

Relationships Versus Brand Marketing in Aviation

By Steve Tanis, InAvanti

By shifting away from a relationship-based sales approach to a brand marketing approach, many small and mid-level companies will discover new opportunity for real growth and stability.

Given the cyclical nature of the aviation industry, there is a continual discussion around solutions to counteract the negative impact of economic downturns. Typical topics of discussion are business process improvements, implementing best practices and advancement in technology. There is one significant area; however, that receives less attention than it deserves: brand marketing.

Marketing and sales organizations within the aviation industry have developed differently from that of other industries. In non-airline aviation businesses, quite often the founder of the company starts the business based on a prior relationship and forms the business around that relationship. These seminal relationships can often be the catalyst for launching a company into business, but they are not necessarily enough for long-term viability and aggressive growth of the concern. Since the business is based on this primary relationship, minimal investments are made in developing a formal marketing and brand program, leaving the fledgling company without a clear market position or differentiation. Without market identity and an implementation strategy, these 'relationship marketing driven' organizations are held hostage by their main customer and the business is hanging by the thread of fickle interpersonal relationships. For those of us in the industry in the early '90s, we saw a multitude of "mom and pop" businesses disappear because their companies simply did not have a strong enough brand to survive after the collapse of major airlines.

Conducting business in aviation requires a great deal of trust between business parties, since often the contracts are high-value and much is at risk. This trust factor is often perceived as only being obtained through personal relationships. While maintaining personal relationships built upon trust is important for business, operating a marketing and sales organization solely on personal relationships has its drawbacks.

Spend Time Wisely

The most problematic area is that the salesperson usually spends too much time with a single, albeit large customer and simply does not have the time for new business development. In today's lean business environment where fewer and fewer people are required to cover broader and broader responsibilities, having enough time is an issue facing almost every part of a business. Sales and marketing organizations are no differently challenged. Smaller aviation companies usually have dual role marketing/salespeople that are obviously not able to fully focus on either core duty.

In the case of the single salesperson company, the daily operational duties can quickly become distracting from the overall sales process, if one exists, and severely hinder business development efforts. For larger companies with several salespeople, the scenario tends not to be much different, as the salesperson is also tasked with many marketing functions. A recent survey conducted by the American Marketing Association stated that across the board, sales

personnel spend approximately 40-60 hours per month customizing sales and marketing material for customers. This takes time away from face-to-face relationship building with existing customers as well as with potential customers that do not immediately have a connection to or perception of the business. Even worse, the customer-specific knowledge usually held by the individual salesperson never gets transferred to the company and therefore cannot be used as a future asset, at least not by the company that paid to develop it. That customer knowledge leaves along with the salesperson who takes a major account with him. Furthermore, this relationship-based effort only addresses the sales cycle and completely ignores broader brand marketing initiatives.

Growth Through Brand Marketing

By shifting away from a relationship-based sales approach to a brand marketing approach, many small and mid-level companies will discover new opportunity for real growth and stability. Mistakenly, when one hears the term "brand," they simply think of a logo or identity. Branding does incorporate those facets on the surface but goes much deeper as the brand becomes the experience a customer receives and the feelings they associate with your company. Do they know your company? Do they trust your company? Do they want to do business with

Both relationships and brand marketing are beneficial to business, although in aviation we find that there is often entirely too much dependence on the former.

your company? A purposefully developed brand will open the door for the salespeople and support their relationship-building efforts. A recognized brand will also help to lower overall sales costs when expanding into other areas since a potential customer will already have an impression of the company and its service or product.

In the world of start-up aircraft finance companies, we do see that immediate attention is given to building a brand. The reason is because these companies are interested in growth and will achieve that growth by building their brand and, at the same time, demonstrating stability and gaining the trust of their potential customers.

At the core of brand marketing, the focus turns towards the company's cumulative strengths and not solely that of personal relationships. The goal is to let the company's brand do the selling for you. The sales personnel then act as the conduit between the company and the customer. Branding is beneficial



mba
 morten beyer & agnew
 www.mba.aero

**international
 aviation
 consultants**

**appraisal &
 valuation**

**aircraft engines parts
 GSE slots routes**

washington
 2101 Wilson Blvd.
 Suite 1001
 Arlington, VA 22201 USA
 Tel: 1.703.276.3200
 Fax: 1.703.276.3201

frankfurt
 Wilhelm-Heinrich Str.22
 61250 Usingen Germany
 Tel: + 49.60815876081
 Fax: + 49.60815876082

tokyo
 3-16-16 Higashiooi
 Shinagawa-ku
 Tokyo 140-0011, Japan
 Tel/Fax: + 81.3.3763.6845

**trusted advisors to
 decision makers**

Please contact:
 Stefanie Jung
 + 1 703 276 3200 ext. 170
 sjung@mba.aero



© 2011 mba all rights reserved

since we all know that people come and go, and personality conflicts can and do arise. The beauty of a properly managed brand is that it becomes fixed firm in the minds of current and potential customers and survives interpersonal relationships.

Forming Strong Bonds

Earlier I mentioned the important role that trust plays in the aviation industry. Again by investing in your brand, trust in your company becomes inherent. For example, do you know the name Rockwell Collins? Do you know the name of Rockwell Collins' top-performing salesperson? Chances are that you know exactly who and what Rockwell Collins does, but you do not know the name of the top-performing salesperson. This is because the Rockwell Collins brand is trusted and respected throughout the industry. Rockwell Collins' tagline of "Building trust every day," speaks to what the company is about, not what its products are. Rockwell Collins has invested in its brand, and as a result, the brand speaks and sells the company, enabling its sales force to sell its products. This is not to minimize the role of a salesperson in any organization, but to point out that the salesperson should be enabled to fulfill their primary responsibilities of successfully continuing existing customer relationships while building new customer relationships.

Another benefit is that with proper branding, you are controlling the perspective of each customer on a broad scale. Depending upon your success with delivering upon a consistent message and experience, the customer-specific knowledge forever stays with the company and not the individual salesperson.

Both relationships and brand marketing are beneficial to business, although in aviation we find that there is often entirely too much dependence on the former. Giving the sales organizations the marketing tools they need to be brand ambassadors will improve growth opportunities for a company and will help to stave off competitive threats.

It takes time and effort to develop a successful brand, but once built, a brand can be a company's most valuable asset. Business-to-business aviation companies are behind in adopting new marketing tools such as social media networks. These tools allow companies to leverage technology to develop a marketing reach similar to that of much larger competitors. New media marketing, as part of your branding strategy, allows you to build a conversation with your customers and insinuate your brand into that conversation.

The recent recession has given us valuable lessons about resource allocation toward marketing and branding. Companies that have taken the time and made investments in their brands in good times are much better suited to survive an economic downturn as their brand power can help carry them through the lean times. Companies that have maintained their visibility during the lean times are better positioned for the good times to take market share, since they have already captured mind share. 

Steve Tanis is the president of InAvanti, a business-to-business strategic marketing advisory and execution firm specializing in aviation, trucking, rail and maritime.