



Virgin Atlantic Airways

RANK 10

Travel

Parent: Virgin Travel Group
Employees: 6,500
Total Company Spend 2006: £7.1m
Revenue 2006: £1.5bn

Top spending brand 2006:
 Virgin Upper Class £3.0m
Web: www.virgin-atlantic.com

KEY PEOPLE

CEO: Steve Ridgway
Director of Global Sales and Marketing:
 Paul Dickinson
Advertising Manager: Hamish Rickman
Head of Advertising & Communications:
 Brenda Bubear



*Our Premium Economy cabin.
 Looks more premium than economy.
 Costs more economy than premium.*

Why upgrade to Premium Economy? Well, for a start there's the new, bigger leather seats with bags of legroom. Then there's the exclusive cabin and dedicated crew. Finally, the price - which is much more 'economy' than premium! So, why upgrade to Premium Economy? The simple answer is 'Why not?'

PREMIUM economy



“Virgin Atlantic is responding to the ‘open skies’ agreement and low-cost carriers by focusing on the quality of its in-flight facilities and its reliability.”

Strategic Insight

Sir Richard Branson has promised to place corporate social responsibility at the heart of its marketing activity for the Virgin Group, beginning with a pledge to invest \$3bn (£1.6bn) from Virgin's transport businesses into developing sustainable fuels in a bid to fight global warming. Virgin Atlantic will play a key part in ensuring that Branson can keep his promise and is investing in fuel-friendly jets - the forthcoming Boeing 787 “Dreamliner” is claimed to be 20% more fuel efficient.

Like most full-service airlines, Virgin Atlantic is responding to the launch of the ‘open skies’ agreement and the threat posed by low-cost carriers launching cheap transatlantic fares, by focusing on the quality of its in-flight facilities and its reliability. The airline reaffirmed its price promise that customers can find Virgin's cheapest fares online and upgrade to premium economy when purchasing an economy ticket online.

The long-haul carrier has also focused on a range of

different perks to differentiate its offering from its rivals'. These include its limousine drop-off service, a tie-up with gourmet pudding firm Gü to promote the Minipuds range to economy class customers, a loyalty scheme allowing members to buy top-up miles, and the £11m Heathrow Clubhouse. This opened in March 2007 and offers a luxurious choice of relaxing, pampering or business services.

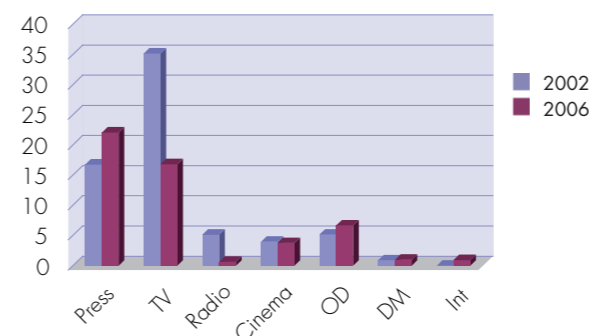
campaigns. TV work has featured a host of celebrities over the years, including actors, Terance Stamp and Helen Mirren. Also, a beautifully understated poster campaign using the Arabic word for ‘soon’ written in white on a red background to resemble the shape of an aircraft, garnered much praise from consumers and industry alike.

Over the last few years, outdoor shows the biggest spike in expenditure, with little investment from 2002 to 2003 before jumping to more than £1m in 2005 and 2006. Press has declined since 2002, while TV peaked in 2006 at £2.7m. Radio

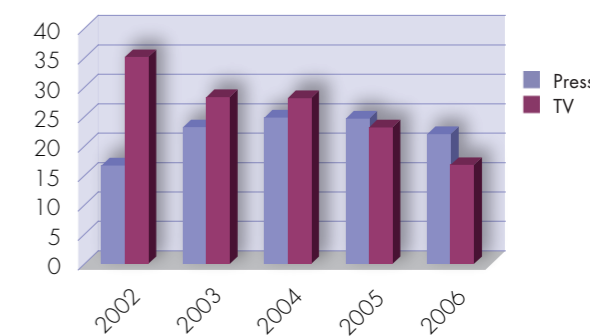
and cinema have shown consistently low levels of spend.

Interestingly, despite Virgin Atlantic's announcement that it is reviewing its direct marketing arrangements, spend in this channel has slowly declined from 2002 to negligible amounts in 2005 and 2006. Internet spend benefited from a hike in investment in 2004 before rising to £1.7m in 2006. Figures from the first quarter of 2007 show little change in overall spend pattern against the same period last year - up from 2.3m to 2.5m. £0.6m appears to have been diverted from TV to cinema.

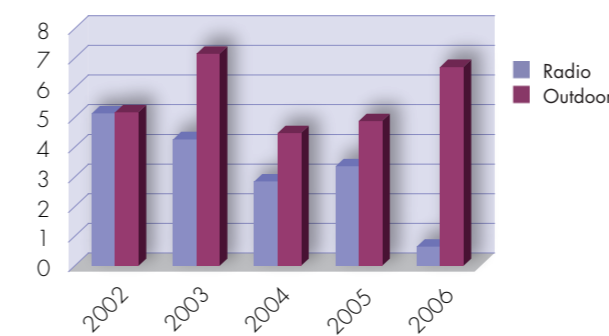
2002 VS 2006 COMPARISON



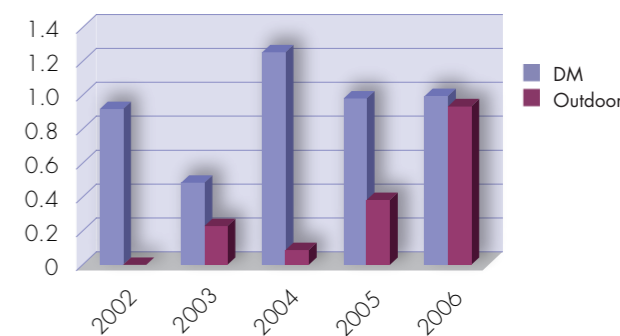
PRESS VS TV COMPARISON



RADIO VS OUTDOOR



DM VS OUTDOOR



All figures given are in millions of pounds unless specifically stated otherwise