

jetBlue Airways Sponsorship Portfolio Proposal

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jetBlue Company Information

David Neeleman founded jetBlue Airways in 1999 with the desire to put “the humanity back into flying” (Adamson, 2006). He believed that flying should be fun and affordable and this philosophy has been embedded into the jetBlue brand and core values. Since the company’s inception in 1999, it has rapidly expanded with over 100 aircrafts flying in and out of 53 cities across the country and even in the Caribbean (jetBlue Airways, 2008). For specific locations of where jetBlue flies in and out of, please look at Appendix A1. One can easily note the differences between jetBlue Airways and their competitors like Southwest Airlines, American Airlines, Delta Airlines, and United Airlines (Hoover’s Business Information, 2008). Whereas those airlines provide the typical soft drinks and airline snacks, jetBlue partnered with Dunkin Donuts to bring their quality beverages and food into the fold (jetBlue Airways, 2008). jetBlue is the only airline to offer free wireless Internet access in exclusive corporate partnerships with BlackBerry and Yahoo! as well as DirectTV and XM Satellite Radio programming for every seat (jetBlue Airways, 2008). Between these exclusive partnerships and a passion to make flying fun, jetBlue has quickly become a strong competitor within the airline industry.

jetBlue’s sponsorship policy (as seen in Appendix A2) aligns the company with its core values of fun, passion, caring, integrity, and safety (jetBlue Airways, 2008). In keeping with the brand driver of putting “humanity back into flying,” jetBlue’s image/thematic platform is to be appealing to the masses looking to enjoy flying and in an affordable manner. Whether it’s a single professional looking to get work done on his/her BlackBerry during the flight or a family of five hoping to remove some of the stress that typically accompanies flying, jetBlue Airways provides an affordable way to get from one destination to the next. Since jetBlue is now an international airline, it’s target market is quite large in terms of demographics and geography. However, jetBlue is targeting those individuals who are not loyal to an airline whether it’s

because they are new to choosing an airline to fly (e.g. a college student) or those who are likely brand switchers. jetBlue also wants to make sure its current brand loyal customers are pleased with their service. However, since jetBlue is a relatively new airline, the current primary target audience is the switcher or new category user. By adjusting the current sponsorship portfolio to the changes we are recommending, jetBlue can use these sponsorships to effectively reach its target audience in a manner aligned with its core values and image platform.

The objectives that we would like to achieve through our modifications to the sponsorship portfolio include: raising brand awareness across the country, and improving consumer attitudes toward jetBlue airways. With those objectives in mind, we analyzed jetBlue's sponsorship portfolio, focusing on the fit of the sponsorship with jetBlue, the location of the sponsorship, and jetBlue's target market.

Before we modified the portfolio, there were many small, obscure sponsorships that were concentrated in only a few geographical areas. There were many sponsorships that were not a good fit with the jetBlue brand, and there were even more sponsorships that were very similar to each other. We removed thirteen sponsorships, and decided to add four to the portfolio (see Appendix A3). For example, we removed the St. John's University sponsorship because it conflicts with jetBlue's policy against sponsoring religiously-affiliated organizations, and we removed the wine and food festival sponsorships because we felt that they did not reach the correct target market. We also removed the San Francisco Marathon and the Los Angeles Clippers because jetBlue was sponsoring similar things in the same areas. For a list of the sponsorships that we maintained, see Appendix A4.

We made sure that the sponsorships that we added diversified the locations of sponsored events in order to obtain maximum exposure (see Appendix A5), and that there were jet-Blue sponsored events taking place during every month of the year (see Appendix A6). The

result of this process was a geographically distributed, year-round array of sponsorships that are a good fit with jetBlue and will reach the appropriate target market.

In the 2007 year, jetBlue had \$2.842 billion in sales, allowing jetBlue to spend \$27.270 million per year on sponsorships, including leveraging costs, as it does with the current sponsorship portfolio (Hoover's Business Information, 2008). We believe that our proposed modifications will boost the portfolio so that it is better aligned with the company's core values, while saving jetBlue \$4.195 million per year in sponsorship costs. For extensive budget information, see Appendix A7.

New York Yankees

As noted in Appendix A2 in jetBlue's sponsorship policy, jetBlue desires a sponsorship that would provide a strong return on their investment, provide unique promotional concepts, reach a large audience, and have similar brand attributes. Based on this policy, Buzz Research division believes that the New York Yankees (NYY) are the best way for jetBlue to effectively reach those four goals in both the local New York market as well as on a national scale.

Of any of the US Major League Baseball (MLB) teams, the NYY would provide jetBlue the strongest return on their investment because the Yankees can provide jetBlue with the largest audience reach and highest level of brand awareness. According to the Turnkey Brand Index (TBI), the NY Yankees have the top out-of-market following of any team in the MLB, NFL, NBA, and NHL (Bill, 2007). This same study found that the Yankees were the number one brand in New York as well as "the most recognizable brand in the country" (Bill, 2007). Essentially, the TBI shows that the Yankees are not only a top draw in New York City, but also across the country. To back up this study's results, one can merely look at the attendance figures for the 2007 season. The Yankees had the highest average and overall attendance in the MLB as the organization reached over 4.271 million tickets sold and averaged 52,749 fans per game ("MLB Attendance," 2008). In addition, the Yankees were also a large draw on the road as they filled

83.4% of the visiting stadiums, the league best in that category ("MLB Attendance," 2008). For other statistics that demonstrate the strength of the NYY brand, please refer to Appendix C1.

The Yankees would also provide jetBlue with the unique promotional concepts that they desire from their sponsorships. As the Yankees do not offer set sponsorship packages, the different sponsorship levels would not limit the promotional concepts jetBlue envisions. The Yankees simply send out their available inventory for each upcoming season to current and interested sponsors and then work with each sponsor to develop a customized package that satisfies both sides in terms of budget, activation, and leveraging opportunities (Fitzgibbon, 2008). These customized packages range from five to seven figures each year.

Based on jetBlue's primary sponsorship objectives to increase brand awareness and improve consumer's attitudes toward the jetBlue brand, we propose that JetBlue works with the Yankees to create a customized package that would include website and television advertising, a JetBlue information booth at each game, sponsoring charity home plate signage, and being one of the lead gate sponsors. We are proposing this exclusive sponsorship with additional opportunities because research has shown that "exclusive sponsorships, which often provide a sponsor with additional branding opportunities such as media advertising and on-site hospitality, should increase the likelihood that more effective sponsorship processing will occur by setting the brand apart from others" (Cornwell, et. al, 2005). We believe that this level of customization would allow the jetBlue brand to reach as many Yankees' fans as possible in a memorable fashion to boost the consumer awareness and attitude of jetBlue.

While we realize that this sponsorship would certainly be jetBlue's most expensive one in the portfolio at \$10 million/year, our research division sees the Yankees title sponsorship as a strong investment because of all the exposure and possible positive image transfer that would come with it. Research has shown that financial markets see stadium sponsorship as positive events, especially when the company is relatively small (jetBlue is small in comparison to other

competing airlines) and the sponsorship is of a winning sports team (the Yankees have made the playoffs in each of the last 13 seasons) (Clark, Cornwell, & Pruitt, 2002). For more specific details regarding our sponsorship proposal, please read Appendix C2.

Due to the fact that jetBlue has only been around since 1999, we believe that it is important that the prestige and proud history of the Yankees' image be transferred onto the jetBlue brand. The Yankees were established in 1903 and thus have been in New York for 105 years (Yankees.com, 2008). Research has shown that the "perceived prestige of a sports team was shown to influence one's identification with that team and, in turn, influence key sponsorship outcomes such as sponsor recognition, attitude toward sponsor, sponsor patronage, and satisfaction with sponsors" (Cornwell, et. al, 2005). In February 2007, jetBlue had to cancel around 1000 flights due to bad weather along the east coast resulting in a lot of negative publicity for the brand. By sponsoring the Yankees, jetBlue could work on getting that transfer of excellence towards their product, which means that "meaning moves from the event to the sponsor's product when the two are paired during an event, and then to consumers in their roles as spectators or participants" (Cornwell, et. al, 2005). Since jetBlue wants to target current and prospective customers with this sort of positive image transfer and since jetBlue is headquartered in NYC, we believe that a sponsorship with the NY Yankees would be the best option.

Not only have we considered how this sponsorship proposal would benefit jetBlue, but our research division also believes that the NY Yankees sponsorship would fit nicely within our proposed jetBlue sponsorship portfolio. Like the 20 other sponsorships in the portfolio, the NY Yankees sponsorship aligns with jetBlue's core values of fun, passion, caring, and safety (jetBlue.com, 2008). In addition, jetBlue does not currently sponsor any other MLB teams so there should be no worries about conflicting sponsorship arrangements among competitors. jetBlue could further align the NY Yankees with another sponsorship, Penn State University, by

offering a special student and alumni spring break package to NYC with Yankees' tickets either included or discounted. All in all, we believe that a sponsorship of the Yankees would provide a strong ROI and achieve the two primary objectives set forth by jetBlue and would provide a home run fit for the jetBlue sponsorship portfolio.

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Appendix C1 – Strength of NY Yankee Brand

Not only are the NY Yankees the most recognizable brand of any US sports team, but also the Yankees top-hat logo was named the top logo among all 30 Major League Baseball (MLB) team logos by a *Sports Business Journal* report conducted in late November 2007 (Fitzgibbon, 2008). If JetBlue wanted to use the NYY logo for any marketing purposes, it would certainly be easily recognizable and thus the likelihood for the positive image of a strong winning tradition to transfer over to JetBlue would increase.

The Yankees primarily use three words in describing their organization: history, tradition, and excellence (Fitzgibbon, 2008). The NYY have been in New York since 1903 and have won 26 World Series titles in that time, which is the most of any North American sport franchise.

The Turnkey Brand Index noted the large out-of-market following. The team's MLB dominance was confirmed when both the Harris Interactive Poll in June 2007 as well as the ESPN Sports Poll in August 2007 found that America's favorite MLB team among baseball fans is the New York Yankees (Fitzgibbon, 2008). The Harris Interactive Poll results made it the fifth straight year that the Yankees were selected America's favorite baseball team. Not only were polls conducted that showed the Yankees' popularity across the country, but also in New York City. When Quinnipiac University polled New York baseball fans, they found 52% supported the NY Yankees while only 44% backed the other local team, the NY Mets ("Yankees, Jeter Are The Princes Of The City," 2007). A potential problem with this sponsorship is that as much of a high percentage of MLB fans love the NY Yankees; another large percentage hates the team (e.g. Boston Red Sox and NY Mets fans).

Not only are Yankees' fans very passionate about their team, but they are also willing to demonstrate that passion through their wallets. The Yankees were the top team in terms of sales of licensed team products out of the 30 MLB teams. In fact, 20% of MLB's total sales were that of the New York Yankees (Fitzgibbon, 2008).

The NY Yankees travel to Tampa, FL for spring training each year (Yankees.com, 2008). JetBlue has recently added flights from the NYC to Tampa destination (JetBlue.com, 2008). It would be beneficial to JetBlue to capitalize on the popularity of the Yankees' spring training by providing discounted tickets to Yankees' fans wanting to make the flight down to Tampa. Last year, the Yankees had 15 spring training games and 154,661 fans attended those games (Fitzgibbon, 2008). The Yankees had the highest total attendance among all MLB teams and was actually almost double the next highest team total. According to the Yankees, 49% of those attending spring training games are from outside of Tampa. 27% of all those in attendance are specifically from the Northeast where JetBlue has its highest concentration of flights (Fitzgibbon, 2008). By sponsoring the Yankees, JetBlue would be able to target the 41,758 fans from the Northeast who would likely take a flight down to Tampa.

Appendix C2 – Yankees Sponsorship Proposal

To ensure that JetBlue wasn't just an obscure brand sponsoring a gate at the new Yankee Stadium, we will have an information booth just inside our gate at every game where fans can purchase airline tickets, ask questions about JetBlue, and even experience the JetBlue brand.

The NY Yankees already have a sponsorship deal with Dunkin Donuts (Yankees.com, 2008). JetBlue has a unique business partnership with Dunkin Donuts by providing their beverages and food on all JetBlue flights (JetBlue.com, 2008). Thus, it would be possible for JetBlue to have an area in the booth where it looks like the inside of an airplane with five rows of seats. Fans could then sit in the seats and see how fun flying can be with XM satellite radio, DirectTV, and Dunkin Donuts.

In addition to the gate sponsorship, we would include website advertisements in our package that would link directly to exclusive JetBlue offers for Yankees' fans whether they are flying to NYC to watch the team, Tampa to watch spring training, or another city to catch the Yankees on the road. Between April 2007 and February 2008, Yankees.com had over 227 million visitors, which puts them in the top three clubs for that category (Fitzgibbon, 2008). Therefore, these statistics would suggest that website advertisements on the Yankees' website, especially ones offering special flight discounts for Yankees' fans, would provide a strong return on JetBlue's sponsorship investment.

For similar reasons, the sponsorship proposal includes television advertising because the Yankees have the most games broadcast nationally and their local games are shown on the YES Network, which is the top regional sports network in the US (Fitzgibbon, 2008).

Our final item of the sponsorship plan would be partnering with another organization, Global Green USA, which is another organization our research division believes should be added to the JetBlue portfolio. This portion of the customized package involves "sponsoring" Global Green USA allowing fans to view their signage right behind home plate during select home games. This would provide greater exposure for Global Green USA on both a local and national level. In addition, this would provide a unique opportunity for a strategic alliance between two sponsorships in the JetBlue portfolio.