

case study

Singapore Airlines: Building the ultimate brand from inside out

By Yeong Ae Jeon and Tim Dodd

Introduction

In the early stage of development, the airline industry was heavily regulated, with only a small number of airlines available for passenger service. After the Airline Deregulation Act of 1978 was passed, however, competition among airlines in the international market exploded. Accordingly, the airline companies repositioned themselves to provide additional service during travel while the industry has grown to adapt to globalized business and leisure travel. In Asia, because of geographical factors, air travel is the most efficient and convenient mode of transportation and fierce competition in that region led to growth that eventually, translated into a number of international airlines. As a result, several key players such as Singapore Airlines, Malaysia Airlines, Cathay Pacific and Thai Airways have become highly recognized for not only servicing Asia but also providing their services around the world. These airlines have also won numerous service industry awards for air transportation (e.g., Skytrax World Airline Awards, Condé Nast Traveler Readers' Choice Awards, Executive Travel Leading Edge Awards, Travel and Leisure World Best Airlines, etc.)

Over the past decade, the traditional full-service airlines found themselves threatened by low cost carriers due to high cost structures, preventing them from effectively competing on price - a crucial factor for a large segment of consumers when deciding upon an airline. However, with the limitation of short-haul flights and the increasing demand from passengers for full-service providers, business travelers' preference quickly swung back towards full-service airlines while low cost carriers still attracted the leisure traveler segment. Eventually the market was largely divided into two groups: full-service airlines or low cost carriers (Thanasupsin, Chaichana, & Pliankarom, 2010).

Although a number of budget airlines have been successful, it is too early to judge the competitiveness of price alone as a strategy. In addition, several full service airlines in Asia started up a low-cost subsidiary (i.e., Singapore Airlines-Tiger, Qantas-Jetstar, Malaysia Airlines-Firefly, Korean Air- Jin Air, etc.) to maintain market share and compete in the cut price market. These companies have all been successful in terms of both operational efficiency and the development of a dual brand strategy in the airline industry.

From the recent industry turmoil of the region, Singapore Airlines

has repeatedly attempted to exceed its former standards of safety, fuel efficiency, and cost reduction as well as elevating the level of passenger comfort. The consistent investment in cabin products and services has made Singapore Airlines stand out from the competition through their service standards which are symbolized by their front line employee or in other words, through employee branding. How then does Singapore Airlines achieve the distinctive competencies from employee branding, meeting customer value, and positioning themselves uniquely from competitors? The following sections will outline the brief history of Singapore Airlines and discuss the path of the development of employee branding.

Company History

Singapore Airlines was one of two offshoots from Malayan Airways Limited (MAL), an airline company formed in 1947, when both Malaysia and Singapore were under British rule. In 1963, Malaysia gained independence from British sovereignty and the name of the carrier was changed to Malaysian Airways. It was again renamed to Malaysia-Singapore Airlines (MSA) in 1966, and later in 1972, both the Malaysia and Singapore governments aspired to operate an airline bearing their own country's name and agreed to establish separate national airlines-Malaysian Airlines System (MSA) and Singapore Airlines (SIA).

When the two airlines separated from Malaysian Airway, SIA expanded their international routes while MSA continued to focus on regional routes. SIA also differentiated itself from the competition by introducing service-related innovations which have propelled the growth of SIA to become one of the world's leading carriers. In the early 1970's, SIA was the first to offer complementary headsets, drinks, and a choice of meals for economy class passengers. However, a competitive point of difference at that time has become the service standards of today. SIA continued to provide innovative services over the following decades. For instance in 1991, SIA pioneered the use of satellite-based in-flight telephones and in 2007 launched the world's largest passenger plane, the Airbus 380 into service. SIA still continues to raise the bar for unparalleled in-flight services and is recognized as one of the best-known and best-performing brands in Asia (Roll, 2006).

Other airlines quickly followed this lead and the advantage was soon negated. SIA needed to find other ways to further differentiate

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itself. One way was to establish itself as a brand; unique and unparalleled throughout the industry. In addition to a series of service initiatives and modern fleets, the quality of its flight attendants differentiated the level of service in the airline industry (Kotler, 2010). The care and attention that SIA provided was symbolized by the 'Singapore Girl', a visual advertising image depicting a female flight attendant of SIA. It has become a trademark of high quality service and has been widely known as one of the best examples in hospitality branding.

Employee Branding

When airlines are buffeted by internal cost pressures or external influences such as economic recession, they first consider trimming their workforce to revamp their operational structure. U.S. regional airlines, for example, reduced employee numbers by 6% from August 2008 to February 2009 and other US airlines are expected to continue shrinking overall services in 2012 (Compart, 2009). Due to the struggling nature of the airline industry and changing cultural norms, the stature of flight attendants in both consumer minds and the crew members themselves has declined. They are often considered simply

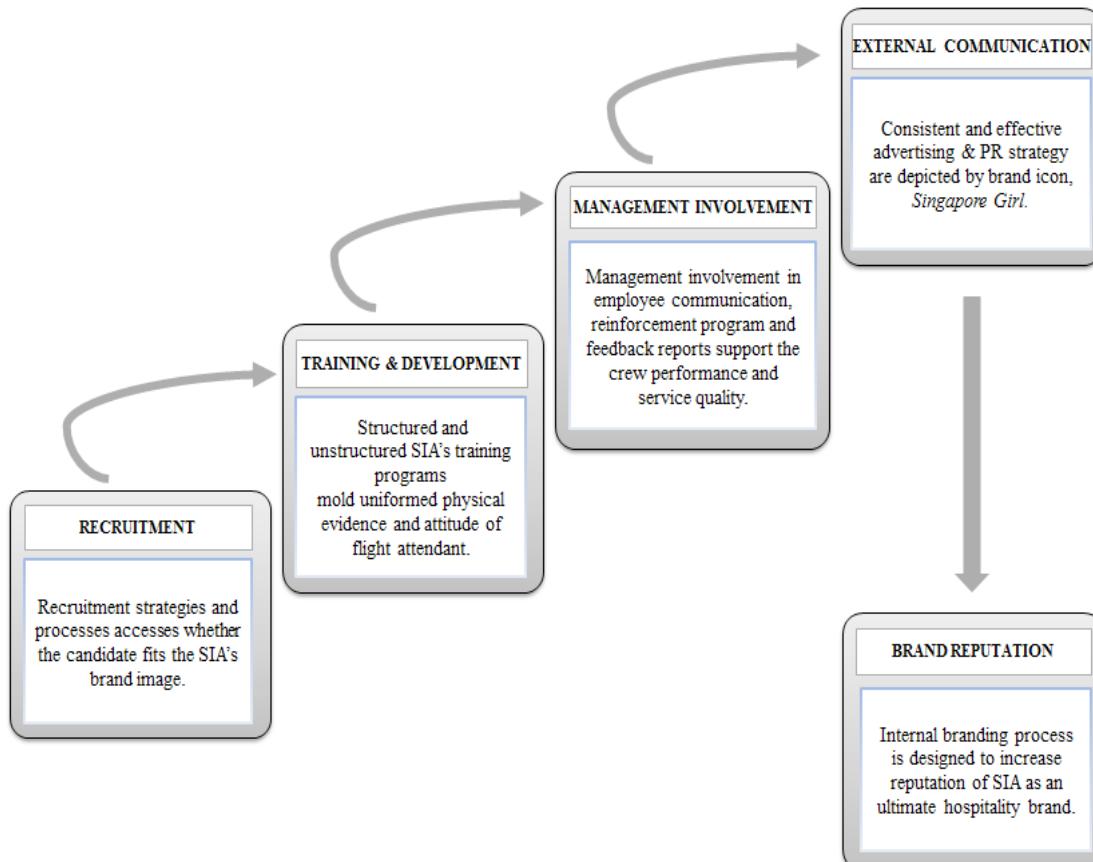
as commodities which are just another cost in the industry.

However, SIA valued and established a strong relationship with its employees, especially their flight attendants. Since commitment to high-quality service is an integral part of the SIA's strategy, they need to have internal traction from the frontline staff who directly delivers the brand promise to customers. SIA distinguished itself from its competitors with both the provision of exceptional service and a strong relationship with flight attendants and customers, which increased its brand recognition and attracted new customers while also retaining customer loyalty. This begs the question: how can the airline create a differentiated brand through its own employees?

The Singapore Girl or Singa-Girl, was a visually consistent advertising strategy depicting the typical female SIA flight attendant, dressed in the distinctive Sarong Kebaya, a simplified version of the Malaysian traditional attire. These positions are still highly sought after from prospective employees. Each year, thousands of applicants apply for just a few available jobs. This recognition can be seen across cultures as shown in 1994: the Singapore Girl celebrated her twenty-first

Figure 1

The path of the Singapore Airlines' employee branding formation



birthday and became a part of the corporate history as the first commercial figure to be displayed at the famed Madame Tussaud's Wax Museum in London, United Kingdom.

The Singapore Girl as a marketing tool has worked so well that it has been one of SIA's competitive advantages for the past few decades. She has become a clear image associated with high-quality service in an extremely competitive industry with slim profit margins. It starts from recruiting people with the right attitude and assessing whether the candidate fits the SIA's brand image. Then, going forward, it is critical to develop the branding enthusiasm within the workforce through structured and unstructured training programs. This creates a positive impact on individual performance and employee commitment to the organizational goals. Finally, it involves building a brand from inside out across all communication points where a company delivers the consistent and effective advertising and PR messages depicted by the brand icon, Singapore Girl (Figure 1).

Recruitment

According to David Jones, the Managing Director of Robert Half UK, "Recruitment should be viewed as an extension of marketing and organizations must have clear strategies to first market the brand to its employees." In SIA, the number of flight attendants, (roughly total 7,375 in 2008), were chosen through a rigorous selection process from all over Asia. The position of the Singapore Girl has always been perceived as a job reserved for elite-beautiful woman, who are impeccably groomed. SIA executed a finely tuned star recruitment strategy to retain its flight attendants with exceptional talent. This recruitment strategy usually requires a significant investment in employee development.

On its international flight routes, SIA has recruited foreign crews and has lowered its language barriers between the service provider and the passenger. The company formerly recruited only Singaporeans and Malaysians, but since 1995, SIA has extended its recruitment of Singapore Girl to other Asian ethnicities such as Chinese, Indian, Japanese, Korean and Taiwanese. A flight attendant in Asia is a highly respected and competitive position. The airline recruitment process has been carefully conducted by a mixture of managers and board members from the cabin crew division. Overseas recruitment events usually take more than one month at the applicant's original base. These events allow SIA to meet numerous potential talented employees all at one time.

An example of the competitive nature of positions for flight attendants can be seen in the previous recruitment events. In 2001, SIA recruited female flight attendants at the Lotte Hotel in Seoul, South Korea. In spite of the fact that over the years the application requirements have become more stringent, almost 6,000 Korean women strove to become a Singapore Girl. SIA categorized applicants into

three groups according to the alphabetical order of their surname, taking a week just to receive applications. SIA required applicants to have a four-year university degree and be relatively fluent in English. Moreover, female applicants have to be at least 1.58 meters (5.2 ft.) tall, and preference was given to those who were able to speak multiple foreign languages in addition to English and had experience providing customer service.

If the candidate passed through the documentation phase and the walk-in interview, the process continued with two rounds of preliminary group interviews, a written test, an aqua-phobia test (for emergency landings over water), a full medical checkup, a tea party (to observe how the candidates would conduct themselves), final interviews with the SIA executives, followed by the fitting of the uniform, Sarong Kebaya. Overall, the recruiting process requires at least a month to find the right women suitable for molding into a Singapore Girl. This extensive recruitment time carries a significant cost in both management time and the expenses involved.

SIA is a customer-oriented organization that spends a substantial amount of time and expense in finding qualified service personnel. The organizational culture was infused into employee candidates during the recruiting process and continued throughout their career. At the same time, SIA's recruitment efforts remain diligent in finding only ideal candidates. In 2007, SIA selected only nine Korean candidates from the applicant pool (when usually twenty foreign crew applicants are selected) despite the strong growth of business in the Korean-Singapore sector. This was also during for the launching of a new aircraft, B777-300ER, in the Korean-San Francisco sector.

Training and Development

The training process for new recruits begins with a four-month program (almost twice as long as the industry average training duration) covering topics which included product knowledge, service procedures, passenger handling, grooming, language and communication skills, etc. Several critical tests were conducted at random times to observe the retention of knowledge of emergency protocols such as First Aid, Safety and Security Procedures. However, these training modules for flight attendants are common in other airlines. Part of what sets SIA's training apart is the emphasis on molding impeccably groomed women clad in tight-fitting traditional Malay Sarong Kebaya and building a somewhat subservient attitude to show the stereotyped image of the Singapore Girl.

SIA educates their flight attendants in how to apply cosmetics in the trademark style of Singapore Girl for the first part of the training program. Trainees are given only two choices of color combinations based on a specific palette designed to blend with SIA's brand color scheme. The selection of make-up color for the flight attendant is strict and clearly defined in the company's internal grooming manual. All

flight attendants are required to carry a Make-up Card for the first few years and are required to use the designated color only. If a member desires to change a lipstick color, she must first obtain permission from the office (Cabin Crew Division). Appearance which immediately impacts the customers' perceptions has always been the most important aspect for the Performance Appraisal Check which is randomly done by the senior flight attendant on board.

In part, what makes the Singapore Girl memorable is the Sarong Kebaya, a traditional two-piece Malay dress that consists of a figure-hugging batik skirt (Sarong) and a tight blouse (Kebaya). The name Singapore Girl was coined when Pierre Balmain, a French haute-couture designer was commissioned by Singapore Airlines to construct and update the traditional Malay Sarong Kebaya for the flight attendant's uniform, with attention to the womanly figure. Its brilliant batik pattern made the Singapore Girl trim and slender with the emphasis on a slim waistline and broad neckline. Since then, the uniform has gained worldwide recognition as a part of the SIA's signature brand. To have the Sarong Kebaya fit a Singapore Girl to perfection, four separate fittings are required before the final designation and BMI (Body Mass Index) is regularly checked.

SIA also attaches great importance to attitude in their employees: A modest, courteous, and somewhat subservient demeanor is required for the job. The company provides mentoring and unites senior and junior staff in workplace settings to encourage a long-term commitment to a service culture. The aim of this approach is to dovetail with the company's goals. The advantage of implementing mentoring in work place settings lies in the fact that proven skills, experiences, and attitudes are passed down in a more effective way and new hires are able to consistently develop additional service skills.

Another common practice to improve employee's performance is a Performance Appraisal Check which is usually conducted by the senior crew members, ten times a year. All crew members are aware of the fact that the size of their end-of-the-year bonus depends upon the results of their performance appraisals. The check describes in detail working performance areas such as appearance, product knowledge, attentiveness, teamwork, etc. The Control Center staff randomly assigns junior and senior crew members for the appraisal check before a flight briefing so that they don't know which flight will be checked. This creates some tension amongst the flight attendant crew members in the work place but motivates them to work harder all the time.

Management Involvement

SIA operates the Crew Operations and Performance Management Departments beneath the Cabin Crew Division. Its main objective is to achieve the highest possible level of in-flight service through effective performance management and instills a high level of operational discipline during the flight. For example, an effective employee com-

munication system, a reinforcement program, and feedback reports ingrain the practices of corporate strategic values into all cabin crew members. The following sections describe these management systems that are used to monitor and improve crew performance and service quality.

Employee Communication

The employee communication system is built toward the mission and corporate values of the company. The company's mission statement is "a global company dedicated to providing air transportation services of the highest quality and to maximizing returns for the benefit of its shareholders and employees" and the core values are "the pursuit of excellence, safety, customer-comes-first mindset, concern for staff, integrity and teamwork." To educate employees to know and understand the company's strategic values, which is the critical component of the brand promise to customers, the company needs to involve flight attendants in their internal transactions. Therefore, effective communication is needed for all crew members to build a brand from the inside out.

However, the fact that nearly 8,000 crew members are always on the move and almost never in one place altogether makes communication challenging. To overcome this challenge, the Cabin Crew Division prints publications specifically for the flight attendants. High-point is a monthly newsletter featuring flight attendant events and passenger comments and Cabin Crew Circulars provides bi-weekly updates on service-procedures, rules and regulations; and security and safety guidelines. In addition to the effort promoting strategic values in generic documentation, there are also pre-flight briefings conducted by in-flight supervisors that help to align service values among crew members.

Among the number of communication tools at grass-roots level, W@ve is the most comprehensive and effective one. In addition to a password, all crew members have a special item, known as a token to access this website. The airlines can more effectively secure access while providing hundreds of pages of cumbersome information for cabin crews (e.g., employee manuals and documents, news feeds, training materials, etc.). As a result, all crew members benefit from remote access to this intranet and keep up-to-date with the strategic focus of the organization. W@ve is also being used as an organizational culture platform. This results in a large number of employees sharing excellent service experiences in a discussion board to promote new ideas regarding quality service.

Reinforcement Program: SOAR.

In order to share various service situations and discuss individual customer experiences among crew members, the Service Over and Above the Rest (SOAR) program was developed. The SOAR program was built with the corporate philosophy based on excellent customer

service. This program was launched in 2003 to encourage crew members to provide in-flight service that far exceeded the competition among the crew members. A typical SOAR session is based upon the sharing of real experience scenarios and situations encountered by other flight attendants. These discussions intensify the learning and bonding between participants as they come to a common understanding of the SOAR values during these sessions. The training derives much of its credibility and immediacy from the fact that it is conducted by senior flight attendant members who have personally experienced these situations. Overall, reinforcements program such as SOAR function as on-the-job training and development for all the staff.

Feedback Reports

Building a brand from the inside out requires managerial attention to the crew members who interact directly with customers. SIA has monitored feedback from various resources, such as Voyage Reports, Crew Web, surveys, overseas briefings, and verbal feedback from the cabin crews. The voyage report, for example, is submitted by the leading steward or stewardess (mid-level manager) on every flight. If a situation occurred where a customer was dissatisfied with the service, the issue was strongly emphasized in the report no matter how insignificant it may have seemed.

SIA keeps the customer's satisfaction in mind and will strive to solve any problems. The report is sent to the corporate office for further analysis of the customer's needs if the situation arises again. SIA makes a strong effort to stay in touch with their customers and have always quickly replied to every complaint and compliment they received in the same language as the feedback. If a comment is written in Korean, the ground staff collects the report which is then immediately translated into English and sent to Singapore on the next available flight. SIA consolidates this input with other key figures to create a closely-observed, quarterly Service Performance Index. The SIA's service excellence can be partly attributed to their immense database comprised of all experiences from every flight attendant member for future use in training scenarios and to offer solutions.

External Communication

The consistent advertising and PR (Public Relations) strategies allow crew members to understand their role in communication and this eventually has a positive effect on customer satisfaction with products and services. Recently, Singapore Girl can be seen in television advertisements on specific channels such as CNN, promoting the new A380 aircraft and its features. The company created the campaign and the slogan "Singapore Girl, You're a great way to fly" and have continually communicated this message for over thirty years. Whether the advertisement is about new aircraft, new destinations or service-related innovations, "A Great Way to Fly" is its commitment to service delivered by its flight attendants. This promise has been consistently

shown in exclusive prints and TV commercials with the company's desire for quality service.

All communicative messages to consumers are featured using the Singapore Girl, which immediately sets the brand apart from its competitors and in the customer's mind. Through the world's longest running advertising campaigns, Singapore Girl has become an instantly recognizable corporate symbol and is synonymous with Singapore Airlines. She is the brand icon, and the public personification of high quality service being delivered.

Brand Reputation Management

At the core of the SIA brand strategy, the Singapore Girl has become a very powerful idea and a successful brand icon with a near mythical status. What makes experiences with SIA memorable is the Singapore Girl, putting on a certain pattern of make-up, hair style and uniform. In SIA, the color of the uniform and other branding material (e.g., logo, website, etc.) is blue. In order to ensure consistency and accuracy in the use of a brand color scheme for branding employees, SIA developed a strict grooming guide for flight attendants. This uniformity in color scheme makes every single flight attendant a visual trademark which is imprinted on the customer's mind through a series of impressions over time.

While physical impressions are aligned with brand recognition, consistent training and reinforcement programs have built trust into a solid brand as a leader in their position and industry. Management also recognized the importance of involvement and effective communication in the development of the employee brand. Management communicated their brand's purpose to employees to ensure consistency in delivery of products and services and integrated all marketing activities.

The overall purpose of an internal branding process is designed to increase the reputation of SIA as an ultimate hospitality brand. Reputation is about what customers experience or expect about the company in their position and industry. SIA adopted this view and therefore, the whole process of creating, managing and communicating employee branding has a powerful influence on how people feel about a product and service or the company itself. Singapore girl, as a brilliant personification of a company's commitment to service excellence, is used by an organization to develop brand recognition and to build reputation.

Conclusions and Discussions

During the last decade, SIA has been recognized as the standard of quality service and has been benchmarked by other airlines. The company continues to grow on the enduring image of the Singapore Girl as well as on the extraordinary standards of service and the introduction of service-related innovations. The unique and successful

branding strategy, epitomized by consistently using the Singapore Girl image has effectively integrated customer preferences into external communication. This strategy has proved to be difficult to match and appears to be around for the long-term.

The Singapore Girl icon has contributed immensely to the success of the company's brand strategy and its entire positioning around customer and service excellence. "Singapore Girl"..... the mere mentioning of these two words immediately brings a picture of a slim, sweet, smiling Asian girl in a Sarong Kebaya to mind. While other airlines have attempted to match this brand strategy, none have been able to achieve the level of consistency, commitment and true permeation of the brand in all facets of service. This is a particularly difficult feat to achieve especially in a highly cyclical industry where the competition reacts to the slightest changes in performance on a daily basis.

However, the Singapore Girl may find herself under attack in spite of the fact that the Singapore Girl is an image that guarantees high quality service. Women today represent a huge emerging market segment and airlines must take them into consideration when designing their marketing strategies. Human resource issues related to changing cultural values may also impart the success of the Singapore Girl program. Given the changing environments, a number of questions should be considered;

- What are the keys to the success that Singapore Airlines has had with the Singapore Girl program?
- How will changing cultural trends impact the perception of the Singapore Girl? For example, the recent trends where women business travellers have increased in number, does the emphasis on female flight attendant of Singapore Airlines still appeal to this segment?
- What changes, if any, do you think are necessary to the focus on the Singapore Girl and how she is portrayed?
- With customers being further segmented and demand increasing, a question arises: Can SIA's branding strategy be adopted with success to other hospitality related areas such as restaurants or hotels?
- Should other airlines consider copying SIA approach? If so what difficulties will they face?