

Online Marketing Campaign Proposal for the SmartWings Company

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Abstract

Various online marketing tools are put into practice by major companies and are also gaining importance among the marketing strategies that are nowadays being used by airlines. This document provides a brief analysis of airline online strategies provides correct approaches that the air carrier should take in order to become competent online and outlines an optimized online strategy for the Czech low-cost airline SmartWings.

Key words Airline marketing, online marketing, SmartWings, online campaign setup

1. INTRODUCTION

For a long time one of the characteristics of the commercial aviation sector was its strict regulatory frame. The regulations applied to this sector can be distinguished into two different domains: to a safety regulation and to a commercial regulation. As the sector started to evolve the commercial regulation was dominant, on the other hand the regulatory frame regarding the safety was insignificant. The strict commercial rules provided only a minimal space for any airline product marketing.

Since the start of the liberalization packages first in the US, afterwards also in Europe, major changes regarding the commercial regulating policies have occurred allowing the sector to liberalize and to provide space for the first airline marketing tactics.

Nowadays for aviation in general very strict safety regulatory frame is typical, on the other however the sector can be characterized as the one that is opened to any marketing experiments. In fact the commercial aviation overall seems to be one of the top business fields where marketing ideas are continuously being enhanced and taken to the next level.

This paper is aimed at airline online marketing. As this topic is very wide, in order to provide general and overall understanding, it is therefore divided into the following sections that all represents findings and results that have been made during the extensive research:

- Model of airline marketing strategy
- Online marketing tools that are put into practice by most of the airlines
- Identification of keys that all lead to airlines online success
- Banner advertising strategies that airlines typically use to market their services to the Czech online audience
- Optimized online marketing campaign proposal for the SmartWings company

2. MODEL OF AIRLINE MARKETING STRATEGY

The diagram presented in the figure 1 represents general model of airline marketing. All the components and all the relations shown above represents a general strategy that can be seen within any airline. Apart from the market research, the market segmentation and the business strategy itself, one other factor highly influences the definite shape of the airline product. For airlines it is important to make a precise difference between customer, consumer and influencer in order to design a product satisfying their needs.

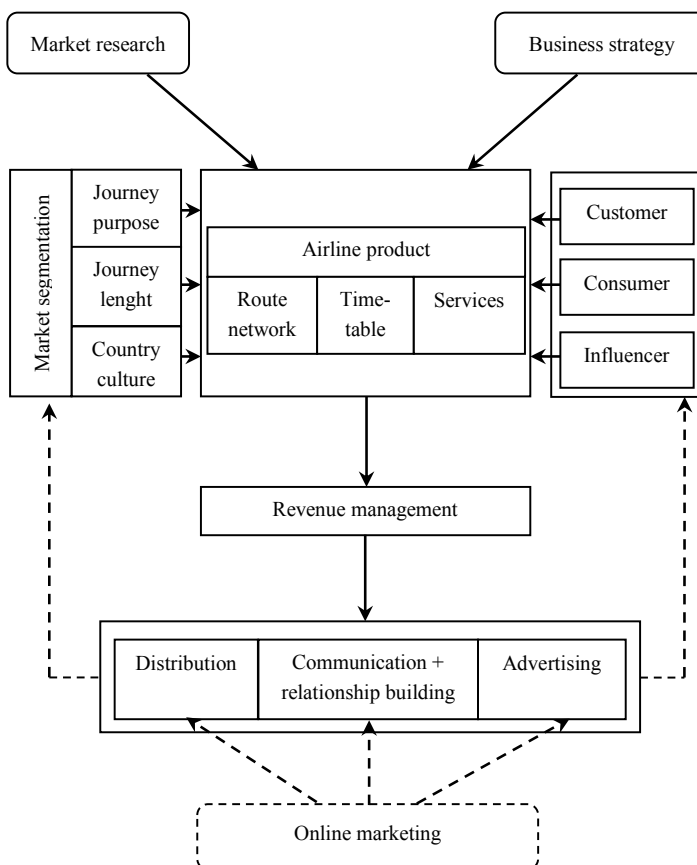


Figure 1 The diagram of airline marketing strategy

The diagram also shows where online marketing can be found and with what marketing phases it interferes.

3. ONLINE MARKETING TOOL USED BY AIRLINE

Various online marketing tools put by air carriers into practice have been identified. Nowadays a wide variety of online tools exists that can companies take advantage of, however as far as the current situation in the airline sector goes, it has been found that only major airlines use all of them at the same time. The most common ones are short listed below.

Social networks

Airline's active presence on social networks is crucial today. Social networks are by most of the air carriers used for brand and relationship building, others go further and use this medium to provide a quick customer support. As the frustration with a product or service can be vented and spread by the customer in an instant, it is important for airlines to tackle this problem at the place where it occurs.

PPC advertising

PPC (Pay-per-click) advertising model is the most frequently used performance-based marketing method and should be part of any airline marketing strategy that is executed in order to drive direct sales.

The PPC model has several advantages. The three primary advantages are:

- The advertiser (airline) pays for real website visitors
- Advanced targeting options
- The possibility to monitor, to analyze and to adjust the online campaign in real time

Affiliate marketing

Affiliate marketing is another type of performance-based marketing in which a business rewards its affiliates for each visitor or customer brought by the affiliate's own marketing efforts. By implementing this marketing model airlines benefit from having fixed marketing costs that do not rise with an increasing number of sales and flight bookings.

Commissions (percentage from the actual booking amount) that affiliate partners receive differ a lot. For example British Airways pays 0,25%, on the other hand air carriers such as Etihad, Qatar or Turkish Airlines pay 2,00% (both percentages mentioned above apply on shorthaul flights, the percentage for longhaul flights is usually higher).

4. KEYS TO AIRLINE ONLINE SUCCESS

Online branding

Online branding is the key success factor especially for legacy airlines as a traveler may be tempted to choose a low cost carrier in such a competitive price environment, which commercial aviation sector surely is.

It is important for airlines to build their brands to shape and maintain their position in the market and to help customers to value loyalty over price.

Currently the strongest airline brand is the brand of Emirates that is valued to 5,48 billion USD. Part of such a success has been achieved by ongoing offline and online Emirates campaign "Hello Tomorrow" that has been initiated by the company in April 2012.

Unique selling propositions

Another crucial factor is to create and communicate unique selling propositions. Distinguishing itself from other air carriers and publishing quality information online that are transparent and accessible by anyone results in more loyal customer base.

Unique services and unique selling propositions are created when airlines:

- Associate themselves with customer's point of view
- Research the motivation behind customer's behaviour
- Discover the real reasons why travellers choose them instead of their competitors

CRM and online booking integration

Online marketing experience should be shaped in a way so website visitors and potential customers see specific destination promotions based on their personal desire. Such a system can be achieved by personalizing the airline's website based on the specific user account that a visitor logs into.

Loyalty and CRM (Customer Relationship Management) tools such as FFPs (Frequent Flyer Programs) should be linked with the basic user accounts in order to deliver other relevant information into the decision process so more relevant destinations are showed.

Website visitor tracking

Active visitor tracking by a special piece of data called "cookie" also allows airlines to execute behavioral marketing and to show more relevant services and destinations even to those visitors who are not logged in.

Focus on non-price attributes

Even though the price remains the top decision factor for many travelers, airline's online marketing behavior should not only rely on the price attribute. Importance of other factors cannot be neglected and in case the company possesses any of them, they should be clearly communicated.

Some examples of non-price attributes are: in-flight comfort, enhanced FFP, reputation for punctuality or excellent safety reputation.

5. FINDINGS SUMMARY FROM THE AIRLINE'S BANNER RESEARCH

Research of banner ads that airlines have recently used for promotions of their services to the Czech online audience has been executed. The research was focused not only on primary Czech carriers (Czech Airlines and SmartWings) but also several other airlines where identified for their active approach to the Czech online environment. For example German Lufthansa, similarly to Czech Airlines, executes several online banner campaigns throughout the year and it therefore positions itself on the second place in terms of the amount invested to this kind of promotion.

From the research three key findings have outcome and have later been taken into account during the process of online campaign setup.

- Airline's banner advertising is clearly reasonable as it is frequently used both by smaller low cost carriers and by bigger legacy carriers. Such companies with specialized marketing departments would not maintain these campaigns in case they would not deliver results. Banner ads are suitable especially for brand building and therefore they do not only generate a direct traffic (website visitors) that is measurable, they also generate partially indirect traffic that cannot be evaluated and analysed.
- In the Czech online environment both local and abroad air carriers most frequently publish their banners ads within the online networks of Seznam and Mafra companies.
- No single specific approach to banner design in terms of their concept and colour have been identified. For most airlines however as they operate flights from/to Prague Airport a standard

practice of placing the airport's logo to the banners has been observed (i.e. ČSA, SmartWings, WizzAir, EasyJet, Swiss).

6. RESULTS - OPTIMIZED ONLINE MARKETING CAMPAIGN PROPOSAL FOR THE SMARTWINGS COMPANY

SmartWings company operates most of the flights during a summer season when it offers direct flights from Prague to more than 45 Mediterranean destinations. It therefore, shortly before the summer season begins, executes promotion of these destinations throughout multiple marketing channels.

The online campaign for 2014 should fulfil the following campaign objectives:

- Destination promotion directly resulting in increasing number of sales and in lowering available free seat capacity
 - Concentrate specifically on the newly serviced destinations: Sevilla (SVQ), Pula (PUY) and Funchal (FNC)
 - Promote other destinations located in the geographically same regions where the newly serviced destinations are. Example: Croatia region = Pula + Split (SPU) and Dubrovnik (DBV).
- Brand building

Numerous information inputs were considered while designing the online campaign proposal. Most of the inputs came from SmartWings itself, others resulted from the previously carried out researches (banner ads research that have been commented above and the research focused on public perception of online marketing).

The final verbal messages specified in the proposed marketing materials have been composed from these predefined lines:

- New destinations: Funchal, Pula, Sevilla
- Croatia: Pula, Dubrovnik, Split
- Spain: Sevilla, Malaga, Mallorca
- Cheap flights
- From Prague to 45 destinations
- From Prague with Czech SmartWings
- Quickly and comfortably to Croatia
- Summer on the beach
- Book now
- Click on www.smartwings.com and fly

The proposed online banner campaign that has been designed to suit SmartWings needs consists of different banner formats as specified in Table I.

Table 1 Mediaplan – format specification

Ad Format	Emplacement	Type	Format	Technical specification	Total display number
1	Idnes	Branding	Static	-	7,5 mil.
2	Seznam	Homepage	Static	467x120px	2,0 mil.
3	Email	Skyscraper	Static	160x600px	6,0 mil.
4	Novinky	Skyscraper	Dynami c	300x600px	1,0 mil.
5	Stream	Video	Video	-	0,4 mil.
6	Novinky	Product cover	Static	300x600px	1,0 mil.

Table 2 Mediaplan – campaign timetable

Ad	Week # of 2014						Total display number
	20.	21.	22.	24.	25.	26.	
1	2,5 mil	2,5 mil	2,5 mil				7,5 mil
2			0,5 mil	0,5 mil	0,5 mil	0,5 mil	2,0 mil
3			1,5 mil	1,5 mil	1,5 mil	1,5 mil	6,0 mil
4				0,5 mil		0,5 mil	1,0 mil
5			0,1 mil	0,1 mil	0,1 mil	0,1 mil	0,4 mil
6			0,5 mil		0,5 mil		1,0 mil.

Two new ad formats were introduced in this campaign proposal, the ad format #1 (iDnes Branding) and the ad format #6 (Product cover). These have never been part of the SmartWings online campaign before and were chosen to better and quicker accomplish the campaign goals.

iDnes Branding that will be displayed for three weeks on the Czech biggest online news server highly supports the SmartWings brand and also can easily drive sales as it provides a lot of space for the marketing message.

On the other hand the product cover was specifically chosen to help drive even more sales as it is not a classic banner format. Its advantage is rather a direct display and a direct promotion of products along with their prices for which they are actually at the moment available.

Banner previews are attached below. The design of banner #5 was not part of this campaign proposal. All the designed banners are static even though the ad format #4 allows dynamically changing advertisements. Based on the previously executed public perception research, in which 57% of respondents stated that they are bothered by animated banner formats and therefore they are likely to choose not to click on them, it was decided that no animated concept will be part of this online campaign suggestion.

Banner #1: idnes Branding preview



Figure 1 SW banner 2014 – iDnes Branding preview

Banner #2: Seznam Homepage preview



Figure 2 SW banner 2014 – Seznam Homepage preview

Banner #3: Email Skyscraper preview



Figure 3 SW banner 2014 – Email Skyscraper preview

Banner #4: Novinky Skyscraper preview



Figure 4 SW banner 2014 – Novinky Skyscraper preview

Banner #5: Novinky Product Cover preview

Do Chorvatska rychle a pohodlně

Foto Split

z Prahy do Splitu
letecky

Aktuální cena:
3 994 Kč

Levné letenky do jižního Španělska

Foto Sevilla

Sevilla, Andalusie

Aktuální cena:
6 989 Kč

Letadlem z Prahy k Jadranu

Foto Pula

Pula, Chorvatsko

Aktuální cena:
3 749 Kč

Více na
www.smartwings.com

smartwings

Figure 5 SW banner 2014 – Novinky Product Cover preview

7. CONCLUSIONS

The purpose of this paper has been to deliver an overview of airline online marketing, its current trends and tactics. Several key factors have been identified that are at the current market situation crucial to adapt before any online success can be expected to arrive.

It is vital for airline brands to familiarize themselves with different online marketing tools in order to start taken advantage of them. Many air carries and many companies in general might be unsure about the positive effects that these tools can deliver.

Some airlines might not have a sufficient budget to allocate to these promotional tools, especially at the current market situation when operational costs need to be cut down in order to generate a light profit. However not all online tools are expensive and at the same time can become a favorable part of airline marketing mix. For example providing a customer support directly through social media is gaining more and more importance. This way the airline brand is becoming more transparent as all customer issues are being answered publically and consequently the brand is becoming more valuable to the customer.

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