

Virgin trains communication plan



Virgin Trains was born on 29th of November 1996. Virgin Trains is the brand name of Virgin Rail Group. Virgin Trains currently operates the West Coast passenger train franchise in the UK which it was awarded following the privatisation of British Rail. This franchise was awarded in 1997 runs until April 2012.

Virgin Rail Group is owned 51 percent by Virgin Group and 49 percent by Stagecoach. The Virgin Rail Group and is made up of the Virgin Management team and Stagecoach.

Virgin Trains presently serves 43 stations. Of these we directly operate 17: Rugby, Coventry, Birmingham International, Wolverhampton, Stafford, Crewe, Stoke-on-Trent, Macclesfield, Stockport, Runcorn, Wigan North Western, Warrington Bank Quay, Preston, Oxenholme Lake District, Lancaster, Penrith North Lakes, Carlisle.

Situation Analysis for Virgin Trains

SWOT

This section identifies Virgin Trains internal strengths and weaknesses and our

external opportunities and threats in the UK market.

Strengths:

Brand Group

Cross selling between Virgin Mobile and Virgin Atlantic

UK Surveys (Virgin Trains media room 2008)

35 million UK passengers journey each

voted best rail company by travel weekly magazine

best UK domestic train service by business traveller magazine

89% of passengers were satisfied with their overall experience using Virgin Trains (Passenger Focus “ National Passenger Survey – Wave 21 – Autumn 2009”)

64%) of passengers were satisfied with the value for money tickets from Virgin Trains

Virgin Trains staff also received some of the highest scores for helpfulness (77%)

Food

Choices of on-board meals

On-board shops

Entertainment

Entertainment for adults and kids (kids pack)

Onboard technology

On-board telephones

mobile phone boosters

On-board wireless internet.

Ability top charge their laptop and mobile onboard

<https://assignbuster.com/virgin-trains-communication-plan/>

Online website technology

The purchasing of tickets through an online website that has an advance booking scheme that gives customers/groups cheaper tickets and discounts.

Customers can also book and buy tickets online and collect them at kiosks at stations.

Fast ticket kiosks at stations

Catering to passengers at Stations

Upgrading of train stations to improve passengers satisfaction

Virgin Train has also catered for the driving passenger coming to use their trains by providing an easy pay as your go method using their mobile phone to pay for parking at stations car park.

Journey times

Reduce traveler time on journeys.

Trains are punctual and reliable

Employees

Quality trained employees

Trains

Virgin Train has some the fastest trains and most modern fleet on the UK railway network.

Clean trains

Environmental friendly trains (the use of bio fuel)

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Security

For safety and security all trains are fitted with CCTV recording equipment

Improvement on railway routes

Reconstruction of the West Coast Main Line

Weakness:

Market Focus

Marketing primarily focus on First class passengers

Website

Website needs to be redesign to attract more customers more interactive content needed

Brands synergy

Not enough synergy between Virgin Trains and Virgin Atlantic

Fares

High fares

On-board facilities

Customers complaints about on -board toilet facilities needs

Journey Purpose

Low figures in commuters and business

Opportunities:

Engage and encourage private sector investment

New route development

Mobile marketing

Cross selling between Virgin Mobile and Virgin Atlantic

Increase market share over competitors

Using technology to migrate offline customers to online

Upgrading on-board facilities

New government

Threats:

Terrorism

With the bombing a few years ago of London train stations passengers continue to fear that terrorist could strike again at any station or train and may prefer different forms of transport.

Economy down turn

With global recession looming and with the down turn in the economy layoff and reduce spending has seen a drop in the number of commuters.

Reduction or removal of government subsidies

Reduction of Business customers due to new technologies

With the development of Video conferencing business passengers see this cheaper and less stressful than using the train to go to business meeting.

Other route operators gaining market share

Customer segmentation analysis

Latest customer's surveys by Passenger Focus for Autumn 2009 showed that customer purpose for travelling on Virgin Trains was leisure followed by business and commuters the table bellows shows the figures for the fourth (4) quarter for 2008 and 2009 (Passenger Focus Report for Autumn 2009).

Journey Purpose

Autumn 2009

Autumn 2008

Commuter

10%

10%

Business

24%

24%

Leisure

66%

66%

Which such low percentages within the business and commuters area for journey purpose, we can assume that these figures are due to:

Down turn in economy and company layoffs

Passengers using other form of cheaper transport

Passengers using other train companies.

This is an area that needs to be address if we are to gain market share over our competitors and . Overall all of our competitors had low scores in these two areas as well.

Our research has show that customers want cheaper fares, value for ticket money and easy access to their journey. There is a great potential here for growth within these two segments. Once the global recession easies persons using the trains for the purpose of commuting and for business will increase. Virgin Trains needs to position itself in the market to attract these two customer segments when this happens.

We also look at ways of e-marketing approaches that would attract these two segments to travel on our trains. One approach was the use of mobile technology segments. Research of the UK population showed that the UK is one of the highest users of mobile phones. In fact base on the recent statistics it showed that 90% of the UK population owns a mobile phone or more (IAB 2009).

Another research showed that almost half of British population (46%) have accessed the internet using their mobile phones (Mobile Life European Report 2007).

As of May 2008, at least 16.5 million people had accessed the mobile internet in the UK (MDA 2008).

This research shows that there is a potential to access these two segments or more using mobile technology via the mobile internet. The cost of attracting these segments should be low as the use of SMS text message, mobile websites can be used as tools to market to these segments with minimum costs. The potential for customer growth is high as well as increase revenue over a period.

Key issues

Political climate Change

With the elections due in May it is important that we monitored the view and policies of all parties. As any legislator that could affect our marketing plan needs to be assessed.

Global economy outlook

Once the

Customer Acquisition

Customer acquisition is a process of identifying, approaching and developing new customer relationships. In the online world customer acquisition means taking these new customers and converting them into sales for the company.

as well as encouraging existing customers to migrate to using online websites for purchases or services (David Chaffey 2007).

Virgin Trains continues to be an

We will need to increase the percentage of these two groups to at least 40% for business

UK; 16.5 million people accessed the mobile internet in May 2008. This represents a 25 per cent growth since May 2006, indicating an average 4,500 new users every day Mobile Data Association (MDA 2008)

The continued growth of messaging is highlighted by a 2009 daily average of 265 million text messages and 1.6 million picture messages. 2009's text message total was 96.8 billion, while over 600 million picture messages were sent across the whole year.

96% of people open text messages

90% of the UK population owns a mobile phone or more (IAB)

Almost half of British population (46%) have accessed the internet using their mobile phones (Mobile Life European Report)

There are more households with a mobile and no landline (iAB)

The UK has the 6th highest percentage of mobile internet users in the world at 16% (Ofcom)