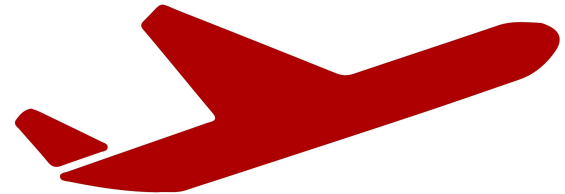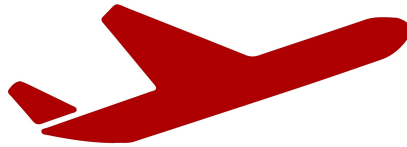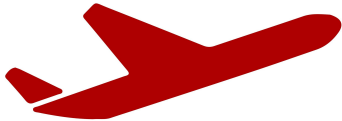# Brand Audit

Peter Allan
Matheus Cunha
Sabrina Sigismondi
Zoë Willis

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BACKGROUND INFORMATION

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Virgin America is a California-based, domestic airline with over 60 narrow body aircrafts in their fleet. Virgin's service offers a variety of options, including: First Class, Main Cabin Select, and Main Cabin. They are known for their eccentric take on flying and budget fares.

Destinations
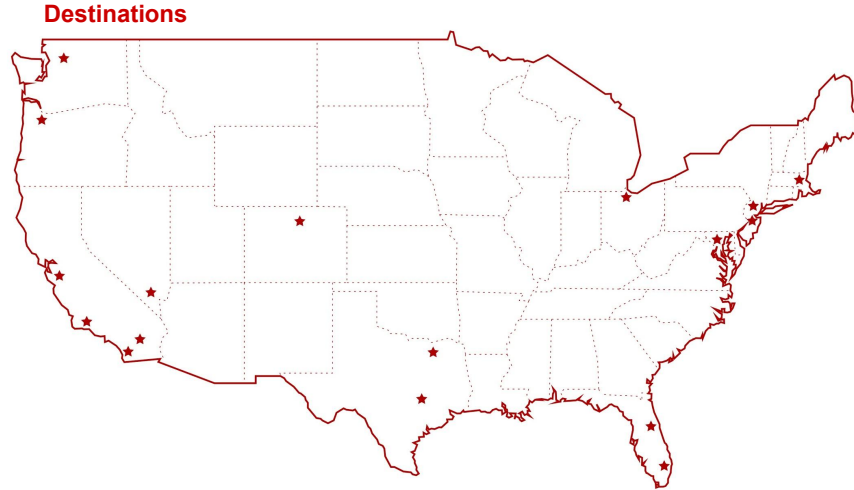
Virgin America also flies to:
○ Cancun (CUN)
○ Honolulu (HNL)
○ Kahului, Maui (OGG)
○ Los Cabos (SJD)
○ Puerto Vallarta (PVR)

2004
Virgin Group announces plans to create a US-based airline

2007
Virgin America launched by Richard Branson in California

2009
Virgin America introduces fleet-wide Wi-Fi

2010
Premiere of "Fly Girls" TV show on the CW

2016
Alaska Air Group to acquire Virgin Airlines (pending approval)

2016
Virgin America named best U.S. Airline in Conde Nast Traveler's 2016 Reader's Choice awards for the 9th consecutive year.

BRAND POSITIONING

Class	Airline			
Type	Domestic			
Category	Budget			
Target Market	Trendy and economical 20 to 35 year olds			
Competition	JetBlue, Southwest			
	Performance Based		**Image Based**	
	Attributes	**Benefits**	**Attributes**	**Benefits**
POP's	• Domestic airline • Multiple airports • Cabin choices	• Many domestic routes • More destination choices • Options based on consumer preference and budget	• American • Economical • Customer oriented	• Familiar, comforting • Affordable • Good travel experiences
POD's	• RED system • Mood lighting • Custom designed seats • Fleetwide Wi-Fi	• Custom/advanced entertainment • Relaxing atmosphere • Comfort • Productivity	• Trendy • Modern • Young • Tech savvy	• Makes customer seem cool for flying with them • Planes appear to be new and clean • Relatable & non intimidating • Entertainment & comfort

BRAND POSITIONING

	POD's Performance Based		POD's Image Based	
SouthWest	**Attributes**	**Benefits**	**Attributes**	**Benefits**
	• No assigned seats • 2 free checked bags • No flight change fee	• Efficient boarding • Less fees • Less fees	• Community based • Quirky	• Welcoming • Relatable
JetBlue	**Attributes**	**Benefits**	**Attributes**	**Benefits**
	• Directv & SiriusXM • Free wifi • Extra legroom in coach	• Added entertainment • Increased productivity • Added comfort	• Minimalist • Adventurous • Sophisticated	• Clear offerings & goals • Appeals to frequent travelers • Business travel friendly

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BRAND POSITIONING

Respondents Who Extremely or Very Accurately Associate The Airlines With The Following Adjectives

Legend:
- Jet Blue
- Southwest
- Virgin

Positioning Strategy
Affordable, exciting travel for millennials

Positioning Statement
Virgin America is the only domestic airline in the US that offers trendy and exciting travel experiences for millennials ages 20 to 35 while maintaining affordable fares.

Affordable

Old-Fashioned — 3,3 — Trendy

Expensive

6

BRAND MANTRA

Mental Maps

BRAND MANTRA

Mental Maps

Virgin america

Mental Map Bubbles

(+) SouthWest: Numerous Destinations, Established, Quirky, Affordable

(-) SouthWest: Poor Customer Service, Few Amenities, Old, Dirty, Chaotic

(+) JetBlue: Numerous Amenities, Modern, Trendy, Good Customer Service, Adventurous

(-) JetBlue: Unfamiliar, Expensive, Unestablished

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BRAND MANTRA

Relate to POPs/PODs
POP Association
- Affordable pricing options
- Quality customer service

POD Association
- Trendy aesthetic
- Modern offerings
- Exciting experience

Core Brand Values:
- Innovative
- Exciting
- Affordable
- Different
- Personable
- Customer Oriented
- Style and Design
- Eco-conscious

Brand Mantra

Emotional Modifier	Descriptive Modifier	Brand Function
Personable	Trendy	Air Travel

MARKETING MIX (4Ps)

Marketing Mix Elements	Value Purpose	Core Brand Associations
Product	Create	Convenience
Place	Carries	Functionality
Price	Captures	Affordability
Promotion	Communicates	Trendiness

MARKETING MIX: PRODUCT

Product/Service	Attribute	Benefit
Air Travel	Affordable domestic air travel	Convenience
Inflight entertainment	Red (Seatback Touchscreen display)	Entertainment & functionality
Inflight food and drinks options	Food & drinks	Comfort
Inflight Wi-Fi	Internet connection	Connectivity
Inflight charging stations	Power outlets	Convenience
Flight attendants	Customer service	Comfort/warmth

MARKETING MIX: PLACE

Location	Push Strategy	Pull Strategy
• Based in of California • Direct purchase channel: Tickets are sold online at virginamerica.com • Indirect purchase channel: Tickets sold online through third party vendors (Expedia, Travelocity, Skyscanner, etc.)	• Virgin America Visa Signature Card Partnership. • Partnership with Teleflora, Viceroy, and Virgin Hotels	• Online Advertising • Billboards • Viral Safety Video • Flash Sales • Social Media Presence • Status Match for competitor Frequent Flyer program • Fly Girls (2010 TV Show)

MARKETING MIX: PRICE

Pricing Strategy

Quality

		Low	High
Price	**Low**	Economic	**Penetration Pricing**
	High	Skimming Pricing	Premium Pricing

With fares as low as $39 and frequent flash sales, Virgin America can be considered to have a penetration pricing strategy since it offers high-quality full service flights with great customer service at affordable prices.

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MARKETING MIX: PROMOTION

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Promotion Strategies

- Strategic Flash Sales online
  - For example, recent flash sale to Washington DC for the election
- Various billboards throughout major cities
- Spotify partnership #SpotifyOnboard
- Netflix partnership #NetflixOnboard
- Virgin America First Class Shoe (Sold on Ebay for nearly $100,000)
- Viral Inflight Safety Video
- Social media usage
- Company website blogs

BRAND ELEMENTS

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> > Name
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Criteria for Brand Elements		Logo	Equity Created	Rating
Offensive	Memorability	In the survey, 80.77% of the subjects gave a rating of 4 or 5 out of 5 in the logo's memorability.	Salience: Recognition	Strong
	Appealing	The red colour is attractive to customers and gives an energetic feel to the brand. 78.85% of people in our survey stated that they found the logo appealing.	Style and Design, Personality and Values, Feelings: Fun, Excitement, Warmth	Medium - Strong
	Meaningfulness	The logo reflects the brand name, but does not give the product category.	Salience: Recognition	Weak
Defensive	Adaptability	Virgin's personal logo has been updated several times but maintains the same form.	Salience: Recognition	Medium
	Transferability	The "Virgin" part of the logo is used in all Virgin businesses, making it easier to relate the companies to each other and transfer brand equity.	Imagery: Heritage Judgements: Credibility	Strong
	Protectability	Virgin America owns all copyrights, trademarks, service marks, trade names related to Virgin America.	Imagery: History	Strong

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Criteria for Brand Elements		Name	Equity Created	Rating
Offensive	Memorability	In the survey, 36.54% of the respondents recalled Virgin America as one of the three domestic airlines they were aware of.	Salience: Recall	Medium
	Appealing	The name "Virgin" is shocking and an eye opener, it draws in interest and attention.	Salience: Recognition	Strong
	Meaningfulness	Name describes the location of Virgin's flights, but not the service that they provide.	Salience: Category identification	Medium
Defensive	Adaptability	Not adaptable. The term "America" in the name restrains the brand to operate on one continent.	Salience: Category identification	Weak
	Transferability	The "Virgin" section of the name has been used for other Virgin brands, making the name transferable to other companies.	Imagery: Heritage Judgments: Credibility	Strong
	Protectability	Virgin America owns all copyrights, trademarks, service marks, trade names related to Virgin America.	Imagery: History	Strong

BRAND ELEMENTS

Criteria for Brand Elements		Packaging: Airplane Tickets	Equity Created	Rating
Offensive	Memorability	Virgin America prints uniquely small, square sized boarding passes that are easy to differentiate from other airlines.	Feelings: Excitement Performance: Style & Design	Strong
	Appealing	The bright red colour of the plane ticket is easy to distinguish.	Performance: Style & Design Salience: Recognition	Strong
	Meaningfulness	The red colour is related to the brand's image.	Judgments: Credibility	Medium - Strong
Defensive	Adaptability	The ticket's format is incredibly adaptable, the company could change them with little cost and hassle	Performance: Style & Design	Strong
	Transferability	Boarding Pass is unique to airlines, does not fit with other product/service lines	Performance: Style & Design	Weak
	Protectability	Virgin America owns all copyrights, trademarks, service marks, trade names related to Virgin America.	Imagery: History	Strong

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Criteria for Brand Elements		Colour	Equity Created	Rating
Offensive	Memorability	The same colour and shade is used for all marketing materials, making the brand recognizable.	Salience: Recognition and Recall	Strong
	Appealing	Red is a very emotionally intense color and evokes feeling of passion, as well as energy, power, strength and determination.	Feelings: Warmth	Strong
	Meaningfulness	The feelings that red evokes on the consumer directly relate to Virgin's positioning and values as an energetic and determined new brand.	Feelings: Excitement	Strong
Defensive	Adaptability	The fact that red is such a basic color allows it to always be a part of virgin even if they change their logo to meet consumer demands.	Performance: Style and Design	Strong
	Transferability	The color red is used throughout the company in places such as the flight attendant outfits, design of their mobile app, and their in flight entertainment system (called "Red").	Performance: Style & Design	Strong
	Protectability	Since red is one of the basic colors, so Virgin cannot own or protect to much extent this brand element.	Judgments: Credibility	Weak

BRAND ELEMENTS

	Criteria for Brand Elements	5 Senses	Equity Created	Rating
Offensive	Memorability	Lighting is unique to the brand, no other brand uses the same shade of colour or lighting techniques.	Salience: Recognition Judgments: Superiority	Strong
	Appealing	Purple lighting in the cabin is soothing to the consumer and allows for quality sleep.	Feelings: Comfort	Strong
	Meaningfulness	The lighting makes sense with the brand's luxurious and trendy positioning.	Judgement: Superiority	Strong
Defensive	Adaptability	The lights are adaptable and change depending on the time of day.	Performance: Service Effectiveness	Strong
	Transferability	The purple and pink colors of the lights are used in other brand elements such as the headphones handed out onboard and mobile app.	Performance: Style & Design	Strong
	Protectability	Not a protectable feature. One of the competitors, JetBlue, also lights their cabins, but they use a different colour; blue.	Salience: Recognition	Weak

SECONDARY SOURCES: PEOPLE

Source	Path	Type	Description	Enhanced Equity
Richard Branson	People	Endorser, Employees, Celebrity, Founder, Artist	Richard Branson was one of the founders of the company and is used for many of the marketing materials for the airline. As seen by the survey, his adventurous and young personality fits the brand image. The survey concludes that 82.70% of the respondents thought the brand was "trendy", 73.08% as "exciting," and 73.08% as "adventurous." As a result, Sir. Branson continues to represent the brand in their promotional materials.	Salience: Recognition and Recall Imagery: User Profiles, Purchase and Usage Situations, Personality and Values, Judgments: Consideration, Superiority, Credibility Feelings: Fun, Excitement, Social Approval, Self Respect

SECONDARY SOURCES: PLACE

Source	Path	Type	Description	Enhanced Equity
California	Place	Origin	The brand was founded in California and has the most flights departing from this state. Their base airport is San Francisco's SFO Terminal 2.	Salience: Recall, Purchase Consideration, Consumption Consideration, Imagery: User Profiles, Purchase and Usage Situations, History, Heritage, Experiences, Judgments: Quality, Credibility, Consideration, Superiority, Feelings: Warmth, Fun, Excitement

SECONDARY SOURCES: THINGS

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Source	Path	Type	Description	Enhanced Equity
"Best Domestic Airline" award for Conde Nast Traveler's Reader's Choice Awards for the past nine consecutive years	Things	Third party endorser: awards	The award incorporates the opinion of more than 300,000 travelers every year. There are multiple categories for these awards, including "Best Domestic Airline," "50 Best Hotels," and "50 Best Resorts."	Salience: Purchase and Usage Consideration Performance: Product Reliability, Durability, Serviceability, Service Effectiveness , Efficiency, Style and Design Imagery: Purchase and Usage Situations, Experiences Judgments: Quality, Credibility, Consideration, Superiority Feelings: Self-Respect, Social Approval Resonance: Attitudinal Attachment

SECONDARY SOURCES: OTHER

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Source	Path	Type	Description	Enhanced Equity
Virgin Group, parent company	Other	Company	Virgin is a UK based media company focused on entertainment, music, and travel services. Their expertise in these services and enormous customer base of 60 million people worldwide strengthens the equity of all the Virgin group business. According to the Virgin website, Virgin has a 96% brand recognition rate.	Salience: Recognition and Recall, Purchase Consideration, Usage consideration Performance: Product Reliability, Service Effectiveness, Efficiency, Style and Design Imagery: User Profiles, Purchase and Usage Consideration, Personality and Values, History, heritage, and experiences Judgement: Quality, Credibility, Consideration, Superiority Feelings: Warmth, Fun, Excitement, Social Approval, Self-Respect Resonance: Brand Loyalty, Attitudinal Attachment

BRP MODEL: SALIENCE: DEPTH

Unaided recall (Rating: 4.5/5)

Virgin America ranks 2nd in the unaided recall question asking respondents to list three domestic airlines they are aware of. Competitors JetBlue and Southwest ranked 6th and 5th respectively, showing high unaided recall of the Virgin America brand.
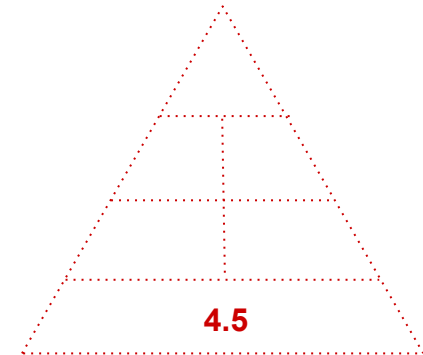
4.5

BRP MODEL: SALIENCE: DEPTH

4.5 + 2.5
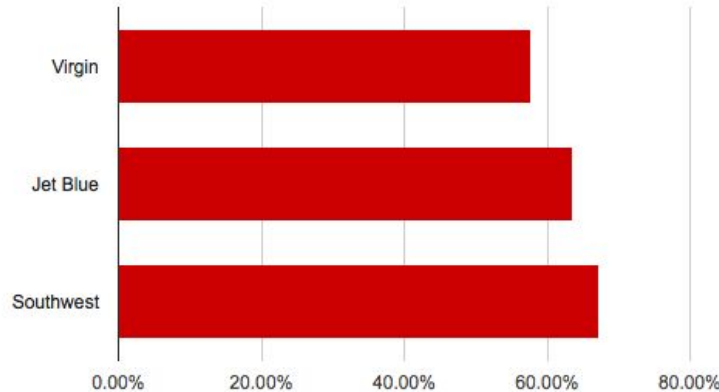
Aided Recognition (Rating: 2.5/5)

57.69% of respondents were able to recognise Virgin America's tail plane photo compared to 63.46% and 67.31% for JetBlue and Southwest respectively. It can be therefore said that the Virgin America brand has a moderate level of aided recognition however not as high as that of the competition.
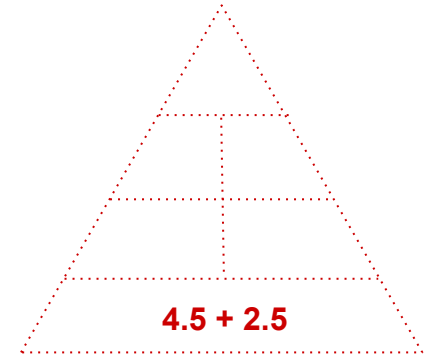
BRP MODEL: SALIENCE: BREADTH
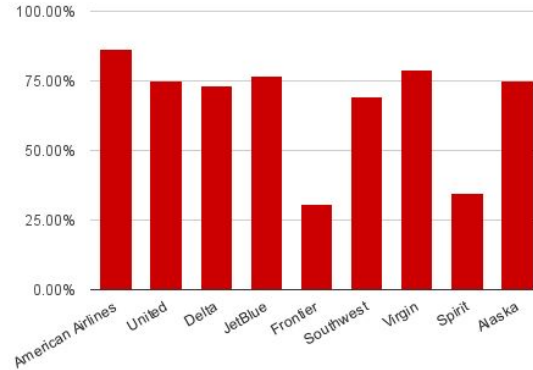
Purchase Consideration (Rating: 4.5/5)

78.85% of respondents said they were either extremely likely or moderately likely to fly with Virgin America compared to 76.92% who said the same for JetBlue and 69.23% for Southwest. Moreover, in perspective compared to all airlines, Virgin America ranks as the 2nd highest in terms of percentage who said extremely likely or likely.
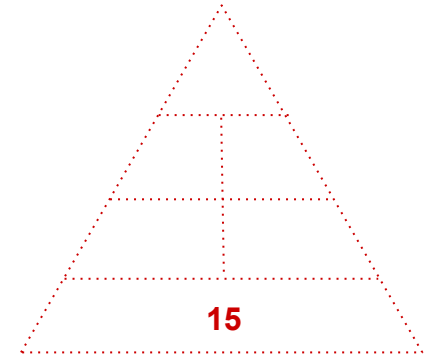
Usage Consideration (Rating: 3.5/5)

76.92% of respondents said they would buy a Virgin America plane ticket for the purpose of visiting family/friends, compared to 80.39% and 78.85% for JetBlue and Southwest respectively. Moreover, 80.77% of respondents said they would buy a Virgin America ticket for leisure purposes compared to 70.59% and 57.69% from JetBlue and Southwest respectively.

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BRP MODEL: PERFORMANCE

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>> > Salience
>> > **Performance**
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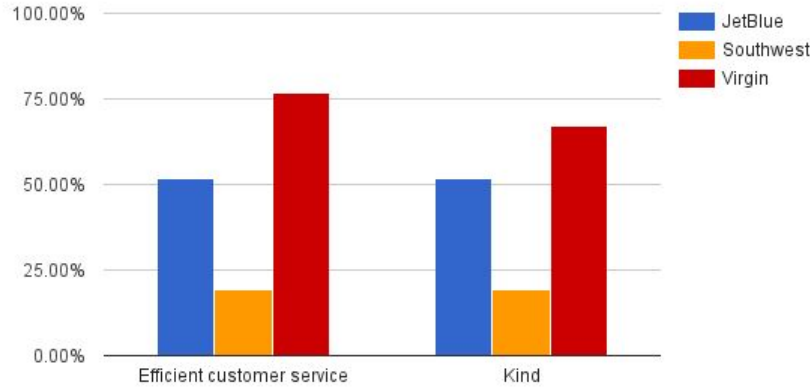
Service Effectiveness, Efficiency, Empathy (Rating: 4.5/5)

76.93% of respondents said that "efficient customer service" extremely accurately or very accurately describes Virgin America, compared to 19.23% for Southwest and 51.93% for JetBlue. 67.31% of respondents reported that "kind" describes Virgin America extremely or very accurately (19.23% for Southwest, 51.93% JetBlue).
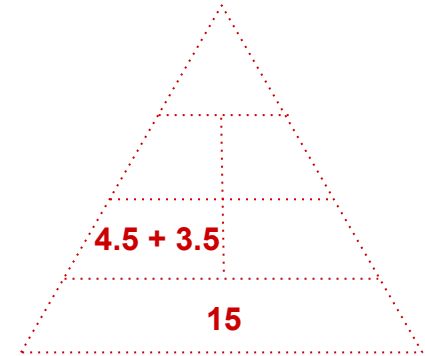
Product Reliability, Durability, Serviceability (Rating: 3.5/5)

61.54 % of respondents perceive Virgin America to be very safe. Customer service, often a catalyst for servicing problems is also a strength of Virgin America as evident from the survey results.

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BRP MODEL: PERFORMANCE

Modern and Trendy

Style & Design (Rating: 5/5)

82.69% of respondents said that modern extremely or very accurately describes Virgin America (3.84% Southwest, 55.77% JetBlue). 82.7% associate Virgin America with being trendy (9.61% Southwest, 50% JetBlue). Virgin America's corporate values place innovation and attention to design as a priority.

Price (Rating: 3/5)

50% of our respondents said that "affordable" extremely or accurately describes Virgin America compared to 69.23% for Southwest and 21.23% for JetBlue.

16

15
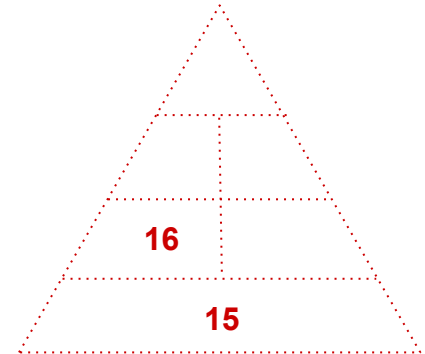
BRP MODEL: IMAGERY
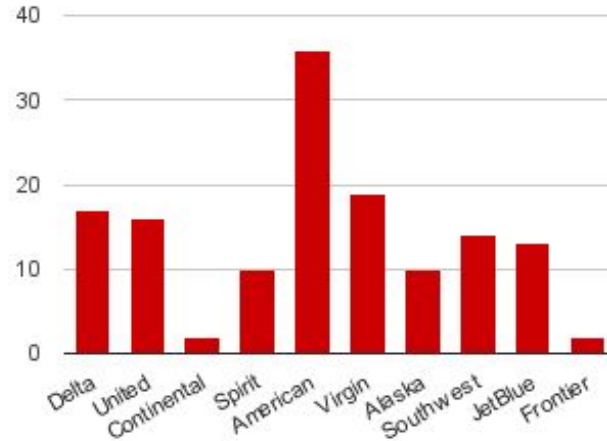
> Background Information
> Brand Positioning
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　　> Salience
　　> Performance
　　> **Imagery**
　　> Feelings
　　> Judgments
　　> Resonance
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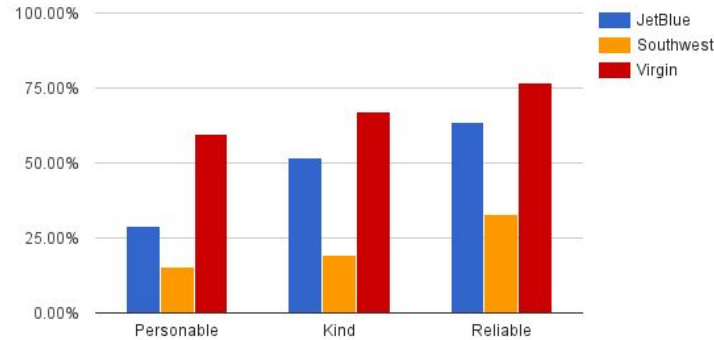
Personality (Rating: 3.5/4)

Personable, kind, reliable all rated highly in survey results above.

User Profiles (Rating: 3.5/4)

Demographics - The demographics for Virgin America is 20-35 year old young adults who travel predominantly to visit friends and family or for leisure purposes. Based on survey results, the majority said they flew Virgin for leisure (80.77%) or to visit friends and family (76.92%).
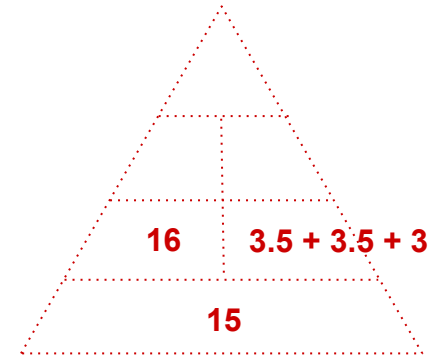
Purchase and Usage Situations (Rating: 3/4)

Actual Purchase
Interview respondents answers varied regarding how long they spend searching for a plane ticket. The amount of time taken to look varied from 10 minutes to over a period of weeks.

Actual Usage
51.92% of respondents said they fly more than 5 times per year. This was most of the respondents with few (5.77%) travelling 1 time or less per year

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BRP MODEL: IMAGERY

Values (Rating: 3/4)

Corporate Social Responsibility policy which includes a variety of measures and aims to help numerous causes including carbonfund.org, Stand Up to Cancer, Knowledge is Power Program and Make a Wish Greater Bay Area.

History, Heritage and Experiences (Rating: 3/4)

The Virgin Group as a whole is diverse with stores, soft drinks, radio etc. as part of their portfolio. Moreover, interview respondents often mentioned Richard Branson as being a noteworthy part of the brand and its heritage.
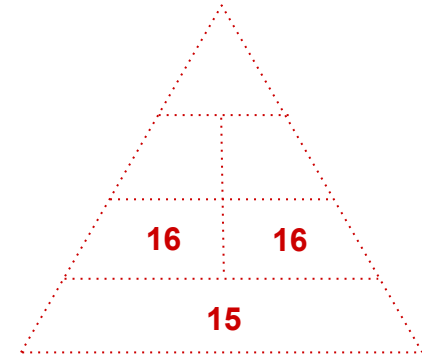
16   16

15

BRP MODEL: FEELINGS

Respondents Who Extremely or Very Accurately Associate The Airlines With The Following Adjectives
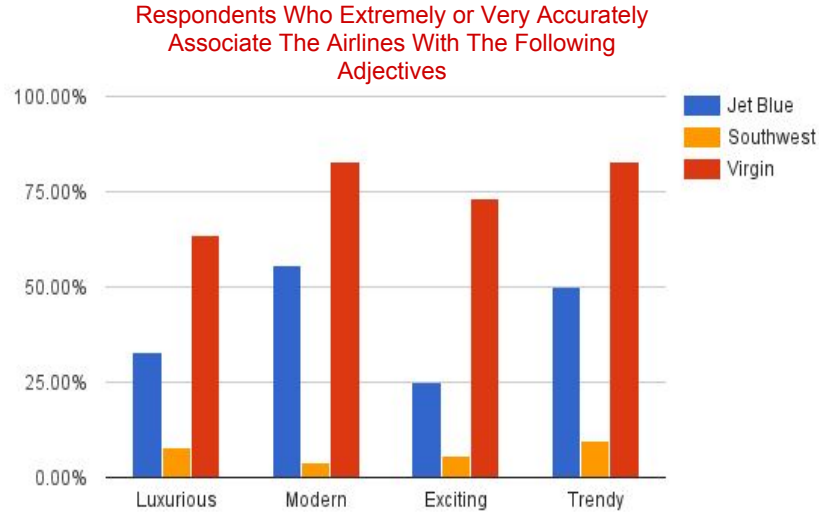
(Rating: 12/15)

Virgin America rates highly when respondents were asked how accurately the above adjectives luxurious, modern, exciting and trendy described the brand (bars based on those who selected extremely accurately or very accurately).

(Rating: 3.5/5)

Moreover when asked how safe respondents perceived airlines to be, Virgin America had a 61.54% 'very safe' score, compared to 50% for Southwest and 63.46% for JetBlue
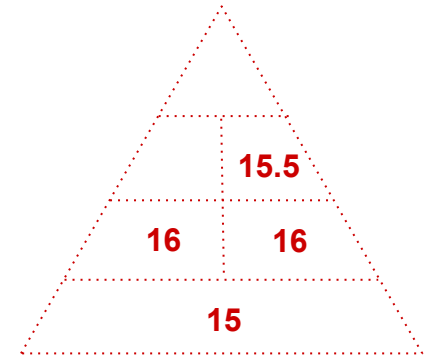
15.5

16   16

15

BRP MODEL: JUDGMENTS

Quality (Rating: 4/5)

When asked to select the amenities people would expect to find on Virgin America flights, the average number selected was 5.13 amenities compared to 5.19 for JetBlue and 2.65 for Southwest. This highlights perceived high quality as respondents expected a high number of amenities to improve their experience.

Credibility (Rating: 3.5/5)

The Virgin Group as a whole is known across the world. As Virgin America is tied to this main brand, this gives them credibility. In one interview however, the brand was associated with bankruptcy due to some failed sub companies.

Consideration (Rating: 4/5)

When asked how likely people were to fly with a variety of airlines, 55.77% of people said they were extremely likely to fly Virgin America compared to 51.92% for JetBlue and 30.77% for Southwest.

Superiority (Rating: 3.5/5)

The Net Promoter Score for Virgin America is 7.87 compared to 6.96 for JetBlue and 5.76 for Southwest indicating higher perceived superiority if people are willing to recommend the airline to others. Whilst a score of 7.87 is considered passive and not a promoter, this is still a high NPS, and considerably higher than competitors
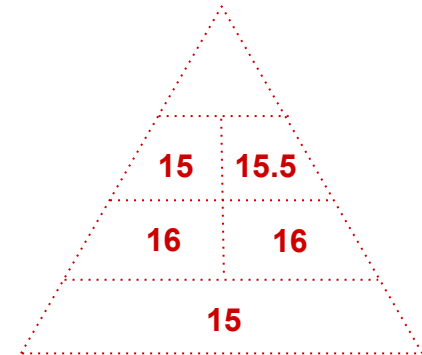
Pyramid diagram values:
15 | 15.5
16 | 16
15

32

BRP MODEL: RESONANCE

Behavioural Loyalty (Rating: 5/5)

48.08% of respondents said they were part of Elevate, Virgin America's loyalty program which includes perks such as matching participant's status to other frequent flier programs, no blackout dates, and no point expiration. In comparison, 25% said they were part of TrueBlue (JetBlue) and 15.38% part of Rapid Rewards (Southwest). Compared with all airlines in question, Virgin America ranked 2nd highest in terms of respondents who are part of loyalty schemes, beat by American Airlines' AAdvantage

Attitudinal Attachment (Rating: 3.5/5)

57.69% of respondents said they would miss Virgin America a great deal or a lot if it were to cease to exist compared to 42.31% for JetBlue and 9.61% for Southwest

Engagement (Rating: 3.5/5)

55.77% of respondents said they would be extremely likely or somewhat likely to take part in a Virgin America contest compared to 36.53% for JetBlue and 7.69% for Southwest..

Community (Rating: 4/5)

Virgin America are not as strong on social media compared to JetBlue and Southwest, having fewer followers and likes. Nonetheless the company does have a strong inflight community by allowing passengers to play games or even send drinks to other passengers onboard, creating a sense of inflight clique..
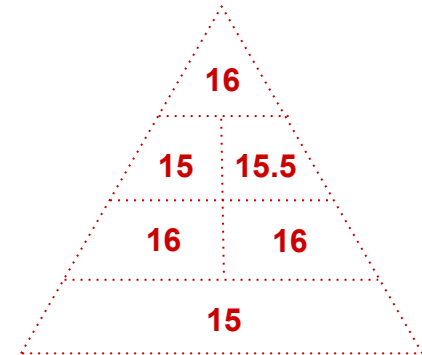
Pyramid diagram values:
- 16
- 15 | 15.5
- 16 | 16
- 15

EQUITY RATING

BRP Block	Score /20
Salience	15
Performance	16
Imagery	16
Feelings	15.5
Judgements	15
Resonance	16
Totals	93.5

Possible points per section: 20
Total possible points available: 120

Equity rating: 7.75 (rounded)

EQUITY RATING

Salience

The Virgin America brand is relatively salient with a score of **15/20**. With unaided recall, the brand is very strong, where it falls down is in aided recognition with less strong results. This conflicting data could be due to survey design error. The company ranked highly in terms of purchase consideration, in fact the 2nd highest of all airlines questioned and 1st in comparison to competition.

Performance

The equity rating is **16/20**. Virgin scored slightly lower compared to other airlines in terms of perceived safety however significantly higher regarding service effectiveness, efficiency and empathy. Similarly, data showed extremely strong style and design perceptions, far outstripping that of competitors. Price was in the middle range compared to competitors.

Imagery

The equity rating for imagery is **16/20.** In terms of user profile and purchase and usage situations, the brand was found to be slightly weak. Having said this, the personality of the brand is unique among competition.

Feelings

Virgin scored well in this section, **15.5/20.** The brand was found to be strongly considered as exciting, modern, trendy and luxurious, far more than competitors. Again however, security (in terms of perceived safety) was lower overall and similar to competition ratings.

Judgements

Virgin America scored **15/20** for judgements. The brand was found to have high perceived quality and one of the strongest consideration levels of all airlines, more so than both competitors. The superiority score is lower due to the NPS being less than influencer status and there are still some negative connotations with bankruptcy which affected the credibility rating.

Resonance

The equity rating for resonance is **16/20.** Virgin America has little social media presence but have a strong sense in onboard community, they also fare well in regards to brand loyalty, attitudinal attachment and engagement due to their personable and trendy nature.

APPENDIX

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APPENDIX

Interview Questions:

1. How often do you fly?
2. What airlines do you usually travel with?
3. Do you strive to be loyal to any one particular airline [frequent flyer programs]?
4. What qualities do you look for in an airline?
5. How long does it take you to purchase a flight [i.e. how long do you continue searching for better deals - importance of price]?
6. What comes to mind when you think about the experience of flying [booking flights, airport, customer service, etc.]?
7. What types of amenities do you enjoy having on a plane?
8. What are some positive things that come to mind when you hear the name Virgin America?
9. What are some negative things that come to mind when you hear the name Virgin America?
10. What words would you use to describe Virgin America?
11. If Virgin America was a person, what would his/ her physical and personality traits be?
12. Who do you think Virgin America's competitors are?
13. How do these competitors differ from Virgin America?
14. What do you think of the person that owns the following items?
    a. Virgin America boarding pass, passport, cellphone, wallet, hand sanitizer, camera
    b. Jet Blue boarding pass, passport, cellphone, wallet, hand sanitizer, camera

APPENDIX

Sample Interview: Maya Willis - 18 Years Old

1. Fly 4 times per year
2. Alaska, Delta
3. Alaska
4. Mood lighting, customer service, fast wait times, kind flight attendants, good food
5. 1 week, shop around for cheapest price
6. Exciting, adventurous, stressful
7. TV w/ good movie selection, comfy seats, legroom, large windows
8. Safety video, mood lighting, nice atmosphere
9. N/A
10. Red, efficient
11. Dependable, kind, positive, personable, popular, a young trendy person in their late 20s/early 30s who is up on the latest fashion trends
12. Delta, Alaska, United
13. They feel more geared to an older audience, whereas Virgin has more fun in flight features such as tv screens and mood lighting
14. **A.** They are on their way overseas to somewhere adventurous in Europe or Asia. They love to try new things and share those things with their friends **B.** This person would be a little older. They are maybe going somewhere close such as Mexico or Canada. They are looking for a more relaxed vacation.

APPENDIX

Summary of Interviews:

1. Interviewees fly 3 to 100 times per year (100 → travel for business)
2. Typically fly Alaska, Delta, American, Emirates, Turkish, Lufthansa, Virgin, Aviance, United, Southwest, JetBlue
3. Loyal to: Alaska, Delta, American, Star Alliance, Virgin America, Kayak's suggestions [budget booking website], United, Southwest, and JetBlue.
4. Respondents look for nice lighting, quality customer service, quick airport queues, kind flight attendants, quality food, comfortable seats, convenient flight times, cheap fares, on time departures, free checked bags, adequate legroom, and wifi.
5. Interviewees spent anywhere from 10 minutes to 1 month on average of price comparison before purchasing a plane ticket.
6. Exciting, adventurous, stressful, boring, mundane, simple, waste of time, and painful were the types of adjectives received when interviewees were asked what the process of flying reminds them of.
7. TV with quality selections, comfy seats, legroom, large windows, quality food selection and wifi are the amenities that are enjoyed on a flight.
8. Safety video, mood lighting, atmosphere, comfortable seats, good schedules, easy bag policy, good movies, cheap fares, free alcohol came to mind when asked about the positive qualities of Virgin Airlines.
9. Limited airports, having to pay for food, bad LAX terminal, expensiveness, uncomfortable, bad service experience, odd uniforms for men, and bankrupt were negative associations of the respondents.
10. Red, efficient, trendy, get what you pay, fun ad campaigns, convenient, American airline, modern, comfortable, diverse brand, and not familiar with brand were all words/phrases that respondents said came to mind to describe Virgin America.
11. If Virgin America was a person, our respondents said that the person would be: dependable, kind, positive, personable, popular, young, try hard, trendy, extroverted, "a white young guy", polite, in a well tailored suits, enjoys traveling, chilled back, eccentric, like Richard Branson, wears flip flops.
12. JetBlue, Southwest, Delta, Alaska, United, American, American Eagle, and Spirit were listed as Virgin America's competitors.
13. Interviewees said that competitors differed in that they are geared to an older audience, have more flights, have better customer service, are more comfortable, have a better brand image, are more established and are large companies.
14. Person **A** in the Mason Haire Shopping List scenario was described as adventurous, caring, classy, upscale, tourist, cool, enjoys extreme sports, prepared, organized, family oriented, relaxed, alternative, and flies alone. Person **B** in the Mason Haire Shopping List scenario was described as older, looking for a relaxed vacation, budget, rushed, working class, touristy, responsible, frequent traveler, going to a business meeting, stressed out and professional.

APPENDIX

Qualtrics Survey:

Recorded Responses **65**

Responses in Progress **7**

Have you ever taken a high level marketing course (400+ level) or held a marketing position?

#	Answer	Bar	Response	%
1	Yes		8	12.31%
2	No		57	87.69%
	Total		65	100.00%

What is your age?

#	Answer	Bar	Response	%
1	19 & under		5	8.77%
2	20 to 25		40	70.18%
3	26 to 30		12	21.05%
4	31 to 35		0	0.00%
5	36+		0	0.00%
	Total		57	100.00%

What is your gender?

#	Answer	Bar	Response	%
1	Male		22	42.31%
2	Female		29	55.77%
3	Other		1	1.92%
	Total		52	100.00%

What is your marital status?

#	Answer	Bar	Response	%
1	Single		27	51.92%
2	In a Relationship		20	38.46%
3	Married		3	5.77%
4	Widowed		1	1.92%
5	Divorced		1	1.92%
6	Separated		0	0.00%
	Total		52	100.00%

How often do you fly domestically within the US?

#	Answer	Bar	Response	%
1	1 time or less per year		3	5.77%
2	2 to 4 times per year		22	42.31%
3	5 to 10 times per year		17	32.69%
4	10+ times per year		10	19.23%
	Total		52	100.00%

Name the first three domestic airlines you can think of off the top of your head:

Text Entry
Delta, American, Jetblue
Air France, Latam, American Airlines
delta, american, spirit
Virgin, American, JetBlue
United, Southwest, Allegiant
United, American, Southwest
JetBlue, Delta, American Airlines
Delta, United, American
American, Southwest, Virgin
JetBlue, Sprint, Alaska Airlines
delta american airplanes jetblue1

How important are the following in-flight amenities to you?

#	Question	Extremely important	Very important	Moderately important	Slightly important	Not at all important	Response	Average Value
1	Wi-Fi	20	16	8	5	3	52	2.13
2	In Seat Charging	20	16	11	3	2	52	2.06
3	Food & Drink	17	22	8	5	-	52	2.02
4	In Flight Entertainment	19	18	10	2	3	52	2.08
5	Relaxing Lighting	6	17	13	10	6	52	2.87
6	Legroom	25	16	7	2	2	52	1.85
7	Adjustable Headrest	7	13	20	10	2	52	2.75
8	In Flight Customer Service	16	22	12	2	-	52	2.00

Which of the following airline services are most desired when choosing an airline?

#	Question	Extremely important	Very important	Moderately important	Slightly important	Not at all important	Response	Average Value
1	Short wait times in airports (check in, boarding, baggage check)	20	20	8	4	-	52	1.92
2	Free checked bags	30	16	4	2	-	52	1.58
3	Flight alerts via text	3	8	18	14	9	52	3.35
4	Mobile boarding passes & check in	6	17	18	10	1	52	2.67
5	Quick baggage claim	21	17	14	-	-	52	1.87
6	Loyalty program perks (free checked bags, few blackout dates, airline partnerships)	14	25	8	3	2	52	2.12
7	Variety & abundance of flight routes	18	21	10	3	-	52	1.96
8	Numerous partnerships (hotel, rental car, credit card, etc.)	4	21	12	9	6	52	2.85
9	Seat Selection	19	17	10	3	3	52	2.12

Name the airline you associate with the following images

Name the airline you associate with the following images

	Airline

Virgin Airline
American
dont know
tam
Virgin
American
No idea
Virgin
virgin
Delta
Virgin
American Airlines

JetBlue Airline
Jetblue
dont know
?
JetBlue
Idk
Jetblue
JetBlue
jetblue
JetBlue
Delta
Virgin

Name the airline you associate with each plane interior.

Items

Virgin America

JetBlue Airlines

Southwest Airlines

Q10_0_GROUP - Virgin America

#	Field		Choice Count
7	7	1.96%	1
8	8	88.24%	45
9	9	9.80%	5
			51

Q10_0_GROUP - Virgin America

#	Field		Choice Count
7	7	1.96%	1
8	8	88.24%	45
9	9	9.80%	5
			51

47

Name the airline you associate with the following images

Southwest Airline
Iberia
dont know
lufthansa
Southwest
Southwest
Soutwest
southwest
southwest
Sweetwater
Southwest
IDK

How many airports do you consider flying out of when booking a flight?

#	Answer	Bar	Response	%
1	1		30	57.69%
2	2		17	32.69%
3	3 or more		5	9.62%
	Total		52	100.00%

How likely are you to fly with the following airlines?

#	Question	Extremely likely	Moderately likely	Slightly likely	Neither likely nor unlikely	Slightly unlikely	Response	Average Value
1	American Airlines	34	11	3	3	1	52	1.58
2	United	20	19	6	5	2	52	2.04
3	Delta	21	17	10	3	1	52	1.96
4	JetBlue	27	13	4	5	3	52	1.92
5	Frontier	3	13	11	11	14	52	3.38
6	Southwest	16	20	9	3	4	52	2.21
7	Virgin	29	12	7	3	1	52	1.75
8	Spirit	6	12	9	9	16	52	3.33
9	Alaska	27	12	3	7	3	52	1.98

How safe do you perceive the following airlines to be?

#	Question	Very unsafe	Unsafe	Neutral	Safe	Very safe	Response	Average Value
1	American Airlines	1	-	6	7	38	52	4.56
2	United	1	2	5	7	36	51	4.47
3	Delta	3	-	6	8	35	52	4.38
4	JetBlue	1	2	3	13	33	52	4.44
5	Frontier	11	8	14	11	8	52	2.94
6	Southwest	1	2	11	12	26	52	4.15
7	Virgin	1	-	9	10	32	52	4.38
8	Spirit	12	7	13	11	9	52	2.96
9	Alaska	3	1	9	7	31	51	4.22

Are you a part of any of the following domestic loyalty programs?

#	Answer	Bar	Response	%
1	AAdvantage (American)		32	61.54%
2	MileagePlus (United)		20	38.46%
3	Rapid Rewards (Southwest)		8	15.38%
4	Elevate (Virgin)		25	48.08%
5	TrueBlue (JetBlue)		13	25.00%
6	Mileage Plan (Alaska)		12	23.08%
7	FREE SPIRIT (Spirit)		5	9.62%
8	EarlyReturns (Frontier)		3	5.77%
9	Other		4	7.69%
	Total		122	100.00%

Under what circumstances would you buy a Virgin America ticket?

#	Answer	Bar	Response	%
1	For Leisure		42	80.77%
2	To Visit Family or Friends		40	76.92%
3	Business		20	38.46%
4	Other		1	1.92%
	Total		103	100.00%

Which amenities are you likely to find on Virgin America planes?

#	Answer	Bar	Response	%
1	Wi-Fi		46	88.46%
2	In seat charging		33	63.46%
3	Food and Drink		40	76.92%
4	In Flight Entertainment		41	78.85%
5	Relaxed Lighting		29	55.77%
6	Added Legroom		25	48.08%
7	Adjustable Headrest		21	40.38%
8	In Flight Customer Service		31	59.62%
9	Other		1	1.92%
	Total		267	100.00%

How accurately do you think the following adjectives describe Virgin America?

#	Question	Extremely accurately	Very accurately	Moderately accurately	Slightly accurately	Not accurately at all	Response	Average Value
1	Efficient Customer Service	12	28	7	5	-	52	2.10
2	Kind	12	23	16	1	-	52	2.12
3	Personable	18	13	17	3	1	52	2.15
4	Trendy	25	18	5	3	1	52	1.79
5	Exciting	19	19	10	3	1	52	2.00
6	Modern	20	23	6	3	-	52	1.85
7	Adventurous	18	20	8	5	1	52	2.06
8	Luxurious	11	22	13	6	-	52	2.27
9	Reliable	17	23	10	1	1	52	1.96
10	Affordable	11	15	18	8	-	52	2.44
11	Expensive	2	9	12	19	10	52	3.50
13	Dirty	1	-	3	8	40	52	4.65
14	Poor Customer Service	-	3	4	7	38	52	4.54
15	Uncomfortable	-	2	5	12	33	52	4.46
16	Outdated	-	2	4	6	40	52	4.62

How likely are you to follow Virgin America on:

#	Question	Extremely likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Extremely unlikely	Response	Average Value
1	Facebook	10	11	11	5	15	52	3.08
2	Twitter	9	13	10	5	15	52	3.08
3	Instagram	7	12	17	3	13	52	3.06
4	Snapchat	5	9	17	5	16	52	3.35

How much would you miss Virgin America if it ceased to exist?

#	Question	A great deal	A lot	A moderate amount	A little	None at all	Response	Average Value
1		16	14	9	5	8	52	2.52

How likely are you to take part in a Virgin America contest?

#	Question	Extremely likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Extremely unlikely	Response	Average Value
1		15	14	5	8	10	52	2.69

Do you use the Virgin Airlines application on your smartphone?

#	Answer	Bar	Response	%
1	Yes		17	32.69%
2	No		35	67.31%
	Total		52	100.00%

How memorable is the Virgin America slogan "A Breath of Fresh Airline"?

#	Question	Extremely memorable	Moderately memorable	Neither memorable nor unmemorable	Moderately unmemorable	Extremely unmemorable	Response	Average Value
1		9	9	10	20	4	52	14.83

Evaluate the Virgin America logo (1 being the lowest, 5 being the highest)

#	Question	1	2	3	4	5	Response	Average Value
1	Memorable	-	3	7	19	23	52	17.13
2	Appealing	1	4	6	15	26	52	17.08

How likely are you to recommend Virgin America to a friend? (1 being least, 10 being most)

#	Answer	Bar	Response	%
11	1		3	5.77%
12	2		0	0.00%
13	3		1	1.92%
14	4		0	0.00%
15	5		1	1.92%
16	6		1	1.92%
17	7		9	17.31%
18	8		13	25.00%
19	9		15	28.85%
20	10		9	17.31%
	Total		52	100.00%

Under what circumstances would you buy a Southwest Airlines ticket?

#	Answer	Bar	Response	%
1	For Leisure		30	57.69%
2	To Visit Family or Friends		41	78.85%
3	Business		14	26.92%
4	Other		1	1.92%
	Total		86	100.00%

Other
Never

Which amenities are you likely to find on Southwest Airlines planes?

#	Answer	Bar	Response	%
1	Wi-Fi		29	55.77%
2	In Seat Charging		11	21.15%
3	Food & Drink		16	30.77%
4	In Flight Entertainment		12	23.08%
5	Relaxing Lighting		12	23.08%
6	Added Legroom		13	25.00%
7	Adjustable Headrest		24	46.15%
8	In Flight Customer Service		20	38.46%
9	Other		1	1.92%
	Total		138	100.00%

How accurately do you think the following adjectives describe Southwest Airlines?

#	Question	Extremely accurately	Very accurately	Moderately accurately	Slightly accurately	Not accurately at all	Response	Average Value
1	Efficient Customer Service	3	7	20	18	4	52	3.25
2	Kind	2	8	24	15	3	52	3.17
3	Personable	3	5	14	18	12	52	3.60
4	Trendy	1	4	9	24	14	52	3.88
5	Exciting	2	1	14	20	15	52	3.87
6	Modern	1	1	14	28	8	52	3.79
7	Adventurous	1	-	14	23	14	52	3.94
8	Luxurious	2	2	6	15	27	52	4.21
9	Reliable	3	14	20	10	5	52	3.00
10	Affordable	15	21	11	2	3	52	2.17
11	Expensive	-	4	4	14	30	52	4.35
12	Dirty	4	12	14	15	7	52	3.17
13	Poor Customer Service	2	19	15	10	6	52	2.98
14	Uncomfortable	2	16	20	8	6	52	3.00
15	Outdated	6	18	13	10	5	52	2.81

How likely are you to follow Southwest Airlines on:

#	Question	Extremely likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Extremely unlikely	Response	Average Value
1	Facebook	3	10	8	16	15	52	3.58
2	Twitter	1	6	9	20	16	52	3.85
3	Instagram	1	7	9	14	21	52	3.90
4	Snapchat	1	6	8	15	22	52	3.98

How much would you miss Southwest Airlines if it ceased to exist?

#	Question	A great deal	A lot	A moderate amount	A little	None at all	Response	Average Value
1		1	4	12	25	10	52	3.75

How likely are you to take part in a Southwest Airlines contest?

#	Question	Extremely likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Extremely unlikely	Response	Average Value
1		1	3	10	24	14	52	3.90

Do you use the Southwest Airlines application on your smartphone?

#	Answer	Bar	Response	%
1	Yes		4	7.69%
2	No		48	92.31%
	Total		52	100.00%

How memorable is the Southwest Airline slogan "Low fares. Nothing to hide"?

#	Question	Extremely memorable	Moderately memorable	Neither memorable nor unmemorable	Moderately unmemorable	Extremely unmemorable	Response	Average Value
1		3	12	17	13	6	51	15.22

Evaluate the Southwest Airlines logo (1 being the lowest, 5 being the highest)

#	Question	1	2	3	4	5	Response	Average Value
1	Memorable	6	8	24	11	3	52	15.67
2	Appealing	6	10	27	7	2	52	15.48

How likely are you to recommend Southwest to a friend? (1 being least, 10 being most)

#	Answer	Bar	Response	%
11	1		3	5.77%
12	2		0	0.00%
13	3		3	5.77%
14	4		3	5.77%
15	5		11	21.15%
16	6		14	26.92%
17	7		10	19.23%
18	8		6	11.54%
19	9		1	1.92%
20	10		1	1.92%
	Total		52	100.00%

Under what circumstances would you buy a JetBlue Airlines ticket?

#	Answer	Bar	Response	%
1	For Leisure		36	70.59%
2	To Visit Family or Friends		41	80.39%
3	Business		24	47.06%
4	Other		1	1.96%
	Total		102	100.00%

Other
I wouldn't

Which amenities are you likely to find on JetBlue Airlines planes?

#	Answer	Bar	Response	%
1	Wi-Fi		43	82.69%
2	In Seat Charging		32	61.54%
3	Food & Drink		38	73.08%
4	In Flight Entertainment		43	82.69%
5	Relaxing Lighting		30	57.69%
6	Added Legroom		28	53.85%
7	Adjustable Headrest		23	44.23%
8	In Flight Customer Service		33	63.46%
9	Other		0	0.00%
	Total		270	100.00%

How accurately do you think the following adjectives describe JetBlue Airlines?

#	Question	Extremely accurately	Very accurately	Moderately accurately	Slightly accurately	Not accurately at all	Response	Average Value
1	Efficient Customer Service	5	22	19	5	1	52	2.52
2	Kind	5	22	15	7	3	52	2.63
3	Personable	4	11	23	12	2	52	2.94
4	Trendy	8	18	13	9	4	52	2.67
5	Exciting	3	10	21	14	4	52	3.12
6	Modern	7	22	14	7	2	52	2.52
7	Adventurous	2	12	22	12	4	52	3.08
8	Luxurious	3	14	26	8	1	52	2.81
9	Reliable	8	25	11	7	1	52	2.38
10	Affordable	3	8	21	19	1	52	3.13
11	Expensive	4	18	16	11	3	52	2.83
12	Dirty	-	6	5	10	31	52	4.27
13	Poor Customer Service	1	4	9	12	26	52	4.12
14	Uncomfortable	2	4	8	13	25	52	4.06
15	Outdated	1	7	8	15	21	52	3.92

How likely are you to follow JetBlue Airlines on:

#	Question	Extremely likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Extremely unlikely	Response	Average Value
1	Facebook	1	10	18	6	17	52	3.54
2	Twitter	-	10	16	8	18	52	3.65
3	Instagram	1	6	17	10	18	52	3.73
4	Snapchat	-	2	19	12	19	52	3.92

How much would you miss JetBlue Airlines if it ceased to exist?

#	Question	A great deal	A lot	A moderate amount	A little	None at all	Response	Average Value
1		7	15	5	13	12	52	3.15

How likely are you to take part in a JetBlue Airlines contest?

#	Question	Extremely likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Extremely unlikely	Response	Average Value
1		2	17	11	10	12	52	3.25

Do you use the JetBlue Airlines application on your smartphone?

#	Answer	Bar	Response	%
1	Yes		12	23.08%
2	No		40	76.92%
	Total		52	100.00%

How memorable is the JetBlue Airlines slogan "You Above All"?

#	Question	Extremely memorable	Moderately memorable	Neither memorable nor unmemorable	Moderately unmemorable	Extremely unmemorable	Response	Average Value
2		2	7	15	17	11	52	15.50

Evaluate the JetBlue Airlines logo (1 being the lowest, 5 being the highest)

#	Question	1	2	3	4	5	Response	Average Value
1	Memorable	1	5	14	21	11	52	16.58
2	Appealing	1	6	18	21	6	52	16.35

How likely are you to recommend JetBlue to a friend? (1 being least, 10 being most)

#	Answer	Bar	Response	%
11	1		3	5.77%
12	2		1	1.92%
13	3		2	3.85%
14	4		1	1.92%
15	5		3	5.77%
16	6		7	13.46%
17	7		6	11.54%
18	8		17	32.69%
19	9		8	15.38%
20	10		4	7.69%
	Total		52	100.00%

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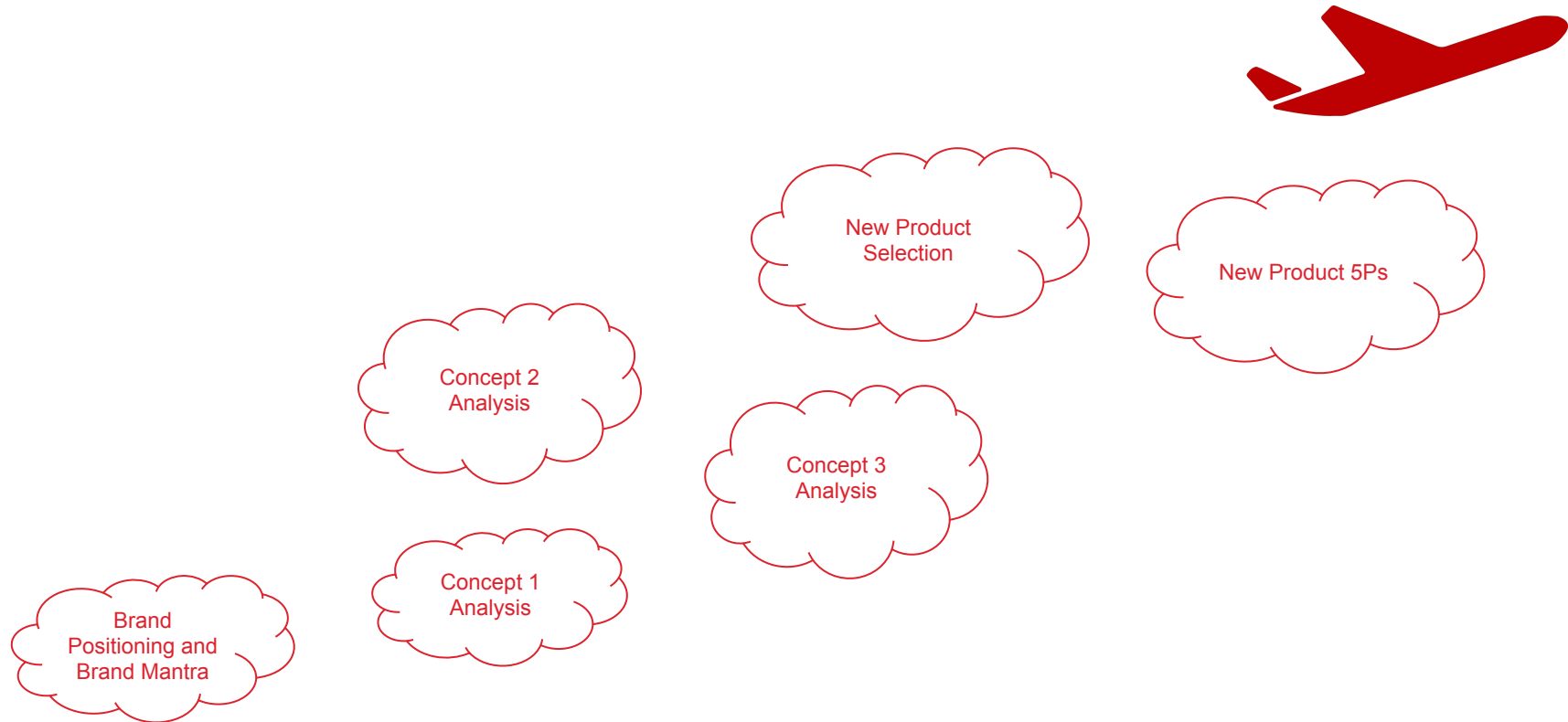
BRAND POSITIONING & MANTRA

Positioning Strategy: Affordable, exciting travel for millennials

Positioning Statement: Virgin America is the only domestic airline in the US that offers trendy and exciting travel experiences for millennials ages 20 to 35 while maintaining affordable fares.

Brand Mantra

Emotional Modifier	Descriptive Modifier	Brand Function
Personable	Trendy	Air Travel

Affordable

Old-Fashioned ——— Trendy

3,3

Expensive

Brand Positioning and Brand Mantra · Concept 1 Analysis · Concept 2 Analysis · Concept 3 Analysis · New Product Selection · New Product 5 Ps

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BRAND POSITIONING & MANTRA

Class	Airline			
Type	Domestic			
Category	Budget			
Target Market	Trendy and economical 20 to 35 year olds			
Competition	JetBlue, Southwest			
	Performance Based		**Image Based**	
	Attributes	**Benefits**	**Attributes**	**Benefits**
POP's	• Domestic airline • Multiple airports • Cabin choices	• Many domestic routes • More destination choices • Options based on consumer preference and budget	• American • Economical	• Familiar, comforting • Affordable
POD's	• RED system • Mood lighting • Custom designed seats • Fleetwide Wi-Fi	• Custom/advanced entertainment • Relaxing atmosphere • Comfort • Productivity	• Trendy • Modern • Young • Tech savvy • Customer orientated	• Makes customer seem cool for flying with them • Planes appear to be new and clean • Relatable & non intimidating • Entertainment & comfort • Personable travel experiences

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

BRAND POSITIONING

Brand Positioning and Brand Mantra

Concept 1 Analysis

Concept 2 Analysis

Concept 3 Analysis

New Product Selection

New Product 5 Ps

5
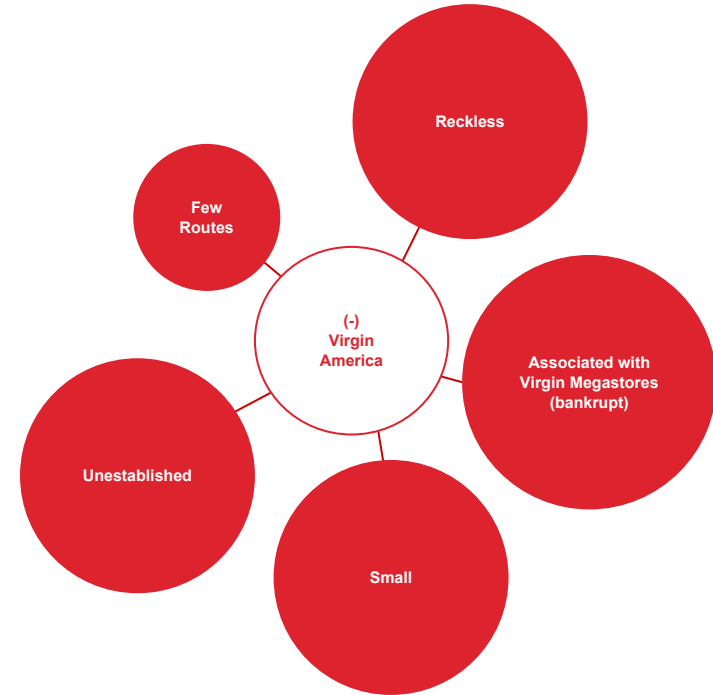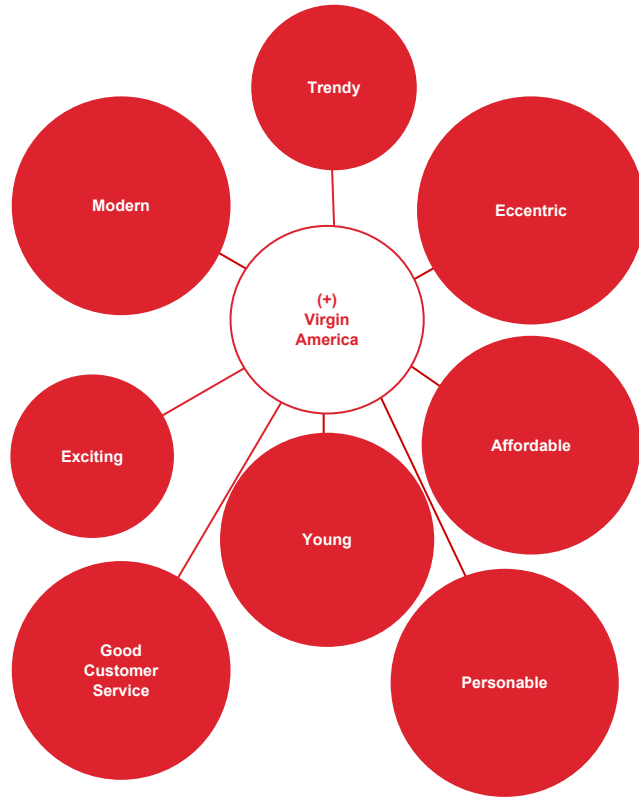
OPPORTUNITY IDENTIFICATION:
TRAVEL INDUSTRY

- Growing internet access via mobile devices leading to a decline in PC use (Mintel's Digital Trends Summer - UK, July 2016)
- Emergence of new marketing opportunities in "third places" (Mintel's Transumers Trend)
- 23% of vacation-goers carry out travel research on a mobile device (Mintel)
- More than three in 10 single respondents have taken a domestic trip alone (Mintel)
- Family travellers are much more likely than non-families to pay extra for a higher quality transport experience when travelling on an overseas vacation:
    - 35% of parents with under-16s prefer to "spend a bit more" for higher quality/extras
    - 16% go for premium/luxury travel options, compared with only 24% and 6% respectively of those without children.

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

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CONCEPT 1: VIRGIN AMERICA X SAMSONITE LUGGAGE

Product	Benefits	Price
Standard carry on size bag (20")	• Priority boarding on flights where they use the bag • Wi-Fi on every flight in which they use the bag	$165*
Large checked bag (28")	• Priority boarding on flights where they use the bag • Wi-Fi on every flight in which they use the bag • Check the bag for free twice per year for two years • Receive double Elevate points points on every flight purchased for two years	$280*

*Note: 27.15% markup based on survey results.

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

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CONSUMER INSIGHTS

"The luggage market is expected to grow over the next few years due to a rebound in the travel industry and renewed consumer confidence, both of which are inherently linked to luggage purchases. However, seeing as items in this category are not purchased very frequently, luggage marketers need to focus on how the value of functions and features of items will justify a new purchase in order to generate sales."

– Ali Lipson, Senior Retail & Apparel Analyst

(Mintel, 2012)

Sales of luggage are forecast to grow by 25% between 2012 and 2017 propelled by an improving economy and increased travel, reaching nearly $15 billion in 2017.

(Mintel, 2012)

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

FOCUS GROUP FINDINGS

Positives:

- Samsonite is a trusted brand
- Would appeal to frequent flyers
- Numerous, exclusive perks
- Stylish, trendy design
- Durable material

Potential Drawbacks:

- Limited colour variation
- Young flyers do not frequently buy luggage
- Customer could be annoyed by benefits presented to flyers who have the luggage
- Possible frustration differentiating bags from other travelers (baggage claim)
- Luggage market is saturated

Brand Positioning and Brand Mantra

Concept 1 Analysis

Concept 2 Analysis

Concept 3 Analysis

New Product Selection

New Product 5 Ps

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3 FACTOR MODEL

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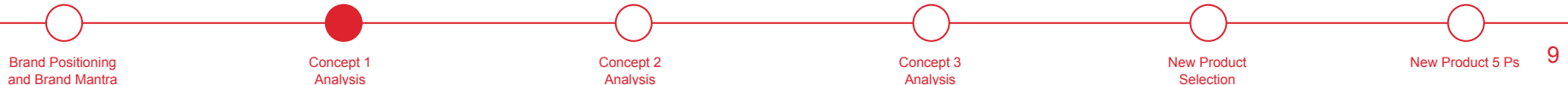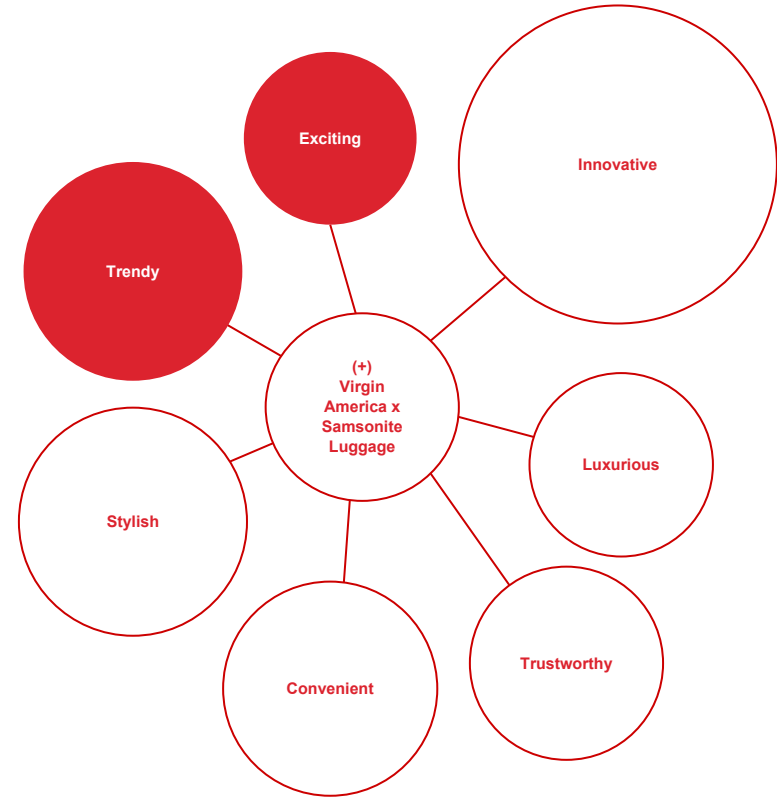
3 FACTOR MODEL
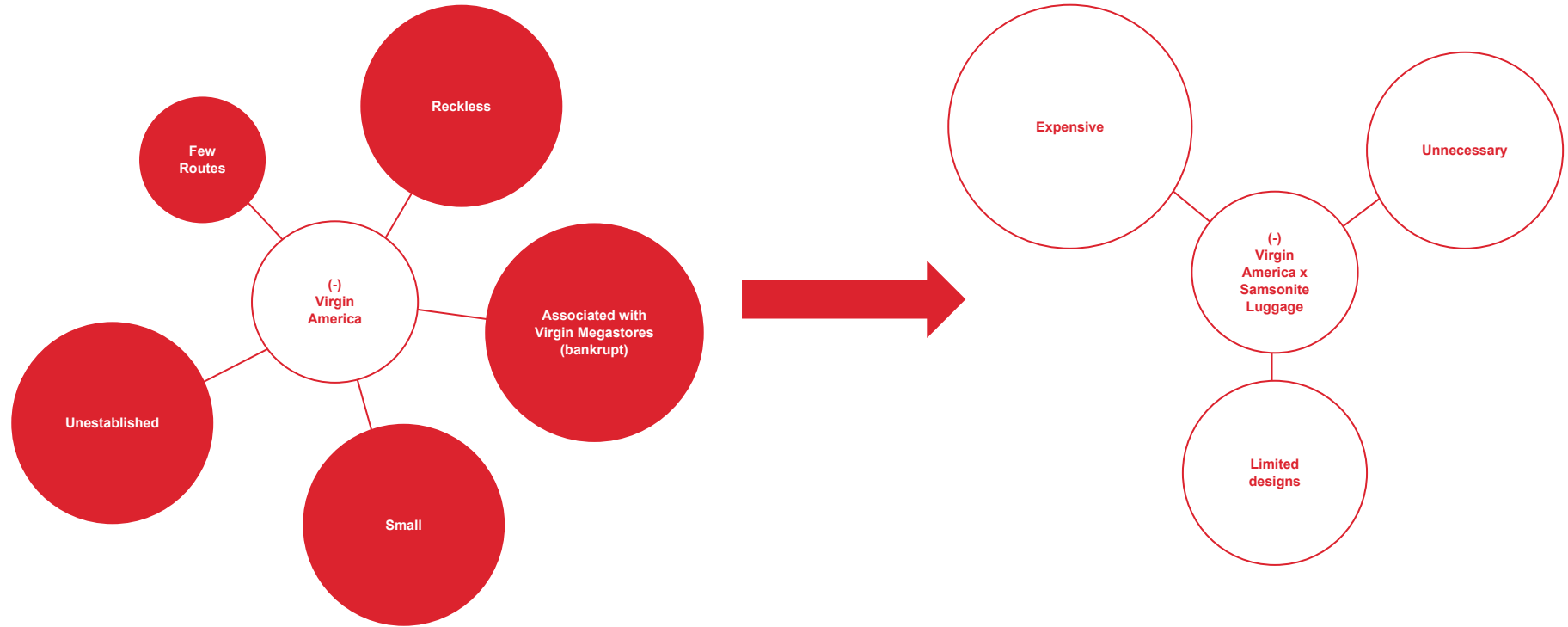
3 FACTOR MODEL

Salience (Medium): Trendy and exciting were carried over from Virgin America's positive associations and both were enhanced. No negative associations were carried over from the parent brand.

Favorability (Medium): The luggage has created new negative associations, such as expensive, unnecessary and having limited designs. It has also however reinforced parent associations (trendy and exciting) and added new associations (innovative, luxurious, trustworthy, convenient, stylish).

Uniqueness (High): Over 88% of respondents found the product either "extremely unique" or "somewhat unique."

POD	Source
Airline perks (free checked bag, points, Wi-Fi, priority boarding)	Virgin America
10 year warranty	Luggage (Samsonite co-brand)

Brand Positioning and Brand Mantra | Concept 1 Analysis | Concept 2 Analysis | Concept 3 Analysis | New Product Selection | New Product 5 Ps

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4 FACTOR MODEL

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

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4 FACTOR MODEL

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

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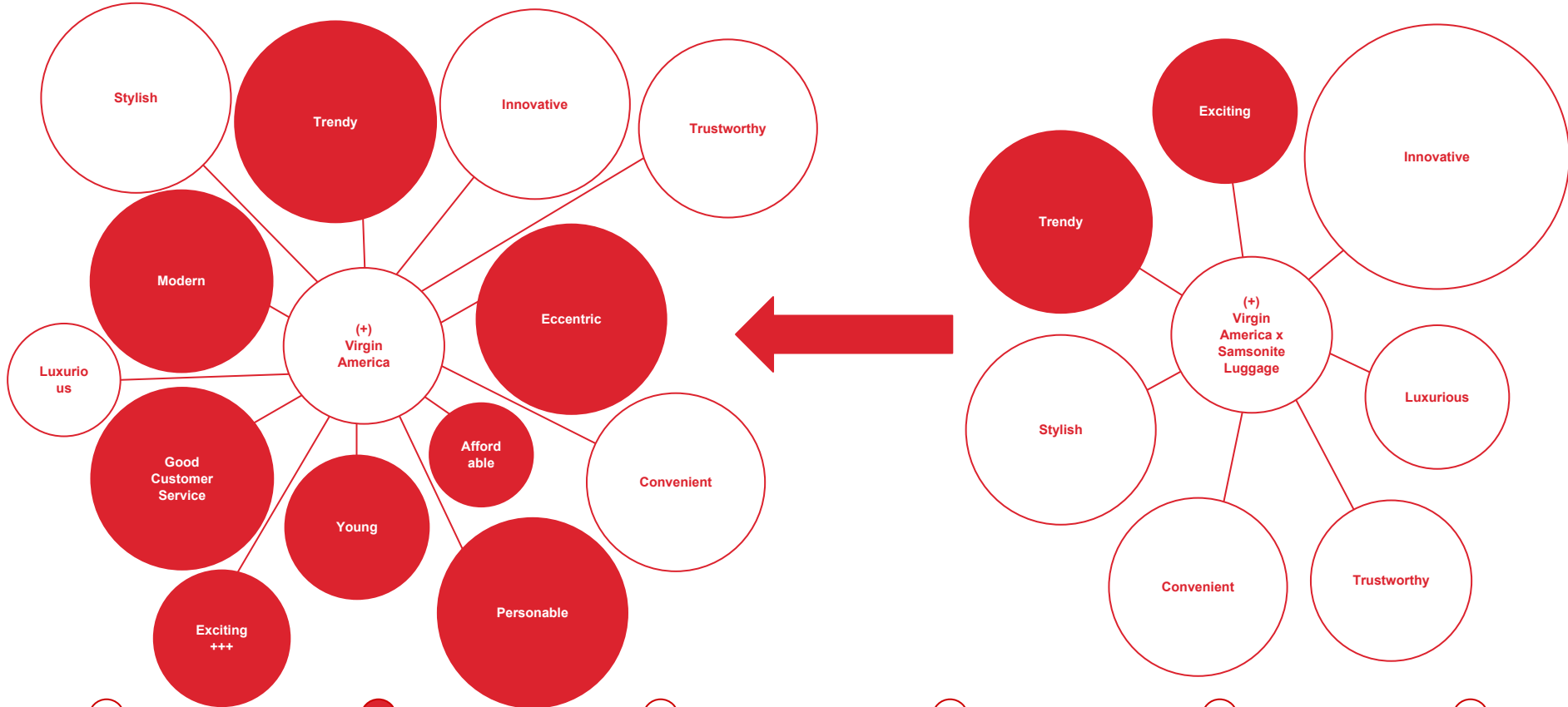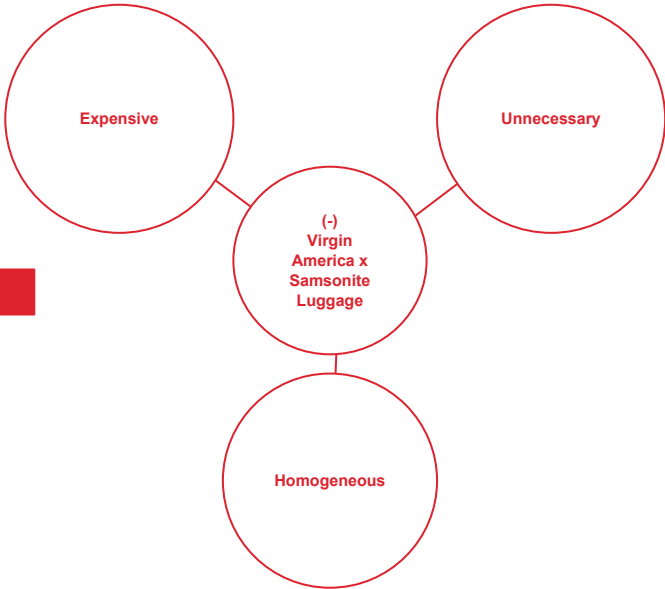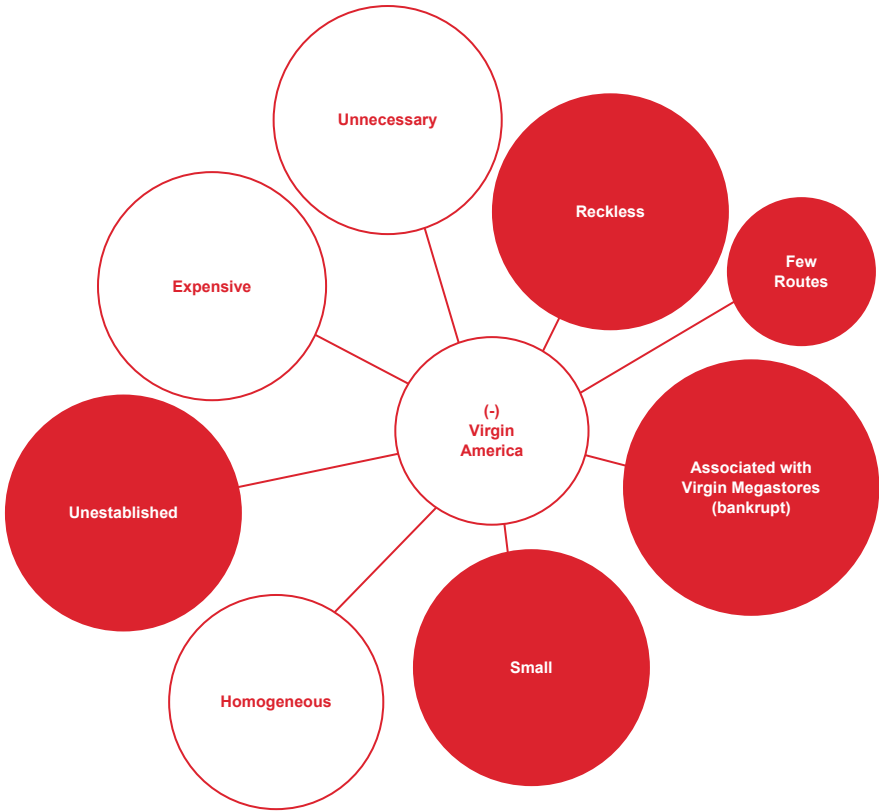
4 FACTOR MODEL

Compelling (Medium):

Imagery: This product increases attributes like trendy, exciting and young for the Virgin America brand which reinforces Virgin America's **personality** and **values**. It adds positive associations of being stylish, innovative, trustworthy, and convenient. It also adds negative associations of expensive, (decreasing Virgin's positive attribute of being affordable) and unnecessary (decreasing Virgin's image of being unique and trendy). 84% of respondents believe the **user profile** of the luggage fits young business professionals.

Performance: Only 32% of respondents claimed that this product would make their travel experience either "A great deal" or "A lot" easier which demonstrates low **effectiveness** or **efficiency**. Additionally 68% of customers thought that the implementation of this product would show that Virgin America cares for their customers which demonstrates high **empathy**. In terms of **style & design**, because the luggage only comes in two sizes and three colors, there are limited options for consumers to choose from, which was a concern in our focus groups.

Relevant (Medium):

Judgment / Feeling Block	Impact to Parent	Rationale
Judgment: Credibility - Trust	Increases	Nearly 69% of respondents trust Virgin America and Samsonite to make a quality Luggage.
Feeling: Social Approval	Increases	76% of respondents stated that they would feel more elite traveling with a Virgin America x Samsonite Bag
Feeling: Confidence	Decreases	Only 49% of respondents said they would feel confident using the luggage

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

4 FACTOR MODEL

Consistent (High):

Nearly 65% of survey respondents said that this product fits the Virgin America Image either "A Great deal" or "A lot."

Personable	Trendy	Air-Travel
Respondents complained about the limited look of the suitcases and homogeneous feel.	55% of respondents classified the luggage as trendy.	The luggage is focused towards customers who frequently fly Virgin America.

Strong (Moderate):

Rationale: 57% of respondents found that the introduction of this product would make them feel either "Extremely positive" or "Somewhat positive" about the Virgin America brand. Additionally, only 22% of respondents said that they would replace their current luggage with the Virgin America x Samsonite luggage.

ATAR PROJECTIONS

Definitely Buy	11.76%
Probably Buy	33.33%
Awareness	11%
Availability	62.5%
Trial Rate	19.4%
Repeat Rate	326%
Trial Units	28,009
Repeat Units	91,309
Total Units	119,318
Households	7,000,000
Penetration Rate	30%
Wholesale Price	$224
Wholesale Sales Volume	$26,727,232

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

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CONCEPT EVALUATION

Branding Type	Co-Branding/Sub-Brand
Extension Type	Category Expansion
Extension Strategy	• Companion product for the brand • Product Capitalizes on firm's perceived expertise • Product capitalize on the distinctive image or prestige of the brand • Product relevant to the customer franchise of the brand
Identity	From Parent: Name, Logo, Colors, Design From Extension: Product, Style
POD's	From Parent: Benefits, uses, convenience From Extension: Style/design
What changes?	Allows travelers who love the Virgin brand to be able to reap even more benefits from buying a luggage from the brand that mirrors its style and design

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

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CONCLUSION

Pros	Cons
Sales of luggage are forecast to grow by 25% between 2012 and 2017 propelled by an improving economy and increased travel, reaching nearly $15 billion in 2017 (Mintel - Luggage - US - December 2012)	Only 32 % of travelers think this product would make their lives either "a lot" or "a great deal" easier
57% of respondents said the luggage would make them feel either "somewhat" or "extremely" positive towards the brand	50% of consumers only buy luggage as a replacement for an old one (Mintel - Luggage - US - December 2012)
Our ATAR model predicts that the luggages wholesale volume would be $26,727,232	Only 21% of respondents said they would replace their current luggage with a Virgin America x Samsonite luggage
	Virgin x Samsonite luggages are somewhat pricey at almost $200 and $300, a significant high price for the market segment we are pursuing and dilutes Virgin America's association with being affordable
	The limited number of colours and sizes of the luggages available lessens Virgin America's image of personability

Conclusion: Do not move forward with this concept

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

RECOMMENDATION

Price	Decrease price of the luggage or find a partner to co-brand with that has more affordable luggage so that the extension does not take away from Virgin America's image of being Affordable and so that the price is more accessible to our target market.
Limited Designs	Develop a more robust and extended line of luggage with more than 3 colors and 2 sizes so that the limited number of designs does not dilute Virgin America's personability. Perhaps even develop a system for customizing luggage online so that it even enhances Virgin America's Personality.
Benefits	Add even more benefits to the luggages so that the consumers see more urgency to buy the luggage and to switch from their current luggage to this Virgin America x Samsonite Luggage.

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

CONCEPT 2: VIRGINGO

- Airport food delivery app
- How it works: Select restaurant in your terminal or food served in Virgin America lounges. Food delivered by Virgin America couriers
- Price: Survey respondents on average said that they would be willing to pay a $2.52 delivery fee → $2.50

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

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CONSUMER INSIGHTS
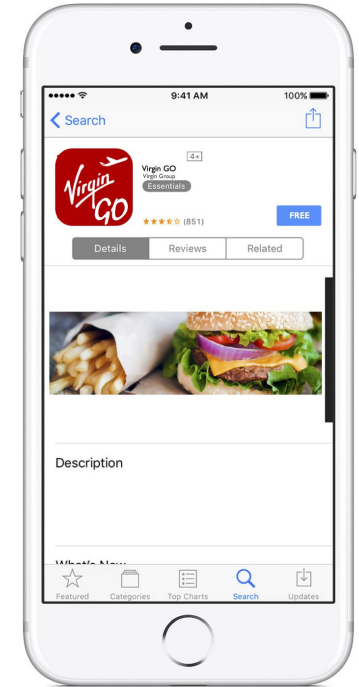
- Morgan Stanley values food delivery industry at $30 billion (Eater)
- Convenient for consumers
  - 70% of Mintel survey respondents report that food delivery makes their lives easier
  - 61% said that food delivery apps are easy to use
- Restaurant experience is still vital
  - 66% of survey respondents said that going to a restaurant is more fun than ordering in
- Still negative perceptions of third party delivery apps
  - 30% of respondents in Mintel survey said that they would rather order from the restaurant directly, 28% prefer to eat at a restaurant, 27% think that the delivery fees are too high, 14% think that the minimum order requirements are too high
  - Very crowded market (Postmates, GrubHub, Eat24, etc.)

Brand Positioning and Brand Mantra | Concept 1 Analysis | Concept 2 Analysis | Concept 3 Analysis | New Product Selection | New Product 5 Ps

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FOCUS GROUP FINDINGS

Positive:

- Would be nice to have when in a rush
- Could see all the food available without having to walk around the airport
- Lots of different types of people could benefit from it

Negative:

- Sometimes the food on a plane is better than the food in an airport
- What happens if an order is messed up or late? (possible refunds)
- Hard to find traveler at the gate to deliver their food
- Having to pay for delivery

Brand Positioning
and Brand Mantra

Concept 1
Analysis

Concept 2
Analysis

Concept 3
Analysis

New Product
Selection

New Product 5 Ps

3 FACTOR MODEL

Brand Positioning
and Brand Mantra

Concept 1
Analysis

Concept 2
Analysis

Concept 3
Analysis

New Product
Selection

New Product 5 Ps

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3 FACTOR MODEL

Brand Positioning and Brand Mantra

Concept 1 Analysis

Concept 2 Analysis

Concept 3 Analysis

New Product Selection

New Product 5 Ps
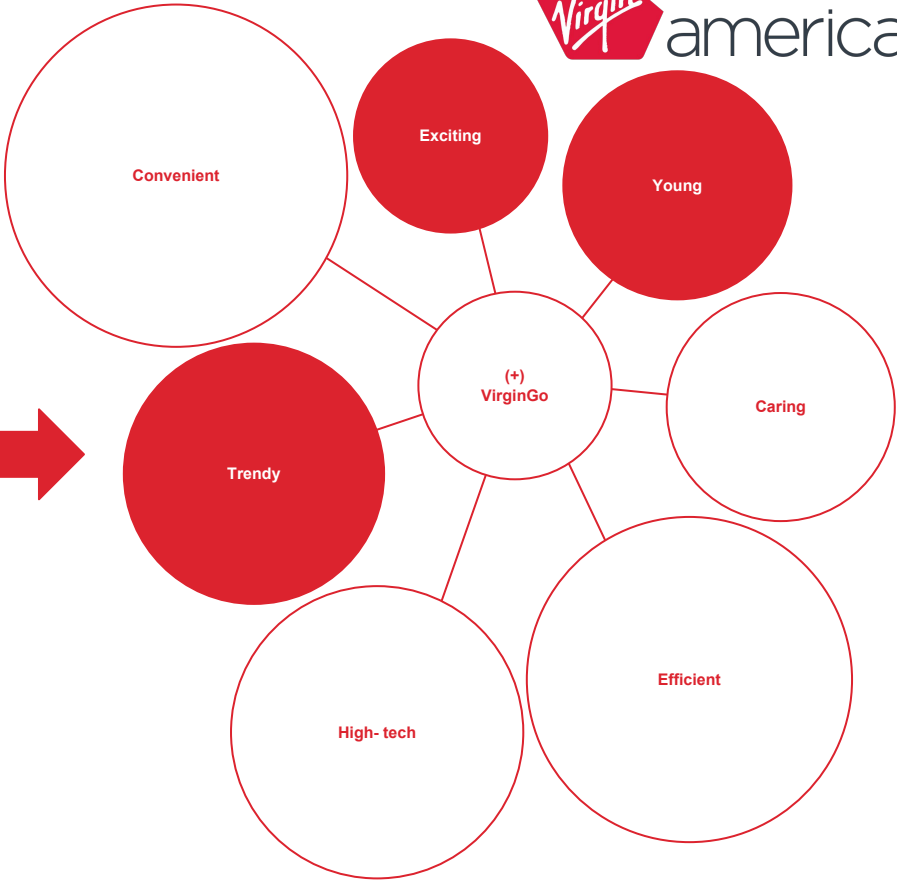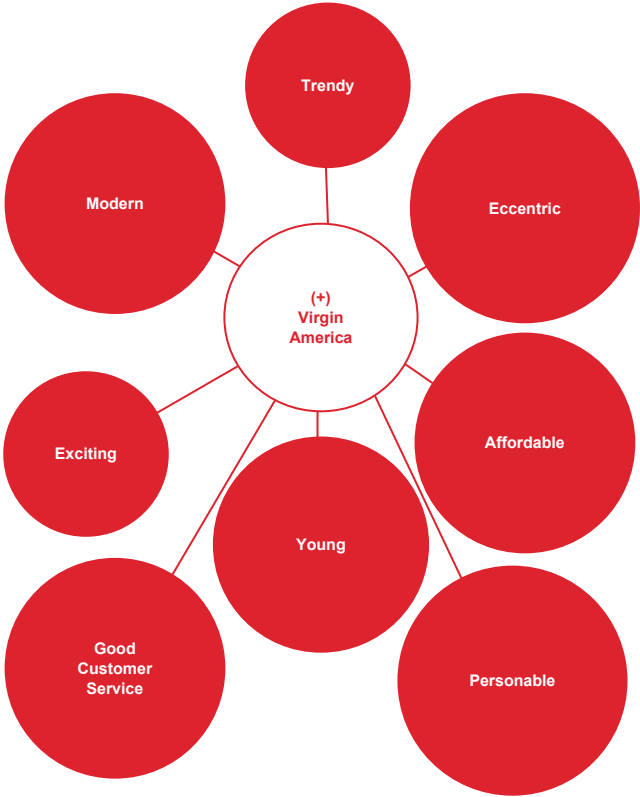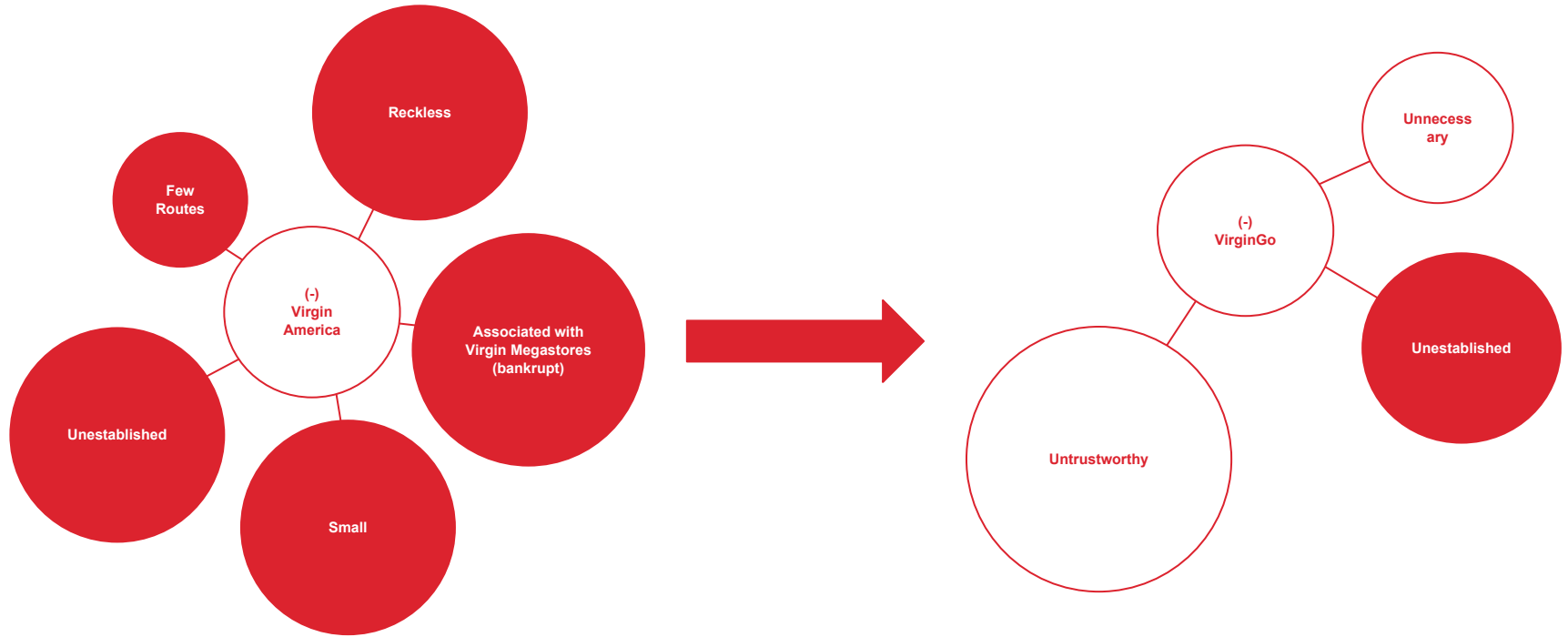
3 FACTOR MODEL

Salience (Medium): VirginGo as an extension repeats and enforces the parent associations of Virgin America being trendy, young, and exciting. None of the negative associations translate over

Favorability (Medium): All new unfavorable associations were added including expensiveness, non trustworthy, and complicated. Favorable associations that are created include efficient, caring, high tech and innovative. While these positive associations are abundant, the fact that the product creates very strong negative associations is concerning

Uniqueness (High): 90.20% of respondents said the app was extremely or somewhat unique compared to other airline apps. Currently no major airline has a food delivery app

PODs	Source
Selection of airport restaurants	App
Selection of Virgin America food	Virgin America
Delivery to your gate/seat	App

Brand Positioning and Brand Mantra

Concept 1 Analysis

Concept 2 Analysis

Concept 3 Analysis

New Product Selection

New Product 5 Ps

4 FACTOR MODEL

Efficient · Trendy · Eccentric · Modern · (+) Virgin America · Affordable · Exciting · Good Customer Service · Young · Personable · High-tech

Exciting · Trendy · Young · (+) VirginGo · Efficient · Caring · High-tech
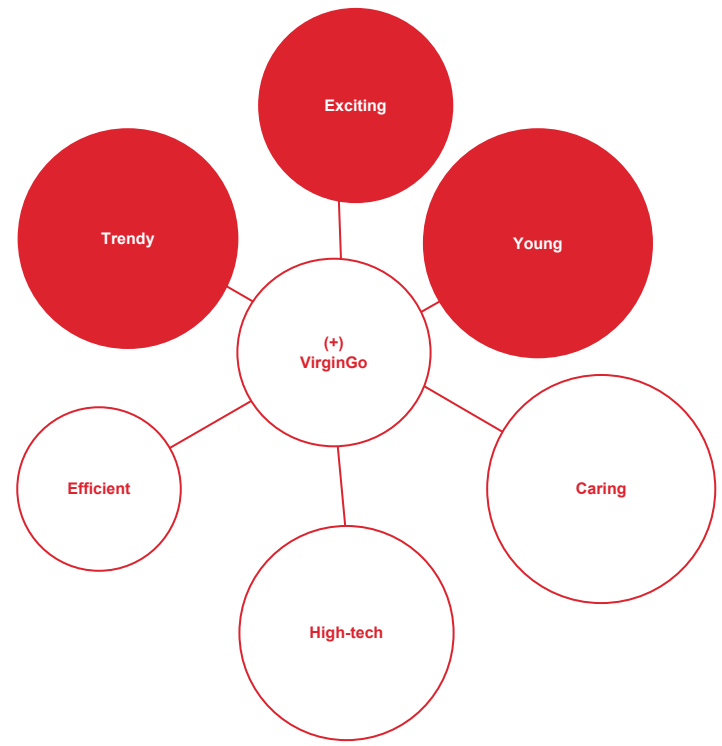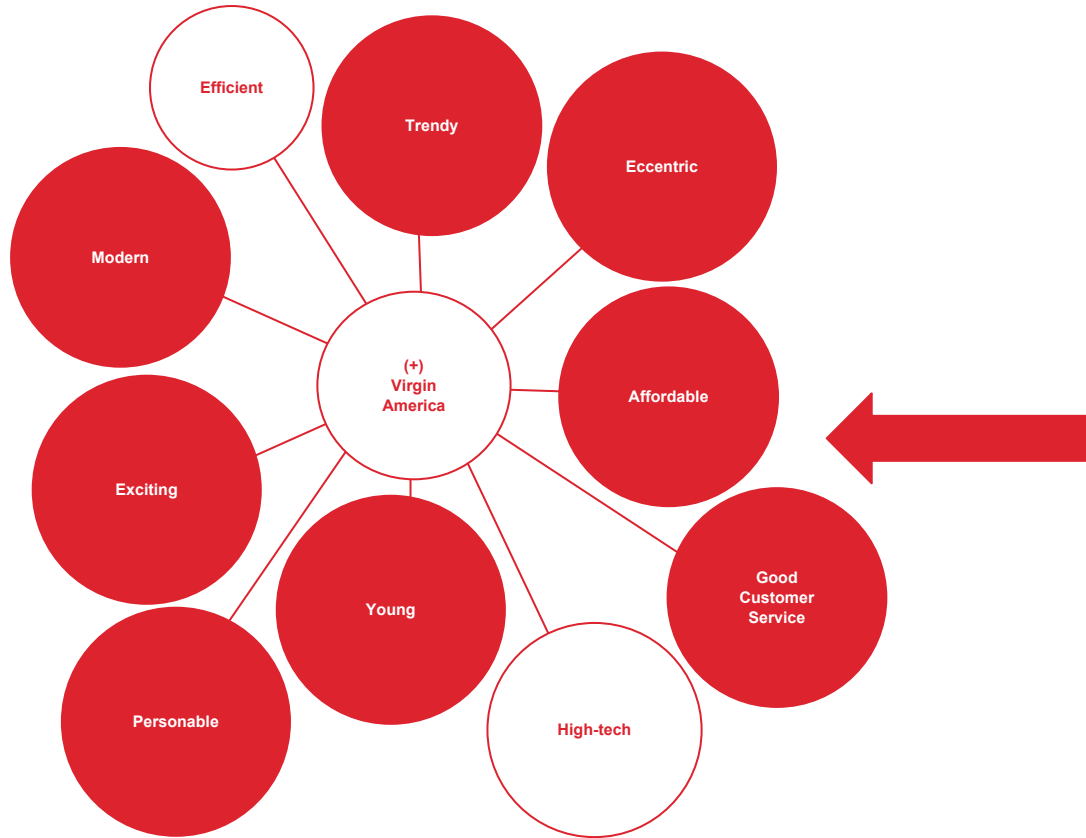
4 FACTOR MODEL

4 FACTOR MODEL
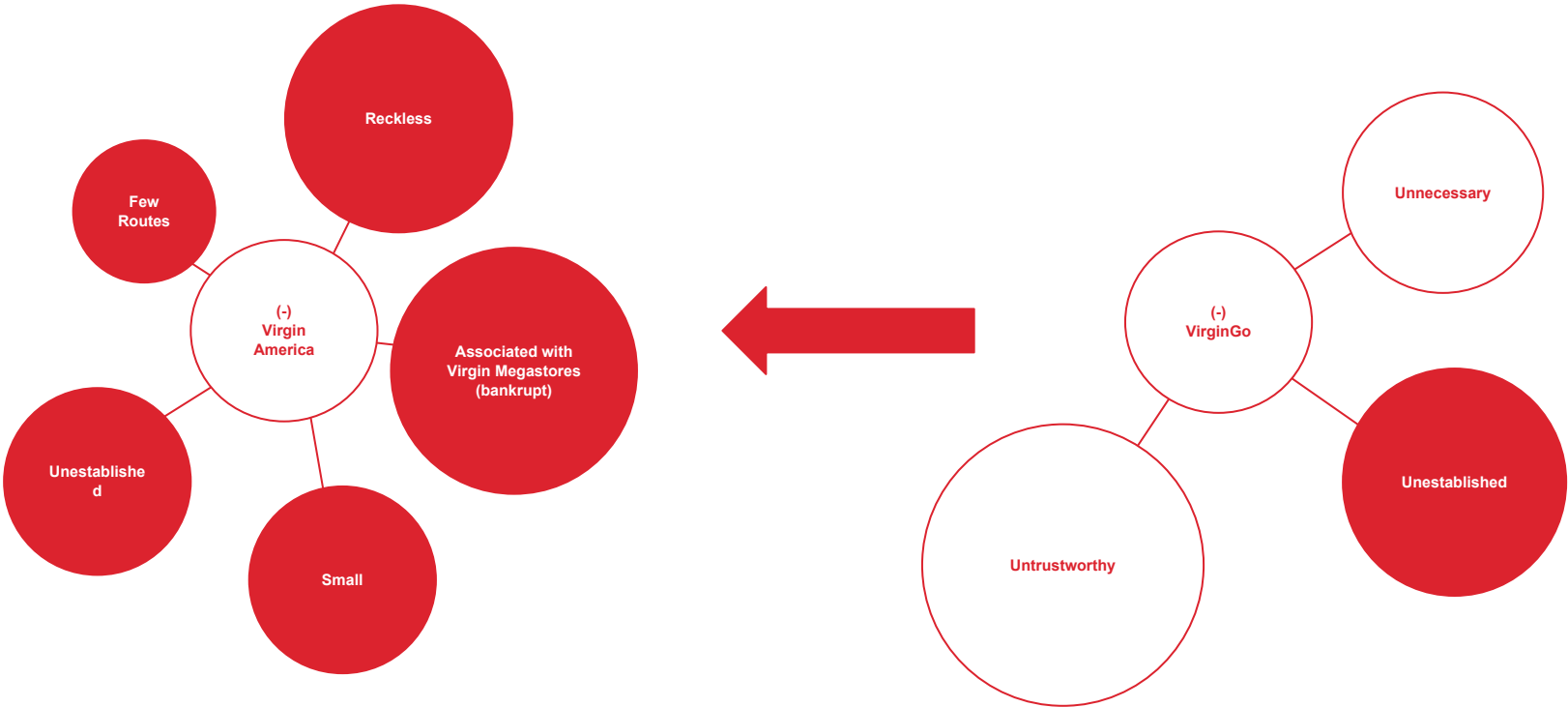
Compelling (Medium):

Imagery: VirginGo increases the associations of excitement, trendiness, good customer service, youthfulness and affordability in Virgin America. VirginGo adds the association of being innovative. The app also decreases the association of affordability which is negative, in addition to adding the unfavorable association of expensiveness. For **user profile**, 68.63% of respondents said that young business professionals would be likely to use VirginGo compared to 56.68% for college students. This upholds Virgin's target market of 20 to 35 year olds. 68.62% of respondents said that the introduction of VirginGo would make them feel extremely positive or somewhat positive about Virgin America.

Performance: 52.94% of respondents said that VirginGo would make their travel experience a great deal or a lot easier. Moreover, 80.39% of respondents said that the addition of VirginGo would make them think that Virgin America cares for their customers. This shows that the service does well in the realm **of effectiveness, efficiency, and empathy.**

Relevant (Low):

Judgment / Feeling Block	Impact to Parent	Rationale
Feelings: Efficiency	Added	App allows for quick, easy way to get food while traveling in a rush
Judgment: Credibility: Trust	Decreases	Only 49.02% of survey respondents reported that they trust Virgin America "a great deal" or "a lot" to create a food delivery app
Judgment: Quality	Decreases	Focus group participants worried about the impact to the quality of the food once delivered (i.e. cold, smooshed) as well as ensuring the food is delivered on time

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

4 FACTOR MODEL

Consistent (High):

60% of respondents said that VirginGo fits with Virgin America's image "a great deal" or "a lot"

Personable	Trendy	Air-Travel
Custom food order, delivered by a Virgin America employee	Third party food delivery apps are increasing in popularity, especially among Virgin America's target market	Not air, but does enhance overall experience

Brand Positioning and Brand Mantra　　Concept 1 Analysis　　Concept 2 Analysis　　Concept 3 Analysis　　New Product Selection　　New Product 5 Ps

ATAR PROJECTIONS

Definitely Buy	29.41%
Probably Buy	33.33%
Awareness	11%
Availability	60%
Trial Rate	33.527%
Repeat Rate	500%
Trial Units	15,489.474
Repeat Units	77,447.37
Total Units	92,936
Households	7,000,000
Penetration Rate	10%
Wholesale Price	$2.50
Wholesale Sales Volume	$232,342.11

Brand Positioning and Brand Mantra

Concept 1 Analysis

Concept 2 Analysis

Concept 3 Analysis

New Product Selection

New Product 5 Ps

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CONCEPT EVALUATION

Branding Type	New Brand
Extension Type	Category Extension
Extension Strategy	- Companion product for the brand - Service relevant to the customer franchise of the brand
Identity	From Virgin America: colors, URLs From extension: packaging (app), product (food), name
POD's	From parent: style/design of app, available in Virgin America terminals From extension: price, convenience
What Changes?	Gives Virgin America a new platform to enhance their customer's flying experience.

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

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CONCLUSION

Pros	Cons
Third party app food delivery industry is growing, especially among millennials which are a large portion of Virgin America's target market (Mintel)	With survey average delivery rate of $2.50 and an overall retail sales volume of $232,342.11, the app would likely lose Virgin America a great deal of money once costs such as staffing, marketing, app development & upkeep, and restaurant deals are factored in
As shown by survey results, 80.39% of respondents strongly or somewhat agreed that the introduction of VirginGo would make them think that virgin America cares about their customers. This would help strengthen their image as an airline with great customer service.	VirginGo forces Virgin America to enter a market they have no prior experience in, risking their overall brand image if the service fails
52.94% of respondents said that VirginGo would make their travel experience a great deal or a lot easier. Introducing the app and service would increase association of ease of traveling when flying Virgin America	VirginGo would require compliance from airport vendors, TSA, airlines sharing their terminals in addition to a new division of staffing which would require expenses to salary and training

Conclusion: Do not move forward with this concept

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

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RECOMMENDATIONS

Logistics	Hire a reputable app developer well versed in the third party food delivery industry to handle potential issues such as building algorithms to prioritize customer orders based on flight time, ensuring the quality of food is maintained throughout the delivery process, and coming up with an efficient method to find the customer for delivery.
Revenue	Find a way to increase value of the app to allow for higher delivery fees. Perhaps only target high end restaurants, provide Elevate points, or offer other travel perks.
Restaurant Partnerships	Develop partnerships with all restaurants in terminal before launching the app to ensure that travelers have every option. Possibly increase the number of Virgin America lounges in terminals to provide more high scale food choices.

Brand Positioning and Brand Mantra · Concept 1 Analysis · Concept 2 Analysis · Concept 3 Analysis · New Product Selection · New Product 5 Ps

CONCEPT 3: VIRGIN AMERICA BUSINESS TRAIN CARS

Product 3 is a business class train car designed by Virgin America. The train car would be placed in large scale passenger trains owned by Amtrak. Virgin America would control the interiors, food, and overall experience. There will be added food & beverage offerings (meals, snacks, and alcoholic beverages), improved Wi-Fi, seat back entertainment devices, mood lighting, and comfortable seating. These features will increase the comfort and productivity of the passenger, as well as make the travel experience more exciting and enjoyable.

The average fare for an Amtrak ticket is $73.77 (Bureau of Transportation Statistics, 2014) with a business class ticket typically costing between $30-40 more than a standard one (USA Today, 2016). Taking the midpoint of this as being $35 and a 25% markup for the Virgin America Train car ticket, the average **price will be $136 per ticket** (dependent on route length & dynamic pricing model)

Brand Positioning and Brand Mantra | Concept 1 Analysis | Concept 2 Analysis | Concept 3 Analysis | New Product Selection | New Product 5 Ps

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CONSUMER INSIGHTS

- The United States passenger rail sector grew by 2.1% in 2014 to reach a value of $25.3bn; the sector is expected to grow 46.9% in value by 2019 to reach $37.2bn per year in revenue (MarketLine, 2015)
- Passenger rail in America is dominated by Amtrak which carried almost 31 million passengers in 2014 to more than 500 destinations in 46 states (MarketLine, 2015). However, the company is consistently loss-making, requiring federal government aid on a yearly basis.
- Many of those questioned in focus groups said they felt Amtrak was very outdated and needed refreshing, including their business classes. Interviewees also said they would not buy a business class ticket in its current form due to the outdated feel.

Brand Positioning and Brand Mantra | Concept 1 Analysis | Concept 2 Analysis | Concept 3 Analysis | New Product Selection | New Product 5 Ps

FOCUS GROUP FINDINGS

Positive:

- Thought it was a very cool idea and wondered why someone hadn't tried it before
- See Virgin brand image as positive - would have no issues in attracting customers to the service
- Train industry doesn't have enough differentiation - this is something new, exciting and different
- Potential to appear safer for those who are afraid to ride on trains - trusted name
- Would be good for commuters - potential for monthly/seasonal passes

Potential Drawbacks:

- Believed trains already quite nice and cheap
- Would depend on the length of the route as to whether it was worth it - extra cost vs journey length
- Amtrak already has a business class
- Might work best on the East Coast where Virgin America not as well known

Brand Positioning and Brand Mantra | Concept 1 Analysis | Concept 2 Analysis | Concept 3 Analysis | New Product Selection | New Product 5 Ps

3 FACTOR MODEL

Brand Positioning and Brand Mantra   Concept 1 Analysis   Concept 2 Analysis   Concept 3 Analysis   New Product Selection   New Product 5 Ps

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3 FACTOR MODEL

Brand Positioning and Brand Mantra

Concept 1 Analysis

Concept 2 Analysis

Concept 3 Analysis

New Product Selection

New Product 5 Ps

3 FACTOR MODEL

Salience: The concept builds off the existing equity that Virgin America already has in being trendy, exciting and young, reinforcing these positive associations. Repeated negative associations were that there are few routes (since rollout would only be in select East Coast states & LA), unestablished and small

Favorability: Lots of new favorable associations were found with the extension including comfortable, enjoyable, high-tech, relaxing, convenient and efficient, as well as current positive associations including trendy, exciting and young growing in favorability. New negative associations included expensive and unnecessary. However, the association of few routes was found to be an unfavorable negative in focus group discussions as well as unestablished.

Uniqueness: 78.43% of respondents said they thought the Virgin America Train car was extremely or somewhat unique compared to other business classes including those already operated by Amtrak.

PODs	Source
Interior design & feel	Virgin America
Tech: Wi-Fi & seatback entertainment	Virgin America
High quality food & drink	Virgin America

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

4 FACTOR MODEL

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4 FACTOR MODEL

Brand Positioning and Brand Mantra

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New Product Selection

New Product 5 Ps
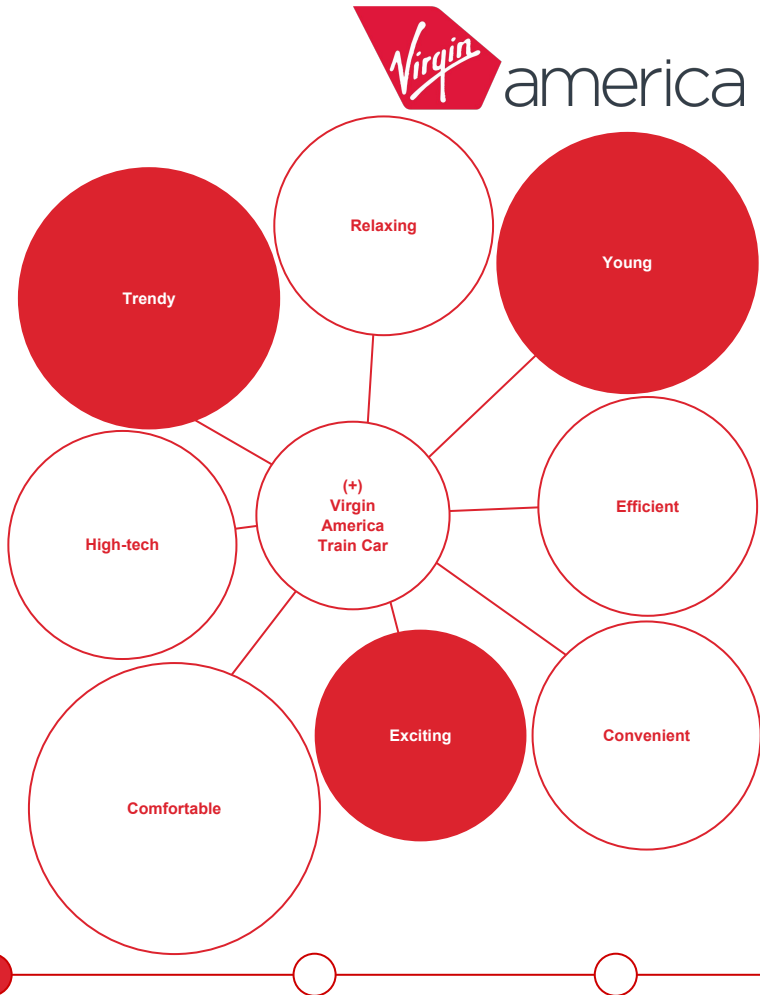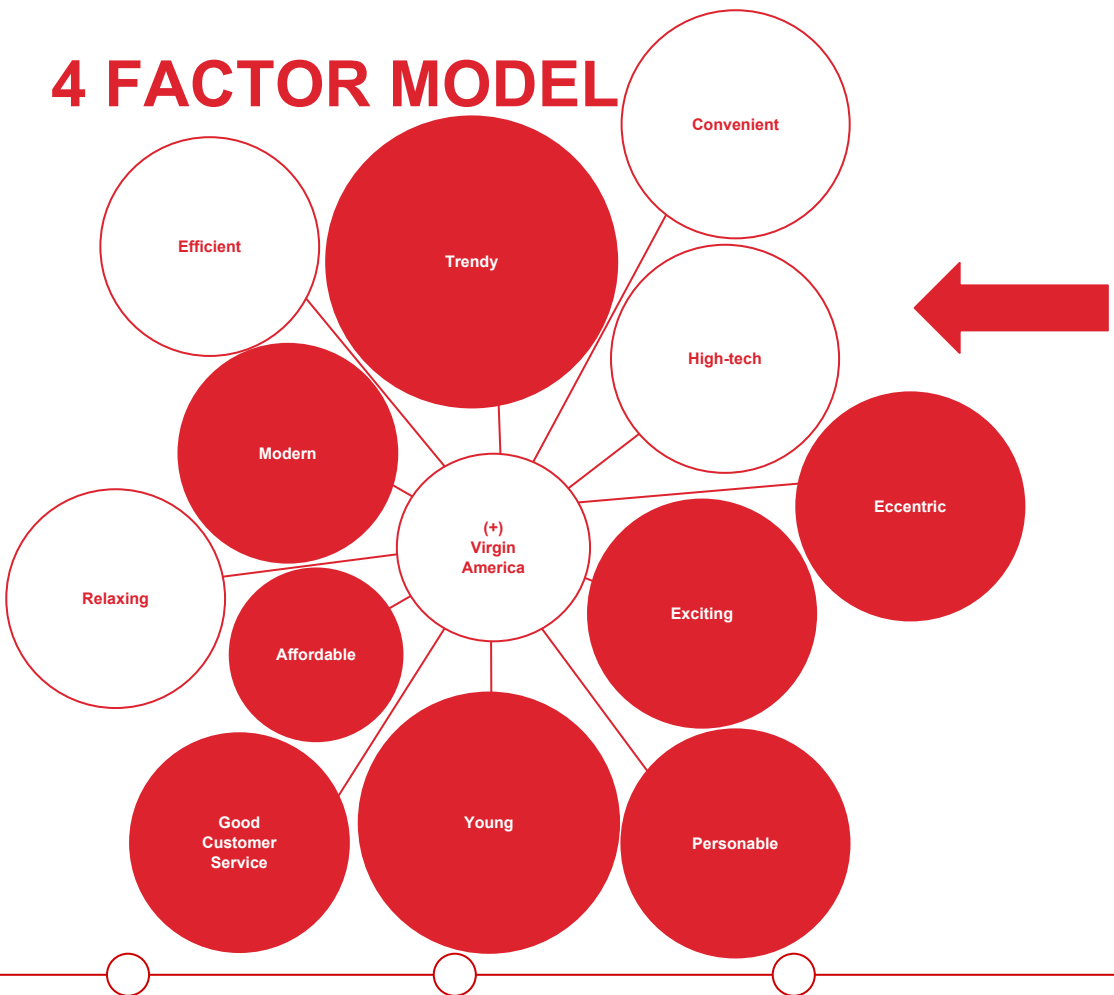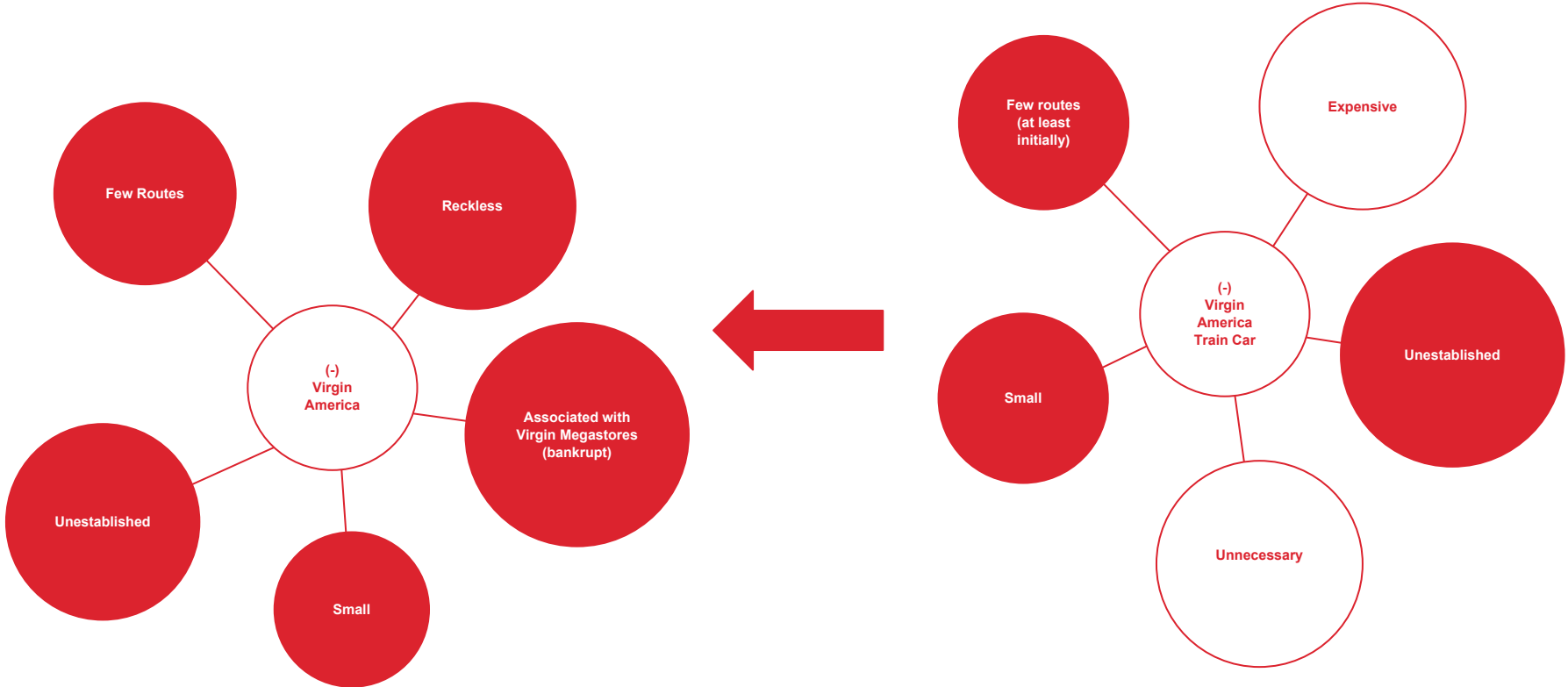
4 FACTOR MODEL

Compelling (Medium):

Imagery: The Virgin America train car enforces the associations of being trendy, exciting and young which upholds Virgin America's **personality** and **values.** 64.7% of survey respondents said that the train car would fit with Virgin America's image a great deal or a lot which upholds it's **history & heritage**.

Performance: 73.47% of survey respondents said that the train car would make their travel experience more comfortable and 72.54% strongly agree or somewhat agree that the introduction of the train car would make them think Virgin America cares for their customers. This enforces the **service effectiveness, efficiency, and empathy** of Virgin America. Using Virgin America's signature **style & design** in this new category would further enforce it.

Relevant (Medium):

Judgment / Feeling Block	Impact to Parent	Rationale
Feelings: Relaxed	Increases	63.27% said they would feel relaxed travelling in the train car
Feeling: Happiness	Added	67.35% said travelling by train would make their experience more enjoyable
Judgment: Credibility: Trust	Increases	62.7% said they trust Virgin America a "great deal" or a lot to create the train car
Judgment: Superiority	Added	84.32% said "yes" or "maybe" to buying a Virgin train ticket over Amtrak business class

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

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4 FACTOR MODEL

Consistent (Medium/High):

64.7% of respondents think the service fits Virgin America's image either by a "great deal" or "a lot"

Personable	Trendy	Air-Travel
Added features make train car more personable than average Amtrak business class	68.7% of respondents strongly or somewhat agree the train is trendy	Not air, but is a means of traveling

Strong (Strong):

Rationale: 73% of respondents found that the introduction of the train car would make them feel either "Extremely positive" or "Somewhat positive" about the Virgin America brand. The extension would add lots of positive associations to the brand including comfortable, high-tech and relaxing, all of which will make the Virgin America a stronger brand

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

ATAR PROJECTIONS

Definitely Buy	25.49%
Probably Buy	33.33%
Awareness	10%
Availability	78.5%
Trial Rate	30.4%
Repeat Rate	500%
Trial Units	78, 344
Repeat Units	391, 721
Total Units	470, 065
Households	6, 565, 891
Penetration Rate	50%
Wholesale Price	$136
Wholesale Sales Volume	$63,920,000

CONCEPT EVALUATION

Branding Type	Sub-brand: Co-brand
Extension Type	Category extension
Extension Strategy	• Service that capitalizes on the distinctive image or prestige of the brand • Capitalizes on the firm's perceived expertise • Products that contain the brand's distinctive taste, ingredient or component • Products relevant to the customer franchise of the brand • Products that reflect the brand's distinctive benefit, attribute or feature
Identity	From parent: Virgin America name, colors, 5 senses: interior From extension: Product, placement
POD's	From parent: Modern interiors, seatback entertainment, quality food From extension: Exclusivity (limited roll out)
What changes?	Offers the sought after Virgin America experience on another form of public transport, giving consumers better options when travelling by rail

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

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RECOMMENDATION

Pros	Cons
78.43% of survey respondents see the train car as being unique. The introduction of the train car would give the Virgin America brand a unique selling point, offering something which currently does not exist in the market	This idea would require a significant capital expenditure at the beginning. However, as focus groups and survey results show, there is demand for this. Moreover, rail travel usage is expected to grow by over 40% in the next 3 years (MarketLine 2015)
Survey respondents, on average, stated that they would be willing to pay an extra 25.13% for a ticket, increasing revenue potential for the Virgin America brand and their partner Amtrak whose operating loss in 2015 was $306.5 million	Potential government red-tape to get past
Because travel by train is more popular in the East Coast than the West Coast, the introduction of the train would expand Virgin America's market share in East Coast states.	
Financial projections show that the Train car would generate revenue of $63.92 million, and the figures used are based on it being relatively small-scale to begin with. There is the potential for the operation to expand once awareness is built further.	

Conclusion: Potential to be a successful service → move forward as is

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

TRAIN: POSITIONING

Class	Railroad Service			
Type	Domestic			
Category	Premium			
Target Market	Trendy 20 to 35 year olds (traveling for business & leisure - seeking enhanced experience)			
Competition	Herzog Transit Services Inc., Transdev North America Inc., and Amtrak business class			
	Performance Based		**Image Based**	
	Attributes	**Benefits**	**Attributes**	**Benefits**
POP's	• Domestic	• Ability to travel to new states	• American • Customer oriented	• Familiar, comforting • Good travel experiences
POD's	• RED system • Mood lighting • Custom designed seats • Wi-Fi • Food options	• Custom/advanced entertainment • Relaxing atmosphere • Comfort • Productivity • Satisfied physical needs	• Trendy • Modern • Young • High-tech	• Makes customer seem cool for riding with them • Planes appear to be new and clean • Relatable & non intimidating • Entertainment & comfort
Positioning Statement	The Virgin America Business Train Car is the only passenger car in the US that provides trendy, entertaining, and comfortable travel experiences for millennials ages 20 to 35			

Brand Positioning and Brand Mantra — Concept 1 Analysis — Concept 2 Analysis — Concept 3 Analysis — New Product Selection — New Product 5 Ps

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TRAIN: PRICE, PLACEMENT & PROMOTION

Price

The base ticket price for the Virgin America Business Train Car will cost around **$136** based on length of travel. This price is dynamic, as it is subject to change according to availability and demand. The Virgin America Business Train Car will follow the **premium pricing method**, in accordance to the luxury image the brand creates by providing a higher quality service than the average Amtrak train experience

Placement

Direct Channels: Train station ticket booth, travel agent or online, either through Virgin America's or Amtrak's website.
Stations in: New York, Washington DC, Philadelphia, Chicago and Los Angeles
Indirect Channels: Online aggregate travel services such as www.expedia.com, or www.trivago.com
Push Strategy: Incentivising travel agents to highlight the new service, ad mats on Expedia and similar sites
Pull Strategy: TV advertisements, announcements/ads in airports and Virgin America planes, Word of Mouth, Social Media Promotions, Social Media Influencers, Coupons, and Event Marketing

Promotion

Advertising: Run advertising on TV, Radio, and Online. Partner with Amtrak for displays in train stations in the East Coast of the United States
Promotions: Holiday specials
Online Campaign: Increase our social media presence through collaboration with social media celebrities and the hashtag #VAmtrak. In addition, Virgin America Business Car Trains will host contests through their social media sites, awarding tickets to their most loyal fans
Direct Marketing: Email newsletter, posters and fliers distributed at train stations. Blast attractive music around the train tracks to attract potential customers and inform them on the new service.
Events: Throw promotional events at the train tracks. At the time of opening, Virgin America will paint red arrows at the train station directing potential customers to the trains. Richard Branson will be present, with his crew of "fly girls" inviting people to use the service.

Brand Positioning and Brand Mantra | Concept 1 Analysis | Concept 2 Analysis | Concept 3 Analysis | New Product Selection | New Product 5 Ps

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Appendix

Peter Allan
Matheus Cunha
Sabrina Sigismondi
Zoë Willis

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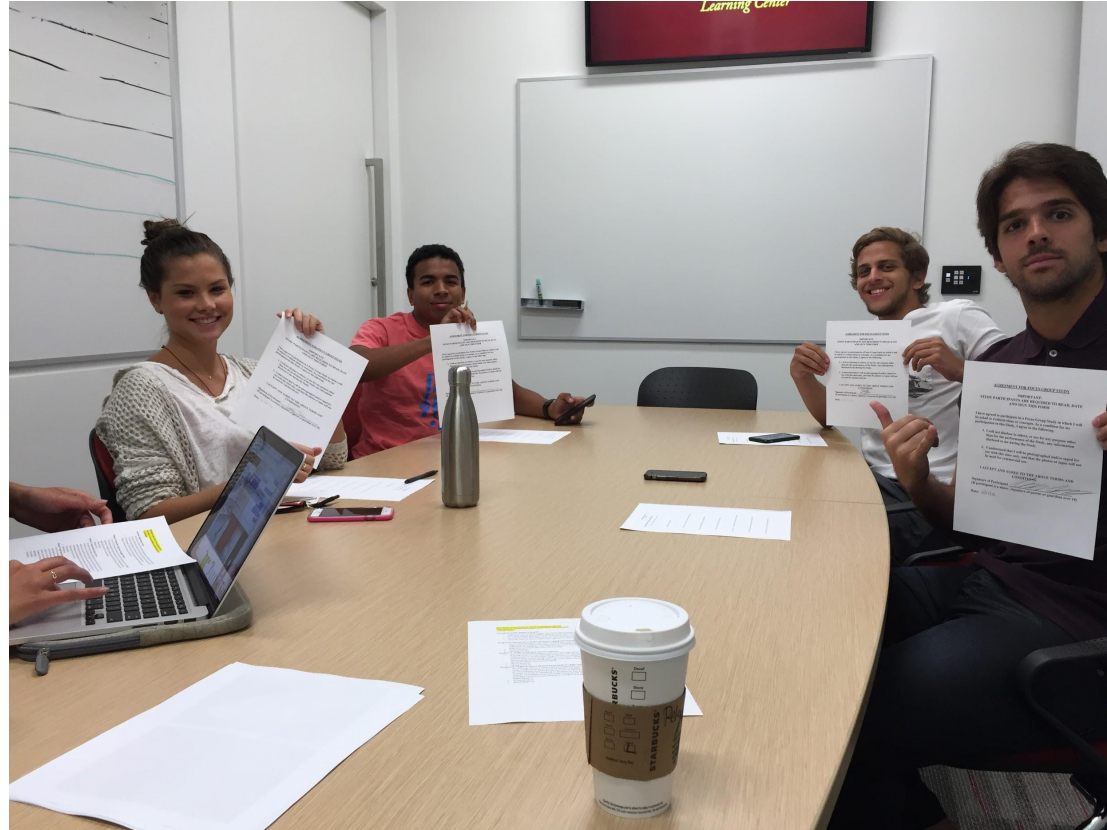
FOCUS GROUP 1

FOCUS GROUP 1 SUMMARY

- Focus Group 1 was not keen on having to fill out their worksheets, so most of the session was discussion based. They were all very outspoken and had specific, and detailed critique on each product.
- In terms of the luggage, everyone was really excited about the perks that accompanied purchase (Wi-Fi, priority boarding, etc.) but thought that having a branded bag might be a little tacky, and that having just purple and red might be too feminine of offerings (this prompted us to add black). They also mentioned that the luggage line would most likely be a branding effort rather than profit driver.
- Our participants liked the train idea the best. They voiced that the more polished interior might make the train appear to be safer and thought the business class would be especially appealing to commuters.
- The app had mixed reviews. People thought it was a neat idea but not necessary to have. They also did not think that Virgin America offering this service would increase their consideration of flying with them. They were also concerned with the logistics of the service such as how the delivery people would get around the airport quickly, how they would prioritize orders, ensuring orders are delivered on time, and how to preserve the quality of food during the process.

FOCUS GROUP 2 SUMMARY

- Group was very enthusiastic about the luggage and its benefits at first but later noticed that the high price point did not match with the target audience. Additionally also found it to be unfair with other passengers who did not get the benefits and found the limited style and design might cause confusion and concern to people who "don't want to look like flight attendants."

- Group liked the VirginGo App idea and commented on its convenience for late customers. The group also came up with the idea of making food from the Virgin America Lounge available through the app in order to increase the number of restaurant options. Finally the group found issues with the app and commented on the frustration that customers would have if they did not get their food in time.

- The train was the most highly accepted idea within the group. People commented on why no one had done that yet and why we were only doing one train car and not a full train. Nonetheless some members also commented on the fact that people are not willing to pay a premium on top of their daily train ride unless certain specific benefits were added, in response to that we added the benefits that were suggested.

What is your age?

#	Answer	Bar	Response	%
1	19 & under		16	19.51%
2	20 to 25		58	70.73%
3	26 to 30		4	4.88%
4	31 to 35		2	2.44%
5	36+		2	2.44%
	Total		82	100.00%

Have you ever taken a high level marketing course or held a marketing job position?

#	Answer	Bar	Response	%
1	Yes		9	14.06%
2	No		55	85.94%
	Total		64	100.00%

How many times per year do you fly?

#	Answer	Bar	Response	%
1	1 time or less		6	10.91%
2	2-4		21	38.18%
3	5-10		22	40.00%
4	10+		6	10.91%
	Total		55	100.00%

Are you familiar with the airline Virgin America?

#	Answer	Bar	Response	%
1	Yes		50	90.91%
2	No		5	9.09%
	Total		55	100.00%

Product 1 is Virgin America branded hard shell Samsonite luggage. The line will include both a standard carry on size bag (20") and larger checked bag (28"). Each bag has a standard Samsonite 10 year warranty. The bags come in red, purple, and black.

Travelers who purchase the carry on size Virgin America x Samsonite luggage will receive priority boarding and free Wi-Fi on every flight in which they use the bag.

Travelers who purchase the larger checked bag will receive free Wi-Fi and priority boarding on every flight in which they use the bag. Additionally, they can check the bag for free twice per year for two years & receive double Elevate points on every flight purchase for two years.

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How interested would you be in purchasing Virgin America x Samsonite luggage?

#	Answer	Bar	Response	%
1	Definitely buy		6	10.91%
2	Probably buy		21	38.18%
3	Might or might not buy		14	25.45%
4	Probably not buy		12	21.82%
5	Definitely not buy		2	3.64%
	Total		55	100.00%

Assuming you were completely satisfied with the luggage, would you recommend this product to a friend?

#	Answer	Bar	Response	%
1	Yes		27	100.00%
2	No		0	0.00%
	Total		27	100.00%

How many other people would you recommend the luggage to?

#	Answer	Bar	Response	%
1	1		1	3.70%
2	2		5	18.52%
3	3		13	48.15%
4	4		3	11.11%
5	5		5	18.52%
	Total		27	100.00%

How much would you trust Virgin America and Samsonite to create high-quality luggage?

#	Answer	Bar	Response	%
1	A great deal		19	34.55%
2	A lot		20	36.36%
3	A moderate amount		13	23.64%
4	A little		3	5.45%
5	None at all		0	0.00%
	Total		55	100.00%

Would you replace your current luggage with Virgin America x Samsonite luggage?

#	Answer	Bar	Response	%
1	Yes		12	21.82%
2	Maybe		27	49.09%
3	No		16	29.09%
	Total		55	100.00%

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How likely are you to buy Virgin America branded Samsonite luggage over standard Samsonite luggage?

#	Answer	Bar	Response	%
1	Extremely likely		10	18.18%
2	Somewhat likely		18	32.73%
3	Neither likely nor unlikely		13	23.64%
4	Somewhat unlikely		11	20.00%
5	Extremely unlikely		3	5.45%
	Total		55	100.00%

How closely do you think this product fits with Virgin America's image?

#	Answer	Bar	Response	%
1	A great deal		7	12.73%
2	A lot		29	52.73%
3	A moderate amount		14	25.45%
4	A little		2	3.64%
5	None at all		3	5.45%
	Total		55	100.00%

What type of people would buy & use this luggage?

#	Answer	Bar	Response	%
1	Young business professionals		46	83.64%
2	Older business professionals		24	43.64%
3	College students		12	21.82%
4	Families		6	10.91%
	Total		88	100.00%

How would the introduction of this luggage line make you feel about Virgin America?

#	Answer	Bar	Response	%
1	Extremely positive		10	18.18%
2	Somewhat positive		23	41.82%
3	Neither positive nor negative		21	38.18%
4	Somewhat negative		0	0.00%
5	Extremely negative		1	1.82%
	Total		55	100.00%

How unique do you think this product and it's offerings are compared to other luggage on the market?

#	Answer	Bar	Response	%
1	Extremely unique		30	54.55%
2	Somewhat unique		19	34.55%
3	Neutral		6	10.91%
4	Somewhat unoriginal		0	0.00%
5	Extremely unoriginal		0	0.00%
	Total		55	100.00%

What percentage more would you be willing to pay for the Virgin America luggage over normal Samsonite luggage?

#	Question	Responses	Mean
1	% increase	50	27.66

How would you describe the Virgin America x Samsonite luggage?

#	Question	Responses	Mean
1	Trendy	53	3.11
2	Young	52	3.02
3	Exciting	53	3.04
4	Tacky	49	1.92
5	Luxurious	53	3.08
6	Fashionable	55	2.85
7	Convenient	52	3.44
8	Expensive	55	3.24
9	Innovative	54	3.76
10	Stylish	54	3.11
11	Generous	53	2.79

How do you think traveling with the Virgin America x Samsonite luggage would make you feel?

#	Question	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Response	Average Value
1	Confident	2	1	25	17	10	55	3.58
2	Elite	3	3	7	25	16	54	3.89
3	Efficient	2	5	13	22	13	55	3.71
4	Economical	1	6	17	23	7	54	3.54
5	Trendy	1	5	19	21	9	55	3.58

What attributes of this luggage would you value the most? Rank them from 1-5 (1 meaning most valued)

#	Answer	Rank1	Rank2	Rank3	Rank4	Rank5	Responses	Mean
1	Complementary Wi-Fi	22	18	6	5	1	52	1.94
2	2 free checked bags per year for 2 years	5	10	15	10	12	52	3.27
3	Priority Boarding	11	10	15	6	10	52	2.88
4	10 Year Warranty	4	7	4	15	22	52	3.85
5	High Quality Luggage	10	7	12	16	7	52	3.06
	Total	52	52	52	52	52	-	-

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How much easier do you think this product would make your travel experience?

#	Answer	Bar	Response	%
1	A great deal		9	16.67%
2	A lot		11	20.37%
3	A moderate amount		22	40.74%
4	A little		7	12.96%
5	None at all		5	9.26%
	Total		54	100.00%

If Virgin America released this line of luggage, it would make me think that Virgin America:

#	Question	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Response	Average Value
1	is a trusted name in air travel	1	4	18	22	10	55	3.65
2	is a trendy airline	-	1	15	25	14	55	3.95
3	cares for their customers	1	1	14	28	10	54	3.83
4	is economically friendly	3	1	23	19	9	55	3.55
5	is innovative	-	2	7	27	19	55	4.15

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Product 2 is a food delivery app called VirginGo. The app allows for travelers flying Virgin America to pre order food from restaurants in airport terminals & Virgin America's own kitchens (in select airports) to be delivered to their gate in time for them to board their flight. For every dollar spent on the app, the traveler will receive 2 Virgin America Elevate (frequent flyer program) points.
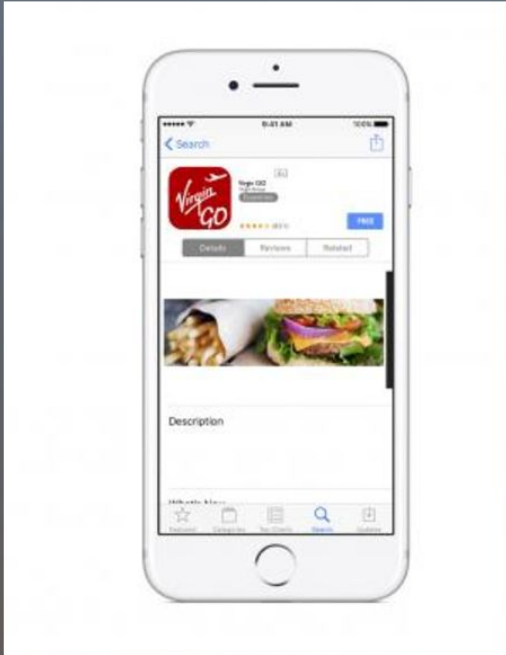
How interested would you be in purchasing food via the VirginGo app?

#	Answer	Bar	Response	%
1	Definitely buy		16	29.09%
2	Probably buy		17	30.91%
3	Might or might not buy		11	20.00%
4	Probably not buy		9	16.36%
5	Definitely not buy		2	3.64%
	Total		55	100.00%

Assuming you were completely satisfied with VirginGo, would you use this service again?

#	Answer	Bar	Response	%
1	Yes		33	100.00%
2	No		0	0.00%
	Total		33	100.00%

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How often would you use the service in a year if it were available to you?

#	Answer	Bar	Response	%
1	Weekly		0	0.00%
2	Monthly		7	21.21%
3	Quarterly		17	51.52%
4	Annually		9	27.27%
	Total		33	100.00%

How much would you trust Virgin America to create a food delivery app?

#	Answer	Bar	Response	%
1	A great deal		7	12.73%
2	A lot		19	34.55%
3	A moderate amount		16	29.09%
4	A little		10	18.18%
5	None at all		3	5.45%
	Total		55	100.00%

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How likely are you to use VirginGo over waiting in line at the airport for food/drink?

#	Answer	Bar	Response	%
1	Extremely likely		11	20.00%
2	Somewhat likely		29	52.73%
3	Neither likely nor unlikely		7	12.73%
4	Somewhat unlikely		3	5.45%
5	Extremely unlikely		5	9.09%
	Total		55	100.00%

How likely are you to use VirginGo over purchasing and eating food on the plane?

#	Answer	Bar	Response	%
1	Extremely likely		23	41.82%
2	Somewhat likely		21	38.18%
3	Neither likely nor unlikely		5	9.09%
4	Somewhat unlikely		2	3.64%
5	Extremely unlikely		4	7.27%
	Total		55	100.00%

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How closely do you think this service fits with Virgin America's image?

#	Answer	Bar	Response	%
1	A great deal		9	16.67%
2	A lot		23	42.59%
3	A moderate amount		18	33.33%
4	A little		4	7.41%
5	None at all		0	0.00%
	Total		54	100.00%

What type of people would use this app?

#	Answer	Bar	Response	%
1	Young business professionals		39	70.91%
2	Older business professionals		14	25.45%
3	College students		31	56.36%
4	Families		16	29.09%
	Total		100	100.00%

How would the introduction of VirginGo make you feel about Virgin America?

#	Answer	Bar	Response	%
1	Extremely positive		5	9.09%
2	Somewhat positive		33	60.00%
3	Neither positive nor negative		16	29.09%
4	Somewhat negative		1	1.82%
5	Extremely negative		0	0.00%
	Total		55	100.00%

How unique do you think this product is compared to apps offered by other airlines?

#	Answer	Bar	Response	%
1	Extremely unique		35	63.64%
2	Somewhat unique		14	25.45%
3	Neutral		5	9.09%
4	Somewhat unoriginal		1	1.82%
5	Extremely unoriginal		0	0.00%
	Total		55	100.00%

How much would you be willing to pay as a delivery fee per order?

#	Question	Responses	Mean
1	$	51	2.51

How would you describe VirginGo?

#	Question	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Response	Average Value
1	Trendy	-	2	8	34	11	55	3.98
2	Young	-	4	15	22	14	55	3.84
3	Exciting	-	3	17	24	11	55	3.78
4	Efficient	-	4	5	27	19	55	4.11
5	Convenient	-	-	7	21	27	55	4.36
6	Expensive	3	5	32	11	4	55	3.15
7	High-tech	-	1	10	29	15	55	4.05
8	Complicated	9	18	19	8	1	55	2.53
9	Stressful	11	25	11	7	1	55	2.31
10	Unnecessary	2	23	13	12	5	55	2.91

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What attributes of the service would you value the most? Rank them from 1 to 2 (1 meaning most valued)

#	Answer	Rank1	Rank2	Responses	Mean
1	Delivery service	18	24	42	1.57
2	Numerous food options	24	18	42	1.43
	Total	42	42	-	-

How much easier do you think this service would make your travel experience?

#	Answer	Bar	Response	%
1	A great deal		13	23.64%
2	A lot		16	29.09%
3	A moderate amount		16	29.09%
4	A little		8	14.55%
5	None at all		2	3.64%
	Total		55	100.00%

If Virgin America released VirginGo it would make me think that Virgin America:

#	Question	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Response	Average Value
1	is a trusted name in air travel	-	9	14	23	9	55	3.58
2	is a trendy airline	1	1	10	20	23	55	4.15
3	cares for their customers	-	2	9	27	17	55	4.07
4	is economically friendly	2	7	25	15	6	55	3.29
5	is innovative	-	1	3	26	24	54	4.35

Product 3 is a business class train car designed by Virgin America. The train car would be placed in large scale passenger trains such as those owned by Amtrak. Virgin America would control the interiors, food, and overall experience. There will be added food & beverage offerings (meals, snacks, and alcoholic beverages), improved Wi-Fi, seat back entertainment devices, mood lighting, and comfortable seating.

How interested would you be in purchasing a ticket for a Virgin America business class train car?

#	Answer	Bar	Response	%
1	Definitely		15	27.27%
2	Probably		18	32.73%
3	Might or might not		14	25.45%
4	Probably not		6	10.91%
5	Definitely not		2	3.64%
	Total		55	100.00%

Assuming you were completely satisfied with the trip, would you travel via Virgin America train car again?

#	Answer	Bar	Response	%
1	Yes		33	100.00%
2	No		0	0.00%
	Total		33	100.00%

How often would you use the train car in a year if it were available to you?

#	Answer	Bar	Response	%
1	Weekly		2	6.06%
2	Monthly		3	9.09%
3	Quarterly		13	39.39%
4	Annually		15	45.45%
	Total		33	100.00%

How much would you trust Virgin America to create a business class train car interior & experience?

#	Answer	Bar	Response	%
1	A great deal		20	36.36%
2	A lot		15	27.27%
3	A moderate amount		15	27.27%
4	A little		5	9.09%
5	None at all		0	0.00%
	Total		55	100.00%

Would you buy a Virgin America business class ticket over a standard business class ticket?

#	Answer	Bar	Response	%
1	Yes		25	45.45%
2	Maybe		22	40.00%
3	No		8	14.55%
	Total		55	100.00%

How much do you think this service fits with Virgin America's image?

#	Answer	Bar	Response	%
1	A great deal		20	36.36%
2	A lot		16	29.09%
3	A moderate amount		15	27.27%
4	A little		1	1.82%
5	None at all		3	5.45%
	Total		55	100.00%

How would the introduction of a Virgin America train car make you feel about Virgin America?

#	Answer	Bar	Response	%
1	Extremely positive		17	30.91%
2	Somewhat positive		24	43.64%
3	Neither positive nor negative		11	20.00%
4	Somewhat negative		2	3.64%
5	Extremely negative		1	1.82%
	Total		55	100.00%

How unique do you think this train car is compared to other business classes such as those operated by Amtrak?

#	Answer	Bar	Response	%
1	Extremely unique		18	32.73%
2	Somewhat unique		25	45.45%
3	Neutral		8	14.55%
4	Somewhat unoriginal		3	5.45%
5	Extremely unoriginal		1	1.82%
	Total		55	100.00%

What percentage more would you be willing to pay for a Virgin America train car business class ticket over a normal business class ticket?

#	Question	Responses	Mean
1	%	50	25.50

How would you describe the Virgin America train car?

#	Question	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Response	Average Value
1	Trendy	17	20	10	3	5	55	2.25
2	Young	15	18	15	3	4	55	2.33
3	Exciting	15	20	11	5	4	55	2.33
4	Efficient	14	13	20	5	3	55	2.45
5	Convenient	10	21	13	7	4	55	2.53
6	Expensive	12	19	16	6	2	55	2.40
7	High-tech	18	15	14	4	4	55	2.29
8	Stressful	2	2	18	17	15	54	3.76
9	Unnecessary	4	15	15	13	8	55	3.11
10	Comfortable	25	17	5	3	5	55	2.02
11	Relaxing	15	19	12	5	4	55	2.35

What attributes of the service would you value the most? Rank them from 1-6 (1 being the most valued)

#	Answer	Rank1	Rank2	Rank3	Rank4	Rank5	Rank6	Responses	Mean
1	Free Wi-Fi	26	15	8	3	1	2	55	1.98
2	More comfortable seating	20	14	11	9	1	0	55	2.22
3	Mood lighting	0	2	8	7	16	22	55	4.87
4	Gourmet food	2	7	15	16	11	4	55	3.71
5	Seatback TVs	4	13	9	16	8	5	55	3.47
6	Alcoholic beverages	3	4	4	4	18	22	55	4.75
	Total	55	55	55	55	55	55	-	-

How would this enhance your typical train travel experience?

#	Answer	Bar	Response	%
1	It would make it more comfortable		40	75.47%
2	It would make it more exciting		25	47.17%
3	It would make it more enjoyable		36	67.92%
4	It would make it more productive		24	45.28%
5	It would make it more relaxing		34	64.15%
	Total		159	100.00%

If Virgin America released the business class train car, it would make me think that Virgin America:

#	Question	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Response	Average Value
1	is a trusted name in air travel	4	6	19	17	9	55	3.38
2	is a trendy airline	1	3	10	22	19	55	4.00
3	cares for their customers	1	2	11	26	15	55	3.95
4	is economically friendly	1	8	25	17	4	55	3.27
5	is innovative	1	2	9	24	19	55	4.05

Rank the new products in order of preference (1 being most preferred).

#	Answer	Rank1	Rank2	Rank3	Responses	Mean
1	Virgin America Train Car (business class)	17	18	16	51	1.98
2	Virgin America x Samsonite luggage	15	17	19	51	2.08
3	VirginGO App	19	16	16	51	1.94
	Total	51	51	51	-	-

ATAR CALCULATIONS: LUGGAGE

Definitely Buy =0.1176 * 0.8 = 0.09408

Probably Buy = 0.3333 *0.3 = 0.09999

Awareness = 11% relatively low awareness since taking on a new challenge in a new industry that despite they being related to their core service they have no prior experience with.

Availability = Luggage would be sold on ⅝ of possible Virgin America or Samsonite distribution centers: Virgin America website, Virgin America stores in airport, third party websites/stores (amazon), Samsonite website, Samsonite brick and mortar stores.

Trial Rate = 0.09408 + .09999 = 0.19407

Households = Number of Virgin America Passengers in 2015 = 7,000,000

Penetration Rate = 30% based off Mintel - Luggage - US - December 2012

Trial Units = 0.11*0.625*0.194*7,000,000*0.3= 28,009

Repeat Units = 28,009 * 3.26 = 91,309

Retail Price: 27.15% more than standard samsonite hard shell luggage = 220 + 59.73 = 279.73 (280)

Retail Sales Volume = 280 * 119,318 = $33,409,135

Wholesale Margin = 19.593067069% = 20% - based off IBISWorld Industry report on Leather Good & Luggage Manufacturing in the US.

Wholesale Margin Price = 280*.20 = $56

Wholesale Price = (280-56) * 119,318 = $26,727,232

ATAR CALCULATIONS: VIRGINGO

Availability: channels = app, va site, online travel agencies (Expedia), in person, travel agent. Avail % - 60%

Awareness: 11% (While airline is well known, app would be entirely new category that would take a while to be known by VA fliers)

Trial Rate: .2941(.80) + .3333(.30) = .23528 + .09999 = .33527

Repeat Rate: (12*7)/32 + (4*17)/32 + (1*8)/32 = 500%

Total Households: 7,000,000 (# of people that flew Virgin America in 2015 - only VA flyers would be the ones to use the app)

Penetration Rate: 10% amount of people that have used third party food delivery app in the past 3 months (Mintel)

Trial Units: .11 * .60 * .33527 * 7,000,000 * .10 = 15,489.474

Repeat Units: 15,489.474 * 5 = 77,447.37

Total Units: 77,447.37 + 15,489.474 = 92,936.844

Retail Sales Volume: 2.50 * 92,936.84 = 232,342.11

ATAR CALCULATIONS: TRAIN

Definitely buy - 0.8 * 0.2549 = 0.20392

Probably buy - 0.3 * 0.3333 = 0.0999

Trial rate = 30.38 - 30.4% Trial rate

Awareness - 10%, high-risk, not known for trains, lowest possible awareness at the beginning

Availability = 78.5% - initial rollout at 5 busiest Amtrak stations which account for 78.5% of all Amtrak passengers

Households = the number of households in the 5 busiest Amtrak locations - 6,565,891

Trial Units = 0.1*0.785*0.304*6,565,891*0.5 = 78,344

Repeat Units = 391,721

Retail Price = $136

Retail Sales Volume = $63.92MM