



2016 APAC Effie® Awards Gold

“Tiger Infrequent Flyers Club”

Category: Travel / Tourism
Brand/ Client: Tigerair
Lead Agency: McCann Melbourne

Market Background

The airline industry in Australia has been faced with many external challenges over the last ten years, rising fuel costs, price based competition and the strong Australian dollar have seen many Australians travel internationally at the expense of the local market. With Australians flying on average only three times per year (People theory research 2014), the effect of this was twofold.

1. Australians were taking less domestic flights,
2. The comforts of international travel moved from perks to mandatories.

With these two factors in play, it is becoming increasingly difficult for any other carriers to successfully enter and establish themselves in the Australian Domestic aviation market.

State of Brand's Business

In such a market, Tigerair needed to not only increase revenue, but find a way to cost effectively market themselves over time. In short – the number of routes available made traditional airline marketing less efficient for tigerair compared to their competitors.

Furthermore, consideration for tigerair following a history of inconsistent service a delivery was considerably higher than any other brand – consumers weren't simply not choosing us, they were actively rejecting what we had to sell.

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Strategic Challenge

We needed to get people to start to consider tigerair and build an efficient communication platform from which we could sell.

To do this we had a simple challenge – get consumers to understand the budget airline proposition and do it in a way that actually drove consideration (i.e. get people to like us).

Category Challenges

1. Frequency of travel: Australians are flying less, with 77% of Australian's flying less than three times a year (People Theory Research 2014)
2. The rise of membership programs: With every airline under the sun having a rewards scheme, flying wasn't just about flying any more. With points spent on flying for free, or upgrades and ancillary experiences, the actual flight was now only one factor in travel.

Brand Challenges

1. Consideration: Tigerair is a brand that people love to hate, with 59% of Australians rejecting flying the airline, despite never having flown before (People Theory Research 2014).

Our Response – be the people's champion by showing the real value in a flight, cheap tickets not tiny bottles of wine.

Objectives

We needed to get more people flying Tigerair, more often:

Objective 1: Attract 50,000 customers to our database.

Objective 2: Increase airline revenue by 5%

Objective 3: Make the campaign cost neutral in the first 6 months.

Although these targets seem modest, against the backdrop of a business that previously operated at a loss of over AUD \$2 million per week (CIMB analyst Raymond Yap 2014), these targets represent a significant turnaround.

Insight

Most Australian's aren't frequent flyers. 77% of Australians fly less than 3 times a year (People Theory Research 2014) for the simple reason that it's too expensive. Many airlines try to counter this through the building a false economy of points and rewards, leaning on frequent flyer programs and unobtainable milestones to add value. This has resulted in Australian's being conditioned over time to believe that the experience we get on traditional carriers is what they should get every time they fly.

It was this combination of unrealistic expectations and a growing frustration with pointless loyalty programs that highlighted a unique opportunity for tigerair: We would do something that hasn't been done in the Australian airline market for decades and create a truly different offering.

The idea was to shine a light on the "false" value airlines have been trading off for years in the way of frequent flyer points and tiny bottles of wine. We would speak to the majority of Australians that never get to see the inside of a lounge or reach platinum status and show them what they were really paying for.

The Big Idea

The tigerair Infrequent Flyers club – the club for people who don't fly much and want to pay as little as possible.

Bringing the Idea to Life

With a limited budget, everything was created to disrupt the expectations of what an Australian airline offered. And although there were portions of the campaign that lived in paid media, most of it was supported by owned and earned channels.

The Pillars To Our Strategy

People Always Prefer Honesty

After years of poor performance & bad press, there was no point glossing over the rough edges. We needed to be honest about who we are, what we offered and what part of flying tigerair people would be happy with, the value.

We created a set of assets to share across social which highlighted the value that tigerair offered. From in-flight cookbooks so you could prepare the meals at home, to an airport lounge that led nowhere, we drove reappraisal by showing that tigerair's focus was on flying Australians as cheaply as possible, not creating a false economy.

Create A Sense Of Belonging

As we were creating a club without added value, we needed to demonstrate that the true value came through the cost of flights and the understanding of our audience. Targeted, personalized communications spoke directly to our audience, showing deals and destinations directly related to their interests.

Digital display, social and eDM marketing all drove signups to our database, with cheap flights a more effective incentive than the promise of tiny bottles of wine.

Make Cheap A Badge Of Honour

People were ashamed of flying Tigerair. We needed to shift flying Tigerair from 'a last resort because it's cheap' to 'a sign of savvy-ness' - make choosing Tigerair less of a statement about how much you can afford, but how smart you are with your money.

By adopting this strategy we would achieve 3 key things.

1. We would make flying Tigerair something not to be ashamed of.
2. We would reset customer expectations about what to expect when they did fly with Tigerair.
3. We would de-position the big 3 airlines as offering false value.

The communications strategy was simple. Social and earned media drove reappraisal, with digital display and targeted communications converting interest into acquisitions. Finally targeted eDMs unique to individual members needs would ensure they were only offered flights to a place they wanted to go, driving revenue for tigerair

Communication Touch Points

TV	Interactive/Online	<input type="checkbox"/> Packaging
<input type="checkbox"/> Spots	<input checked="" type="checkbox"/> Display Ads	<input type="checkbox"/> Product Design
<input type="checkbox"/> Branded Content	<input checked="" type="checkbox"/> Brand Website/Microsite	<input type="checkbox"/> Trade Shows
<input type="checkbox"/> Sponsorship	<input checked="" type="checkbox"/> Mobile/Tablet Optimised Website	<input type="checkbox"/> Sponsorship
<input type="checkbox"/> Product Placement	<input type="checkbox"/> Digital Video	Retail Experience
<input type="checkbox"/> Interactive TV/Video on Demand	<input type="checkbox"/> Video Skins/Bugs	<input type="checkbox"/> POP
Radio	<input type="checkbox"/> Podcasts	<input type="checkbox"/> In-Store Video
<input checked="" type="checkbox"/> Spots	<input type="checkbox"/> Gaming	<input type="checkbox"/> In-Store Merchandising
<input type="checkbox"/> Merchandizing	<input type="checkbox"/> Contests	<input type="checkbox"/> Retailtainment
<input type="checkbox"/> Programme/Content	<input type="checkbox"/> Geo-based Ads	<input type="checkbox"/> Store within a Store
Print	<input type="checkbox"/> Other	<input type="checkbox"/> Pharmacy
<input type="checkbox"/> Trade/Professional	<input checked="" type="checkbox"/> Social Media	<input type="checkbox"/> Other
<input type="checkbox"/> Newspaper - Print	<input type="checkbox"/> Mobile/Tablet	<input type="checkbox"/> Sales Promotion
<input type="checkbox"/> Newspaper - Digital	<input type="checkbox"/> App	Professional Engagement
<input type="checkbox"/> Magazine - Print	<input type="checkbox"/> In-App or In-Game Ad	<input type="checkbox"/> In-Office
<input type="checkbox"/> Magazine - Digital	<input type="checkbox"/> Messaging/Editorial/Content	<input type="checkbox"/> Congresses
<input type="checkbox"/> Custom Publication	<input checked="" type="checkbox"/> Display Ad	<input type="checkbox"/> Detail/E-Detail/Interactive Visual Aids (IVAs)
Direct	<input type="checkbox"/> Location-based Communications/ Real Time Marketing	<input type="checkbox"/> Closed Loop Marketing (CLM)
<input type="checkbox"/> Mail	<input type="checkbox"/> Other	<input type="checkbox"/> Continuing Engagement
<input checked="" type="checkbox"/> Email	Consumer Involvement / User Generated	<input type="checkbox"/> Informational/ Documentary Video
<input type="checkbox"/> PR	<input type="checkbox"/> WOM	Point of Care (POC)
Guerrilla	<input type="checkbox"/> Consumer Generated	<input type="checkbox"/> Wallboards
<input type="checkbox"/> Street Teams	<input type="checkbox"/> Viral	<input type="checkbox"/> Video (HAN, Accent Health)
<input type="checkbox"/> Tagging	OOH	<input type="checkbox"/> Brochures
<input type="checkbox"/> Wraps	<input checked="" type="checkbox"/> Airport	<input type="checkbox"/> Cover wraps
<input type="checkbox"/> Buzz Marketing	<input type="checkbox"/> Transit	<input type="checkbox"/> Electronic Check-In

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<input type="checkbox"/> Ambient Media	<input type="checkbox"/> Billboard	<input type="checkbox"/> Other
<input type="checkbox"/> Sampling/Trial	<input type="checkbox"/> Place Based	<input type="checkbox"/> Internal Marketing
<input type="checkbox"/> Events	<input type="checkbox"/> Other	<input type="checkbox"/> Other (describe - limit 100 characters)
<input checked="" type="checkbox"/> Cinema	<input checked="" type="checkbox"/> Branded Content	
<input type="checkbox"/> Ecommerce	<input type="checkbox"/> Search Engine Marketing (SEM/SEO)	

Paid Media Expenditures

All amounts in USD

Current Year:		Year Prior:	
<input type="checkbox"/> Not Applicable		<input checked="" type="checkbox"/> Not Applicable	
<input type="checkbox"/> Under \$100K	<input type="checkbox"/> \$1M - under \$5M	<input type="checkbox"/> Under \$100K	<input type="checkbox"/> \$1M - under \$5M
<input type="checkbox"/> \$100K - under \$250K	<input type="checkbox"/> \$5M - under \$10M	<input type="checkbox"/> \$100K - under \$250K	<input type="checkbox"/> \$5M - under \$10M
<input checked="" type="checkbox"/> \$250K - under \$500K	<input type="checkbox"/> \$10M - under \$20M	<input type="checkbox"/> \$250K - under \$500K	<input type="checkbox"/> \$10M - under \$20M
<input type="checkbox"/> \$500K - under \$1M	<input type="checkbox"/> \$20M and over	<input type="checkbox"/> \$500K - under \$1M	<input type="checkbox"/> \$20M and over

Compared to other competitors in this category, this budget is:

Less About the same More Not Applicable

Compared to overall spend on the brand in prior year, the budget this year is:

Less About the same More Not Applicable

Owned Media and Sponsorship

Owned media was critical to the campaign.

The campaign was promoted across Facebook, and a custom CRM platform was created for the Infrequentfliers.com.au website. Members were served deals based on their preferences. Members could also download their own baggage tags and membership cards, but you had to print them out at home because it was cheaper. The In-flight cookbook also gave Australians the opportunity to cook in flight meals at home.

In-airport placements furthered the campaign, with posters such as 'Don't fly much? Join the club.' And 'Attention business class passengers, you're in the wrong terminal' further championing the true value of tigerair. We even built a members club, well, the door to one, which opened to reveal that we didn't have a lounge because you have one of those at home.

Tigerair has a sponsorship agreement with the Melbourne Storm, however this was not activated for this campaign.

Other Marketing Components

<input checked="" type="checkbox"/> None	<input type="checkbox"/> Leveraging Distribution
<input type="checkbox"/> Couponing	<input type="checkbox"/> Other marketing for the brand, running at the same time this effort
<input type="checkbox"/> CRM/Loyalty Programmes	<input type="checkbox"/> Pricing Changes
<input type="checkbox"/> Giveaways/Sampling	<input type="checkbox"/> Other _____

Results

Objective 1: Attract 50,000 customers to our database.

**RESULTS: 483,000 AUSTRALIANS ARE NOW REGISTERED AS INFREQUENT FLYER MEMBERS
THE CAMPAIGN INCREASED SALES TARGET BY 82%** (Tiger Internal Sales Data 2014)

Today 483,000 Australians are registered Infrequent Flyers (Tigerair Marketing Database 2015). This in light of the brands reputation and rejection rate is mind blowing.

Objective 2: Increase airline revenue by 5%

RESULTS: IN THE 6 MONTHS FOLLOWING THE LAUNCH OF THE CAMPAIGN REVENUE ROSE 18% AND TIGERAIR EXPERIENCED ITS FIRST PROFITABLE QUARTER SINCE 2010 (Australian Aviation 2015)

In the second half of 2014 Tigerair Australia experienced a loss of 24.8 million. In the second quarter of 2014/2015 Tiger achieved its first profit in years – 0.5 million. This resulted in an 18% increase in revenue in the quarter following campaign launch. (Australian Aviation 2015)

Objective 3: Make the campaign cost neutral in the first 6 months

RESULTS: AN ADDITIONAL 9,142 SEATS SOLD WITHING THREE MONTHS GENERATED OVER \$2M IN REVENUE TOWARDS AN ROI OF 363%

Within three months the campaign delivered an additional 9,142 seats which, including ancillary upselling and in-flight purchases, contributed \$2,000,000 in additional revenue, achieving an ROI of 363% (**Internal client data 2015**).

Infrequent flyers gave Tigerair Australia a new lease on life.

The campaign captured the attention of the media, with Infrequent Flyers gaining coverage across all the major press. For the first time in years, Tigerair Australia was in the news for something positive.

More importantly, Infrequent Flyers delivered remarkable results. Tigerair Australia was a business suffering both financially and in reputation. The Infrequent Flyers Campaign and programme in 6 months sparked a re-appraisal of Tigerair amongst a cynical audience whilst also driving sales.

A brand that people once loved to hate, and only flew as a last resort, had demonstrated a value mentality that people were actively choosing to be a part of.

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Other Factors that Drove Results

Virgin Air Australia acquired 100% ownership of Tigerair Australia as of October 2014, moving from a 60% ownership stake. This may have driven confidence in the brand, however we have no data to support this.

Whilst the contribution of the campaign to the profitability of tigerair is significant, there are other factors such as the cost of fuel and hedging over time which could play a role. For this reason only increases in revenue directly resulting from ticket sales via the IFF database are included in the results.

Country Case Ran In

Australia only