

# 10 Airline Selling, Advertising and Promotional Policies

We are nearly at the end of our survey of marketing principles and their application to the airline industry, but one crucial step remains for discussion. The subjects addressed so far show how airlines can analyse their markets and their marketing environment, plot a sound strategy, and, following on from this, put in place correct product, branding, pricing and distribution policies. In order to be successful, though, they must convince and persuade potential customers to buy from them rather than from their rivals. The early stages of marketing should certainly make this process easier. It will always be more straightforward to persuade people to buy value-for-money products which will meet well-understood customer needs, rather than those which do not. In no sense, though, is the sales task an easy one, given the levels of competition which now prevail in the industry. A great deal of planning and hard work will be needed, and this Chapter will discuss the necessary skills.

## 10:1 The Anatomy of a Sale

### *10:1:1 The AIDA Model and the SPIN Cycle*

In order to understand the sales process as a whole, it is essential to look at some of the theoretical principles which underlie selling in any field. We will then apply these principles to the airline industry.

In all selling situations, it will first of all be necessary to identify the prospect and gain their *Attention*. This may be done using methods such as advertising, direct mail or the telephone. Once this has been achieved, a sales can only result if the salesperson is successful in awakening the *Interest* of the prospect.

It might be thought that the best way of arousing interest would be for them to launch into a long description of all the attractive features of their product. This is not so. Successful selling results from every effort being made to find out about the customer's problems and demonstrating the ways in which these problems can be solved.

Problem analysis in turn requires a systematic approach, based on a

logical series of questions. The first questions should be so-called *Situation* questions, designed to isolate the prospect's present buying habits. A business traveller might, for example, be asked about the airlines they choose, the routes on which they fly, how often and in which class of service. All of these would be examples of Situation questioning. Next, *Problem* questioning will be needed. These are the questions which are designed to make the prospect think of any areas where the present situation is unsatisfactory. The salesperson might ask about the prospect's experience of the punctuality record of one of the airlines they are choosing, if there is a suspicion that this airline is performing poorly. Hopefully, the prospect will admit that they have been the victim of a number of flight delays. If they do, it will be time to move on to *Implication* questions. These build the significance of the problem in the prospect's mind. In the case of delayed flights, there is an almost limitless number of Implications. These can include cases where the prospect arrived late for an important meeting, or where they had to travel the previous evening – with extra costs in accommodation and time away from office or family – in order to be sure that they arrived at a morning meeting on time. Finally, there will be the requirement to ask so-called *Need/Payoff* questions.<sup>15</sup> These put into the prospect's mind the idea that there might be a solution to their problem. Again, using the delayed flight example, this would be the point at which the salesperson would describe the – hopefully much better – punctuality performance of the airline they are representing.

Once proper questioning about needs has been undertaken, it will be safe to proceed to the point where the salesperson can move from the task of developing interest into that of converting interest into the *Desire* to make the purchase. This will involve presenting the solution to the customer's problem, and then moving on to the benefits of adopting the solution using a 'This Means That ...' statement.

Promoting Desire may also involve the handling of Objections. The prospect may, for example, say that they do not believe the salesperson's claims, or that they regard the suggested solution as being too expensive.

Whatever the Objection, it must be handled professionally. The salesperson must ask as many questions as they need to do in order to understand the exact nature of the Objection. They must then make the Objection as specific as they can. It is not possible, for example, to manage an Objection well if the prospect merely says "X is a bad airline" or they don't fly X because the carrier is 'always late'. Questioning should establish exactly what experiences have led to the view that the airline is a

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<sup>15</sup> The SPIN cycle is fully described by its inventor, Neil Rackham in 'SPIN Selling' Gower Press 1995.

poor one, or that its punctuality performance is disappointing. Once this has been done, counterbalancing points can be given which address the precise concerns. These can often take the form of statements as to why the situation has improved since the unsatisfactory incidents took place.

The last stage of the AIDA model follows on from the nurturing of Desire. It is that of *Action*. Despite the importance of the earlier stages of the sale, nothing concrete has been achieved until the prospect has been persuaded to buy the product or service on offer. Salespeople must have the courage to risk rejection and ask for the deal, once the signs are there that the earlier stages of the sale have been completed successfully. These signs can be identified from the body language of the prospect, or by the fact that they start using so-called Verbal Buying Signals – for example, asking about the details of a deal rather than discussing whether the deal should be concluded or not.

In applying the general AIDA model to the specifics of the airline industry, two features stand out. Firstly, airline sales executives do not sell a tangible product in the way that, say, a second-hand car dealer does. Rather, for the greater part of the time, their task is to sell a long-term relationship with customers such as travel agents or corporate travel buyers. Therefore, the signing of an initial deal is always the beginning of the task of building a relationship, rather than the end of a process. Also, airline salespeople generally become involved in long sales campaigns. They can rarely expect to close a deal after merely one visit to the prospect. They therefore need skills in the managing of sales campaigns and in measuring progress through a campaign. This will involve the question of reaching the right decision-makers, something which was discussed in Section 2:2:3.

## **10:2 Sales Planning**

### *10:2:1 The Sales Budget*

Given the challenging and complex nature of the sales task in the airline industry, sound planning will be essential if it is to be accomplished successfully.

Such planning will need to take place at different levels. An overall sales and marketing plan will be needed for the airline as a whole, and preparing this will be the responsibility of the Executive Vice-president for Marketing working with the other senior managers of the company. Amongst the crucial issues that this will settle is the total budget that will be available to underwrite the sales effort.

At a lower level, comparable sales and marketing plans will be needed

for each sales region in the airline's network. These will, amongst other things, decide how the overall sales budget should be allocated between the regions, and how each region will spend the available funds. The latter will require decisions on the so-called 'Communications Mix', the ways in which the different forms of marketing communication are brought together to make up, hopefully, an integrated and successful policy.

Any form of budget-setting is likely to involve a difficult and contentious internal debate. Such debate, though, is likely to be especially intense when it involves decisions about the money to be spent on the sales and marketing effort. No-one, presumably, would dispute the point that some cash will be needed to support sales and marketing. The problem is that measuring the return obtained on such spending is notoriously difficult. It also does not produce a tangible result in the way that spending the same money on a fixed asset such as an aircraft would. It is therefore important that sales and marketing managers should be able to make the case for the money they need in a persuasive and credible way.

Traditionally, one can find three ways in which this case has been made. Two of these are simple and straightforward, but unfortunately wrong. The third is much more difficult, but is the one most likely to lead to a positive outcome.

Of the incorrect methods, it still happens that budget requests are made using the so-called Percentage of Revenue method. This is where the request is made for a promotional budget based on a fixed percentage of the revenue which the sales and marketing team have achieved in the last year or which they will be expected to produce in the next one.

This concept certainly has the merit of speed and simplicity, but it is fundamentally incorrect. It ties spending to the prevailing market conditions. If the market is buoyant, revenue will rise naturally and promotional spending with it. If market conditions deteriorate, there is a risk that revenues will fall and that promotional spending will therefore follow. The worst possible situation could then result, with a downward spiral of falling revenue leading to a smaller promotional budget which will in turn cause a further loss of revenue.

The promotional budget should actually follow exactly the opposite pattern to the one which will result from the Percentage of Revenue concept. When the market is growing strongly, an airline operating in that market will be able to increase its own revenue in line with the market for only a small promotional spend. When the overall market is stagnant or declining, success for the individual firm can only come by it increasing its share of the market. Growth through increasing market share is notoriously difficult, and will only come about through a determined, and costly, marketing communications effort.

The second common way for a promotional budget to be settled is for it to be based on what was agreed for the previous year with an adjustment for inflation. Whilst such an approach may be inevitable in the real world of corporate politics, it results in the promotional budget being at roughly the same level year after year without the necessary questions ever being asked as to whether it is correctly pitched or not.

This last point leads us on to the correct way to set a promotional budget, which is known as the Task-Based Method. Under this, the budget is set by first asking and then answering a series of questions about the money which will be needed if the target revenue and profit for the year is to be achieved. Whilst there can be no precise answer to these questions, the fact that they are asked at all means that a sound approach to sales budgeting is more likely.

Of these questions, the first has already been mentioned, but its influence on decision-making should be the reverse of that implied by the Percentage of Revenue concept. If a market is stagnant or declining this is an indicator that higher promotional spending will be needed.

It will also be necessary to take account of the spending of the airline's competitors. Whilst in principle it may not be necessary to exactly match the budget of a high-spending rival, there will at least need to be a reasonable relationship with the expenditure of others. If there isn't, the airline's efforts will simply be swamped.

The problem, of course, in the airline industry is that airlines have to compete both in their home market, where they should be dominant, and at the other end of the routes they fly, where the home airline is likely to be in a similarly strong position. Therefore, it is often the case that in overseas markets even airlines with a large promotional spend are being heavily out-spent. They therefore have a particular need to ensure that every dollar they have is made to work as hard as possible.

Besides the question of the promotional spending of competitors, the number and quality of these competitors will be of obvious importance. A carrier fortunate to have only a small number of poor quality competitors in a particular market should not spend a great deal on persuading people to fly with it who will do so anyway. Instead, the money should be used in other, difficult markets or kept for the time when conditions become more challenging.

The nature of the marketing task in any particular year will also need to be considered. It may be a year in which new routes are to be launched, or when a major product upgrade is to take place. If it is, substantial extra cash will be needed to ensure that these new developments are explained and promoted to actual and potential customers.

A further, important question will be that of brand positioning. As was

discussed in Section 8:3, airlines sometimes attempt a fundamental repositioning of their brand. As we saw then, a case in point was the Canadian carrier Wardair which attempted – unsuccessfully – to change from being a leisure travel airline to one with a substantial presence in the business travel market. Something as ambitious as this will only stand any chance of being successful if it is underwritten by a substantial promotional budget.

Other airlines may not be attempting a major brand repositioning. They do, though, need to strengthen their brand. They may, for example, have carried out attitude studies which show that the airline is perceived in a poor light by potential customers in terms of such crucial issues as punctuality and customer service. If they have, some honest assessment of the situation will be required. It could be that these attitudes are a legacy of a time when the carrier thoroughly deserved a poor reputation, with today's situation much better. If they are, then investment in marketing communications will be justified because this can be used to persuade customers to give the airline another chance and to experience today's improved product standards. If, on the other hand, today's standards are as bad as ever, it is a delusion to think that marketing communications expenditure can rescue the situation. It will probably make things worse. There will be a temptation to embark on a communications campaign aimed at getting people to try the airline again. When they do, and find that things are the same, they will feel betrayed and tricked by the messages that have been put out to them. In such a situation, any available funds should be spent on addressing the product and service weaknesses which are at the heart of its problems, with investment in marketing communications a much lower priority. Whatever is spent should be focussed on making non-controversial, factual claims about such aspects as network and flight timings, rather than on the making of false claims about an improving product.

A final and inevitable factor will be the cost of the different forms of marketing communication. Generally, media buying costs have risen in recent years. In the future they may fall as the advent of, in particular, digital television increases competition in attracting advertising and promotional spend. The problem then will be that the fragmentation of the different media will make it harder and harder to reach a target audience effectively – indeed this is already the case. Overall, it is likely that the cost of marketing communications will rise at least as fast as the rate of inflation, and any bid for a promotional budget should reflect this.

### *10:2:2 The 'Communications Mix'*<sup>16</sup>

Once a budget has been obtained, the airline marketing manager's task is to decide how to spend the budget in the most effective way. In doing so, they have a clear problem: the number of ways in which money can be spent is now a bewildering one. Choosing between them will therefore require a great deal of thought and analysis. It is possible to spend money on sponsorships, database marketing, media relations, trade entertaining, on various forms of advertising (including through the Internet) and through personal selling through investment in a field sales team.

Each of these will have different advantages and disadvantages. Our next task is to discuss them in turn, and also to consider the ways in which each technique should be used to ensure that it provides the best value-for-money. Once we have done so, it will become clearer as to how the different methods can be combined into an optimum Communications Mix.

## **10:3 Marketing Communication Techniques**

### *10:3:1 Sponsorship Policy*

The term 'Sponsorship' is used to describe a situation whereby a firm has its name associated with an event, a team or a competitor, in exchange for money.

In recent years, sponsorships have become increasingly important in marketing communication generally. They have certainly done so in the airline industry. It is not difficult to see why. A successful sponsorship can result in a firm's name becoming widely known, very quickly. This can be especially valuable for a new airline, or for an established operator opening a new route into a market area where it has had no previous presence. Sponsorships can also help in building and reinforcing brand values. They can provide useful opportunities for corporate hospitality and trade entertaining. They can sometimes produce directly increments of new business, especially if an airline is nominated as the 'Official Carrier' for an event, as part of a deal to sponsor it. Lastly, they address problems associated with the fragmentation of media advertising opportunities which multi-channel broadcasting has caused.

Despite these advantages, the question of sponsorship remains a

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<sup>16</sup> For more detailed coverage see P R Smith, J Taylor, "Marketing Communications: An Integrated Approach", Third Edition, Kogan Page 2003 and C.Fill 'Marketing Communications' 4<sup>th</sup> Edn 2005 Prentice Hall

controversial one. It is notoriously difficult to measure and quantify the benefits obtained from sponsorships, and the suspicion will therefore always remain that a great deal of the resources put into them are wasted. This is an especially serious point because airlines everywhere find that they are inundated with sponsorship requests. Many carriers are identified as national representatives, and many people in the countries where they are based see sponsorship activities as the airline's patriotic duty. Also, there is a perception that air tickets are available to airlines free-of-charge, and that giving away tickets in a barter deal associated with a sponsorship costs them nothing. The problem here is that when a carrier agrees to a sponsorship in return for free tickets, they have fewer seats left to sell to revenue passengers. They must accept that there will be a significant cost associated with a free ticket, if this results in a potential revenue passenger being denied a seat on the flight of their choice, and such tickets must therefore be seen as a form of currency. Only if such tickets are truly offered on a subject-to-load basis can they be seen as having a negligible cost.

There are a number of rules which must be followed to ensure a successful use of sponsorship. Crucial amongst these is that the airline must decide what are the values which underlie its brand, and must only undertake sponsorships which reinforce them.

For all airlines, the cornerstone of their brand is safety. The sponsorship rule which flows from this is absolutely clear. No airline should have anything to do with any event which is dangerous. The risks of a catastrophic accident giving an association between the airline's name and danger and death is simply not worth taking. It is remarkable how many airlines have ignored this fundamental rule in recent years with, for example both Air Canada and Qantas sponsoring Formula One motor racing and Emirates having its name associated with power-boating.

For many airlines, a reputation for quality is also crucial to their brand development. They should not, therefore, sponsor downmarket events with a poor public image. They have to be very careful, too, to be perceived as a 'Winner'. This will help them in turn to penetrate the business travel market where people who are themselves successful will want to be seen to be travelling with the airline which is a market leader. It might be thought that the best way to be seen as a winner would be to get involved in sports sponsorship and to pick competitors and teams that do well – ideally to pick those that win the events in question. Whilst this is undoubtedly true in principle, it is also extremely risky. It may not matter a great deal if the selected teams or competitors do not win, but still perform well. It will certainly matter if they are humiliated. A more cautious, but much safer option is therefore to sponsor an entire event, rather than one of the

individuals or teams in that event, and this is normally the policy which should be adopted.

A final, but important value underlying all airline brands is that of caring. Carriers should not get involved in any activities which have an adverse effect on the environment. They should at the same time be especially attracted by activities which are associated with charities and other good causes.

Once a decision has been made in principle as to the activities with which the airlines wishes to be associated, steps must be taken to ensure that the maximum value-for-money is obtained from them. Here, it is first of all important that the airline should if possible be the sole sponsor – certainly no other airlines should be involved. Too many sponsors can result in the identity of each individual firm being lost. Also, the event should be one where substantial media exposure can be guaranteed, exposure in which the sponsor's name will feature prominently.

In terms of assessing whether or not a sponsorship provides value-for-money, its likely full costs should be should be quantified. This costing must include items such as any client hospitality provided, and any promotional back-up offered through special giveaways etc. Then, at least for a major sponsorship, research should be commissioned, related to its objectives. If the principal objective is to raise awareness, the research task will be an easy one. A study will be needed in the relevant market area of awareness levels before and after the sponsorship, with, hopefully, a significant positive change being the result. Where the objective is to improve the image and perception of the airline, the required research will be more complex and will almost certainly involve a quantitative study, and also some qualitative, focus group-based, research.

### *10:3:2 Database Marketing*<sup>17</sup>

Like sponsorship, Database Marketing has been increasing quickly in importance in airline marketing communication. In Section 9:3, we discussed the role of Frequent Flyer Programmes in enabling airlines to produce effective databases. Today, storing and processing database information is cheaper than it has ever been. At the same time, carriers are seeking to make better contact with their retail customers as a component of their strategy to secure greater control of their distribution channels and they have seen database marketing as a way of doing so. The subject

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<sup>17</sup> For further discussion of the principles of database marketing see G M McCorkell, "Direct and Database Marketing", Kogan Page 1997 and D Bird "Commonsense Director Marketing" 4<sup>th</sup> Edition, Kogan Page 2000.

remains, though, controversial and in this section we have to look at both the advantages and disadvantages which Database Marketing brings, and the decisions which will have to be made to ensure that it brings the best possible results.

With advantages, beyond question the main one is that, if it is properly applied, database marketing will allow for finer market segmentations and better targeting of marketing messages, in a way that media advertising, for example, cannot. We have now moved away from a proposition that airlines' markets can be divided into just 'business' and 'leisure' travellers. In business travel, customers can be divided up by the routes they fly and the class of service which they (or their employer) choose. A tactical advertisement announcing, say, an increase in frequency on a particular route will be seen by many people who never fly that route. One which describes a re-launch of Business Class will be seen by many people – and may irritate them – who are forced to travel in Economy and who will merely learn what they are missing. Database marketing should avoid this problem.

In leisure air travel, there is an increasing need to recognise discreet market segments, especially amongst discerning, up-market travellers. People vary, for example, in their stage-of-life and personal circumstances. Travel needs will also be distinctly different for families with young children compared with couples or singles. Preference may vary according to age. Also, hobbies and interests form an increasingly useful basis for market segmentation. People who travel, for example, for winter sports, golf, fishing etc all form distinct and potentially valuable market segments.

Database Marketing allows for fine segmentations, and permits messages to be prepared and communicated which demonstrate an airline's ability to meet a precise set of needs. Traditional media advertising cannot offer the same opportunities.

Other features of Database Marketing are that it permits tactical messages to be communicated quickly, and only to those people that the airline wishes to tell. Buying advertising space may involve delay if the space has to be booked in advance. It will also mean that offers of, say, discounted fares become generally known, rather than knowledge of them being confined to those people whom it is in the airline's interest to approach.

Despite these very significant advantages, the use of database marketing in the airline industry remains controversial. If the selected medium for using a database is the telephone, many people still regard an unsolicited telephone call as an invasion of their privacy. The same may apply to a mailshot, fax or Email, albeit to a somewhat lesser degree. With these latter media, though, the problem is one of over-use. The modern

executive's in-tray or in-box is awash with database marketing communications. Many of these will be ignored and thrown straight into the waste paper bin or deleted. Only the most professional of messages will be seen and acted upon.

A further, important point with Database Marketing is that it must be viewed as an expensive form of marketing communication. The costs of a database marketing campaign might at first appear to be small in comparison with one based on, say, media advertising. The relevant cost, though, is not the total cost but a unit cost measure expressed in Cost-per-Thousand terms. Using such measures, database marketing can be a high-cost solution.

Putting all these points together, the conclusion is clear. Database marketing campaigns must be executed with the utmost professionalism. If they aren't, the only result will be a costly waste of time and money.

To achieve such professionalism, there are a number of rules which must be followed:

#### *Responsibilities and Timescales*

Successful Database Marketing requires a proper definition of objectives and a sound action plan which is properly formulated and communicated. This should be made the responsibility of one individual.

#### *"Integration"*

Database Marketing should never be implemented on its own, without proper consideration being given to its integration into the firm's wider marketing communication activities. At a narrow level, this may mean a simple, but very necessary co-ordination between the breaking of a media advertising campaign, and the sending out of a mailshot based on it. More broadly, though, it will be necessary to ensure that no contradictory messages are sent out. An airline seeking to position itself as a premium brand, aiming mainly at the business air traveller, should not put out advertising targeted at that market segment whilst at the same time sending out mailing material of poor quality emphasising the wide availability of cheap fares.

#### *Databases*

Sound information in a convenient-to-use form is absolutely essential for successful Database Marketing. A great deal of attention may be devoted to the production of attractive mailing material, but if this material is then sent to the wrong people, a campaign based on it has no chance of success. Indeed, poor material sent to exactly the right people will achieve more.

In some senses, database management is now less of a problem that it

once was, because computing power and the relevant software is now cheap and widely understood. However, problems associated with obtaining the necessary data and processing it are increasing through time rather than easing.

In searching out database information, some fundamental divisions of the data can be made. Firstly, it will be necessary to obtain *demographic* details about the target audience for a campaign. This will obviously include names, addresses and titles. It is important that names should be correctly spelt and titles accurate. If a job title is to be used, this should reflect a person's status with the organisation they work for.

A further requirement with demographic data is that it should be de-duplicated. It might be thought that duplicates in a database are a minor problem, resulting in a small increase in mailing costs as the same communication is sent to one recipient twice. Duplicates are much more serious than this, because they give the impression that the company sending out the mailing is incompetent and inefficient. Few people will buy from a firm when this is their perception of it. Fortunately, modern database management software generally includes a de-duplication package and the use of this can eliminate many of the problems.

In seeking out demographic information, by far the best sources are those based on situations where people volunteer to be included in a database. Besides addressing to a large degree invasion of privacy issues, cases where people offer their names voluntarily are generally much easier to deal with under the terms of the relevant data protection laws in different countries.

Of potential sources of database information, attention has already been drawn in Section 9:3 to the value of a Frequent Flyer Programme. People can be asked when joining a programme to provide all necessary information about themselves. They will then keep this information up-to-date for all the time that they are a programme member, because they will be anxious to ensure that their mileage statements and free tickets are sent to the right address.

Another possible source of database information is to invite people to join a travel club. As we have already seen, the leisure travel market is changing, with significant numbers of people now searching for individually-tailored holidays, often centred around their hobbies and interests. They are also prepared to spend regularly and heavily to obtain these holidays. This development gives a classic opportunity for database marketing, and it may well be worthwhile to form a club which will enable database information to be collected and regular communication to be maintained with members.

A final opportunity to obtain database information which people have

volunteered comes with the question of low fares offers. Many airlines invite people to volunteer their Email addresses. Once they have done so, they are regularly sent information about flights where there are substantial numbers of empty seats and where the airline is able to offer them particularly attractive low prices.

Despite the attractions of databases for which people have volunteered, it will often be necessary to go beyond them. In particular, “volunteer” databases can only include people who currently fly with the airline concerned, or who at least are reasonably well-disposed towards it. They do not give opportunities for increasing market share by enabling people to be reached who are currently flying with other carriers.

Where the aim is to reach a competitor’s customers, it will generally be necessary to buy in lists. Today, these lists are often based on geographical principles, with addresses being obtained from the Electoral Register and classified according to the neighbourhoods in which people live. The proposition is that people who live near to one another will have income levels and spending patterns that are to a significant degree similar. The problem with these lists is that they go out-of-date very quickly. The Electoral Register is only up-dated once a year, and by the time the information is in a form ready to be used in database marketing campaigns it may no longer be accurate enough.

Much the same applies to magazine circulation lists and trade directories as sources of database information. In principle, these can be useful in business-travel orientated campaigns. Databases founded on them may, though, go out-of-date quickly, particularly those derived from lists for free-circulation trade papers.

Once the necessary demographic data has been obtained, this must then be combined with the relevant activity data. Airlines need to know where people fly, in what class of service and how often. They need also to be able to capture this data, and marry it to the demographic information they are carrying in their databases. Only then can they produce effectively-targeted marketing campaigns.

A final requirement in database management is that the database should be properly integrated with an airline’s Customer Relations activities. We have already seen in section 9:2:3 that someone who complains, with a justified grievance, provides carriers with an important opportunity. If the complaint is dealt with well, it can result in a strengthening, rather than a weakening of the relationship between that person and the airline. Having said this, it will be particularly annoying if someone complains, for example, about a delayed flight and then receives a mailshot shortly afterwards in which the airline boasts of its fine punctuality performance. They should not do so, if there is a proper

integration between the marketing and customer relations databases. Indeed, if there is, this may result in an important opportunity because someone who complains will also at the same time be providing information about themselves. If their complaint is handled sympathetically, they will then be well-disposed towards the airline in question and may respond to future database marketing messages. Therefore, those who complain and express satisfaction at the way in which their complaint has been dealt with should be added to the airline's marketing database.

### *Copywriting*<sup>18</sup>

The subject of copywriting for Database Marketing remains extremely controversial. What is certainly true is that the investment made in building and maintaining a database can be leveraged substantially if it is used well through the production of good material.

With decisions about copywriting, the first requirement is clearly that a statement should be made as to the objectives which a particular campaign should meet. These objectives can vary substantially. It may be that the intention is simply to give information to an airline's existing customers on a particular route about, say, a change in flight timings. Another possible objective is that the campaign should encourage these existing customers to fly more through, for example, the offer of bonus Frequent Flyer miles or a move to a higher status in the airline's loyalty programme. A third, and much the most challenging, possible objective is that the campaign should be targeted at people who are currently flying with other airlines, with the objective being to change their choice-of-carrier decision.

Alongside decisions about objectives, a choice will have to be made about the medium to be employed. A first possibility is that the database will be used for a telemarketing campaign, in which case the copywriter's task will be to help to prepare the script which those working the telephones will use. This will have the benefit of immediate impact, but as previously mentioned may be resented by those who are called. Secondly, the mail may be used. This will allow for the preparation of attractive mailing material but, as we have already seen, this material may be put into the waste paper bin without even being opened. Email provides a different choice, but it may be difficult to obtain a suitable database of Email addresses and emails are easily deleted without being read. Spam filters will also stop the delivery of a proportion of messages.

For the remainder of this section, we will mainly assume that the mail

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<sup>18</sup> Copywriting in database marketing is further analysed in J. Watson. "Successful Creativity in Direct Marketing". Institute of Direct Marketing. 1993.

is the selected medium, as this is the one which provides especial challenges in copywriting.

With decisions made about objectives and medium, the copywriting process can begin. It should follow a series of easy-to-state, but difficult to apply, principles. The first of these follows the AIDA model already mentioned in Section 10:1:1. All material should aim to catch people's attention through a bold headline promising them a worthwhile benefit. It should interest them in the proposition to be made through showing an understanding of their problems. A solution should be presented in a persuasive and credible way, with every effort being made to anticipate possible objections and to deal with these. Finally, a course of action should be proposed, with clear information being presented as to how to follow this.

In using the AIDA model, there is a never-ending debate over the length of copy that should be employed. It is certainly the case that people are becoming busier and busier, and that their willingness to read long copy is lessening all the time. Because of this, communications which are designed simply to impart information should certainly be kept short and to-the-point. It is less clear, though, as to whether or not a 'short-is-best' conclusion will always be appropriate where the objective of a campaign is to radically change people's buying behaviour.

Here, it should be born in mind that any database, no matter how well prepared, will consist of two groups of people. The first are those who should not, in fact, be on it at all because they have no interest in the propositions being made and will never buy the products or services in question. In history, there has been no example of a perfectly-targeted database. The second group of people are those who do potentially have such an interest.

In copywriting for Database Marketing, no time should be spent worrying over the fact that mailing material has not been read by people who will never buy the product anyway. The tragedy of the campaign will be if people with a genuine potential interest cannot be persuaded to act upon this and buy the product.

For these people, it is unlikely that a major change in their buying behaviour will be achieved by short copy. They have to be thoroughly convinced that the firm seeking their business has an understanding of their problems, and that it can solve these problems better than the existing firms from which they are currently buying. It is most unlikely that they will be so convinced by a few words.

If long copy needs to be employed – and there will be cases where it is essential – the style adopted can go a long way to ensuring that resistance to reading it is overcome. Short sentences and paragraphs will be needed,

broken up by frequent sub-headings. It will also be necessary to talk in plain, rather than flowery, language. “Correctly co-ordinated schedule” may put people off reading further whereas “right timings” will not.

A particularly useful tactic may be to employ a P.S. at the end of a letter. If this is well written, it can deal with any dissonance people may feel about carrying out the actions proposed in the main body of the letter. It may also be the first thing that they see when looking at a letter and may persuade them to go back and read the earlier body-copy.

In terms of the style and quality of the material to be sent out, this should reflect the objectives of the campaign. An airline re-launching its Business Class service and seeking to persuade potential passengers that the new product is of the highest possible quality, will be unlikely to do so by the use of cheap and shoddy mailing material. On the other hand, a mailing may have the purely tactical purpose of informing customers about a forthcoming fares increase. If it has, it would be a mistake to dress up such a mailing with extravagant expenditure on high quality production.

A final, very important rule with copywriting is that, wherever possible, it should be made interactive. Effective campaigns are generally based on encouraging potential customers to respond to an attractive offer. This might be in order to obtain a free giveaway or to participate in a prize draw for free tickets or bonus Frequent Flyer miles. Making an offer may overcome people’s dislike of the ‘invasion of privacy’ aspect of database marketing. It may also be a means of obtaining from them further, useful, database information about their travel patterns and service preferences.

### *“Gatekeeping”*

Today, in most countries, the post is reasonably reliable and the services which back up fax and Email mostly very efficient. It is therefore possible to ensure that a database marketing message reaches the home or the office of the target recipient. This, though, is the beginning and not the end of the task, because it will be an altogether bigger challenge to ensure that a marketing message is read and acted upon. Many people will simply throw away what they perceive to be ‘Junk Mail’ into the waste paper basket without even bothering to open it, whilst in the office situation, a secretary may be told to throw away any direct mail items without even putting them into their boss’s in-tray. There is an active debate in the literature on direct mail as to how it is possible to ensure that an envelope will be opened and the contents read.

In addressing the problem, there are two possible approaches. One is to employ subterfuge. In extreme form, this consists of writing ‘Private and Confidential’ on the outside of an envelope. This should at least ensure that the envelope is placed in the relevant in-tray. A similar approach,

though less extreme, is to make a direct mailshot look exactly like an ordinary business letter. This at least ensures that the letter will be opened as the receiver will hope that there will be an important business communication inside or, better still, a cheque.

As a general rule, deceit can be rejected as a way of getting envelopes opened. It is true that both these methods will succeed in a narrow sense, but they will fail to assist in getting the recipient to act on what they find inside the envelope once they have opened it. They will realise that they have been tricked – the so-called “Betrayal Factor” – and because they have been, they are unlikely to respond in a positive way. Similar issues arise with the question of giving emails a ‘clever’ title in the hope that this means that they will be opened rather than deleted.

The second approach to addressing Gatekeeping problems is much to be preferred. This consists of putting a message on the outside of the envelope saying to the recipient that there is a very good reason for them to open it and, if they do, they will be pleased with the offer contained inside. Preparing such a message should be easy. After all, if there is nothing inside the envelope which will make someone pleased they have opened it, why is it being sent in the first place?

### *10:3:3 Media Relations*

It is impossible to over-estimate the importance of a sound approach to Media Relations in airline marketing communication. Air transport is regarded as immensely newsworthy by editors of newspapers, magazines and television and radio programmes. Because of this, an airline which fails to cultivate strong Media Relations can suffer a great deal of bad publicity when things go wrong. One which does will not only head off this kind of trouble. It will also be well-placed to obtain favourable coverage when positive things happen such as new route introductions or product and brand re-launches.

Sound media relationships require in turn a systematic approach to achieve them. Every effort must be made to foster the goodwill of journalists through trade entertainment and the offer of free travel on the airline’s network. At the same time, helpful background information must be produced. This will include well-written press material, containing quotes from the airline’s most senior management.

Poor Media Relations will result from any attempt to treat journalists with contempt – a sometimes-understandable emotion which must be firmly resisted. Cover-ups should also be avoided. If, for example, an airline has an emergency landing of one of its aircraft, nothing will be achieved by denying that such an incident has occurred. Instead, emphasis

should be placed on the skill with which the airline's staff handled the situation, and the fact that the carrier has been able to maintain its strong safety record.

### *10:3:4 The Field Sales Team*

Of all aspects of airline selling and sales planning, none generates greater controversy than the question of the management of the airline field sales team. Disagreements occur over the role that field sales executives should play and the recruitment and motivation policies which should be employed. The purpose of this section is to address these issues.

#### *The Role*

Until relatively recently, the role of an airline field sales executive was a straightforward one. The fact that competition in the industry was highly regulated meant that the pace of change was slow. Regulation also meant that all airlines charged the same fares. There was therefore no need for sales executives to seek out customers and negotiate deals with them. Instead, the job was essentially a flag-waving one, with a heavy emphasis on trade entertainment and hospitality and – in many markets – on the consumption of large quantities of alcohol.

Today, the situation could not be more different. As deregulation has come about, so the pace of change in the industry has accelerated. In turn, sales executives now have to accept the challenge of keeping their knowledge up-to-date in a rapidly-changing marketplace. They also have to collect – and communicate to those who need to know – market intelligence data about the activities of competitors. Crucially, they have to negotiate deals with the business houses and travel agencies for which they are responsible. As was discussed in Section 2:2:4, the nature of marketing to the business air traveller has changed fundamentally over the last ten years. Instead of the 'Customer' being business travellers themselves, increasingly firms have sought to use their bargaining power to negotiate deals with airlines whereby discounts were demanded in return for loyalty. Negotiation of these deals is today a normal part of the work of the airline field sales executive. Likewise, today travel agents remain important customers of airlines. Because of the urgent need for cost control, many airlines are requiring their field sales executives to retain the support of agents whilst ensuring that commissions are reduced or eliminated. The field sales executive will be expected to negotiate deals with them, and to monitor their performance, in the most difficult of circumstances.

Besides important market intelligence and sales negotiation roles, the airline field sales executive is today expected to carry out an important

customer relations role. One of the challenges of their job is that they are not selling a tangible product. Rather, they have to sell a long-term relationship with a relatively small number of demanding clients. They can only do so if they work hard to support their clients in the jobs that they in turn have to do. Today, the supply of information is not usually the problem, in that modern Global Distribution Systems such as Galileo, SABRE and Amadeus make available almost limitless quantities of information about schedules and fares as do airline websites and the sites of on-line travel agents and search engines. Rather, the challenge is to use this information in a creative and imaginative way to build sales, and the sales executive must be prepared to work with their travel agency accounts in particular to ensure that this is done.

### *Recruitment Criteria*

It is clear from the above that the airline sales executive is now required to do a professional selling job. The question of recruiting the right person is a crucial one which all airline sales managers will have to address from time-to-time.

There are, of course, a number of basic requirements. The person selected must be articulate and persuasive, something which can be tested at an interview. A person who cannot convince an interviewing panel that the firm should take them on is unlikely to be able to persuade a travel agency to increase its sale of the airline's tickets. They should also be of a clean and tidy appearance, as scruffiness will be taken by clients as a sign of a cheapskate company. A current clean driving licence will also be needed.

A much more contentious question is the previous experience that should be required. Carriers have a number of possible recruitment sources for their field sales executives. They can aim to hire people with a proven selling track record, even if this has been obtained from outside the aviation industry. They can simply approach experienced airline sales executives who are currently working for other airlines. They can recruit from the travel agency industry or from those who work in corporate travel departments. Lastly, they can transfer people who already work for them, but in non-sales jobs.

Hiring people from other industries is an especially interesting option. It can certainly be argued that true salespeople are born and not made, and that the great sales success stories have often been achieved by insecure people who are driven to sell as they seek reassurance that they are likeable. In that sense, someone who has a proven selling track record is saying a great deal about themselves, despite their lack of airline industry experience. Even here, it can certainly be argued that, generally, airlines

are likely to be better at training people in airline industry familiarisation rather than in the skills of selling.

Despite this, the issue is not a clear-cut one. The problem is that, for reasons which will be discussed in the next section, airlines do not generally reward their sales people on a basic-plus-commission principle. Instead, a reasonable salary is paid, together with perhaps a relatively small bonus if the annual target is reached. This therefore begs the question as to why someone who has achieved success in commission-based selling should want to come and work for an airline, where they certainly will not starve but neither will they have an opportunity to achieve very high earnings. The answer often is that they are burnt out and are looking for an easier life with a steady monthly salary. If they are, they should be rejected out-of-hand.

Hiring – or rather, poaching – fully trained and experienced sales executives from other airlines might seem in many ways to be the ideal solution. These people will have industry knowledge and – hopefully – proven selling skills. They will also have established industry contacts and perhaps will bring some useful inside information about a competitor.

In many situations, airline will have little choice but to use this recruitment source as they will not have the training budget available to spend on appropriate staff development. This will be especially the case for small airlines, or at the minor stations of larger carriers. The dangers of poaching, should, though, be emphasised. Someone who brings market intelligence with them may be disloyal enough to move in a year or two's time, giving away in turn the trade secrets of the airline they have joined. Also, people who move from one airline to another in quick succession begin to lack credibility with their trade contacts, especially if the different carriers they work for are also competitors.

The travel agency industry may give some attractive recruitment opportunities. People with work experience as travel agents should have a good understanding of the travel business. They will also have seen airline sales executives at work, and will know of examples of the job being done badly.

With a final possible recruitment source, the airline's own staff should be looked at seriously. There will almost certainly be people who are doing other customer contact jobs who have the qualities which will be needed to do well as a field sales executive. They will already have a knowledge of the airline, and can be expected to bring a greater degree of loyalty and commitment compared with those brought in from outside.

The ideal age for an airline sales executive is a final, interesting recruitment issue. The person hired has the difficult task of ensuring that they get on well with the young people who generally make up the clerks

who work in travel agencies, whilst at the same time being able to present themselves as credible company negotiators with senior management both in travel agents and business houses. Because of the negotiation role, there is probably a minimum age of early to middle twenties – few people will warm to the idea of being asked to complete a deal with a child. At the same time, an older person applying for a job as a junior sales executive should be viewed carefully. They may have many qualities which will make them exactly right for the job, but one's concern would be that they lack ambition and are simply looking for an easy ride towards a well-deserved retirement.

#### *Motivation of Airline Field Sales Executives*

This is a very difficult question. In many industries money is used as the prime motivator for a sales team. Members of the team are paid a small retainer, and then a substantial commission on everything they sell. Generally, airlines have found a basic-plus-commission reward structure difficult to devise and implement. Airline salespeople are not selling a specific product to a clearly identifiable customer in the way that, say, someone selling double-glazing is. Rather their task is to build a long-term relationship with a group of clients, and, in the case of relationships with travel agents, to encourage the agent to sell rather than doing the selling themselves. Also, there are complications in deciding who has been responsible for a sale being achieved. A common situation is for a business house to use a travel agent, but for different members of the airline sales team to be responsible for the relationship with the business house and the travel agent. If this is the case, both will claim any commission that might be available. The person responsible of the business house will argue that they have done all the persuading, with the travel agent being simply presented with a fait accompli with regard to choice-of-airline decisions. The person calling on the travel agent is unlikely to see things in the same way.

The difficulties associated with commission-based reward structures mean that few airlines are able to use them. Instead, salespeople are generally paid a reasonable salary, with a relatively small bonus on offer if they reach their annual sales target. In turn, because of this, a wide range of policies will be necessary to ensure the a high level of motivation in the members of the sales team, because the cutting-edge that commissions might provide will not be available to the sales manager.

Of these motivation methods, the annual salary on offer will be an obvious starting point. Here, it is important that the salary should be comparable to that paid to salespeople working for rival airlines. It is very de-motivating to realise that others are being paid more for doing exactly

the same job. The annual bonus should also be a worthwhile one, with the salesperson involved in the setting of the targets which must be achieved in order to earn it.

Training will be an important part of the motivation process. The point was made in the last section that airline salespeople are now expected to take on a challenging, professional selling role. They cannot do so successfully unless they are equipped with the necessary knowledge and skills. Training must therefore encompass both product knowledge and selling skills, and it must be on a continuous basis given the pace of change which is now characteristic of the industry.

Career progression and advancement will also be an important factor in maintaining the interest and commitment of the most capable people. Providing a clear way ahead may be difficult or impossible for a small airline, or at an outstation of a major carrier. In other situations though, members of the team must feel that if they perform well the necessary training and development policies are in place to allow them to advance to sales management positions.

Questions of expenses and corporate hospitality are often a festering sore in many sales teams. What is important is that salespeople should be able to give their clients a comparable level of hospitality to that on offer from their competitors. It is de-motivating if only the basics can be given when rivals can offer generous treatment.

A very important general heading with sales force motivation is that of the tools to do the job. If a firm has high expectations, it should be prepared equally to invest heavily in resources. For airline salespeople, these resources will include a modern, reliable car and a management information system which allows them to be fully up-to-date both with what is going on within the airline and what business is being obtained from the accounts for which they are responsible. A final requirement is for there to be an adequate level of office back-up and support, with meeting rooms available when necessary.

The last, but perhaps the most contentious question in a motivation policy is the part to be played by fear. It is most certainly true that an element of fear must always be present. If the members of a sales team know that however poorly they perform and however lazy they are they will always have a job, it will be almost certainly impossible to obtain high levels of performance from them. At the same time, though, the role of fear should not be overdone, and it should not be seen as a substitute for other motivational methods. It may from time-to-time be necessary to fire people for laziness or dishonesty, but dismissing people for incompetence raises questions about who is incompetent and who therefore should be fired. A person who is dismissed because they cannot do the job may have been

wrong for that job in the first place. In that case they should not have been hired and the incompetent person is the one who did the hiring. A second, still worse possibility is that they did have the potential to make a success of the difficult job of being an airline sales executive, but the manager responsible for them could not provide an environment in which they could give of their best. The necessary skills and qualities are relatively rare, and for an airline to lose someone with potential in these circumstances should be seen as a case of criminal negligence. It is their manager, and not them, who should be fired.

#### **10:4 Airline Advertising**

Advertising is, of course, no more than another marketing communication method available to airlines. It is, though, so important, and so controversial, that it needs a special section of its own. The purpose of this part of the book is to look at what advertising can and cannot do for airlines, and to discuss the decisions which have to be made in preparing and implementing an advertising policy.

##### *10:4:1 The Functions of Advertising*

No advertising campaign will be successful unless clear objectives are set for it, and the performance of the campaign monitored against these objectives. In turn, it is necessary to decide what advertising can and cannot do, so that any objectives which are set are achievable ones.

Clearly, advertising can be expected to promote corporate image and corporate brand values. It will also play a role in building sub-brands such as those which airlines have built around cabin classes or service concepts. With shorter-term objectives, advertising can be used to provide tactical information about service changes such as the introduction of a new route or a new type of aircraft. It can also sell special offers such as those associated with discount fares or bonus Frequent Flyer miles.

More controversially, airlines may see advertising as a way of influencing policy-makers and opinion formers so that their policy objectives are achieved. No carrier can operate independently of the political process. They may rely on this process for favourable treatment with regard, for example, to the award of international route rights. Increasingly, too, they are having to lobby over environmental questions of noise and pollution in order to ensure that limitations on their freedom-of-action are kept to a minimum. Advertising may be able to play a subtle but useful role in positioning an airline as a good corporate citizen.

A final function of advertising which some would claim and many dispute is that advertising can help in a staff motivation policy. Motivating customer contact staff to give outstanding service is a notoriously difficult task, especially in large mature airlines. The fact that staff members see their airline advertising in newspapers or on the television may help them to feel part of a team. If in these advertisements they see role models providing warm and friendly service to customers, this may in turn subtly affect their behaviour when dealing with customers in real life. Unfortunately, this theory only works in situations where motivation is already high and service standards already good. Where morale is poor, using advertising as a form of brainwashing will only make matters worse, with the added problem that the airline's customers will see claims being made in the advertising which their experience of the product will not match. This will add significantly to their anger and disenchantment.

#### *10:4:2 Advertising Decisions*

##### *Setting the Brief*

All good advertising campaigns start with a clear decision about what the campaign should achieve. This in turn can only be decided in the context of an overall marketing communications policy, with a proper integration of any advertising which is undertaken with other forms of communication such as sponsorships or Database Marketing.

The brief itself should be as detailed as possible, and should include a statement of the objectives that a campaign should meet and the criteria which will be employed to decide whether it has succeeded or failed. It is also important that the brief should be agreed and signed by the airline's most senior management at the earliest possible stage. It is a peculiar, but vitally important feature of advertising that everyone regards themselves as an expert about it, especially CEO's. In practice, no campaign will be implemented without the Chief Executive's approval, and it is always a costly disappointment if a great deal of work is done, only for the resulting advertising to be vetoed shortly before it is launched. Such occurrences can never be prevented entirely, but their frequency can be minimised by ensuring that the Chief Executive at least agrees with the brief before work begins.

##### *Agency Selection*

Choosing an advertising agency is a very important decision, where mistakes will prove very costly.

As a first point, advertising should be recognised as a professional discipline where outside help from a specialist agency will be needed.

Some low fares airlines have in recent years attempted to produce their own advertising as a cost-saving measure, but the results have generally looked very amateurish. Also, even for cost-saving, the policy is of doubtful value, because agencies will be paid commission by the media where they buy advertising, whereas firms booking their advertising space themselves generally will not be.

Once it has been decided that an agency will be appointed, the question arises as to which one to choose. The good news here is that in the advertising industry, airline accounts are perceived as very attractive ones. Besides being seen as fun to work on, they give an agency a great deal of prestige. Therefore, when it becomes known that an airline is seeking to appoint an agency, or to replace one they already have, there will be no shortage of firms willing to pitch for the account.

For many international airlines, a crucial question will be whether or not the agency can give a true global coverage. It is important that, in particular, brand-building advertising should be consistent across all markets. It may therefore be better to choose an agency with a large number of offices in different countries. This will, though, restrict choice to the comparatively small number of agencies which can credibly claim a global presence. If a smaller agency is selected, then it will have to be one which has well-established links with other agencies located in the overseas markets which the airline serves.

When choosing an agency, an overwhelming emphasis should be placed on its record of being able to produce original, imaginative and exciting work. Still, far too much airline advertising is hackneyed and stereotyped. It consists of pictures of blissfully happy passengers being served wonderful food by beautiful girls. If an agency's initial proposals include any variations around this tired theme, they should be shown the door with the utmost speed.

Once those agencies with the necessary creative skills have been isolated, other issues may come into play. There may be an attraction is the idea of appointing an agency which can supply a wide variety of services under one roof. These may include a media planning and media buying unit – most agencies would expect to provide this service. It may also be helpful if the agency can provide direct mail and sales promotion expertise and – increasingly important today – a unit able to deal with issues associated the airline's Internet presence.

Today, the fashion is rather away from this 'one-stop-shop' principle. An agency may be strong on one area and weak in others, and it may be better for clients to put together their own group of experts by calling in people from smaller, specialist agencies. This will, though, impose a major management task as the proper integration of the different forms of

marketing communication will be a vital requirement. It would be a serious mistake if, for example, the firm's advertising was putting out different messages compared with its direct mail material.

One final point is that the appointment of an advertising agency should be seen as a strategic, long-term decision. Some firms may feel that it is a smart move to change their agency very frequently, because this keeps their current agency on its toes and also allows them to benefit from a flow of new ideas every time a new agency is appointed. This view is a mistake. Besides being very costly – substantial fees will be charged by each new agency to finance their initial work on the account – frequent changes of agency are unlikely to result in consistent and successful advertising. It will take time for the agency to fully understand their client's business and for the necessary personal relationships to be established. Also, as we saw in Section 8:2:1, the essence of brand-building is that the brand values which should underlie a firm's advertising must remain consistent on a long-term basis. Whilst a determined client might ensure such consistency when working with a succession of agencies, achieving it will be much easier if agreement can be reached with one agency at an early stage as to what these brand values are, with the same agency charged with communicating them over a long period of time.

### *Media Buying*

Once an agency has been selected, there are then a large number of decisions which will be made using the agency's professional advice. It is important, though, that the airline should maintain an independence of thought, otherwise it risks merely becoming a slave to the agency's whims.

Media buying choices will decide where the airline's advertising will be seen, by whom, at what cost, and in what form advertising messages can be communicated. In making them, it will always be necessary to decide first on how best to spend the available budget. No airline will have the money to spend limitless amounts on advertising. Also, for carriers away from their home base, they will always be wrestling with the problem that locally-based airlines will be able to outspend them, often by a factor of several times. Their task will therefore be to make an impact against a competitor with far greater resources – always advertising's most difficult challenge.

In attempting to achieve this impact there are two possible approaches. Firstly, advertising expenditure may be spread evenly throughout the year. This ought to ensure that the airline will not be forgotten, but the difficulty will be in making a worthwhile impact. Secondly, advertising may be put out in short, concentrated bursts in the hope that, if it is memorable enough, this will carry the airline through the times when, because of budget

limitations, it is doing no advertising at all. Of these two possibilities, the second is to be very much preferred. In today's world, it is hard enough to get noticed, given the proliferation of different advertising media and the way in which people are becoming increasingly bombarded with advertising messages. Making a strong investment, even if it has to be over a short time, is the best way of ensuring that you are.

Media buying choices will, of course, be decided by the objectives of a campaign, in terms of both its target audience and whether or not the campaign has a strategic or merely a tactical objective. To reach the business air traveller, there are now a well-established number of possible media choices. These will include business-orientated newspapers such as the Wall Street Journal and the Financial Times, and news magazines such as Newsweek and The Economist. In terms of television advertising, then commercial breaks in the main evening news programmes and some sporting events may bring a suitable audience profile.

With leisure air travel, weekend newspapers will prove useful, as will specialist magazines such as those aimed at enthusiasts for particular sports. The Internet, too, provides an increasingly exciting medium as it allows a destination to be sold in an attractive and interesting way, alongside messages about the best way to reach the destination in terms of a choice-of-airline decision.

With questions of strategic campaigns, a long-term brand-building objective may well justify investment in the time and money to make TV commercials. These allow messages to be put across using sound and pictures in a way which print media cannot match. There may well, though, be a gap of months between an ad. being planned and it being ready to launch. This is often too long in the rapidly-changing world of today's deregulated aviation market. Newspaper advertisements, on the other hand, should be quick to produce and also usually can be placed at short notice with little or no advanced booking of space being required. They are often the most effective way of communicating messages about, say, a seat sale in a market which suddenly and unexpectedly turns down.

The cost of the different media will obviously be a crucial question when deciding between them. Here, it is important not to be misled by the up-front, invoiced costs. Rather, a Cost-per-Thousand (CPT) measure should be used. Thus, for example, the media buying costs of television advertising can appear very high. If, though, this expenditure allows a large audience to be reached in the right way at the right time, it can represent good value-for-money.

### *Creative Strategies*

Successful creative strategies are, of course, at the heart of all worthwhile

advertising. One is often tempted by a rule which states “There is only one rule – there are no rules”. There are certainly examples of airline campaigns which seem to fly in the face of all logic yet appear to have been very successful, and others which looked soundly-based at the outset which have proved to be disastrous. Such a conclusion, though, is not helpful. There have to be some basic guidelines, even if it will always be possible to quote exceptions to them.

For a start, all campaigns where the budget is sufficient should be research-based. Common sense, intuition and past experience are all important aspects in the evaluation of an agency’s creative proposals. They cannot, though, always prevent mistakes being made. Advertising proposals should be researched through well-structured market studies using representative members of the campaign’s target audience. Continuing research will also be needed as a campaign runs, research which should be related to its objectives and to measurement of the extent to which these objectives are being achieved.

Secondly, airlines should invest in decent quality-of-production of all their advertising, even if this means that within a given budget, less money will be available for media buying. All airlines have to base their appeal on the fundamental proposition that they are safe, whilst many are attempting to build brands which position them as quality up-market producers. Cheapskate advertising will soon be associated in passenger’s minds with a poor quality company. If there isn’t the money available for reasonable production quality, it is better to do nothing.

As a further proposition, all airline advertising should be fundamentally honest. “If you cannot say it honestly, shut up and talk about something you can say honestly” is a sound dictum. Passengers – particularly regular business travellers – are not misled or fooled by false claims in airline advertising. Rather, they are angered and alienated by them. Besides the problems the offending airline may run into with the bodies that regulate advertising content, it will also increase many times over the anger of those caught up in its service failings. People take a long time to forgive a firm if they feel that they have been tricked into buying its product through deceit.

In deciding on the creative content of their advertising, airlines and their advertising agencies are usually faced with a difficult dilemma. Should they aim to include many arguments in an ad. as to why the airline should be chosen, or should they merely try to say one thing in a persuasive and convincing way?

The proposition in favour of including many arguments is, at first sight, easy to make. If an ad. succeeds in capturing somebody’s attention, a prime selling opportunity is being lost unless a substantial number of

arguments are put forward to persuade them to buy. The risk is, though, that no message is communicated effectively, in the enthusiasm to put across a great many. A better approach is to try to say one thing, using individual arguments to support a single proposition in a memorable way. If this is done well (in the case of, say, a television commercial), only a relatively short one will be needed. Further commercials can then be made within a given budget, to make up an overall campaign in which all the required messages can be communicated.

The balance between long-term, corporate brand-building advertising and short-term tactical campaigns poses a significant, and increasing dilemma, in the airline industry. Deregulation, where it has occurred, has led to instability, where tactical messages have often been needed to communicate changes in prices or product to customers. At the same time, airline sales managers have come under increasing pressure to achieve their end-of-year sales targets and they often worry that they will be fired if they fail to do so. They will always therefore be lobbying that a high proportion of advertising spend should be directed towards the tactical campaigns that they hope will help them. It is a great mistake, though, to merely consider tactical questions when setting advertising objectives. Section 8:2:2 looked at the importance of brands and showed how quickly a brand can die unless constant attention is given to maintaining and strengthening it. A significant amount of advertising expenditure must therefore be directed at the brand, and great care must be taken to ensure that frequent tactical messages – which are inevitable today – do not undermine fundamental brand values.

A final question with creative strategies is the difficult one of the balance between local and global advertising approaches. Perhaps more than in any other industry, airline brands need to be global, and it will be a problem if people travel around the world and see the airline they are flying with putting forward totally contradictory messages in different markets. This might lead to a conclusion that all advertising should be controlled centrally, with creative work carried out by one agency in the airline's home country. This will also allow the advertising production budget to be spent in a concentrated way, with, in particular, quality work being done on expensive television commercials. The problem is, of course, that there are substantial market-by-market and culture-by-culture differences in what is acceptable and persuasive and what is not.

In a difficult area, the best approach is probably to appoint a lead agency, with overall responsibility for brand positioning and brand values in the airline's most important home-base market, and to in turn appoint sub-agencies in the airline's overseas markets. These agencies should then be given clear, but limited opportunities to adapt or change centrally-

produced material in order to make it suitable for local markets.

### *Monitoring Success/Advertising Life Cycles*

It is essential that thorough procedures are in place to decide whether or not an advertising campaign is meeting its objectives. No matter how well initial research is done, disasters do occur, and without a formal monitoring process, the fact that a campaign is failing may not be picked up. Even successful campaigns, though, eventually run out-of-steam because of Product Life Cycle effects. They then need to be replaced with new approaches. Deciding on the moment to do this will be difficult. Those with the task of doing so need to be helped by having available quantitative data from a monitoring programme.

The monitoring methods which should be used will vary with a campaign's objectives. The easiest case will be with advertising designed to make people respond to an offer. For example, an advertisement may offer a 'golden hello' of free miles in the airline's Frequent Flyer Programme for those applying to join the programme before a deadline date. If it also contains a cut-out coupon or special Freephone number, it will be possible to precisely measure the response, or the lack of it.

Other advertising will have a longer-term, more strategic objective. The airline may, for example, have gone through a difficult period with failing product standards. Its advertising might then be designed to persuade people that things are now improving and that the time has come to try the airline once again. If it is, a significant boost to bookings once the campaign has begun would be taken as an encouraging sign. Also, it might be possible to test people's attitude towards the airline by talking with members of its sales team who regularly meet travel agents and corporate customers.

For advertising with a brand-building objective, precise measurement of the results is notoriously difficult. It will be necessary to invest in initial market research designed to define levels of awareness of potential customers and the attitudes they adopt towards the airline. As the campaign is implemented and develops, more will have to be invested to repeat this research, and also to ask people if they remember seeing the airline's advertising and, if they do, what they recall about it. Successful campaigns will show a growing awareness, a positive move in attitudes and a high level of recall of the content of the advertising.

### *10:4:3 What are the Features of 'Good' Airline Advertising?*

Of course, good research data will be particularly valuable in deciding whether advertising is working or whether it isn't. There will be many

occasions, though, when such data is simply not available. This will especially be the case when Area Sales Managers have to decide whether or not centrally-produced advertising will be valuable in the market areas for which they are responsible. In such situations, a checklist will at least result in the right questions being asked prior to a decision being made.

The basis of such a checklist will be a judgement as to whether or not the ad. is likely to attract and hold attention. If it will, it must also be professionally produced, with no accusations being possible that it is a cheapskate effort. It must certainly be credible, as damage will result if it is not. It must also be persuasive, showing an understanding of the customer's True Needs, and demonstrating the ways in which the airline can meet these needs. The degree to which the ad. is likely to persuade will be increased if it can demonstrate that the airline can credibly offer a Unique Selling Proposition to the customer. ( For example, "First Flight of the Day" or "Only Airline Flying the A380"). Finally, it will be necessary to study the ad. very carefully to make sure that it is compatible with the airline's long term development of its brand values.

## **10:5 Selling in the Air Freight Market**

With air freight consistently growing faster than the passenger side of the business, the question of effective marketing communication with its freight customers is one of growing importance to many airlines. Some of the issues are the same as on the passenger side and some are unique to air freight.

### *10:5:1 The Sales Task in the Air Freight Market*

One of the major differences between air freight and air passenger marketing is the degree of existing market penetration. It is true that on the passenger side, airlines face competition on short-haul routes from buses, private cars and especially from rail services. On medium and long-haul routes, though, their penetration is almost total. Virtually everyone who travels now flies, with surface transport restricted to the specialist market for cruising (even here, airlines often benefit by flying people to their port of embarkation).

With freight, things could not be more different. Surface transport provides formidable competition on all routes, either in the form of trucking and roll-on/roll-off ferries (in short-haul markets) or deep-sea container services on long-haul routes. This competition is especially difficult for airlines to deal with because it is almost always based on the

proposition of cheaper freight rates than those which are available from air transport.

Given this competitive scene, the most straightforward selling task is that based on the need to secure a high share of the existing air freight market. Here, airlines mainly aim their efforts at the air freight forwarding industry. Still, a very high proportion of this traditional market (over 90% in many cases) passes through the hands of freight forwarders. Also, because much of the traffic consists of smaller consignments which are consolidated into larger consignments by forwarders, they, rather than the shippers who provide the original shipments, have the dominant role in deciding which airlines will be used. Marketing efforts, therefore, need to be concentrated on the senior management teams of large forwarding firms in pursuit of long-term relationships and also on the clerks in these firms who are responsible for routing and carrier-choice decisions for individual consignments.

A much more difficult, but more exciting, opportunity comes with the task of converting existing surface transport traffic flows into air freight. Air freight's market penetration when calculated on a weight basis is still very low. On most routes, still only 2 or 3% of the goods that move do so by air. The remaining traffic is transported by much cheaper surface modes. This is not to suggest, of course, that all such traffic is potentially available to airlines – much of it is too low in value for air freight to make any sense. It is still true, though, that if air freight could double its market penetration from 2% to 4%, this would in turn double the size of the air freight market.

In carrying out this market development work, those airlines that attempt it have to use a fundamentally different approach. There is little point in approaching the forwarding industry. Most major forwarding firms have a substantial presence in both air and surface traffic. Therefore, they are unlikely to see a worthwhile incentive to convert surface traffic into air freight, as this will often merely be moving traffic from one part of their business to another. Instead, approaches have to be made to the firms which are the originators of the traffic. These approaches have to be at a high level of management. The task of making the case for air freight is a challenging one. It involves arguing that there are tradeoffs to be made between the higher transport costs (brought about by the fact that air freight's rates are generally more expensive), and the savings that can be made in packaging, insurance, stockholding and warehousing costs. These tradeoffs can generally be made only by senior managers with a wide span of responsibility over all the relevant areas.

There is one final area of air freight marketing which is potentially the most interesting of all, because air freight gives opportunities for firms to

do things which they simply cannot do if they employ slower surface transport. This is the most obvious in the case of perishable goods, which, if surface modes are used, can only be sold in local markets. These in turn will often be saturated with the product in question, with only low prices therefore on offer. Use of air freight allows them to be flown to much more distant markets where prices will be much higher and profits potentially greater.

Even for non-perishable goods, air freight may give firms the chance to open new markets. Use of air freight allows firms to begin to sell in overseas markets with the minimum of delay once they have made a decision to enter. They can do so without a large and inflexible investment in overseas warehouses. This is because the speed of air freight allows stock to be held in a single centralised warehouse and then to be shipped to customers once orders have been placed. In a very true sense, air freight allows marketing to be carried out on a global basis.

Because of the new opportunities which it gives, the most promising kind of air freight marketing consists of generating entirely new traffic flows by persuading firms to take advantage of them. This approach is in principle an especially appealing one because the resulting traffic will not be vulnerable to poaching by surface transport operators. It will, though, place high demands on an airline's field sales team, because it will require them to perform a consulting role with a firm's senior managers.

### *10:5:2 Marketing Communication Methods*

For all the different tasks in the air freight market, personal selling by a team of freight sales executives is generally very important, and more so than is the case in the passenger business.

This is especially the case for the many airlines which restrict their ambition to competing for their share of the existing air freight market. To do so, they will need a sales team which calls regularly on the major forwarding firms, both at their head offices and at regional branch offices. They will need in turn to offer generous corporate hospitality, as well as opportunities for key decision-makers to travel on overseas familiarisation trips. With advertising and promotion, most airlines see a role for some advertising, usually placed in the trade magazines which circulate amongst the forwarding community. This advertising usually merely describes the benefits of using one airline rather than another, with a dull and repetitious emphasis on the quality of ground handling.

For the more challenging tasks of converting surface traffic into air freight and of building entirely new flows of air freight business, a personal selling approach will again be needed. It will, though, be of a very

different kind. Airline salespeople will have to aim to make contact with high level managers, and be prepared to run a sales campaign which may take months or years to bring to fruition. During this time, they will have to carry out extensive studies to prove that airfreight can be a cost-effective way forward. Such studies will need to be backed up by advertising messages, with these placed in locations such as the Financial Times and Wall Street Journal which are read by senior management.

#### SUCCESSFUL AIRLINES .....

- Acknowledge that selling and sales management makes up a crucial, final stage in the marketing process.
- Define and distribute a sales budget using a Task-based method, rather than simplistic arguments based on a percentage of revenue philosophy.
- Make analytical decisions about a Communications Mix, so that the different methods of marketing communication are combined together in an optimum way.
- Spend money on each communication technique in a rigorously planned and strategic way.