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Branding an Airline: A Case Study of AirAsia

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ABSTRACT

Based on the Brand Assets Management model by Scott M. Davis, this paper analysed the brand vison, brand picture and brand strategy of AirAsia. The results show the clarity of brand vision on the aspirations of the company, the understanding of consumer need and image of AirAsia in the brand picture phase, the distinctive positioning of the brand as the leader of its product category as well as being able to realise the brand promise and finally the achievements of the company in terms of passenger load, sales and profits.

The framework shows the importance of a clear and resolute brand vision and values that form the basis for management strategy and tactics. AirAsia's brand vision to be the leader in the region provides the direction for the development of brand strategy as well as other financial and operational decisions to realise the brand promise.

***Key words**: branding, advertising, AirAsia, brand strategy.*

INTRODUCTION

Building strong brands is one of the most important goals of product and brand management as strong brands will result in the realization of higher long-term and short-term returns for organizations (Davis, 2002b; Keller, 2002). Branding is now a key component in the airline industry, just like any product. Deyes (2008), explains that the growing need and importance for branding in this industry is because all flying experiences are becoming similar, both boring and stressful with flights becoming a commodity and flying losing all its magic. Furthermore, the launch of new budget airlines in the past decade has made it even more crucial for airlines to differentiate themselves in their respective markets and segments. According to research, 35 per cent of passengers choose an airline on the basis of punctuality, while pricing comes second at around 30 per cent (Deyes, 2008). This implies that the remaining 35 per cent of the decision making is influenced by other factors which undeniably will include branding (Deyes, 2008). Branding plays a key role in the industry as it helps airlines differentiate themselves from the others. It also helps airlines showcase their strengths beyond the expected basic requirement of taking a person from one point of departure to their destination. More importantly, differentiation has become a necessity ever since low-cost airlines entered the market requiring airlines to improve the experience, because if the passenger only made his decision based on price, low-cost airlines with the lowest fares would always be chosen (Deyes, 2008).

The last ten years have seen the emergence of about twenty low cost carriers in the Asia Pacific region such as Lion Air and Tiger Airways from Singapore; Air Deccan, Air One, Kingfisher Airlines, Air India Express, Alliance Air and Spice Jet from India; Adam Air from Indonesia; One-to-go and Nok Air from Thailand; Ozjet and Virgin Blue from Australia; Viva Macau from Macau and Jeju Air from South Korea. Arguably, one of the most successful in this region is Malaysia's AirAsia. It is inevitable however, that as competition heats up, the low cost carriers have to expand their use of marketing strategy that goes beyond low cost fares. This paper investigates the branding strategy of AirAsia, to find how it has been able to maintain itself as one of the most successful and innovative low cost airlines in the region.

AIRASIA: BACKGROUND

Prior to its take-over by Tune Air Sdn. Bhd. in 2001, AirAsia was owned by DRB-Hicom, a government-linked company (AirAsia, 2008). Its airline had not been able to take off and was eventually sold to Tune Air, literally for a song, for a token sum of RM1.00 or US$0.26 together with an accumulated debt of RM40 million (AirAsia, 2008).

Tune Air was formed by Tony Fernandes and four entrepreneurs, some of whom had worked with the music industry which perhaps inspired the name of the company. According to Fernandes , it is not easy to sell the idea of operating an airline particularly to the government. In fact, his request for a license to operate from the government was rejected on two previous attempts. Finally, with Pahamin A Rejab, the former Secretary-General of the Ministry of Transportation, they presented their case to the then Prime Minister, Dr. Mahathir Mohamad, who eventually gave the green light, not for a new company, but to take over the ailing AirAsia from DRB-Hicom. Many were sceptical that Fernandes could succeed in transforming the ailing, capital-intensive company especially during the travel slump soon after the destruction of the World Trade Center in New York in 2001.

Within two years, Fernandes proved the critics wrong and was able to turn AirAsia into a profit-making company modelled after the successful operations of the United States-based Southwest Airlines, Dublin-based Ryanair and United Kingdom-based Virgin Air. AirAsia was listed in the Kuala Lumpur bourse within three years of operation, on 22 November 2004, with one of the largest IPO offer of RM717.4 million (AirAsia, 2008). In addition, AirAsia won many accolades including certification by Superbrands International. For his achievements, Fernandes was awarded the Best Entrepreneur of the Year by Ernst & Young Entrepreneur Award in 2006 (AirAsia, 2008).

In March 2006, AirAsia's passenger load expanded to such a capacity that a new low-cost terminal (LCCT) was built for it. This LCCT can accommodate 10 million passengers annually and has 30 parking bays for the aircrafts (AirAsia, 2008).

THE FRAMEWORK

It is widely known that brands are a company's prime asset. Consumers select one company over another because of brands. By creating consumer preference, brands provide added value, both to the company as well as the consumer. For the consumer, brands reduce perceived risk. A brand can signify product quality. From the company's perspective, successful brands promote loyalty, generate price premium, form the platform for long-term growth and have a positive effect on share performance. According to Fombrun (1996) brands closely reflect the true value of a firm and a source of competitive advantage.

Blackett (2004:18), in quoting the Pocket Oxford Dictionary of Current English, said that the word brand which originated from an old Norwegian name of brandr, means a piece of smouldering wood, torch, sword or iron stamp used red-hot to leave an indelible mark. It was of course used by farmers to distinguish their livestock. Regardless of the context of usage, the word 'brand' means a distinctive mark to differentiate one product from another. As the marketplace becomes more competitive and crowded, brand becomes increasingly more significant to cut through the clutter and differentiate from the rest of the crowd.

A review of literature shows that there are differences in the definition of brands. Some defined it in terms of name, logo or any form of visual identifications given to a product or service (Temporal, 2000). According to Noble (2006), while trade marks are important to protect those aspects of the communication that trigger stored memory, brand is the "sum of understanding" in the individual's mind. Individuals express their thoughts by their actions, to buy or not to buy the product/service. Hence, successful branding wins trust and creates a preference in the mind of the consumer (Noble, 2006).

From the company's point of view, brand, as mentioned by Landor (www.buildingbrands.com), is a promise that it makes to its customers. Defined in this manner it implies that brand comes with responsibilities and the inability to fulfil the promise can have severe negative effects. A brand must be able to deliver and make a positive contribution to be able to sustain itself. The challenge to brands is to remain relevant with changing expectations of consumers due to changes in lifestyle, access to technology and proliferation of product choice. As such even successful brands have to constantly innovate and improve in order to remain relevant to the market. One of the indicators of successful branding is when consumers use the name of a brand synonymously to refer to a product, such as Pampers for diapers or Kleenex for tissue papers, Colgate for toothpaste.

Keller (2002) suggested that there are four stages to follow in planning a branding strategy. First, undertake a review of the product in order to identify and strengthen its value which can be used to position its branding. This includes an effort to maximise the branding value of the product by convincing the consumers the 'extras' that can be found in the product as opposed to its competitors. Second, plan for a comprehensive marketing approach of the product by promoting the branding value through a combination and integration of brand elements and aggressive marketing activities. Third, assess and interpret the brand performance as a result of the earlier steps. Finally, promote and sustain the brand equity, that is, the asset and strengths linked to the brand that can add value to the product.

According to Davis (2002a) the best branding strategy which has garnered a large market share for a product is when an organisation treats its brand as the most important asset for the company's long term survival. In other words, the organisation must be active in promoting the brand and is willing to make substantial investment in promoting, strengthening and sustaining the brand in the market place (Aaker, 1998). Such investment should include the task of ensuring that the whole organisation understands its brand and uses this understanding to channel its value directly or indirectly to the consumers (de Chernatony, 1996).

In his book on brand asset management, Davis (2002a) proposed a model on how an organisation can manage its brand investment and asset through four major phases: development of brand vision, determining the brand picture, developing brand strategy, and measuring the brand asset management culture.

Figure 1: Brand Asset Management

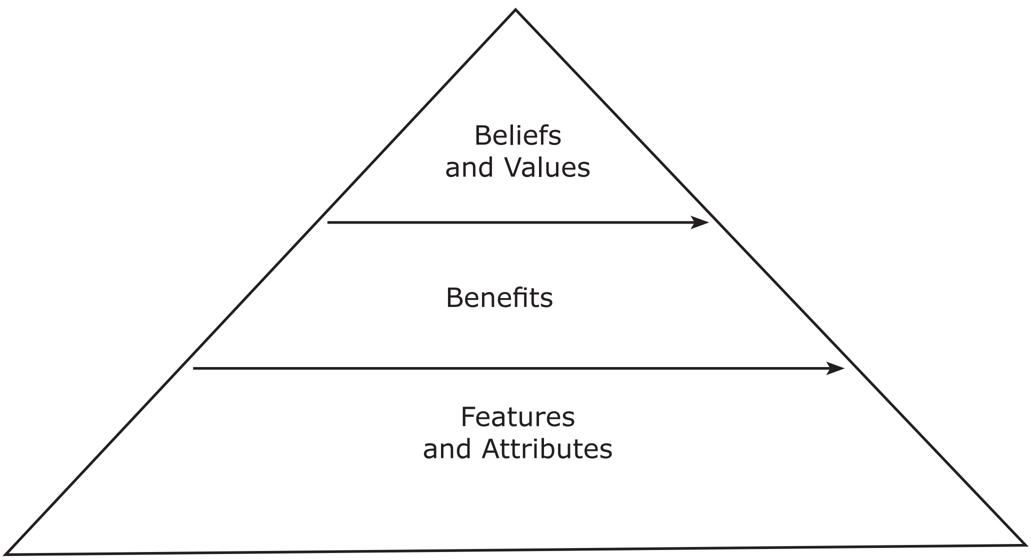
(Source: Davis, 2002a: 18)

As shown in Figure 1 above, Davis (2002a: 18) suggested that initially we need to develop a brand vision which incorporates what the brand stands for, the brand benefits and the strategic goals. Brand vision is based on the corporate strategy and vision. The task of articulating the brand vision needs to be done by an inter-departmental team comprising top management, marketing, human resource and finance to ensure that it reflects the corporate vision, objective and strategy.

The second phase is to determine the brand picture that is to understand the customer perceptions about your brand vis-à-vis your competitors. It includes determining how the brand is currently perceived by the customers and what to do in order to improve on it. There are three steps in this phase. First is to determine the brand image. "The more positive they are, the stronger your brand image, and the more leverage you most likely will have in growing the brand" (Davis, 2002a:21)

According to the Davis (2002a:53) brand image comprises two components: the brand associations that customers attribute to the brand, and the brand 'persona'. Brand associations refer to how customers understand the benefits of the brand. One way to assess a brand image is to use the Davis's Brand Value Pyramid. According to the Brand Value Pyramid, there are three levels of benefits, namely (i) features and attributes, (ii) benefits, and (iii) beliefs and values. Based on a ladder approach, it is assumed that the customers' image of higher level benefits is more valued and has greater sustainability. The Brand Value Pyramid is similar to that described by Keller (2002) who identified three dimensions of brand associations: attributes, benefits and attitudes. Examples of attributes are durability, cheap, clean, trendy, etc. Benefits refer to the perception that the brand fulfils a need which can be functional or emotional such as being associated with informative, friendly, dependable, etc. Attitudes refer to the overall evaluation of the brand based on certain values or beliefs such as trustworthy, confidence, self-esteem, etc. Understanding the brand associations "helps you better understand the brand's strengths and weaknesses as well as the best ways to position it". (Davis, 2002a:53)

Figure 2: Brand Value Pyramid



(Source: Davis, 2002a)

Brand persona refers to the human characteristics that consumer associate with the brand such as feminine, energetic, friendly, sophisticated, cool, etc. An example of brand persona is Chartered Bank's slogan, "big, strong and friendly". Together with brand association, brand persona forms the brand image for a product/service.

The second step is to compare the customer perceptions to the promises that the brand makes, both positive and negative. The third step within the second phase is to craft a brand-based customer model. Based on customer perceptions, identify the opportunities and barriers for brand growth.

The third phase of the model is to determine the appropriate strategies to achieve the brand vision. This involves determining the positioning of the brand, extending the brand, communicating the brand's position, leveraging the brand to maximise channel influence, and pricing the brand at a premium. The fundamental task here is to define the target market, identify the competitors and identify the key differences and benefits of your brand in the market.

The fourth and final phase is to support a brand asset management culture, which is to ensure that strategies recommended are implemented. The first step in this phase is to measure the return of brand investment (ROBI) and the second step is to establish a brand-based culture. ROBI is measuring the impact of branding efforts such as brand awareness, brand image recognition, number of customers as a result of the brand efforts, and price premium. According to Davis (2002a), ROBI is measured along three dimensions; on brand objectives and strategy, brand financial arrangements and commitment of management to the brand.

BRANDING OF AIRASIA

Phase 1: Brand Vision

How does the company seeks to identify itself? What is its value to the consumers and the other stakeholders? A company's identity can be seen through its vision, values and logo. AirAsia's vision is to be the leading low cost carrier in the region, through "offering the lowest airfares at a profit" (AirAsia, 2008).The tagline that encapsulates the brand vision is "Now everyone can fly". The word 'now' emphasises that if in the past, air travel was considered a luxury, nowadays with the availability of AirAsia, money will not be a hindrance to travelling. The other crucial word 'everyone' denotes that AirAsia enables everyone regardless of class and status to fly.

The AirAsia logo is written in big red cursive letterings against a white background. The colour and font used denote boldness, simplicity and fun. Located next to the brand name is the tagline "Now everyone can fly" which clearly captures the company's vision of offering the lowest fare to everyone. As a comparison, the new logo of AirAsia is more vivid and dynamic as compared to its previous logo.

The new logo **The old logo**

The corporate values that AirAsia holds are to be efficient and prudent, maintain simplicity, safety and transparency (AirAsia, 2008). AirAsia needs to be efficient and prudent in order to maintain a lean cost structure. Some measures implemented to reduce costs are the no-frills flights which do not include meals and lounge facility, a lean ground staff, an online reservation system and high aircraft utilization as the airline practices a quick turnaround time of 25 minutes between flights (AirAsia, 2008).

AirAsia's Chief Executive Officer, Tony Fernandes, believes that every aspect of the business must be simplified so that the whole philosophy, vision, mission and objectives can be understood by all the stakeholders, especially the staff and customers (AirAsia, 2008). His management style upholds transparency on decision-making and high accessibility to media and investor community. In addition, he reiterates that management must keep talking to the staff about the brand. In his daily interactions with the staff, he tries to promote a sense of loyalty, dedication and commitment of the staff to the company and the need to be vigilant at all times to protect its image. This sentiment is promoted through (i) a good staff and customer relations, (ii) available and approachable for consultations at anytime, and (iii) an air of friendly atmosphere.

Safety is another significant value to long-term success. As a new airline, the safety issue poses a big challenge. Given that low cost flying is a new concept in this region and that AirAsia is a new enterprise, the question that is uppermost in the mind of the public is, is it safe? Whilst people want to pay less, they would also like to be assured that the planes meet aviation standards and the pilots are trained and experienced. Measures to boost its credibility include the setting up of its own pilot training simulator facilities and the purchase of new aircrafts so that by year 2009, all its carriers flying out of Malaysia will be new.

Phase 2: Brand Picture

Brand picture is akin to the brand image or the consumer's perception of the brand. It is not about a single product attribute but the total impression in the minds of the consumer. Clearly, a consumer forms an impression based on the associations they remembered from all forms of communication as well as direct and indirect experience with the product/service. Consumers ascribe a persona or image to the brand based on subjective perception. For example, Intel Inside refers to assurance of quality, McDonald's is a fast-food place where children have fun, and Apple computer is associated with creative technology.

In terms of building brand image, AirAsia is highly aware and conscious of the need to project itself through the numerous services it provides, in line with its vision and values of being low-cost and affordable, no-frills, efficient, convenient, simple and safe. A brand image is formed based on the 'brand contract', what the company promises to do (Davis, 2002a:77). In this connection, AirAsia agrees to the following: to provide the lowest air fare in the region, easy and convenient reservation system, warm and friendly staff, wide network of routes and destinations especially to places not covered by regular airlines, and a safe flight. One aspect that AirAsia needs to reduce the degree of flight delays due to its tight flight schedules and maximisation of aircraft usage.

Phase 3: Brand Strategy

Positioning is to locate the brand in the minds of the people. What image do you want the consumers to think of your brand? O'Guinn, et al.(2000) identified five essential elements in developing effective positioning strategies. Firstly, on substance, that positioning strategies are based on "meaningful commitments of organisational resources to produce substantive value for the target segment". Secondly, it must be consistent internally as everything must work together to reinforce a distinct perception in the mind of the consumer. Thirdly, it must be consistent over time, while specific messages can change, the thematic core usually remains for a few years as it takes time for a brand to build its reputation. Fourth, is simplicity which means that the message to the consumer is clear, focused and easy to remember. Fifth, refers to distinctiveness, to differentiate from other products in the marketplace.

In addition, Davis (2002a:117-118) recommends five principles of effective positioning:

- Value – focus on the perceived benefits that customers value.
- Uniqueness – go where the competitors are not
- Credibility – is it credible in the marketplace?
- Sustainability – maximise the length of time the positioning will be valid in the context of competition
- Fit – does the brand positioning fit within the overall organisational objectives?

According to Fernandes, the tagline Now Everyone Can Fly is a promise for low-cost air travel which is affordable to everyone. He added that, "if the airline dies, it will die as a low-cost airline". He steadfastly maintained that AirAsia will remain a brand for low cost and will not change from this concept. Whilst the promise to its customers is that AirAsia will provide the lowest airfares, to its investors, it will be the most profitable low cost carrier in the region.

AirAsia's brand positioning:

Target:	Individuals looking to travel at an affordable rate.
Business Definition:	Low cost and no frills airline.
Point of Difference:	Lowest airfare and widest network of destinations in Asia.
	Convenient and safe

Airasia's tagline is a powerful sentence as it provides a clear image on the service's core idea. It is easy to remember and it is seen wherever the logo can be found. The tagline is sufficiently broad to incorporate its brand extension activities such as the Tune Hotels, Go insurance and Go Holidays as they are related to core idea of enabling people to travel economically.

Effective positioning should aim to be at the top of the brand value pyramid (Davis, 2002b), that is, people should relate not only to the brand attribute, but also to the brand's beliefs and values. If a brand image is only about its attributes, it can be easily overtaken by competitor brand with a strong position. In applying this idea to AirAsia, it is insufficient for the airline to offer low cost fare. There are many LCCs in the region that also offer low fares and competing at that level will only entail a price war that could be financially costly to all parties. It is necessary for AirAsia to show its leadership position, by being able to offer the lowest airfare, to the largest number of routes and destinations and still be profitable.

To show that it delivers its promise, AirAsia conducts regular campaigns that offer free or very low cost seats. According to Fernandes, this promotion does not affect the company financially because these free seats are actually offered on availability since aircrafts have to depart even if there is only one passenger. On an average, free seats offered to the public accounted for only one percent of total passenger load while the remaining 99 percent are paid passengers. The campaigns, not only provide publicity for AirAsia, but it adds to its credibility for making good its brand promise by enabling everyone to fly.

Since its inception, AirAsia has increased the number of routes and destinations. Its network now covers Malaysia, Australia, Thailand, Indonesia, Macau, China, Philippines, Cambodia, Vietnam, Hong Kong and Myanmar. Its first regional destination was to Phuket, Thailand in November 2003. In January 2004, it went into partnership with Shin Corporation which has enabled it to expand to more domestic routes within Thailand. In April 2004, it started its operations to Bandung, Surabaya and Jakarta and later to Bali, Medan and Padang. As in Thailand, it went into a joint venture operation with AWAIR in Indonesia in November 2004, in order to expand its fleet and domestic destinations within Indonesia.

In line with its growth, the company has placed order to purchase 150 Airbus 320, and by 2009, all flights from Malaysia will be using the new airbus. Certainly the use of new aircrafts would enhance the safety and credibility image of the airline.

To further strengthen its leadership position and differentiate against its competitors, AirAsia is expanding its product offerings. Davis (2002b: 6) explains:

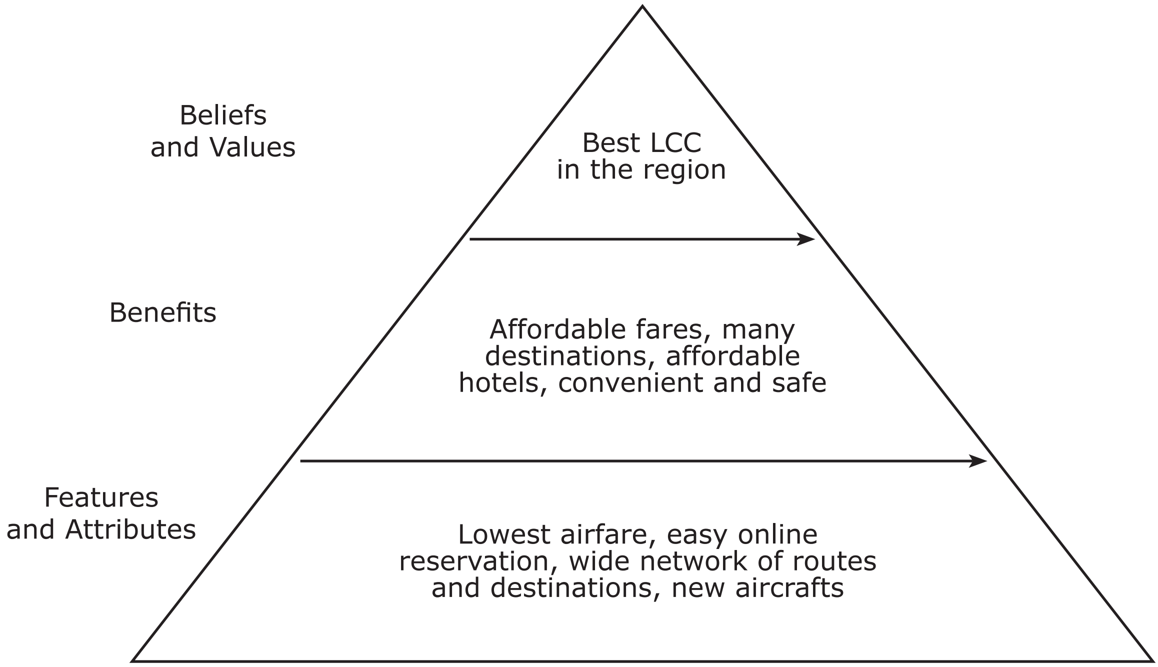
> There is no better way to fuel growth, close out the competition and grow your brand than by extending your brand's equity. Brand extensions leverage and integrate the strengths inherent within a brand to an identified but unmet market need. The new product or service comes with instant credibility and a built-in endorsement, since the brand has already been accepted in the marketplace.

A new company, Fly Asian Xpress (FAX), is being formed through a partnership between AirAsia (20% ownership) and the directors of AirAsia, including Fernandes (60%). FAX will offer long-haul budget flights to Europe and the United States (The Star, 23 June 2007). This long-haul service has commenced in 2008 ferrying passengers from Kuala Lumpur to Perth and Gold Coast, Australia (AirAsia, 2008). Another addition of brand extension is the provision of budget hotels called Tune Hotels, where the room rate may be as low as US$3.00 a night.

Other brand extensions created as part and parcel of travelling by AirAsia include GO-Holiday, an online travel portal, GO-insure, an online travel insurance and travel credit card that provides convenient flight reservation and AirMile award programme. On credit card, AirAsia has been able to forge a partnership with Mastercard to introduce AirAsia Mastercard as well as AirAsia cash voucher. AirAsia's recent tie-up with Citibank has also further strengthened AirAsia's brand in Malaysia. Apart from that, Air Asia has also teamed up with a transit bus service that provides airport transfer service to AirAsia passengers at the LCC at very attractive rates. In his own words, Fernandes said "Any brand must have a value and we need to plan and promote AirAsia as a brand that has a value."

Through the strategies mentioned above, AirAsia aims to be a leader in the product category of low cost carrier in this region. The airline aims to be the best LCC by providing the lowest fares, widest network of destinations, newest aircrafts and professional crew and service. In terms of the laddered Brand value pyramid, the brand position would be as follows:

Figure 3: AirAsia's Brand value Pyramid



COMMUNICATING THE BRAND

In developing a brand in this era, it is impossible not to communicate. The fact that nowadays there are so many products and services that are extremely similar, consumers need to be constantly reminded to tip the favour of one brand against another. Even well-known brands like Coca-Cola, continuously advertise to ensure that the brand stays in the mental agenda of its consumers. In explaining the way brand communication influence behaviour, Feldwick (2004), identified three strands; by providing information for people to make decision, creating 'salience' as people tend to choose things they are familiar with, and by creating associations or evoking thoughts, feelings, emotions and memories.

Davis (2002a:115) recommends five principles in communicating a brand's positioning. First is to use all communication strategies to help achieve the corporate strategy and brand vision. Second, develop the communication strategy based on the brand picture and brand positioning. Third, use integrated marketing communication strategy. Fourth, execute the communications strategy across the organisation. Fifth, create internal involvement, education and metrics. This means that the employees need to get involved and be educated about the brand to prevent misunderstanding.

Fernandes' stand with regard to brand communication is to get the widest publicity to create awareness not only in the region but from all over the world. As such the communication strategy of AirAsia is to go for impact such as its sponsorship of the two global sports icons, namely, Manchester United and the Williams Formula 1 racing team. As a result of the sponsorship of Manchester United, the name AirAsia is brought to the homes of millions of viewers all over the world. Through this strategy, many people, without being consciously aware of it, would now be familiar with the brand AirAsia when they think of budget travel in Asia. Theoretically, many authors have written on this issue of low-involvement processing (Heath, 2001; Krugman, 1965), whereby advertising can influence people's attitudes without them being able to consciously recall seeing the advertisement. In addition, the association of AirAsia with the two globally renowned corporate brands will also help to elevate its credibility and status.

Advertising in the print media and Internet is also widely used especially during its sales campaigns on free or low cost seats. The best way to convince people is to allow the brand experience to speak for itself. Another avenue for advertising is through its customer database which it uses to develop loyal customers by providing them with privilege information about new events and promotions.

It has often been said that the most important channel of advertising is through company employees who are the most direct and foremost link between the brand and the customers. Based on the interview with Fernandes, he agreed that mobilising the organisation's staffs behind the brand is the key to brand success. No matter how widespread the communications, it is impossible to ensure a positive brand image if the people in the organisation do not 'walk the talk'. The idea is to maintain brand integrity across as many touch points as possible, the telephone operator, check-in counter, flight announcer, flight attendants, pilot as well as the people operating the brand extension points such as AirAsia commuters, Tune hotels and tour guides.

Phase 4: Supporting a Brand Asset Management Culture

According to Fernandes, AirAsia's brand objectives is considered a success based on the fact that the company is able to maintain its competitive edge, in terms of airfares, number of routes and destinations and the number of new large capacity aircraft. As mentioned earlier, the company is undergoing tremendous expansion especially for long-haul budget travel and budget hotels. The target date for the operations of long-haul destinations is September 2007 and over the next two years, it will jointly open 30 budget hotels in Southeast Asia (The Star, 27 June 2007).

In terms of the return on financial arrangements and objectives, the company is able to show a positive balance sheet within two years of operations. In the second quarter of 2006, the company made a healthy profit of RM93.3 million (AirAsia, 2008).

Air Asia has successfully managed to develop a brand-based culture that is supported and embraced by all levels of the organisation. Fernandes explains that the top management dresses down as he believes that if managers wear a suit, they will put a distance between themselves and the employees (AirAsia, 2008). Furthermore, everyone at Air Asia goes on a first-name basis and Fernandes believes that instilling the Air Asia culture needs to come deep down from the heart and not from memos or top-down directives (AirAsia, 2008).

According to Fernandes, 'Once a month, I carry bags with the ramp boys, or I'm cabin crew, or at the check-in. I do this to get close to the operation. I also want to know my people' (AirAsia, 2008). Air Asia also believes in developing human capital to motivate employees further. A befitting example would be its Cadet Pilot programme which saw 11 out of 19 cadets in the pilot programme coming from within the company. In addition, some of these 'home-grown' cadets got the highest marks ever in the flying academy. 'There was one kid who joined us to carry bags, and 18 months later he was a First Officer of a 737' adds Fernandes (AirAsia, 2008). Over a short period of time since taking over Air Asia, Fernandes has been able to instill a strong brand-based culture that is practised by the entire organisation and is definitely the envy of other airlines.

CONCLUSION

This paper has discussed the branding process based on Davis's Brand asset management. As shown in the discussion above, a successful brand starts from a clear brand vision. The brand vision is not the work of the marketing department alone but the involvement of all strategic departments and top management to ensure internal consistency and congruency between the brand vision and corporate vision and strategy.

Consistency is a key element in brand building because consumer perception is based on the sum of impressions that consumer received from many sources. As O'Guinn et al. (2000) mentioned that to build positive brand image, brands should be consistent internally and over time. Based on the Brand Asset Management model, the paper shows that the brand AirAsia has been developed in an innovative, focused and consistent manner:

1. Brand Vision – to be the leader in the low cost carrier category in the region by offering the lowest airfare at a profit. This is reflected in its tagline "Now Everyone Can Fly".

2. Brand Picture – AirAsia has been able deliver its promise, to enable everyone to fly. To date it has "carried over 23 million guests" (www.airasia.com, accessed on 24 June 2007).

3. Brand strategy – AirAsia positioned itself as the leader in its product category in Asia. It demonstrates its capability to lead and innovate by investing in modern technologies, new aircrafts, sponsorship of global brands and joint venture and strategic alliances to expand its brand offerings. As a result, AirAsia is able to provide a wide network of routes and destinations in the region as well as worldwide, convenient online booking and payment facilities, innovative travel packages and budget hotels. Its use of online facilities for reservations and payment of airfares is one of the most successful in the region. It is also the first airline to introduce Short Messaging System (SMS) to book seats and obtain the latest promotions through the mobile phones.

4. Return on Brand Investment – AirAsia has consistently recorded tremendous growth in terms of its passenger load, command of market share and financial returns. As of 2007, AirAsia commands 51% of the Malaysian domestic market share, 21% in Thailand and 6% in Indonesia. Its passenger load for the first half of year 2007 is expected to exceed that of the same period by 60% (www.airasia.com).

Several lessons can be learnt from here. First, have a relevant product which meets the needs the consumer. Second, have a clear brand platform comprising brand vision and values. Third, have a distinctive and consistent brand positioning based on a clear vision and management support. Fourth, have the ability to provide superior products and services through continuous investment in new technologies and skills. Fifth, have the ability to deliver the brand promise which is to enable everyone to fly. Sixth, have the ability to differentiate from the competitors through provision of innovative and relevant product offerings.

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