A Marketing Communication Plan for the British Airways

By

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# Executive Summary

This report sets out to develop a mixed marketing communication plan for British Airways in order to restore the public confidence it has lost over the opening fiasco of the London Heathrow's new Terminal Five building.

Based on the situation analysis, this report has proposed the following campaign theme: *'Try it out, BA is learning and improving'* and formulised five restoring programs around such theme:

- Working with BAA
- Media Relations
- Communities Relations
- Paid Media Campaign
- Measurement and Evaluation

This report has a budget of £10 million last over one financial year for this plan

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# 1. Introduction

At a cost of £4.3 billion and 19 years to construct since its initial design, a modern, light and spacious new terminal building – the Terminal 5 had finally been opened by Queen Elizabeth II on 14th March 2008 at the London Heathrow International Airport. (British Airways 2008)

Equipped with all the latest technologies and facilities, the New Terminal 5 has a capacity for 30 million passengers annually (out of 90 million for the entire of Heathrow Airport), is reserved for and used solely by the British Airways (Bokaie 2008). The terminal officially opened its door to the passengers on 27 March 2008 with the first arrival, a flight from Hong Kong. (BAA 2008) However soon after it opened, a delay on the baggage handling had forced British Airways (BA) to cancel or re-direct many of its flights, which were due to leave from or landing to the new building. (BBC 2008) Over the following days, as many as 28,000 bags were failed to travel with BA's customers who used Terminal 5 building and as the result, many more of its commercial flights were cancelled or re-directed. (BBC 2008) This costs BA dearly: not only in the financial terms; but more importantly, it damaged the reputation of British Airways as a reliable and trustable international airline.

## 1.1 The Purpose and the Structure of the Report

Therefore, the purpose of this report is to develop a realistic marketing communication plan for the British Airways to restore the public confidence and to ensure that Terminal 5 achieves its full designed potential. The plan will be made base on a budget of £10 million, last for over a financial year.

The main structure of this report is as following: it will start with a situation analysis- as a result, a clear goal and objectives will be developed; then move on to review the mainstream marketing communication theories- strategies and detailed plan will be produced; followed by a section on measurement and evaluation; finally, the report shall ended in a proposed budget sheet.

## 1.2 Methodology

This report is constructed base on the information collected from the secondary sources of data; this is including official publications, market intelligence, journals, press reports and text books.

## 1.3 Defining Key Terms

In this report, Marketing Communication is about to promote the British Airways as a reliable and trustable international airline to its current and future customers by providing necessary information and messages through carefully selected channels.

## *1.4 Abbreviations List*

- BA- British Airways
- BAA – British Airport Authority

# 2. Situation Analysis

This section aims to identify the main cause of the problem at the Terminal 5 and to develop a set of communicational aims and objectives to tackle accordingly. This will done through answering the following questions: What went wrong? Who is responsible for what? How these affect on BA? How should BA response to it?

## *2.1 What went wrong?*

There were many things went wrong at the new Terminal 5, to summarise:

### 2.1.1 Internal Failures

- Breakdown on the IT system: as a result, the baggage handling system could not run automatically, instead had to be picked up manually (BBC 2008)
- Lack of training on the ground Staff: so many baggage handling staffs did not familiar with their new working environment and did not know how to operate new system (BBC 2008)
- Inadequate human resource placement: this has caused a staff shortage at the key areas such as baggage handling (BBC 2008)

All of these problems together caused a serious delay in the baggage handling at the new Terminal 5, which in turn have resulted many of BA customers' bags either failed to travel with their owners at the first place or simply just lost and also forced BA to cancel or re-direct many of its flights. (BBC 2008)

### 2.1.2 External Failures

- Communication breakdown between BA and its passengers: BA failed to inform its customers on above problems (Evening Standard 2008)
- Poor customer services: BA did little to assist its customers on re-arranging their travelling plans and little compensation were given out as well (Evening Standard 2008)

## *2.2 Who is responsible for what?*

Although Terminal 5 is used solely by BA (BA 2008) but it owned and operated by BAA, an airport provision and management company, who is responsible for providing all the ground services to the BA passengers. (BAA 2008)

Thus based on the above information, this report is suggesting that BAA should mainly responsible for failing to provide the ground services it signed for and BA on the other hand is responsible for misleading and mistreating of its own customers in dealing with the problems brought by BAA.

## 2.3 How these affect BA?

Although BA does not responsible primarily on the technical and staff failures in the Terminal 5, but these failures did have a knock on affect on BA- bringing its customers bad travel experience and generated negative publicity, result in damaging its brand image as a trustable and reliable international airline.

## 2.4 How should BA response to it?

### 2.4.1 Goal and Objectives

Therefore, this report is aiming to restore BA's public image as a 'trustable' and 'reliable' international airline within the budgeted financial year by

- Working more closely with BAA to solve its technical problems and provide necessary assist on their staff trainings and placements
- Addressing to the public about the true reasons behind the initial fiasco
- Showing the progress and improvements that have being made
- Emphasising on the state of art Terminal 5 building and its facilities
- Educating public on how to use these facilities to improve their travel experience with BA

### 2.4.2 Key Audiences

2.4.2.1 Internal

- BA and BAA's Staffs who are working and will work at Terminal 5 building
- BA and BAA Management Board
- BA and BAA Business Shareholders
- High Street Retailers at the Terminal 5

2.4.2.2 External

- Terminal users (including both BA's current and potential customers)
- Influencers: news media, environmental and  quality of life advocacy groups, and Heathrow's local communities

# 3. Communication Strategies

Strategy is a word originated from ancient Greece meaning the art of leading an army. (Obolensky in Sadlers 1998) For this report, it specifically refers to the business tools and techniques that will be used in achieving company's short time and long term objectives. Thus, a marketing communication strategy decides on the overall direction of the plan, therefore it is essential to formulate an appropriate strategy for an appropriate situation.

Generally speaking there are three strategies available to choose from. They are:

## *3.1 Pull Strategies*

Pull strategy is a stimulate type of strategy that directed at targeted end user customers, through stages such as generating increase levels of awareness, informing and educating to change audience's attitude, encourage involvement etc, aiming to bring about a motivation within the audience group and resulted in actions such as enquire and experiment, finally leads to repeat purchases. (Fill 2002)

Possible approaches could be used by BA:

- Personal promotion within the terminal building
- Direct marketing (via mails or emails)
- Product and services demonstration on the Internet

## *3.2 Push Strategies*

By performing some added value activities, Push strategy is a type of strategy that to push customers aimed at to bring out repeat purchase actions. (Fill 2002)

Possible approaches could be used by BA:

- Advertisement on media
- Sales promotion
- Public relation with customers and all other interest groups

## *3.3 Profile Strategies*

Profile strategy is a strategy that aims to distinct company from all its competitors through activities that to bring up public (all groups in the society) awareness, perception and attitudes towards the company itself. This can be done via continual dialogue with public; its central goal is therefore to develop a trust and commitment that ultimately lead to grow in relationships. (Fill 2002)

Possible approaches could be used by BA

- Short term: press releases or announcements
- Long term: sponsorships

Pull, push and profile strategies all have their unique function and serve a particular need in the marketing communication process thus should all include as a part of the overall strategy.

# 4. An Overall Communication Strategy (a Marketing Mix Plan)

There are many factors that will impact the formulation and implementation of a strategic communication programme. At the heart of these is the mindset of its target audiences. Understand their decision making process would therefore help to justify which strategy will be applied to whom at the later part of this report.

## *4.1 Consumer Buying Behaviour*

Over the years, many models have been developed to formulise the consumer buying behaviour. Two are particular useful for the purpose of this report.

### 4.1.1 Extensive Problem Solving Model

This model displays how a consumer moves through the purchasing cycle. It argues that a person normally starts its purchasing cycle through a 'problem recognition,' where there is a problem need to be solved; then moves on to the 'information search' stage to search for information that can solve the problem, this may involves ads, visit to the website and

or discussion among friends. Next comes with evaluation on the information he or she received. At this stage, leaflets, catalogues, ads and discussions are amassed and a set of criteria is further refined. As the result, purchase decision has been made and action would take. After purchase, waves of worry and or doubt arise, and an evaluation will be carried out as the result, if the product or service matches the promise, then both repeat business and word of mouth referrals are likely to occur over the long period of time. (Smith and Taylor 2002)

According to Smith and Taylor (2002), this type of decision making process is normally associated with high involvement purchase such as to choose which airline to fly with based on the information customer gathered. Thus a push strategy could be used in the information search stage and a pull strategy would be useful in the post-purchase evaluation stage to reassure the customers.

## 4.1.2 ATR Model

ATR model (Awareness Trial Reinforcement) has been developed by Professor Ehrenberg in 1974 (quoted in Smith and Taylor 2002) in which suggests that a consumer moves through the purchasing cycle through a series of stage, starts from aware of a brand; then develop an interest, as the result, a try out action (buy) would take and the product will subject to a reinforcement process.

In this type of model, a mixture of poll and profile strategy would be very applicable.

## 4.1.3 Conclusion

Both Extensive Problem Solving and ATR model highlights some of the stages that a customer is going through before and after he or she makes a purchase decision. Information sources and consumers' buying criteria can also be identified by using these models, which in turn justify which strategy will be applied in the following part of this report.

## *4.2 Planning and Development of BA's New Theme and Key Message*

Based on the theoretical foundations, this report could now plan and develop BA's new marketing theme and key communication message.

Purpose:

- To link all of the BA's communication, education, policy and planning programs together under a unifying banner
- To give greater visibility, credibility and presence to the BA's efforts
- To target various audiences with specific message
- To more effectively market BA's new Terminal 5

Theme

- The early part of this report has found that BA's brand image has been damaged due to the fiasco at the new Terminal 5, it is now often relate BA and Terminal 5 to the flight delays and lost bags.

=>> Therefore it is important to change such image by emphasising on the progress and improvements BA has made since Terminal 5's opening disaster

- As the result, based on ART model (Ehrenberg quoted in Smith and Taylor 2002) , one example of an overall communication theme is:

*'Try it out, BA is learning and improving.'*

A theme like this could attract people's attention, thus to increase BA's public profile; generate an interest to see what changes BA has made since Terminal 5's opening disaster and seduce customers to take purchase action.

Key messages will be developed, updated and maintained around issues:

a. Around BA

- Who is BA, what services do BA provide, how BA operate and why should customer care
- Staff and board leadership
- Version for the future

b. Problems and solutions:

- What has caused Terminal 5 failure
- Who was responsible for what
- What lessons has BA learnt
- How has BA changed since then
- What are the outcomes

c. State of art new Terminal 5 and its facilities

- What latest technologies has new Terminal 5 got

- How can they benefit to you as a user
- How to use those facilities

## *4.3 Working together with BAA*

By working together with BAA to solve the current and any possible future problems at the Terminal 5 is the first step to restore the public confidence.

Purpose

- To ensure Terminal 5 reaches its designed potential

Key audience

- BA and BAA staffs and board at Terminal 5

Strategy

- A push strategy will be applied

Proposed Annual Budget

- £2 million (out of £10 annual budget)

Tactics

a. To set up a new bureau specifically for Terminal 5 (including IT engineers, back up staffs) to assist BAA if necessary (£1.3 million)

b. Conduct a monthly training for all the Terminal 5 workers (£0.2 million)

c. To set a weekly working target for each department at Terminal 5 and reward scheme – to reward those of the departments who meet the target (£0.5 million)

d. Conduct a daily meeting with BAA Terminal 5 officials to discuss how to assist and improve the staff performance

## *4.4 Conduct a Comprehensive Media Relations that is Highly Visible Year Round*

Media is at the heart of the communication plan; a good media relation can result a positive general coverage, thus could help to improve the public image significantly.

Purposes

- To develop media advocacy
- To educate thought leaders and influencers about issues and prospective solutions

- To inform ex, current and future customers about the issues at new Terminal 5 and showing them the progress and improvements which have been made since then

Key audience

- Internal: BA and BAA management board; key stakeholders; high street retailer at the Terminal 5
- External: influencers; general public

Strategy

- A mixed of pull, push and profile strategies will be applied

Proposed Annual Budget

- £0.7 million (out of £10 million total budget)

Tactics

a. New Bureau – Information based website (£0.1 million)

- Use web as a channel to connect with reporters
- Place related articles and resources specifically for reporters to use
- Issue regular updates for media and direct them to web based bureau for more information

b. Weekly reporter briefings

- Conduct one to one meetings with key reporters, editors and columnists from local, regional, national and international medias to frame the issues about BA and Terminal 5 and build a base knowledge for the future contact

c. Editorial Pages for the media reporters only (£0.1 million)

- Write open-ends for the local, regional, national and international medias

    1. Highlights BA's future commitment to improve its service at Terminal 5
    2. Highlights various similar approaches around the world, with implication for the BA

- Conduct editorial meetings with key publications at the significant decision milestones about how BA is trying to improve its services at Terminal 5

- Coordination a letter to the editors program, with letters from all the key stakeholders and interest parties. This program will commence with the launch of the media campaign and continues at the key milestones for the service improvement at Terminal 5.

    d. Media Advertorials (£0.35 million)

- Produce and place quarterly inserts in the major media channels such as newspaper, magazines and Televisions that focus on Terminal 5 issues and successes
- Produce inserts that specifically promote various conservation programs: word of mouth techniques (Fill 2002)
- Produce and place a monthly column on the website and through media channels such as newspaper with a 'Did you know' approach, to give current and future customers and all the key stakeholders specific information updated situation at the Terminal 5

e. General media training skills (£0.05 million)

- Conduct general media skills for the BA and BAA Terminal 5 staff, key member of the board of directors and key business partners to facilitate consistency of the message and ease in working with the media
- Update media skills every quarter

f. Develop a Speaker Bureau just for Terminal 5 (£0.1 million)

- Conduct presentation skills training
- Develop a turnkey presentation with handouts
- Place speakers at the key meetings with the media

## *4.5 Key Community Relations Program*

To have a good relationship with key concerning communities such as local residents and environmental and quality of life advocacy groups can also help to improve BA's public image

Purpose

- To generate a good social relations with key concerning communities

Key Audience

- Key community workers and local residents

Strategy

- A mixture of poll and profile strategy would be applicable

What are they concern?

- Environmental aspect of the Terminal 5 and quality of life

Message

- To show them that Terminal 5 is environmental friendly building
- To educate local residents the necessarity of having Terminal 5
- To assure their quality of life would not suffer as the result

Proposed Annual Budget

- £0.3 million (out of £10 million total budget)

Tactics

a. To organise monthly meetings with key concerning communities (£0.01 million)

- To show them how BA is committed to save the plant in the age of climate change
- To educate them the environmental friendly aspect of the Terminal 5
- To educate local residents the necessarity of having Terminal 5
- To assure their quality of life would not suffer as the result

b. To produce new educational display, include an interactive component for youths and adults (£0.05 million)

c. To place the display at the community events and public places such as retail locations and public buildings (£0.05 million)

d. Also to produce store signage (e.g window clings, posters and or table tents) and T-shirts for key partners in the effort to educate public (£0.1 million)

e. Produce litterbags and other collateral with shared message for distribution by BA (£0.09 million)

## *4.6 Paid Media Campaign*

This report has referenced one aspect of this effort under media relations: 'advertorials;' however a comprehensive marketing campaign will include paid media spots and printed ads. Paid media campaign complements the earned media (media relations) campaign and keeping the campaign highly visible.

Purpose

- To restore public confidence on Terminal 5 and BA

Key Audience

- General public

Messages

- Showing the progress and improvements made
- Emphasising on the state of art of the Terminal 5 building and its facilities and technologies

- Educating public on how to use these facilities to improve their travel experience with BA

Strategy

- A mixture of push and profile strategy

Media Channels and Budget

Proposed Annual Budget

- £6.9 million (out of £10 million total budget)

The media channels have been selected based on GRP (media's gross rating points)= Reach * Frequency * Impact, and Cost per thousand GRPs (Hollensen 2007, 549)

- TV (£3 million)
- Radio (£0.7 million)
- Print (£2 million)
- Outdoor (£0.8 million)
- Online advertising opportunities (£0.5 million)

Tactics

a. Calendar

- Heavy up in the first three months (to restore public image)
- Rotate placement nine months

b. Develop creative approach based on the key messages and target audiences

c. Develop creative materials (ads) for each

# 5. Measurement and Evaluation

Proposed Annual Budget

- £0.1 million (out of £10 million total budget)

## 5.1 Process Measures

- Communication programs implemented on time and on budget
- Media content analysis (accuracy, impact, reach and balance)
- Level of stakeholder engagement, business partnerships and response from the influencers
- Measure media impressions and outreach targets
- Measure the passenger traffic at Terminal 5

## *5.2 Outcome Measures*

- Flight punctuality (departure from and arrive to Terminal 5)
- Baggage lost and delay rates at Terminal 5
- Level of passenger numbers to use Terminal 5 (whether Terminal 5 can fulfilled its designed capacity)
- Passenger feedbacks on Terminal 5

# 6. Budget Sheet

2008-9 Budget Sheet for BA's Marketing Communication Campaign

Total Budget £10 million

| Program Name | Proposed Budget | Total |
|---|---|---|
| Working Together With BAA | £2 million | £2 million |
| Media Relations | £0.7 million | £0.7 million |
| Community Relations | £0.3 million | £0.3 million |
| Paid Media Campaign | £6.9 million | £6.9 million |
| Measurement Evaluation | £0.1 million | £0.1 million |

Total proposed £10 million

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