



***spirit***<sup>®</sup>

***Assessment of Marketing Flaws and Solutions***  
***MKT 302 Group 9***

# *Agenda*

---

1 Spirit Background

3 Marketing Problems

5 Improved Big Picture

2 Present Big Picture

4 Group Proposal

## **Background of Spirit Airlines**

- **Currently well-known for low prices**
- **Airbus fleet**
- **Smaller budget airline compared to category leaders**
- **No major accidents or fatalities**
- **“Less money, more go”**



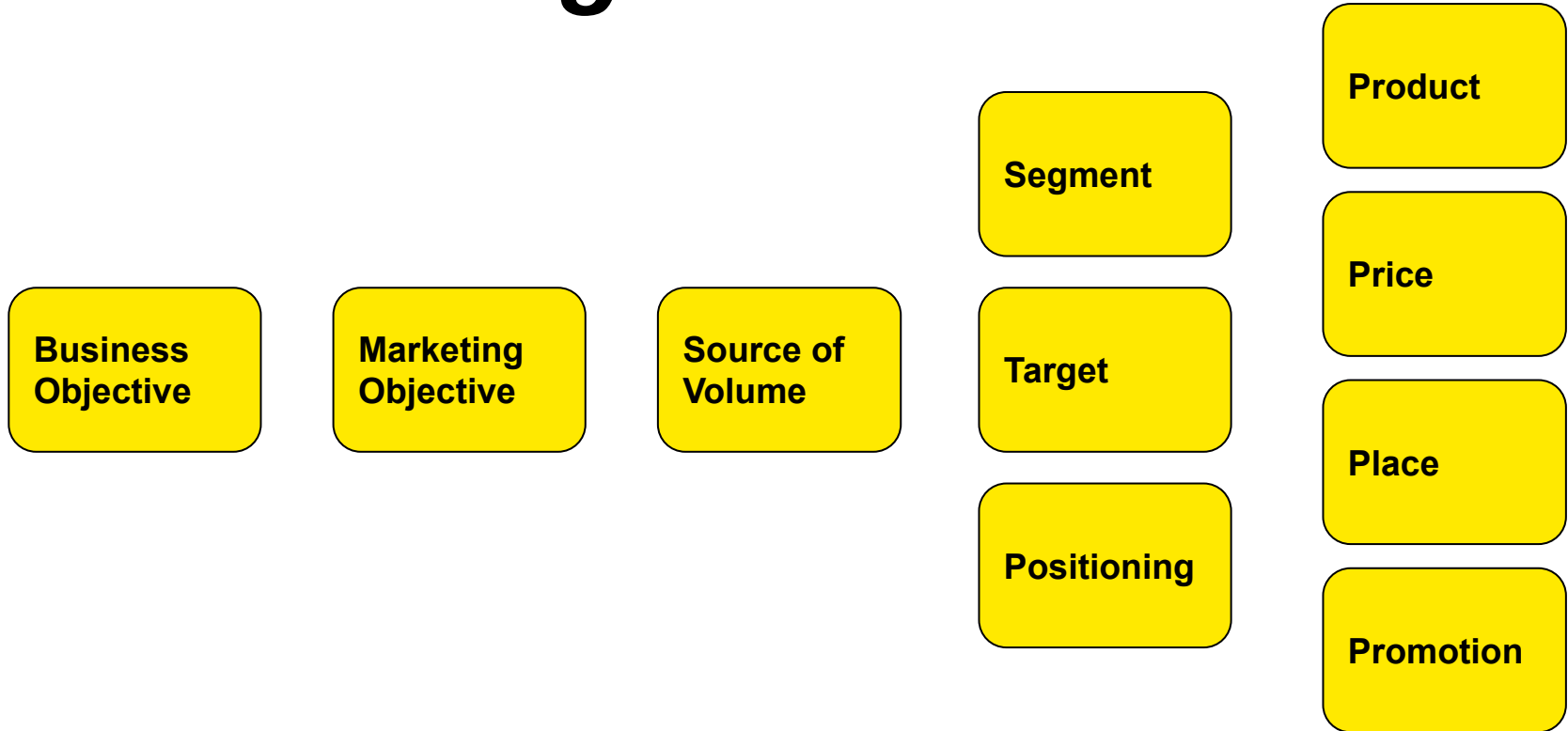
1983

2002

**spirit<sup>®</sup>**

2007-now

# ***Current Big Picture***



# ***Business Objective***

---

## **Umbrella Branding**

### ***Point of Differentiation***

- Spirit Airlines takes pride in keeping costs low through efficient logistical planning of aircraft utilization

### ***Product (benefit)***

- Use of low fares to increase overall demand in markets deemed underserved



# ***Marketing Objective***

---

## **Focusing on Acquisition**

- Spirit provides low fare flights in order to acquire customers who are looking for one-off flights
- Spirit provides low fare flights in order to acquire customers who are looking for one-off flights such as last minute business trips or vacation bookings



# ***Source of Volume***

---

## **Focus on Steal Share**

- Providing low cost flights for customers of other airlines to purchase one-off cheap flights
- Busy periods include holidays and vacations periods where surge pricing increases flight costs of other airlines

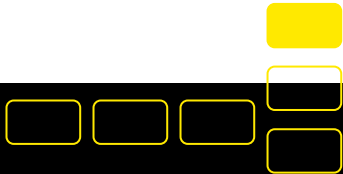


# ***Segment***

---

## **Attitudinal/Behavioral**

- Spirit segments their customers by willingness to pay
- Larger share of wallet → less likely to look for budget flights
- Smaller share of wallet → more likely to have interest in low-budget airfare

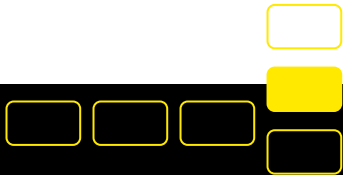




# *Target*

---

- Spirit focuses on those who have a **lower willingness to pay** because their spending behavior aligns with Spirit's low cost flights



# *Positioning*

Spirit Airlines is a cheap affordable option for flyers



Unbundled airfares provide customers with flexible cost options



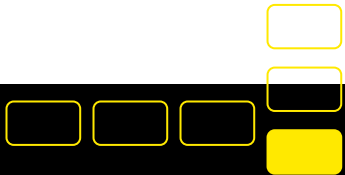
Spirit has the “best value in the sky”



When I want the most inexpensive flight, I choose Southwest, Frontier, etc.



When I want the most cost efficient flight I choose Spirit

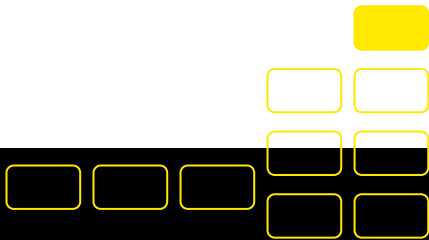


# ***Product***

---

Our product is proposing **low price flights**

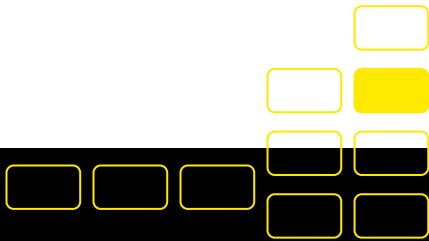
- Unbundled airfare
- Flexibility to only pay for amenities that flyers want



# *Price*

---

- Emphasis on low priced tickets which is achieved by:
  - Removal of amenities
  - Consistently overbook flights

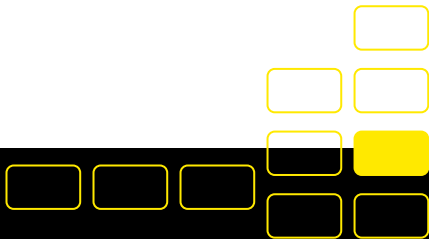


# *Place*

---

## **Consumer Marketing Channel**

- Online via direct channels (manufacturer to consumer)
  - Booking always redirects to Spirit Airlines webpage

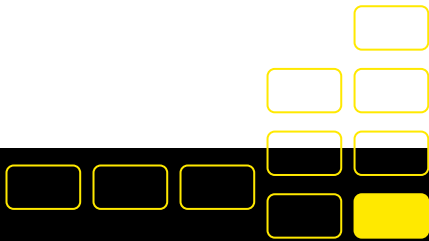


# *Promotion*

---

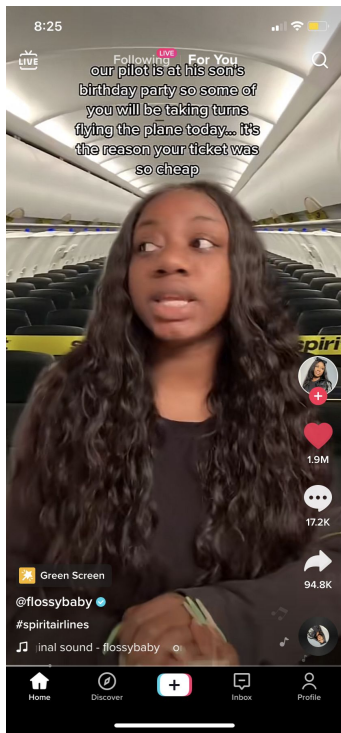
## **Focus on in-flight advertising**

- Logo placements visible all throughout plane
- Easter eggs like “Howdy” on wingtips and engines
  - No money spent on other advertising



# ***Marketing Problems\****

- 1. Public Perception**
- 2. Demographic**
- 3. Acquisition and Retention**
- 4. Current Branding**



# *Public Perception*

**“What are three words that come to mind when you think of Spirit Airlines?”**

cheap, fast, janky

Planes, baggage, flying

Cheap, unreliable, airplane

Cheap

Unsafe Cheap Ghost

Yellow, unknown, small

Cheap budget sketchy

Cheap, unreliable, issues

Cheap, suspect, easy

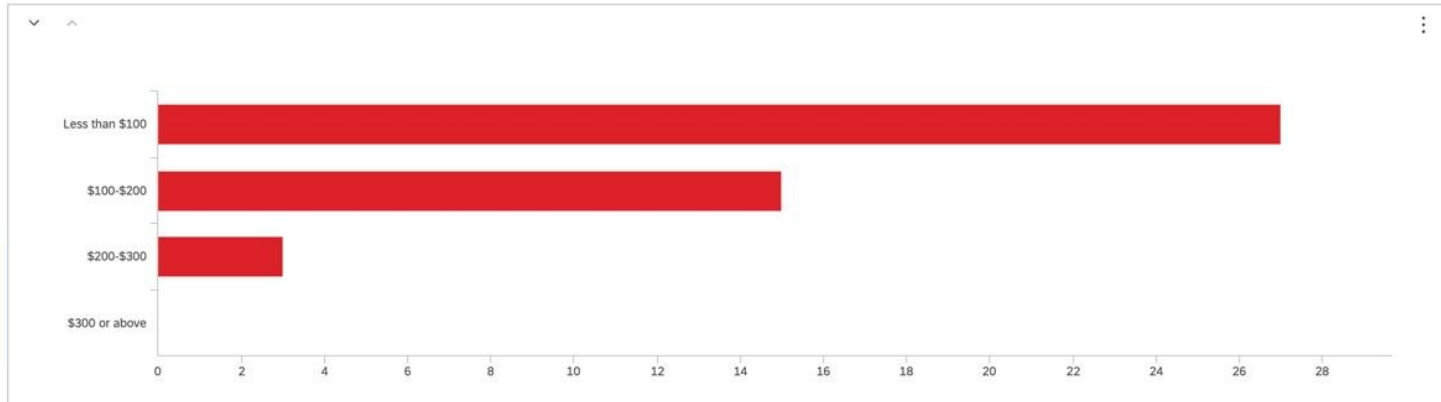
Scary, cheap, affordable



# Demographic College

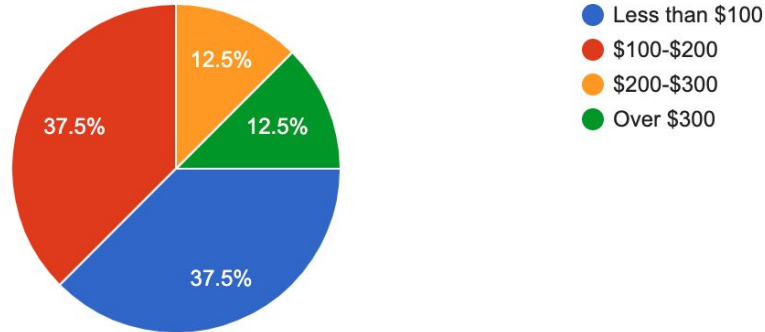
Q3 - How much would you be willing to pay for a round trip Spirit Airlines flight from DTW to LGA?

Page Options ▾



# Demographic 30 and Up

How much would you be willing to pay for a round trip Spirit Airlines flight from DTW to LGA?



# Acquisition and Retention



Does spirit airlines have a rewards system? ✕

[Cancel](#)

## Google Search

🔍 does spirit airlines have a rewards system?

🔍 does spirit airlines...a rewards program Ⓜ

🔍 does spirit airlines give credits Ⓜ

🔍 does spirit give flight credit Ⓜ

## On This Page (no matches)

Find "does spirit airlines have a rewards system?"

# ***Branding***

---

## **caution yellow**

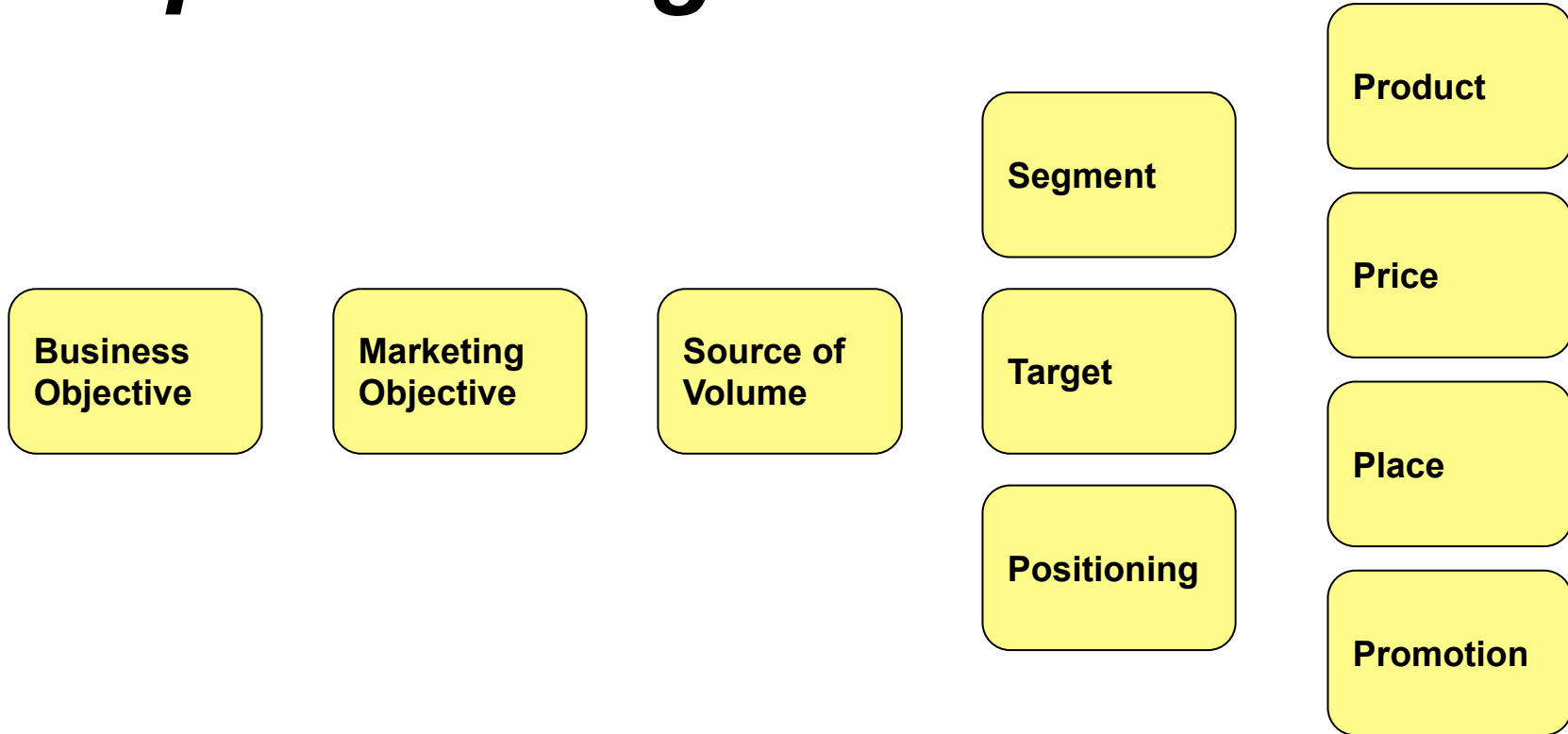
Color is untrademarked (Pantone) and intense

“Spirit does not spend money on expensive advertising campaigns”

“[The plane is] a flying billboard to capture passengers attention at no additional cost.”

***Group  
Proposal***

# *Improved Big Picture*



# ***Business Objective***

---

## **Core Competency**

- While Spirit Airlines' current point of differentiation is their logistical efficiency, we suggest that they highlight this ability and use it to their advantage. We propose that Spirit markets their logistical efficiency and ability to match price to value as its core competency.



# ***Marketing Objective***

---

Improve both **acquisition** and **retention** strategies

- Acquire customers from category leader Southwest
- Retain through student discount/Free Spirit Rewards Program





# *Source of Volume*

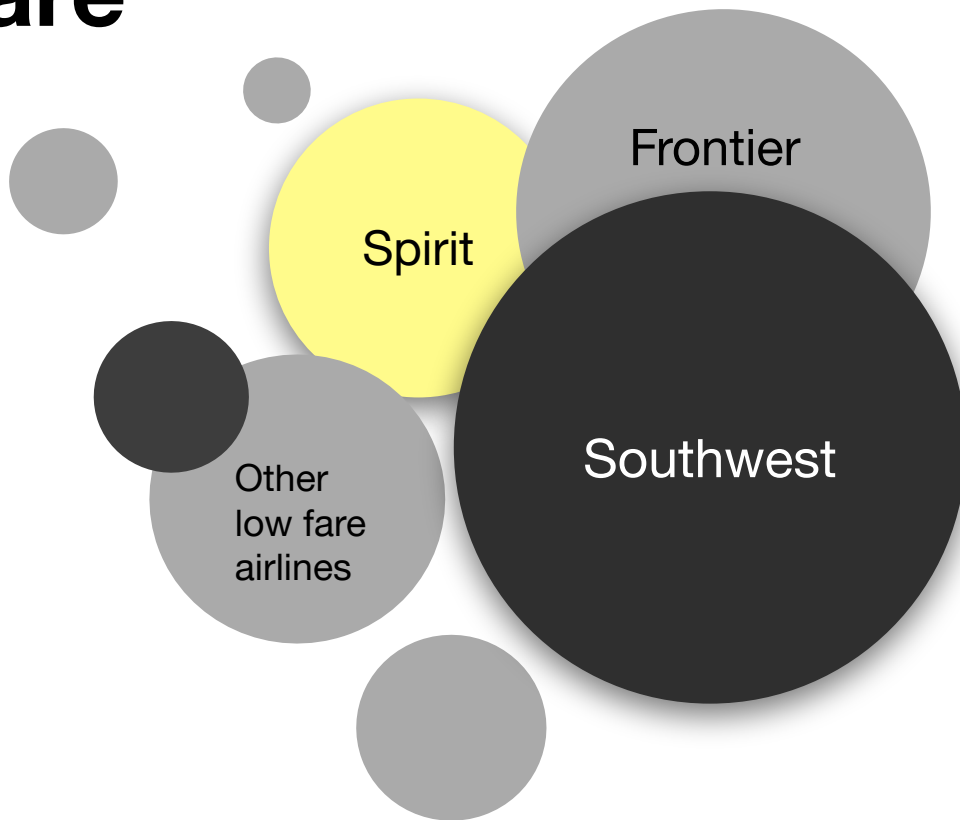
---

## Acquisition/Steal Share

- Enhance Focus on attracting new brand users from Southwest, Frontier, etc



# Steal Share

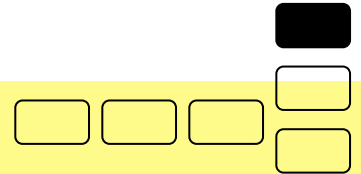


# ***Segment***

---

## **Add demographic segmentation: College-aged/young adult consumers**

- Low wallet share and wallet size
- Satisfied with basic transportation services



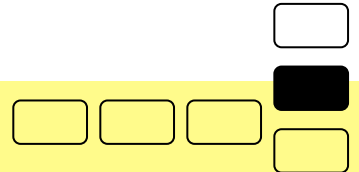
# *Target*

---

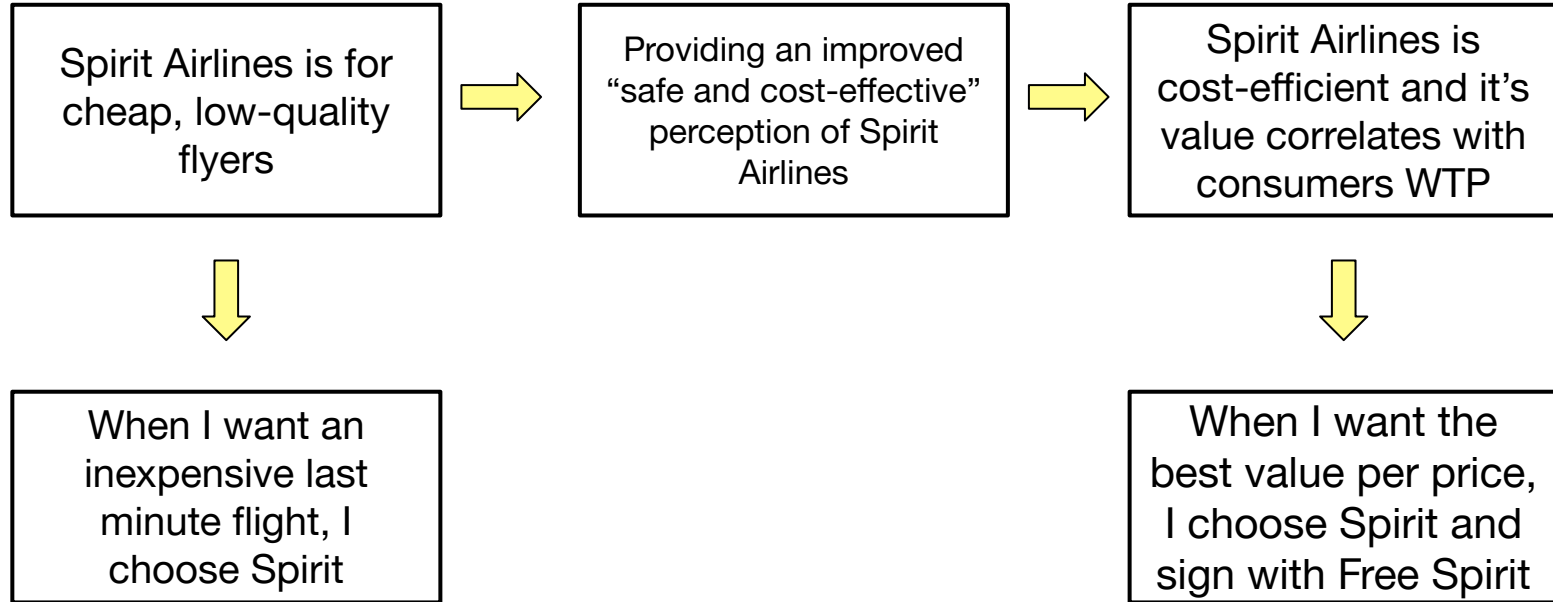
## Demographic Shift

- **Current:** Everyone with a lower willingness to pay
- **Future:** Younger demographic (18-25 years old) whose spending behavior aligns with Spirit's fare\*

\*tend to fly most during busy travel times during price surges



# Positioning



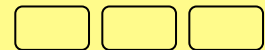
# *Product*

---

Only changing airplane Color

**caution yellow** → **pastel yellow**

The goal is to remain recognizable as **the** budget airline. Therefore this change in brand color should be subtle and allowed to take natural course



# Price

---

- No alterations to ticket prices
- Spirit takes pride in their low-cost flights
- In part achieved through Airbus-only fleet



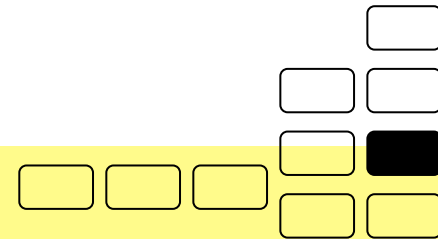
# *Place*

---

## Consumer Marketing Channels

online direct channel            direct & indirect channels

- Retailers that target college aged students (EF spring break)
  - Increase status of entire brand



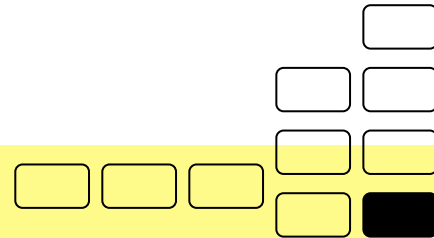


# *Promotion*

---

Direct advertisements to the younger population\*

- College-aged individuals would be more likely to sign onto a collegiate rewards program if they saw fun advertisements featuring familiar faces



# *Ad Concept*

---

- College students on break traveling together from dorm to airport to Miami. The opening shot is of the students easily booking the same flight on the app with their Free Spirit discount. At the airport, the airplane features the new and improved color on the outside and the terminal is clean. On the flight, the students are greeted by young flight attendants who crack jokes and look happy to work for Spirit. The whole plane is college-aged and the excitement is tangible. After touching down, the students have an easy deplaning and the final shot is of them walking out of the terminal with the spirit logo over their head.  
Slogan: “Free Spirits fly Spirit”



# *Rebrand vs. Brand Refresh*

---

Goal: part with the worst parts of the old branding (feelings of danger and concern) without sacrificing the reputation of being inexpensive

## **Rebrand analysis:**

Pros: Start fresh without the bad reputation; potential to compete in new categories if desired  
Cons: Lose the already established reputation for being an inexpensive airline; Expensive

## **Brand Refresh analysis:**

Pros: Maintain recognizability while working to alter public perception; slightly less expensive  
Cons: Potentially not enough to combat existing problems

# ***QUESTIONS?***

---

Thank you for your time!

The logo for Spirit, featuring the word "spirit" in a bold, italicized, lowercase sans-serif font, centered within a yellow square. A solid yellow horizontal bar is located at the bottom of the slide.

***spirit***