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BA'S PROBLEMS BEGIN WHEN THE STRIKES END

As another five-day strike draws to a close, discussions between British Airways' senior management and the unions representing its cabin crew will start once again. At some point – perhaps even in the next few days – the industrial action that has been eviscerating BA's operations since November will come to a close.

However, as Kerris Bright, BA's new head of global marketing, starts work, she would be mistaken to assume that BA's troubles will end when the strikes are over. The repercussions of the industrial action will prove far more damaging than the strikes themselves.

For starters, we have a brand that is in tatters. The old adage that it takes decades to build brand equity but only a few months to destroy it could not be truer than in the case of British Airways. For the past seven months the brand has been plastered all over the media in a series of off-message and entirely unwelcome situations.

BA had invested millions over the years to foster an image of an efficient, warm, world-class airline. All that work has been undone with a stream of inconsistent and contradictory brand images which have been accessed globally and on a weekly basis for more than half a year.

The strike hasn't just affected BA's brand associations. It has encouraged loyal BA customers (the type you build a profitable airline around) to switch brands and try alternatives.

Domestically, it has sent an army of travellers into the arms of budget carriers such as Ryanair and easyJet, who are more than happy to demonstrate to ex-BA customers just how on-time and low-cost their equivalent services are.

Even on the more valuable long-haul routes the strikes have forced the biggest BA brand advocates to other airlines for their business travel. And, as these loyalists try out Cathay Pacific to Hong Kong or Qantas to Sydney, they discover two things. First, these airlines have a better service and a newer fleet. Second, thanks to the One World Alliance, passengers can claim the same frequent flyer points with these carriers as they would with BA.

Of all the glittering benefits of brand equity, the long-term, stable marriage with loyal customers is surely the best of the lot. When a brand not only forces a break in the marriage, but also encourages its partner to wife-swap a little with other (as it turns out) better lovers, there is a costly divorce ahead.

Loyalty is not the only benefit that BA enjoyed when it had a strong brand. There was also the delicious ability to charge premium fares. But



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those premium days are over for BA.

Free upgrades from business class to first, special, limited time offers and low, low fares have become the norm over the past six months as BA attempted to shore up its lost traffic with price-based promotions. And of course it worked: it has got bums on seats. But it will have a much more pernicious impact on the BA brand than strike action.

Aside from reducing margins, price promotions also destroy brand equity. Every time you run a price promotion, you are tempting the consumer with a commodity motivation (we will fly you to Hong Kong for less money than others) rather than a brand reason (you will fly BA because we are elite, British and superior).

When the strike action does end, BA will find itself trapped in a no-fly zone between the genuinely low-cost carriers such as United Airlines and easyJet that it cannot profitably beat on price and the premium brands such as Singapore and Qantas, which are now a decade ahead of BA in terms of brand equity.

And of course the other downside of the strike is the internal part of branding we rarely talk about. BA's eyes have been off the ball and on the strike for months now. Some 80% of BA's cabin crew voted to strike. That means that even when the industrial action ends, the vast majority of BA's cabin staff – the most important people when it comes to determining all-important service satisfaction – will be feeling antipathy and disloyalty to the current BA leadership team and the brand that fought them for months.

On previous performance, the leadership of BA is not up to much either. The Terminal 5 fiasco did not just do untold damage to the BA brand; more importantly it revealed a management team that could not run the airline equivalent of a piss-up in a brewery. Operating an airline is a massive challenge, but if you can't open a terminal properly after ten years and £4bn of preparation, there is something wrong with the way you make decisions and run an organisation.

And last, but not least, will someone ask BA chief executive Willie Walsh to try smiling? Or at least blinking. Walking round with that strange, frozen look on your face does not signal leadership. It makes you look like a robot. ●

Mark Ritson is an associate professor of marketing, an award-winning columnist and a consultant to some of the world's biggest brands