

Potential Brand Conflicts Between AIR FRANCE and KLM

The aim of this paper is to investigate whether brand conflicts exist between AF and KLM. In order to identify any brand conflicts between these two brands, it was essential to measure customers' expectations and perceptions from these brands.

As such, a sample of European business travellers familiar with AF and KLM brands was surveyed in order to obtain the primary data needed. The chosen sample consists of fifty respondents working for Bausch & Lomb, an eye health company, which has offices around Europe. The questionnaire used for the survey included a mixture of open-ended and closed-ended questions (copy of the survey enclosed). The survey was designed using "Survey Monkey" and sent electronically to the respondents in August 2007. Therefore, the first part of this article will present the findings of the survey while the second part will discuss the findings. Finally, the article will provide recommendations in order to reduce any brand conflicts identified.

By Farhan Abdi

After the announcement of their merger in 2003, AF-KLM attracted unprecedented controversy about the fact that the two carriers will not succeed in implementing a full integration successfully in terms of their activities. Most of these criticisms focused on the operational side from synergies achieved through the merger to the impacts of this merger on their respective hubs, CDG and AMS and other airlines.

However, no research has been undertaken regarding possible potential brand conflicts between the two airlines after their merger - this is why any primary research in this field is important.

Branding in the Airline Industry

Branding is becoming more and more important in the airline industry due to fiercer competition. In terms of competition, a brand creates a difference in the customer's perception of a product/service between a strong brand and commodities (Shaw, 2005). Sorensen (2007) argues that branding is important to all carriers regardless of type, as 83% of international airlines surveyed recently believe that branding attracts passengers Sorensen (2007). A strong brand creates an added value to the product, which then can be sold at premium price, and it also assists the company to maintain the control on distribution channels (Kleymann & Seristo, 2004).



Photo 1: The AF and KLM "tails". Source: Capital Photos

At this point, it is important to highlight the differences that occur between AF and KLM regarding their brand values in order to give the reader a broader understanding of the differences that may create brand conflicts between AF and KLM. Through the the analysis of the websites of the two carriers it was identified that they promote different brand values (Air France, 2007). Table 1 shows that AF is focusing on product development while KLM is more concerned about network and operational efficiencies. This will implicate directly their brand positioning because these different brand values will send mixed messages to their customers and hence will cause brand confusion as these brand values are currently communicated in their promo-

tions and advertisements. Another striking difference identified is the fact that AF is heavily involved in promoting its quality of services through product advertisements on its websites while KLM does not even showcase its different cabin classes on its website.

Findings

Overall, the results of the survey suggest different customers' expectations and perceptions of the AF and KLM brands. Customers expect superior quality of products from AF while

Table 1: AF and KLM brand values

AF brand values	KLM brand values
Comfort	Network
Excellence	Profitability
Innovation	Trust

Source: AF and KLM corporate website (2007)

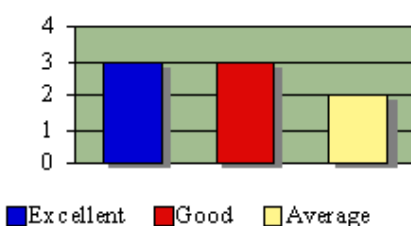
they expect reliability and consistent level of quality of service from KLM. Customers backed up their views with the following arguments:

- AF's products (cabin, food & beverages, IFEs) is far superior than KLM's while KLM operates older aircraft on some of its routes which affect customer's experience;
- AF is notorious for delays at CDG, on the other hand KLM is more punctual and provides smoother transfers at AMS;
- AF's staff sometimes come across unhelpful, especially with non-French speakers while KLM's staff are more courteous and professional.

Additionally, the results of the research demonstrated that customers' evaluations have been influenced by their experience on one of the carriers as well as some country of origin effects. The analysis of the results suggest that brand conflicts exist between AF and KLM brands since customers expect significantly different quality of product/service from these two carriers. Customers expect a high quality of product from AF while they expect reliability in terms of punctuality from KLM.

Additionally, customers believe that the AF and KLM brand are not complementing each other due to their differences in terms of brand values and most importantly due to their distinct original backgrounds. Doganis (2002) stated that flag-carriers represented and still represent their countries and hence a high degree of 'pride' and 'patriotism' are attached to them, making them harder to establish themselves as other multi-national organizations can.

Figure 1: French respondents' views on AF brand



Source: Farhan Abdi

	Service quality	Product quality	Punctuality
AF	Poor (Unhelpful staff, poor post-travel customer service)	Excellent (Seats, food, IFEs)	Poor (Delays, misconnections at CDG)
KLM	Excellent (Courteous and professional staff)	Poor (Older aircraft, obsolete cabins)	Excellent (On-time performance, smoother connections at AMS)

Table 2: Summary of the discordances between AF and KLM brands. Source: Farhan

This issue was highlighted by some of the respondents of the survey who expressed their preference for their national carriers as Fig. 1 demonstrates.

Although the results of this research are in any case not representative of the overall customers of AF and KLM, the similar expectations and perceptions of the respondents of the survey and the users of Skytrax, coupled with the different branding strategies of the carriers compensate greatly the limitations of this research. Moreover, the results of the Skytrax users' comments about AF and KLM product/service validated the comments expressed by the respondents of the survey because of their similarities. As results, the above-mentioned reasons reveal that brand conflicts exist between the AF and KLM brands.

Discussion

The discordances between AF and KLM found their roots in the different branding strategies adopted by AF and KLM. When it comes to punctuality, KLM has scored better on this area because the company strives to improve its on-time performance and it also has to live up to its slogan which says 'The Reliable Airline'.

Moreover, the KLM brand due to its smaller home market size, is even

more focused in increasing its market shares abroad, and thus relies more on the international market. Hence, improving its on-time performance will allow the Dutch carrier to attract more international traffic. On the other hand, AF, thanks to its larger home market relies less on international traffic than KLM and hence the carrier is not pre-occupied by improving its on-time performance - although the congestion at CDG also contributes to the poor punctuality records of AF.

Additionally, AF is pursuing a different branding strategy than KLM which consists of 'Making the Skies the Best Place on Earth' according to its slogan. This is what explains the carrier's involvement in renewing fleet, improving its products and hence scoring better on product quality than KLM.

Implication for the AF-KLM Group

As the results of the research suggest that customers have different expectations and perceptions about the AF and KLM brands in terms of product/service, customers will be likely to choose either AF or KLM according to certain requirements.

As such, AF will be picked by customers looking to experience good quality of in-flight product while business passengers will opt for KLM thanks to its punctuality records. Farquhar (1989) argues that the stronger the associations between a brand and its value, the more likely that this will guide product percep-



tions and thus influence purchasing behaviour. According to this argument, customers will favour AF brand for its product while other will pick KLM for on-time performance. Hence, this will create a gap between the AF and KLM brands and can even encourage indirect competition between the two carriers. The airline industry is one that is very competitive and the implications for the AF-KLM group might be that this will create an atmosphere of mistrust between the AF and KLM brands and can even impact the morale of the employees.

Conclusion

In order to reduce these brand conflicts, these are some recommendations for AF and KLM:

Adopt common brand strategies: By building up on the best assets of each carrier; this means that the AF should aim to improve its service quality and its operational efficiency and particularly the ease of connection at CDG. On the other hand, KLM should improve its product quality by introducing new fleet as suggested by the findings of this research.

Introduce common advertising and

marketing activities for both brands: Previous researches indicated that advertisements appear to transform the product/service experience (Wells, 1984). This occurs because advertising leads consumers to allocate disproportionate attention and encoding efforts to the advertised brand during their product/service experience. Therefore, it can be argued that the stronger expectations from AF's product on one hand and the stronger expectations from KLM's service quality and on-time performance on the other hand, can hinder the performance of the AF and KLM brands - because consumers will be disappointed as the consistent product/service they usually expect from one airline will change according to the airline used. Another reason why AF and KLM should undertake common advertising and marketing activities is that increased brand advertising accelerates the improvement in attitude towards companies. As results, the lower expectations from AF's service quality and KLM's product quality will be seriously improved.

Footnote

[1] <http://www.airlinequality.com>

About the Author

Farhan Abdi undertook in 2006-2007 the MSc Air Transport Management study at Cranfield University in the UK. During this study he wrote his thesis on this topic: 'An investigation of potential brand conflicts between Air France and KLM'

Farhan asked Airlines Magazine to help him to collect customer data for his research.

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