been based on the principle of searching out the best examples of different marketing techniques in action, that showcase great strategic thinking, great creativity and perfect execution.

In order to be a winner of one of the Society's Awards, marketers have to demonstrate that what they have done is outstanding in comparison with marketing in all industries not just their own particular sector.

If a marketing story has been good enough to impress our judges, then all marketers can learn from it – however senior they have become. The collection of case histories brought together in this book is the best of the best from the past four years of our Awards, and I am confident that it truly demonstrates *marketing excellence*. I have been truly inspired by these case studies and I hope you will be too.

Virgin Atlantic

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Snapshot

Virgin Atlantic's distinctive brand voice has seen the once-maverick challenger brand become one of the UK's favourite airlines.

Key insights

- A distinctive brand attitude and tone of voice has provided consistency for Virgin Atlantic while at the same time offered the brand the flexibility to behave in a dynamic, multi-faceted way.
- The sassy Still Red Hot advertising to celebrate its 25th anniversary was one of the most talked-about campaigns of 2009.
- This approach to communications has consistently fulfilled the three core objectives of keeping the brand top of mind, delivering 'Virginness' and giving people a reason to choose the airline over competitors.

Summary

Virgin Atlantic is one of the UK's major airlines, owned 51% by Richard Branson's Virgin Group and 49% by Singapore Airlines. In 2009 Virgin Atlantic celebrated its 25th anniversary with the multi-award winning Still Red Hot campaign. In an industry struggling to

ride out a worldwide global recession, this campaign was dubbed by Richard Branson the best Virgin Atlantic ad ever made.

From a marketing perspective, it marked an important milestone for the brand, not only celebrating 25 years in the business, but almost two decades of consistently disruptive communications. The consistency in Virgin Atlantic communications has come through the cultivation of an inimitable brand voice and iconic visual identity. It is this that has acted as the golden thread uniting communications.

This approach has kept the brand in the public consciousness, imbued it with 'Virginness' and helped raise it to its status today as one of the UK's favourite airlines.

The birth of a true challenger brand

In 2009 Virgin Atlantic celebrated its 25th anniversary in the midst of the global recession with the multi-award winning Still Red Hot campaign. Said by founder Richard Branson to be the best Virgin Atlantic ad ever made, it rapidly acquired iconic status.

From a marketing perspective, it was an important milestone for the brand: not only celebrating 25 years in the business, but almost two decades of consistently disruptive communications. Rather than straight-jacket such an entrepreneurial brand with a rigid communications idea, the consistency in Virgin Atlantic communications came from the cultivation of a distinctive brand voice and stylish visual identity. Whether launching a new route in the network, communicating the onboard experience or

taking tactical advantage of a gaff by long-term rival British Airways (BA), this distinctive Virgin Atlantic attitude was fundamental to the communications strategy.

Marketing is only one of many disciplines to have played a part in Virgin Atlantic's success. But marketing has been crucial to the growth of the business and key to helping the brand claim its rightful place as one of the UK's favourite brands.

It all began when Richard Branson launched Virgin Atlantic with a single leased aircraft making its inaugural flight from London Gatwick to Newark Liberty on June 22nd 1984. At the time, the idea that a brand best known for launching Culture Club and the Sex Pistols could be extended to encompass an international airline seemed hardly credible. Against

Stills from TV advertising



Terence Stamp 1993



Helen Mirren TV 1994



Grim Reaper 1997



Iggy Pop 2001

all the odds and to the surprise of many commentators, Branson turned a profit in his first year of operation. With dedication, often in the face of adversity, Virgin Atlantic continued to expand over the next decade.

RKCR and Manning Gottlieb OMD started working with Virgin Atlantic in 1994, just as the economy was sliding into recession and the airline was posting its first operating loss since launch. In partnership the three organisations developed a communications strategy that helped secure the future of the airline.

Giving voice to a maverick personality

With a route network less than a twentieth the size of BA, Virgin Atlantic was never going to be able to provide a credible alternative for all journeys. But where there was a comparable offer it was critical that Virgin Atlantic emerge as the preferred brand for both business and leisure travellers.

To this end three communications objectives were developed:

1. Keep the brand in the public consciousness so it would be thought of alongside BA (and therefore get on the consideration list).
2. Communicate the unique attitude that defines the Virgin Atlantic brand i.e. 'Virginness'.
3. Give people, whether flying Upper Class, Premium Economy or Economy, reasons to choose Virgin Atlantic over competitors.

Rather than impose a rigid campaign vehicle on such an innovative and dynamic brand, a distinctive brand voice and iconic look were adopted to act as the golden thread of consistency. This enabled effortless stretch across the wide variety of messages for each cabin, audience, route and channel as well as the ability to respond with ease to tactical opportunities.

Print ads



BA don't give a shiatsu 1993



A chauffeur at both ends 1995



Fly the flag 2005



Make it swanky 2009

The brand voice was modelled on the personality of Virgin's founder Richard Branson. If the Virgin Atlantic brand can be said to have attitude, that attitude was his — maverick, challenging, witty and innovative. For nearly 20 years this brand voice has remained consistently fresh and innovative, helping Virgin Atlantic communications rise above and stand out from the competition.

The Still Red Hot 25th anniversary campaign was the very epitome of this attitude and further leveraged the style and glamour long associated with the brand (Figure 1).



Figure 1. The Still Red Hot 25th anniversary campaign 2009



Figure 2. The 'Can't Get it Up' blimp 1999

Launching the Still Red Hot campaign with 90-second TV spots gave the brand the stature and scale needed to assert the brand's confidence at a time of economic uncertainty. This was complemented by premium outdoor sites and press titles to deliver the product superiority story. Tried and tested response-driving in the press and on the radio acted as the bedrock to the campaign, ensuring goodwill translated into sales.

Outsmarting the opposition

The Virgin Atlantic attitude was reflected as much in media strategy as creative execution. With a budget less than a third the size of BA, being seen in the company of the big established players was critical to conveying a sense of scale. Occupying environments best known for premium brands added a sense of sophistication and style. Media firsts, such as front-page colour strips in the early nineties and being the first commercial brand to run podcasts, helped reinforce the innovative nature of the brand.

Capitalising on tactical opportunities also added to the brand's dynamism and challenger status. For example:

- Placing the Upper Class Suite (new flatbeds) outside the BA lounge in Heathrow's Terminal 4.
- Flying a BA 'Can't Get it Up' blimp above the London Eye (Figure 2).
- Proactively recruiting BA business flyers during BA strikes.

Surpassing expectations

There is a wealth of evidence to demonstrate the effectiveness of Virgin Atlantic communications since 1993. But given the sheer volume of data, turning it into a comprehensive summary is problematic. This is further complicated by the inconsistencies in sources and measures over such a long period.

Despite this difficulty, results from a variety of sources have been gathered to illustrate the effect of communications against each of the three communications objectives. Particular focus is given to the Still Red Hot campaign.

Meeting objective 1: Keeping the brand in the public consciousness

To secure a brand in people's thoughts, particularly when a budget is dwarfed by that of the competitors, highly visible communications are needed — campaigns that get talked about. Stunts such as the blimp over the London Eye are examples of activity that generated significant public relations (PR) value in relation to cost.

Tracking evidence over the last 17 years shows Virgin Atlantic communications consistently achieved high levels of cut-through which translated into spontaneous awareness. For example, the first Helen Mirren 'Legs' execution in 1994 still achieved 73% spontaneous recall 12 months after airing. There was one occasion when both BA and Virgin Atlantic were targeting the same audience with a similar message about flatbeds. Branded recognition per 100 television rating points (TVRs) for Virgin Atlantic's ad 'Beauty Sleep' was more than double that of BA.

The recent Still Red Hot campaign caused just the splash intended and made sure the headlines were all Virgin Atlantic's (and for the right reasons) during the crucial January 2009 business period. There was a great deal of positive coverage on the TV in particular, including a feature on the BBC 6 o'clock news, the Chris Moyles show on Radio 1, the Alan Titchmarsh show and Loose Women. Brand buzz increased 11% points in the first two weeks of the campaign.

Looking at the full 17 year period, Virgin Atlantic closed the gap with BA in top-of-mind awareness from 54% Virgin Atlantic versus 87% BA in 1993 to 74% Virgin Atlantic vs 73% BA in 2009 (Figure 3). Communications does not claim sole responsibility for this but there is no doubt it has played a key role.

Meeting objective 2: Delivering 'Virginness'

'Virginness' is defined by the following six attributes: stylish, helpful, up-to-date, dynamic, innovative, fun. Each of these attributes has been shown to correlate with brand preference and is therefore key to ensuring the efficacy of communications.

Since 1993 all six attributes increased significantly relative to BA. Tracking evidence shows this can be attributed directly to communications, with individual campaigns generating significant increases in each of these brand scores (Figure 4).

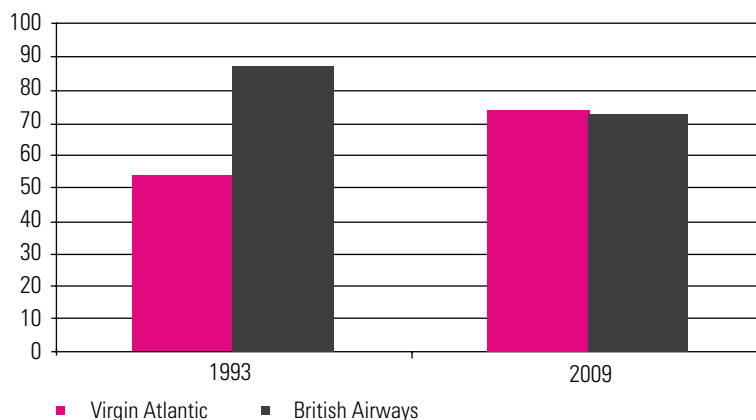


Figure 3. Spontaneous brand awareness of Virgin Atlantic vs BA 1993-2009
Sources: 1993 Brand Asset Valuator (spontaneous brand awareness among travellers); 2009 Hall & Partners Tracking, June (spontaneous brand consideration among first / business class long haul passengers)

The Still Red Hot campaign enhanced Virginness even more (which in turn correlates with brand preference).

Meeting objective 3: Giving people reasons to choose Virgin Atlantic

This objective can be measured through increased brand preference over time, corresponding with communications. Between 1993 and 2006 brand preference for Virgin Atlantic relative to BA increased from 49 to 73. This means by 2005 Virgin Atlantic had gained significant ground but still lagged behind its rival.

Tracking evidence from Virgin Atlantic campaigns pointed to significant increases in brand preference after each burst of advertising from 1996-2006. The fact that 54% of people said they would consider Virgin Atlantic in the future, yet only 28% had actually flown with the airline, showed preference had not been solely driven by the onboard experience.

Still Red Hot had a direct impact on preference for the brand among all audiences, finally pushing Virgin Atlantic ahead of BA on the measure for all three traveller groups (Table 1). These unprecedented levels of brand preference coincided with record sales for Virgin Atlantic in a market severely depressed by the global recession. On the 27th January 2009 all records were broken for revenue and bookings on the Virgin Atlantic website. In addition, UK bookings were up 28% year-on-year (YOY) and revenue was up 2.3% YOY, while bookings coming via pay-per-click tripled in the last week of January.

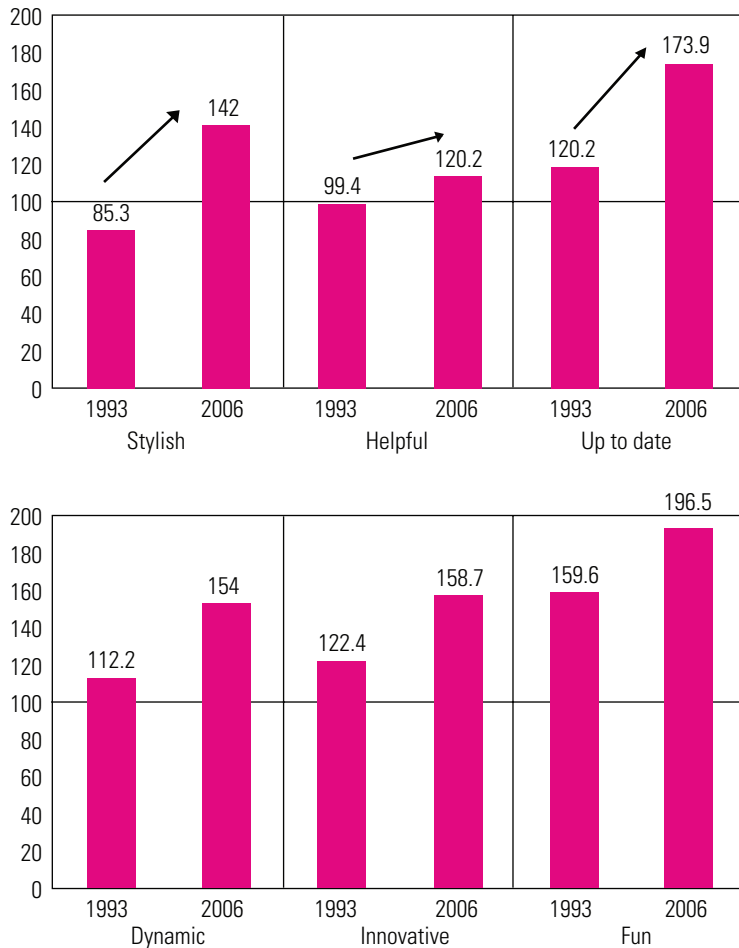


Figure 4. Strengthening of "Virginness" for Virgin Atlantic relative to British Airways between 1993 and 2006 (Brand Asset Valuator 1993-2006)

Solid returns

In May 2009 Virgin published a £68 million profit and a bonus handout for all employees just one day after BA publicly admitted to a £401 million operating loss.

Table 1. Brand preference for Virgin Atlantic and BA-Jan/Feb 09 vs 08
Source: Hall & Partners Brand Tracking

	January 2008(%)	January 2009(%)
First/business travellers		
Virgin	47	64
BA	63	63
Premium economy travellers		
Virgin	55	72
BA	61	64
Economy travellers		
Virgin	24	47
BA	35	38

Despite the compelling evidence that communications for Virgin Atlantic have been successful at meeting the three key objectives, with such a complex market and so many factors influencing sales, econometric modelling is the only way to isolate and quantify the impact of communications.

The latest Virgin Atlantic econometric models built by BrandScience cover the period from March 2007 to February 2009. While not necessarily representative of the full 17-year case history it is an indicator of the level of return that has been delivered. It is estimated that a total of 184,865 bookings were generated over this time with the following breakdown

by cabin class:

- 125,583 in Economy
- 19,862 in Premium Economy
- 39,420 in Upper Class

This equates to a total of £213.64 million in incremental revenue. Based on a total investment in marketing communications of £20.77 million over this same period there was a revenue return of £10.28 for every £1 invested in communications between March 2007 and February 2009.

Looking at the Still Red Hot campaign in isolation, the return on investment was even higher at around £19 revenue for every £1 spent.

There can thus be little doubt that the communications has not only made the sense of 'Virginness' surrounding the brand ever stronger, but it has delivered substantial benefits to the company's performance.

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We're the world's sixth-largest insurance group and the biggest in the UK, with 46,000 employees that everyday serve 53 million customers worldwide.

We are committed to delivering one distinctive experience for our customers. Wherever they are, we want them each to feel that "no one recognises me like Aviva". Our global consumer research reveals that most of our competitors are particularly bad at recognising people's individual significance. This research also tells us that small human touches can make a huge difference to a customer's experience. Our aim is to make recognition the familiar quality that distinguishes Aviva from our competitors - just as Apple means user-friendliness and FedEx means reliability.

BT operates in over 170 countries and is one of the world's leading communications services companies. BT is a major supplier of networked IT services to government departments and multinational companies. It's the UK's largest communications service provider to consumer and business markets and is made up primarily of four customer-facing lines of business: BT Retail, BT Global Services, Openreach, and BT Wholesale.

BT operates in a thriving, multi-trillion pound industry that spans the whole world. In recent years the global communications market has been focused on convergence, whereby the boundaries between telcos, IT companies, software businesses, hardware manufacturers and broadcasters have become intertwined to create a new communications industry.

BT has evolved from being a supplier of telephony services to become a



"We know insurance isn't just about policies' and pensions; it's about people. That's why we're making our customers the big picture, putting a spotlight on them and our people. Putting customers at the heart of everything not only makes sense for them, it makes good commercial sense too." (Amanda Mackenzie, Aviva's chief marketing and communications officer)

We are working hard every day to build the company around what our customers want from us. That's why Aviva now ranks among the UK's top ten most valuable brands, according to the 2010 Brand Finance Global 500 survey and that success is something we are looking to replicate across the world.



leading provider of innovative communications products, services, solutions and entertainment products. BT's business customers range from multinational, multi-site corporations to SMEs and start-ups.

More than 80 per cent of the FTSE 100 and 40 per cent of Fortune 500 companies rely on BT for networking, applications and system integration. The National Health Service, Procter & Gamble, PepsiCo, BMW, Emirates, Fiat, Microsoft, Philips, and Unilever are just some of the organisations working with BT.

BT has been a driving force behind the success of 'Broadband Britain'. Thanks to the company's investment, nearly every home in Britain now has access to broadband and in September 2009, BT announced plans to more than double the availability of its fastest fibre broadband service.

MARKETING EXCELLENCE 2

“A treasure trove of examples covering the whole waterfront, from launching new brands to revitalising, sustaining and extending established ones, and from insights to advertising and sustainability. Whatever your business, it should make you proud to be a marketer, shake up your thinking and inspire you to go the extra mile.”

Professor Patrick Barwise, London Business School, Chairman of Which?

“This exciting book demonstrates how great marketing can solve the most difficult problems, through analysis, teamwork and creativity.

It contains 34 fascinating case studies, selected from hundreds of high quality entries to The Marketing Society Awards for Excellence. Those involved had the determination to win, and the courage to think differently. An inspiring read.”

Professor Hugh Davidson, Co-Founder, Oxford Strategic Marketing

“This is the textbook, the toolkit and the manual for marketing excellence.”

Cilla Snowball, Chairman, AMV BBDO

“These cases are a great source to stimulate your thinking. Some will stimulate new thoughts, some will unlock ideas from the back of your memory. All of them however are great fuel for growth.”

Keith Weed, Chief Marketing and Communication Officer, Unilever

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