



SOUTHWEST AIRLINES CAMPAIGN PROPOSAL

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Hi. My name is Jennifer Nestor, and I'll be reviewing the custom campaign proposal developed for Southwest Airlines.

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Within this presentation, I will be reviewing the Executive Summary, Situational Analysis which will cover a SWOT Analysis, competitor and market information and then will be going into the campaign proposal in great detail. This proposal will cover important elements such as; the campaign contents, channels, tools, example messaging, timeline, and budget.

Finally, I will be wrapping up this presentation with the campaign evaluation process on how this campaign will be measured.

EXECUTIVE SUMMARY

- Southwest is a low-cost carrier airline that is known as the "airline with heart".
- Southwest's current market spans over **121** destinations across **40** states in the US (MarketLine, 2021).
- Southwest lost **\$220 million** in annual revenue during Q4 of 2022 due to the holiday flight crisis.
- A post-crisis New Media Marketing campaign will focus on rectifying Southwest's public image.



Southwest 

Southwest has captivated the attention of thousands of passengers around the globe. They're known for being a low-cost carrier airline that has a fun-spirited flight crew who calls themselves "the airline with heart". As an airline who focuses on equality, affordability, and customer service, they've lived up to their promise over the years and have received many awards and accolades, but recently experienced some public relations challenges in December of 2022 due to faulty and outdated flight scheduling systems and technology.

Southwest lost \$220 million in annual revenue during the 4th quarter, and their reputation has been in question. Therefore, Southwest Airlines could benefit from a campaign that will help them continue to compete with other low-cost carrier airlines (LCC's) competitors like JetBlue, Spirit, and Frontier. It's pivotal for Southwest to rely on its fun and unique messaging, but to also develop a campaign to reassure potential new passengers why their loyal members still love Southwest.

This New Media Marketing campaign will be a multi-layered post-crisis campaign that will focus on initiatives to rectify Southwest's public image by rebuilding credibility. It will also focus on boosting FY2023 revenue by adding new Rapid Rewards members and retaining current Southwest loyalty members. We will go more into detail on this campaign within the presentation.

Situational Analysis



SITUATIONAL ANALYSIS

- Today, the airline exists “to connect people to what’s important in their lives through **friendly, reliable, and low-cost air travel** (Martin, 2019).”
- In the 2022 North America Airline Satisfaction Study, from J.D. Power on The Best Airlines in America, Southwest ranked **#1** for the Economy/Basic Economy tier.
- In terms of LCC revenue, “Southwest Airlines generated more revenue than any other low-cost carrier in 2021, amounting to **15.8 billion U.S. dollars**. The next-largest was the American airline, JetBlue, with a revenue of around six billion U.S. dollars” (Statista Research Department, 2023).

Southwest



According to J.D. Power’s website, “The North America Airline Satisfaction Study measures passenger satisfaction with airline carriers in North America based on performance in eight factors (in alphabetical order): aircraft; baggage; boarding; check-in; cost and fees; flight crew; in-flight services; and reservation” (J.D. Power, 2022).

Here are the results of the survey:

The Best Airlines in America: Economy/Basic Economy

1. Southwest Airlines
2. JetBlue Airways
3. Delta Air Lines
4. Allegiant Air
5. Alaska Airlines
6. Air Canada
7. United Airlines
8. Spirit Airlines
9. American Airlines
10. Frontier Airlines
11. WestJet

As you can see from the above rankings, Southwest only ranked underneath the Economy/Basic Economy section of the best airline category. It’s competitors JetBlue, Delta, and Alaska Airlines all ranked for each category, with JetBlue coming in 1st for First/Business Class and Premium Economy.

MARKET SHARE LEADING U.S. AIRLINES

#1- AMERICAN AIRLINES

#2- SOUTHWEST AIRLINES

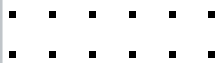
#3- DELTA AIRLINES

#4- UNITED AIRLINES

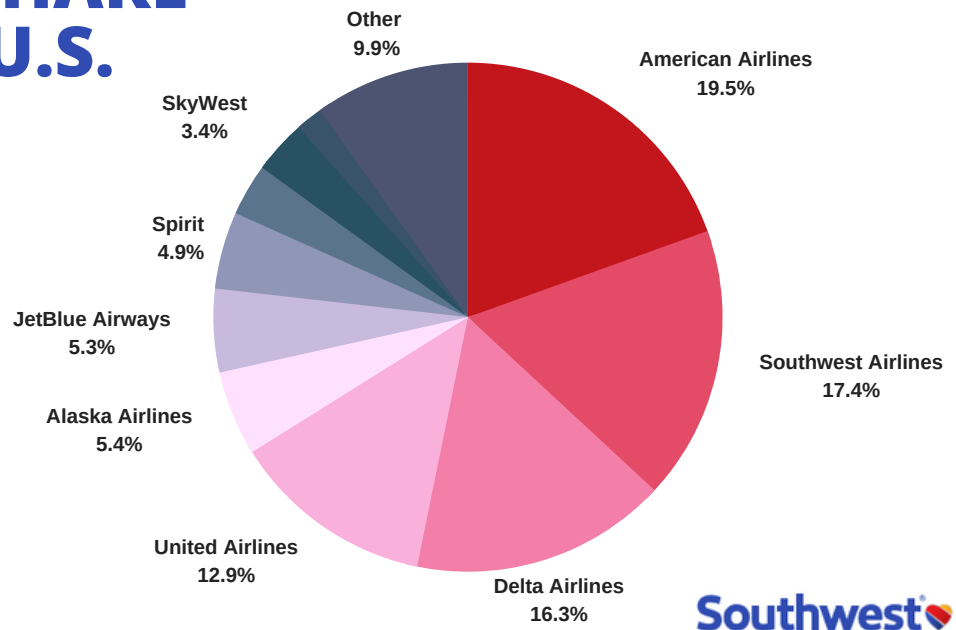
#5- ALASKA AIRLINES

#6- JETBLUE AIRLINES

#7- SPIRIT AIRLINES



Domestic Market Share of Leading U.S. Airlines from January to December 2021
Chart Source: (Statista, 2022)



According to a recent chart by Statista on the domestic market share of leading U.S. airlines from January to December 2021, Southwest came in 2nd behind American Airlines who owned 19.5% of total airline market share and Southwest brought in 17.4% market share, followed by Delta who had 16.3% of the market share in 2021 (Statista, 2022).

Statista also notes that “over the recent years, low-cost carriers (LCCs) demonstrated a strong market performance, adding a crucial market value in the aviation industry and satisfying customers’ preferences”. In the same article, it’s predicted that “the low-cost travel market size is forecasted to exceed 254 billion U.S. dollars by 2027” (Statista, 2023). Some of the other low-cost carrier competitors in addition to Southwest include airlines like Spirit, Frontier, JetBlue, and Allegiant Air.



According to a recent article from Bplans, “Whether you’re in the business planning phase or have been in business for years, completing a SWOT analysis is a simple and effective way to develop smart strategies for growth” (Berry, n.d.).

In this SWOT analysis, we will be covering Southwest Airline’s strengths, weaknesses, opportunities, and threats.

Strengths

- Great employee workforce and company values. Won consecutive awards for their company culture.
- Advanced customer loyalty programs with Rapid points and rewards, and strong marketing for their flight selection options – Wanna Get Away, Anytime, and Business Select.
- Added 14 new airports in 2021 and celebrated their 50th anniversary showing company longevity.

Weaknesses

- Post-pandemic impacts, lower financial results and elevated trip cancellations were part of the recent challenges SWA experienced.
- No PR plan seemed to be in place for events like the holiday flight debacle to maintain customer loyalty and reassurance.
- SWA faces a lot of direct airline competition such as Alaska Air Group, American Airlines, Delta Airlines, Hawaiian Air, JetBlue, SkyWest, Spirit Airlines, United Airlines, etc.

Opportunities

- SWA has an opportunity to reposition themselves as the airline with HEART and work toward offering more perks to its loyalty members to ensure retention.
- SWA can work on rectifying their public image through passenger feedback, heartfelt stories, and more partnerships with trusted brands that the public loves.
- Southwest has an opportunity in increasing 2023 annual revenue due to the \$220 million loss from the flight crisis in December.

Threats

- Increase in fuel prices at almost \$3.90 per gallon in 2023.
- Loss of credibility due to the holiday flight cancellations. For example, in January, SWA posted a position for a Public Relations advisor on LinkedIn, which was mocked by social media users.
- Outdated flight systems and technology could cause more long-term issues for Southwest.

COMPETITOR LANDSCAPE

jetBlue

FRONTIER
LOW FARES DONE RIGHT

spirit

Southwest



JetBlue is another low-cost airline that is headquartered in Long Island City, New York. They were established in the year 2000, and their mission was to “bring humanity back to travel” (JetBlue.com, 2023). JetBlue currently offers 100+ destinations in the U.S., Latin America, Caribbean and London. Similarly to Southwest Airlines, they offer one-way low cost fares to popular travel destinations.

Spirit is another LCC competitor to Southwest, especially with the recent merger of Spirit and JetBlue. Spirit’s mission is dedicated to pairing great value with excellent service, while reimagining the airline experience. Their slogan is “We live for more go” (Spirit.com, 2023). They provide ultra-low fares and are one of the U.S. youngest, most fuel-efficient fleets according to their website.

Frontier is another LCC airline that prides themselves on “Low Fares Done Right” (frontier.com, 2023). They are committed to a “Done Right” promise. Throughout my research of Frontier, one thing sets them apart from Spirit and Southwest, and that’s their ability to showcase several powerful testimonial videos and passenger quotes on their “About Us” page on the website. I like how they incorporated passenger stories, instead of just writing a bunch of text on their page. Headquartered in Denver, Colorado, Frontier is said to have the largest 320neo fleet in America, serving around 120 destinations in the U.S., Caribbean, Mexico, and Central America.

Campaign Proposal



CAMPAIGN PROPOSAL

- This innovative New Media Marketing campaign will focus on the issue of the public fallout and new perception from December's Southwest flight cancellation crisis.
- This post-crisis campaign will help Southwest **increase overall revenue, retain current customers, and add net new Southwest customers and Rapid Rewards members in 2023.**
- Our goal is to develop an omni-channel **#Southwesthasheart** PR campaign that will help spread positivity around the Southwest Airlines brand and reassure Southwest employees and the public that Southwest is still the same airline with excellent customer service that everyone knows and loves.

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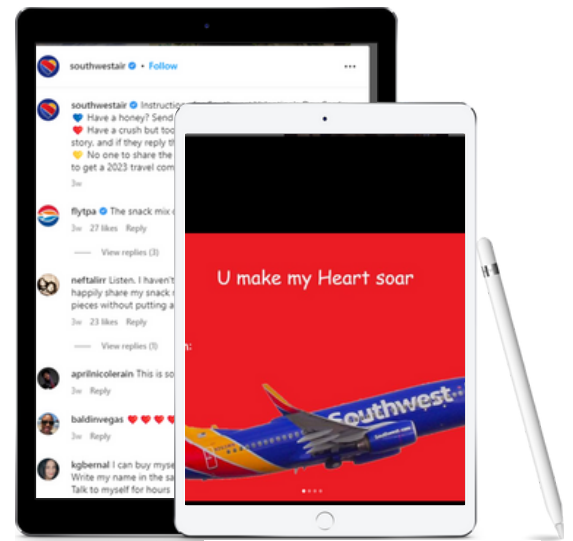
This innovative New Media Marketing campaign will focus on the issue of the public fallout and new perception from December's Southwest flight cancellation crisis. This post-crisis campaign will help Southwest increase overall revenue, retain current customers, and add net new Southwest customers and Rapid Rewards members in 2023.

The target audiences of this campaign will be current frequent flyers of Southwest who do not have rewards, current Rapid Rewards members, and potential prospects who fly on other low-cost carrier competitors like Frontier, Spirit, and JetBlue, but could also potentially benefit from what Southwest has to offer.

PAST AND EXISTING MARKETING & COMMUNICATION PLANS

Southwest celebrates **Valentine's Day** all month long.

The SVP of Culture and Communications recently shared, **"We are the airline with Heart, and we love to celebrate the moments and people that matter in our Employees' and Customers' lives"** (SWAmedia.com, 2023).



Southwest

In February, Southwest celebrated Valentine's Day all month long. On Feb 7th, they released many ways to earn extra points that can be used at companies like 1-800-Flowers, Harry & David, dining, shopping, and other perks for their Rapid Rewards members. Their SVP of Culture and Communications recently shared, "We are the airline with Heart, and we love to celebrate the moments and people that matter in our Employees' and Customers' lives," (SWAmedia.com, 2023). "Whether that be giving the gift of travel, helping Customers earn Rapid Rewards points with flowers and wine, or even bringing that extra added touch at the airports and inflight, we're here to celebrate this holiday all month long." This is a good angle for Southwest to take, especially with other options like hotels, rental cars, free drinks, and exclusive getaways being available to Rapid Rewards credit card members. Southwest also posted a funny pun on their Instagram that showed people how to fill out their custom-made Valentine's Day cards. This was a creative way to engage their community.

CAMPAIGN GOALS

INCREASE 2023 REVENUE BY **10%**.

ADD **10K** NEW SOUTHWEST RAPID REWARDS MEMBERS IN 2023.

RETAIN **75%** OF SOUTHWEST RAPID REWARDS CUSTOMER BASE IN 2023.

INCREASE SOCIAL MEDIA REACH AND SOV FOR SWA BY **15%** IN 2023.

KEEP EMPLOYEE TURNOVER TO **2.5%** OR LESS IN 2023.



Southwest

The campaign goals for this campaign are as follows:

1. Increase overall annual revenue by 10%. FY 2022 had a net income of \$539 million, or \$0.87 per diluted share due to a \$220 million Q4 revenue loss (PR Newswire, 2023).
2. Add 10,000 net new Southwest Rapid Rewards members (MQLs) in 2023 through innovative demand gen marketing campaigns and promotions.
3. Retain 75% of the current Southwest Rapid Rewards customer loyalty base in 2023 and reassure former passengers and prospects that Southwest Airlines is a trusted and credible airline carrier.
4. Increase social media reach and SOV for Southwest Airlines by 15%.
5. Focus on employee retention and increase trust of Southwest's leadership to avoid additional training costs and lack of resources when employee's leave. Southwest currently has on average 55,000 employees. The goal is to keep employee turnover to 2.5% or less.

CAMPAIGN STRATEGIES AND TACTICS



Press release, internal email from CEO & internal employee event

Gaining employee buy-in and share a first look at the #Southwesthasheart campaign

PPC & paid, and organic social

Creating a custom landing page with a contact form to drive ad traffic and have prospects fill out the contact form. There will be a mixture of Facebook LinkedIn, Twitter, and Instagram paid and organic posts.

Customer testimonial videos, Radio & Print ads

Developing customer testimonial videos to help tell the story of the power of Southwest Airlines and how #Southwesthasheart. through traditional and new media tactics like radio, print, etc.

Emails & in-app messaging

A series of emails and in-app messaging will be sent to current Rapid Rewards members to help other's join the program.

#Southwesthasheart hashtag usage

Each target audience will receive different creative and messaging to help reiterate Southwest's core values while focusing on its strength, customer service, etc.

This campaign will have several strategies and tactics to attract new Southwest customers, in addition to retaining current Rapid Rewards members and Southwest's employees. To gain employee buy-in, Southwest will be deploying a personal email from the CEO that discusses the advancements being made in technology, and ensures the team that what happened in December with the cancellation of over 15,000 flights will not happen again.

The campaign will be live for six months. The national programmatic sponsored content on travel-related websites and the 30s podcast audio and radio commercial on 1090 KLRD in Dallas will deploy first in June to increase overall brand awareness, website traffic, reach, and brand SOV. The content will drive traffic to a custom landing page that will have information about #Southwesthasheart, the press release, and the customer testimonial videos. According to a recent article from HubSpot, "Short-form video will see the most growth in 2023" (Iskier, 2022). There will be a contact form for those who want to sign up to be a Rapid Rewards member, and Southwest will offer 50,000 points to those who sign up to try and increase the total amount of memberships.

CAMPAIGN CREATIVE

Southwest



Our Rapid Rewards® members like Tom and Kate seem to always find what they're looking for every time they experience the airline with heart.

Redeem for flights.
No blackout dates.
Points never expire.
Unlimited reward seats.

BECOME A RAPID REWARDS® MEMBER
AND GET 50,000 FREE REWARDS POINTS.

Sign Up

#Southwesthasheart

Southwest



Our Rapid Rewards® members like Tom and Kate seem to always find what they're looking for every time they experience the airline with heart.

Start earning
toward your
first free flight!

BECOME A RAPID REWARDS® MEMBER
AND GET 50,000 FREE REWARDS POINTS.

Sign Up

www.Southwesthasheart.com

Southwest

Here you can see some of the creative and messaging for the campaign.

Organic Social post example:

Traveling is good for the soul, especially when you earn 50,000 free points for becoming a Rapid Rewards member. Just ask Tom and Katie, two of our Rapid Rewards ®members who met recently on a Southwest Airlines flight when they used their poitns to visit Jacksonville, Florida. Not only are our points redeemable for flights, but there are unlmited reward seats and no blackout dates. Still aren't sure you're in love? Learn more about becoming a Rapid Rewards member by visiting www.southwesthasheart.com and seeing Tom and Katie's full story. #Southwesthasheart



Southwest employees



All US travelers & prospects



SWA Rapid Rewards members



Non-Rapid Rewards members

RELEVANT PUBLICS AND AUDIENCES

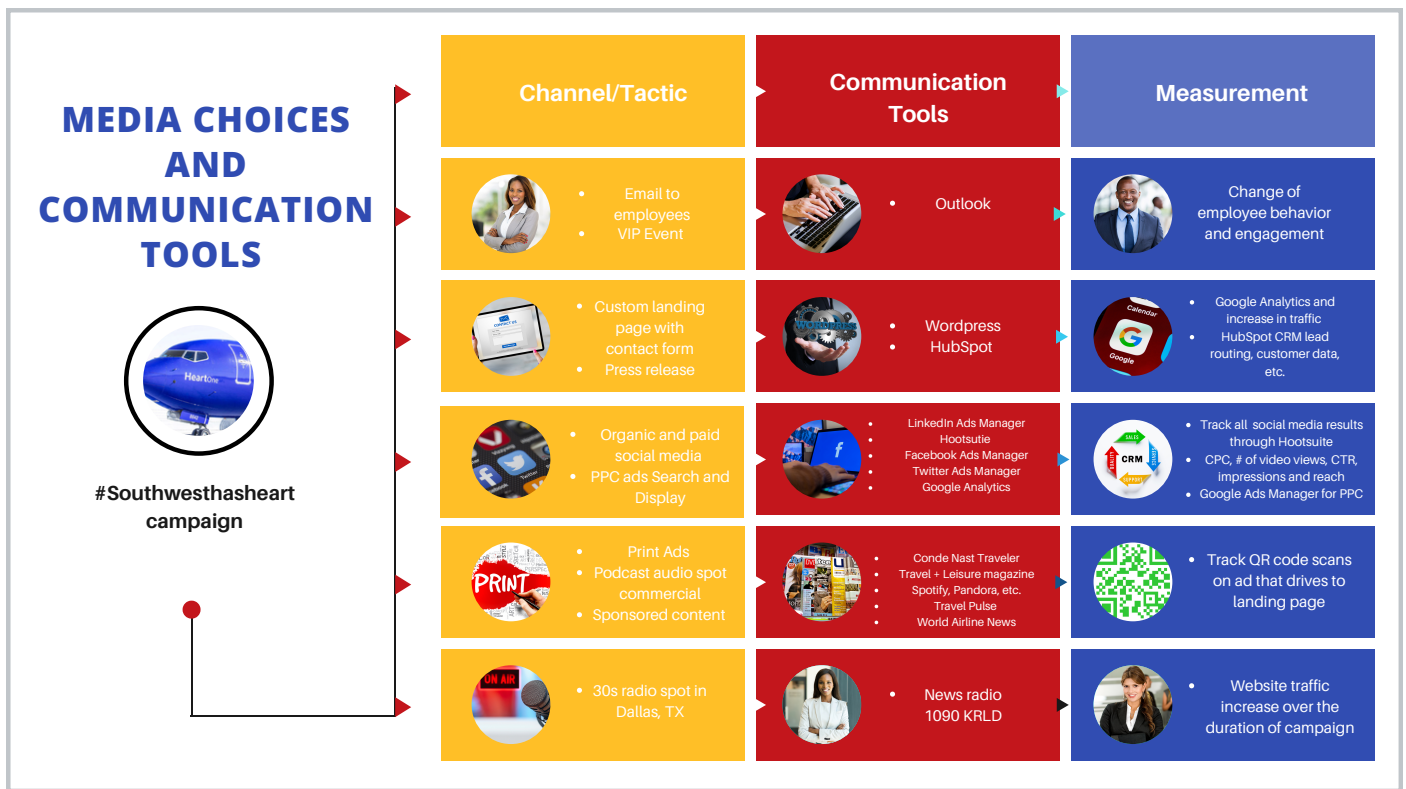
These are the current target audiences for the post-crisis New Media Marketing campaign.



The target audiences for this campaign are:

1. Southwest Airlines employees
2. All US travelers (nationwide with extra geofencing in TX where SWA was founded) - EX: Competitor airline passengers and frequent flyers or prospects.
3. Current Southwest Airlines Rapid Rewards members
4. Current Southwest passengers who are not current rewards members.

Media Choices and Communication Tools



To the left of the chart you can see the channel/tactic. The center column is for the communication tools that will be used, and the column to the right is the measurement.

These media choices and communication tools help identify the value of the #Southwesthasheart campaign.

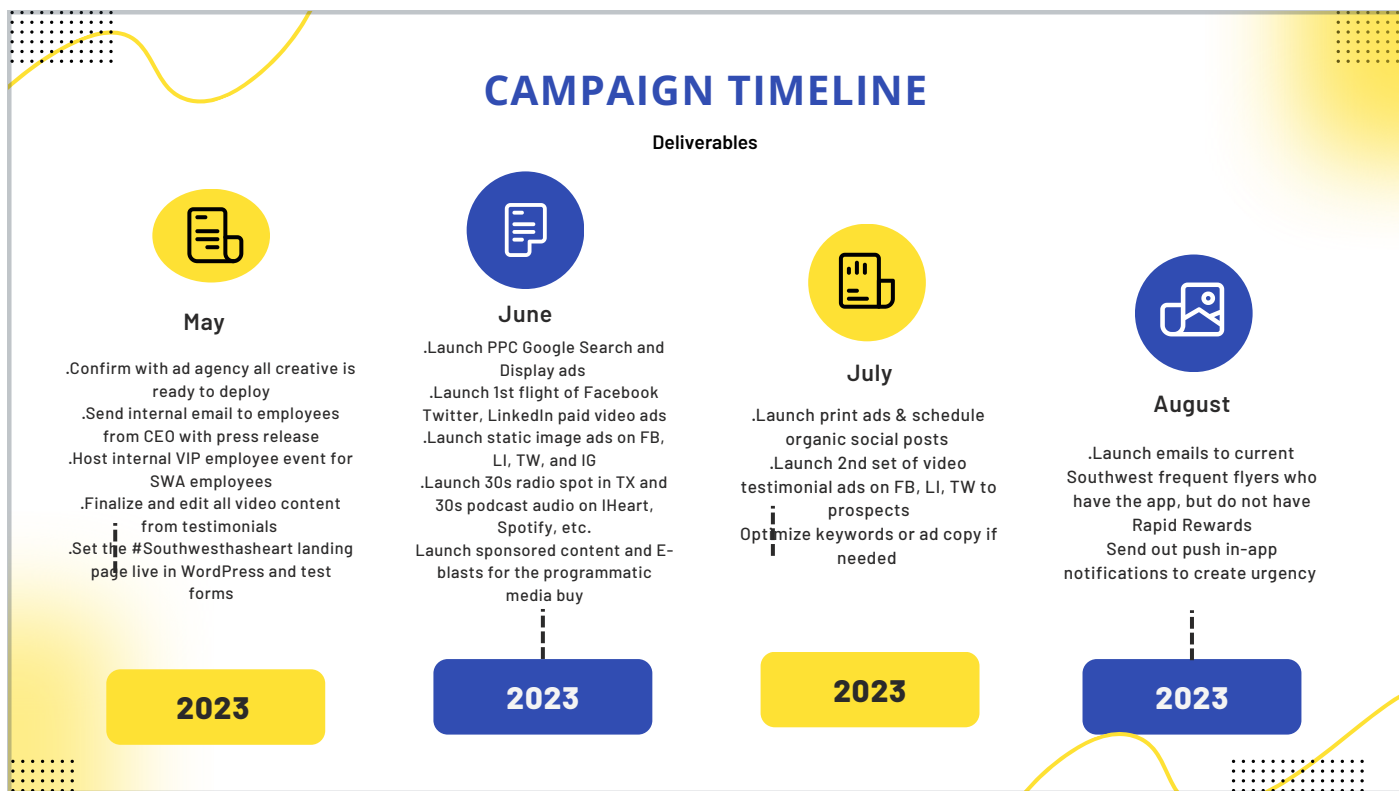
Cost of Southwest Airlines Campaign



Source	Total Budget	Information
Social Media	\$100,000 per month for 6 months = \$600,000	Facebook, LinkedIn, Twitter, and Instagram paid ads
PPC	\$250,000 per month for 6 months = \$1.5M	Search and Display video and static image ads
Radio	\$30,000 per month for 6 months = \$180,000	30s radio spot (geofencing targeting on Pandora, Spotify, etc.)
Video	\$16,000	Video production costs
Print Ads	\$25,000	Print ad placements for Southwest Rapid Rewards
Digital Media Buy (Sponsored content, E-news blasts, etc.)	\$50,000 per month for 6 months = \$300,000	Promotions on other sites for sponsored content, E-blasts, in-text ads and newsletter promotions
VIP Event	\$400,000	Employee internal event for the campaign launch. Balloons, catering, DJ, employee swag, etc.
Total Budget	\$5.4M *	This includes agency fees in addition to the rest of the items on the chart.

Based on the proposed tactics, objectives, and goals, we would need to invest at least 10% of the total revenue goal to equal a \$54M annual increase in revenue. Therefore, the total marketing budget would be around 10% of the \$54M at \$5.4M with a significant amount of that budget being in the first quarter to help with the initial PR damage control based on the CEO's comments about losing \$220 million due to the flight crisis in December. A portion of this budget would be spent to help increase Rapid Rewards loyalty members, in addition to placing media buys PPC, radio, and paid social media ads to increase net new Southwest Airline members, which in turn, will increase overall revenue.

Campaign Timeline



This campaign will run for six months from June 2023 through December 2023. This next two slides will help identify what the campaign timeline looks like and the deliverables.

Each month shows the deliverables needed for success.

CAMPAIGN TIMELINE

Deliverables continued



September

.Launch internal emails to current Rapid Rewards members, and re-educate them on all the great perks they could be taking advantage of
Record the number of MQLs thus far, and how many RR sign-ups

2023



October

.Retarget anyone who interacted with the ads in June/July, but didn't sign up to be a rewards member with new ad creative
.Retarget anyone who visited the landing page but didn't convert

2023



November

.Start measuring analytics and gathering campaign data from the different Ads Managers, Hootsuite CRM and other means of measurement

2023



December

Once the campaign ends in December, create a KPI dashboard and identify the results, campaign highlights, and revenue generated. Share learnings.

2023


Campaign Evaluation and Measurement




CAMPAIGN EVALUATION PROCESS

#Southwesthasheart campaign measurement


This will be determined by the amount of revenue SWA had in December of 2022 (\$23.814B) and determining a 10% revenue growth of \$2.3814B to get \$26.1954B toward the end of the campaign in December of 2023.

 Increase revenue by 10%


If you break down the total number of new members needed per month for six months, Southwest should bring in around 1,700 new members per month.

 Add 10,000 net new Southwest Rapid Rewards members


This will be measured by the total number of rewards members in June of 2023 vs. December of 2023 and the benchmark would be 75% retention.

 Retain 75% of the current Southwest Rapid Rewards customer base

To increase the SOV of Southwest Airlines by 15%, Hootsuite and Google Analytics will help track social followers, reach, and impressions throughout the beginning and end of the campaign.

 Increase the Southwest SOV by 15%

This will be based on the comparison of the total number of employees in June of 2023 ($55,000 \times .975 = 53,625$) for no more than a 2.5% employee loss.

 Keep employee turnover at 2.5% or less

Southwest 

To measure overall campaign success, Southwest Airlines will leverage several benchmarks and KPI's to ensure the campaign is running effectively.

The goals to the right will be monitored throughout the process. The left side of the goal describes how that metric will be evaluated.

Campaign goals are as follows:

1. Increase revenue in FY2023 by 10%.
2. Add 10,000 net new Southwest Rapid Rewards customer base.
3. Retain 75% of the current Southwest Rapid Rewards customer base.
4. Increase the Southwest SOV by 15%.
5. Keep employee turnover at 2.5% or less.

We are confident that the #Southwesthasheart campaign will help drive the right type of traction for the company and help mitigate the backlash, thus helping the overall brand recover post-crisis.

Questions?



Thank you for your time today.

Any questions?

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