

# Virgin mobile case analysis: overview



**ASSIGN  
BUSTER**

Virgin Mobile has strategically shaped its marketing mix to appropriately target the younger demographic. First, let's look at its product element. The younger demographic is more open to new things like text messaging, downloading information from their phones, ring tones, faceplates, graphics, having access to popular entertainment on their phone, etc. For younger people, phones are less of a tool and more of a fashion accessory or personal statement.

To appeal to these needs, Virgin Mobile created "VirginXtras," which involve the delivery of popular content, features, and entertainment. They signed an exclusive, multi-year content and marketing agreement with MTV networks to deliver music, games, and other such content to Virgin Mobile subscribers. Consumers have access to branded accessories and phones, graphics, ring tones, text alerts, and voice mail.

In addition to the MTV-branded content, Virgin Mobile also included the following VirginXtras: text messaging, online real-time bidding, rescue ring (a prearranged "escape" call such as to avoid a bad date), wake up calls, fun audio clips, a hit list of top 10 songs in which subscribers can listen to and vote for, a music messenger that allows subscribers to shoot a message to their friends so that they listen to a song, and a movie application that provides descriptions, show times, and ticket purchases in advance. All of these features appeal to the youth market, and generate additional usage and loyalty.

Next let's look at the elements of placement and distribution. Virgin Mobile adopted a channel strategy that was more closely aligned to its target-

market segment. They decided to distribute their products in channels where youth shop, which means places like Target, Sam Goody, music stores, and Best Buy. These are the stores that kids usually buy consumer electronic products, such as CD players and MP3 players. Virgin Mobile decided to package their products in similar consumer electronics packaging so it would be familiar to these consumers.

They created a clear, see through package where consumers can examine the phone without a salesperson helping them and purchase it like they would any other consumer electronics product they would normally buy. Virgin made a contract with the handset manufacturer Kyocera from which it buys different phone models with different features and functions. The first two basic models were bundled with interchangeable faceplates that would be decorated with eye-catching colors and patterns, bundled into a bright red starter pack.

This starter pack would be easily visible on large point-of-sale displays, and available at all of the popular retailers that the younger demographic shops at. The younger demographic doesn't want to be hassled with sales people and extra obstacles in purchasing a phone. They want fashionable, accessible, easily located, and conveniently located products. That is the exact aim Virgin Mobile was going for in its placement and distribution strategy. Another important element of the marketing mix is promotion. Virgin mobile had a much tighter focus and narrower target market than that of their competitors.

This meant that they could target the youth demographic in a more direct, efficient, and less-cluttered way. As generally noted, the younger generation is more responsive to advertisement that is up-to-date, modern, fun, and relates to the “young and hip” attitude of their generation. Since younger consumers often view their phone as a personal statement, it was important for Virgin Mobile to reach this personal and youthful side. They devised an advertising that the company described as “quirky, offbeat, and completely different. The ads featured teens and made use of strange, quirky metaphors. They named their phone models “Party Animal” and “Super Model” to relate to pop culture and the younger generation’s lifestyle. Virgin Mobile used this unique promotional strategy to stand out from the rest of crowd and truly make a statement to the younger demographic with ads that are not boring and “run-of-the-mill.” They were a lot more unique, creative, and entertaining—all attributes that younger consumers value. Furthermore, the company worked with popular youth magazines to publish “advertorial” pieces.

Virgin Mobile also executed numerous high-profile street marketing events that featured paid performers—dancers and gymnasts dressed in red from head to toe—who engaged in various stunts. Perhaps the most famous and attention grabbing promotional stunt was for the launch of the Virgin Mobile USA service. The cast of *The Full Monty*—a popular Broadway show—appeared with Sir Richard Branson (Virgin founder) dangling from a building in NYC Time Square wearing nothing but a large Virgin Mobile red phone. It is events and promotional stunts like these that truly reach out the younger aged consumers—bold, exciting, modern, and fun.