

Corporate Brand – Personal Brand

Virgin Group Ltd. – Richard Branson

**Dorothea Maag
Marlène Käsermann**

Presentation in Corporate Brand Management II
IMU Marketing
University of Bern

23. March 2010

1 INTRODUCTION

1.1 Why did we choose this topic?

First of all we decided to compare the corporate brand with the personal brand of the company's "leader", and then we started looking for different companies which have actually a strong man or women who represent through their personal brand the corporate brand. Finally we decided to analyze the "Virgin Group Ltd.", with his overall known Chairman Sir Richard Branson.

Virgin is a well known brand almost all over the world, especially in the UK and the rest of Europe, and his "leader" Sir Richard Branson reached the status of a celebrity.

It is amazing how the coexistence between corporate brand and personal brand in the Virgin Group works. On one side you have the brand "Virgin" which, if you ask people on the street, couldn't be related with all the different companies united under its name, but on the other side you have Richard Branson, who always will be related to Virgin.

So you might ask: "Do people buy Virgin products and services because of their qualities or because they relate the products and services with Richard Branson and his strong, innovative, creative and fun personality?"

1.2 What do we want to transmit? Goals?

The idea we want to transmit is, that having such a strong personality (Richard Branson) who represents first of all himself as the Chairman of Virgin and second the corporate brand Virgin itself, obviously it can have a lot of positive aspects but just as well some critical negative aspects.

So first of all we are going to present you the Company Virgin Group Ltd., we will start where it all began, the Company's history and its unique founder, Sir Richard Branson:

2 Corporate History and Richard Branson

2.1 The Virgin Group

Virgin Group is a diversified grouping of more than 360 privately held companies in over 30 countries all over the world.



Holding this disparate group of companies together is just possible with the combination of Richard Branson and the Virgin brand name.

2.2 How it all began

Richard Charles Nicholas Branson was born on the 18th of July 1950 in South London. Branson was educated at Scitcliffe School until the age of thirteen. He then attended Stowe School until he was sixteen. Branson has mild dyslexia and had poor academic performance as a student, which contrasted with excellent performance in sports, especially swimming and his ability to connect with others.

Branson dropped out of boarding school at the age of 17, in 1967, to start his own magazine. That venture was an immediate success and also the beginning of his career. As a result of his business exploits, quests for adventure and his unique personal style, Branson reached cult status in his home country.

“Your business is not unique, but you are.” – New York Times

As one of the richest men in the world, Richard Branson is also one of the most fascinating. He is a man of many facets, his public person as a warm, friendly, idealistic, family man seems in sharp contrast to the highly competitive, workaholic who considers himself a tough negotiator in business dealings. While many entrepreneurs make their fortunes by focusing on doing one thing extremely well, Branson is the complete opposite, because in many branches he entered he was a complete greenhorn. (That’s also how the name “virgin” came up, because he was new at the business.)

2.3 Virgin on a Time Axis

As shown on the group's homepage: <http://www.virgin.com>

- **1968**

So this is where it all began. Richard's first venture 'Student' magazine went into print and sold over 50,000 copies of the first issue. Who'd have thought it would lead to the birth of one of the world's biggest brands?



- **1970**

He launched his second major undertaking, a company called VIRGIN, which started as a Mail-Order record company. It made a pretty big noise. Which is why a buzzing Oxford Street shop followed a year later, called "Virgin Record Store" and it remains Virgin until 2008.

- **1972**

He built a recording studio called "The Manor" near Oxford, England where the first ever Virgin artist, Mike Oldfield, recorded Tubular Bells. You might have heard of it...



- **1973**

The Virgin record label is launched and the Virgin Music Publishing operation is established in the UK. Mike Oldfield releases Tubular Bells, one of the biggest selling albums of the decade and the soundtrack to 'The Exorcist'...

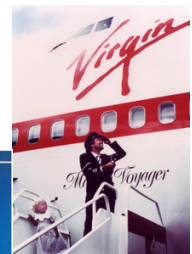
- **1977**

When Virgin signed the Sex Pistols, they went where all other major record labels feared to tread. Maybe because they did things like belting out 'God Save the Queen' on Silver Jubilee day - opposite the Houses of Parliament.



- **1984**

Virgin Atlantic takes off, flying to all sorts of glamorous locations. Not space though. That came later. Virgin Cargo is also born.



- **1985**

Virgin Holidays arrives. Not content with just getting people there in style, he wanted to keep them there in style.



- **1987**

Virgin Records America is founded. We were flying there a lot, so it made sense to expand there too.



- **1988**

Virgin Megastores opens new stores in Glasgow and Paris, followed by numerous other British, European, American and Pacific Basin cities...and 2 years later even in Japan.

- **1991**

We get all literary and respectable as Virgin Books formed.

- **1992**

Virgin Records is sold to Thorn EMI, in one of the highest-profile and most expensive acquisitions. But the music lives on...



- **1993**

Virgin Radio hits the airwaves as the UK's first national, commercial rock music station. We thought we were a bit more in tune with what people want to, well, tune into.



- **1994**

Virgin Retail becomes the UK's largest music retailer with the acquisition of the Our Price chain...

Virgin Vodka and Virgin Cola are launched. They go together very well, as it happens.



- **1995**

Virgin Direct pioneers index tracking by launching the best value PEP in the market.

Virgin Cinemas launches in the UK.

- **1996**

Virgin Express airline takes off, operating services from the UK to Brussels and on to European cities...

V2 Music is created, comprising the UK label, V2 Records and V2 Music Publishing. The Stereophonics are one of the first bands signed to the label...

Virgin Net launches as an internet service provider...

Virgin Brides opens its doors... and Richard shaves his beard off, but his wife doesn't like it so he grows it back.



- **1997**

Virgin Trains wins the 15 year franchise for the Intercity West Coast line. And we've been going strong ever since - we launched our tilting Pendolino trains just five years later.

Virgin Radio is acquired by Chris Evans and Ginger Productions...

Virgin Cosmetics launches with its first four flagship stores...

Virgin Direct unveils the Virgin One Account mortgage.



- **1999**

Richard Branson is knighted for "services to entrepreneurship" and presented as a millennium icon.

Virgin Mobile changes the way people communicate. How? For one thing, we made sure there were no hidden costs (thereby making things much cheaper and fairer).

Doing our bit for couch potatoes everywhere - we launched Virgin Active, a network of health clubs.

- **2000**

Nine new Virgin companies are launched:

- Virginmoney.com (a financial services supermarket);
- Virgin Travel store (an impartial travel agency);
- Virgin Student (a student community website and marketing agency);
- Virgin Energy (gas and electricity sales)
- V.Shop (a new retail concept replacing the Our Price brand);
- Virgin Cars;
- Virgin Wines;
- Virgin Mobile Australia;
- Virgin Blue (our low cost airline)



The Virgin brand has become in the meantime, according to the company, one of the top 50 brands in the world by the late 1990s; a poll of British consumers at that time showed that 96 percent had heard of Virgin.

2.4 COMPANY

The company Virgin, beside his Chairman Richard Branson, has some special features itself. Virgin has extremely strong brand recognition, and is always related to innovation, creativity, youth and fun. This is also really important to the internal organization.

Branson has create a fun working atmosphere, so employees should enjoy being a part of virgin, rather than see it as a place to earn a paycheck. He is a staunch believer in open communication being the key to a stronger infrastructure, where everyone is devoted to the overall excellence of the company. This is evidenced by a monthly letter to employees in which he provides much of the details of Virgin's future plans, along with his home address and telephone number for any ideas, suggestions or problems that might arise.

The company's structure is rather different as seen under Management structure from the official website www.virgin.com.

At the centre, Virgin Management Ltd (VML) provides advisory and managerial support to all the different Virgin companies and the specialist Sector teams around the world.

- number-crunchers → manage Virgin's financial assets
- cheeky marketers and spin doctors → protect and maximize the value
- Touchy-feely people teams → ensure Virgin is an employer of choice.

“Seeing as the Virgin businesses are all so diverse and independent, we pretty much practice a collaborative and supportive style of custodianship” – Richard Branson

An important element in Branson's success is his belief in delegation, and this he can do because he can trust “his” people. He prefers to make his managers minority stockholders in Virgin's new ventures as they unfold, trusting them with full authority, and is proud to have created new multimillionaires from within his own organization.

Virgin Group Ltd. is not publicly traded, what means that it is financed by internal equity, namely Richard Branson.

Richard Branson and his Virgin Company like to play “David against Goliath”; when they enter a new business branch they always attack the companies which own the monopoly.

Examples:

- In the UK with Virgin Atlantic Airways against British Airways
- Virgin Cola against Coca Cola and Pepsi

3 Analyzing the Corporate Brand

3.1 Corporate Mission

3.1.1 Identity - Who are we?

Virgin is a leading branded venture capital organization and is one of the world's most recognized and respected brands.

The Virgin Group has gone on to grow very successful businesses in sectors ranging from mobile telephony to transportation, travel, financial services, media, music and fitness.

3.1.2 Vision & Mission - What is our aspiration and purpose?

Philosophy that runs through every Virgin company, it's the desire to:

“Be different by being better” – Richard Branson

Virgin wants to make a difference. Virgin stands for value for money, quality, innovation, fun and a sense of competitive challenge

3.1.3 Business Strategy - What is our business, now and in the future?

Virgin delivers a quality service by empowering its employees and facilitates and monitors customer feedback to continually improve the customer's experience through innovation.

3.1.4 Customer Needs orientation - What do we offer?

“Virgin is about doing things that really work, not just looking the part. We are passionate about running our businesses as well as we can, which means treating our customers with respect, giving them good value and high quality and making the whole process as much fun as it can be.” - Richard Branson

3.2 Brand Mission

3.2.1 Reputation measurement & analysis - How are we perceived?

As said before, Virgin is a very well known brand especially in Europe but also in other parts of the world. In the UK, Virgin is viewed as the country's most admired brand. The company and the brand Virgin are always related to innovation, creativity, challenge, fun and youth, and is seen as employee-friendly.

3.2.2 Brand personality: the brand essence - How do we want to be perceived?

Time does not stand still and Virgin knows that very well, that's why they keep up with the new movements, especially in questions about sustainability (Virgin Green Fund, Virgin Earth Challenge, Biofuel) and exploring the space (Virgin Galactic).

Virgin is working hard to keep perceived innovative, creative, customer and employee friendly, and always being a step further than the competition, by adapting as early as possible to fast moving customer markets.

3.2.3 Gap analysis - How is our behavior perceived at the various touch points?

Business should always be perceived as innovative. Without constant work, a gap arises automatically!

Employees: Virgin has a low hierarchic structure, more like a family. Every employee has Richard Branson's phone number, and they are allowed to call him anytime if they have new business ideas or other kind of suggestions. Everyone has the chance to be promoted, because the education is not that important than the creativity.

Customers / Fans: Customers get offered quality/price balanced products and a lot of entertainment. And last but surely not least they have an idol they can look up to (Richard Branson).

Pressure groups "Environment": Sustainability has become a central concern in the Virgin Group, therefore they engage themselves more and more in environmental tasks to protect our planet. (Virgin Green Fund, Earth challenge and Carbon War Room)

Media: Virgin or Richard Branson always deliver a story to talk about. Richard Branson is an expert in how and when to present himself in public. He is always open for an interview or TV-show.

Public: Virgin is pure entertainment.

Business partners: Richard Branson prefers to stay with people he trusts, so he makes his managers to his minority stakeholders. Thanks to his cult-status and his open and successful communication, he is able to find people which invest in his new business ideas and companies, even if there is high risk involved.

4 Analyzing the Personal Brand

Now, it follows an analysis of the personal brand management of Richard Branson. Of course a complete view into his personal brand management hasn't been published. So we will show you the brand Richard Branson on the model "The TOP 10" steps for the Strategic Brandmanagement "I". To get this general impression we searched the media for activities and events, which took place in his life so far, interviews, articles, videos, blogs, fan pages and so on.

Richard Branson gives the impression, that he manages very well his personal brand. From that, we infer that whatever has been published on Richard Branson characterizes his brand.

4.1 Identity - What am I?

Richard Branson is best known for his Virgin brand, with more than 360 companies. So, let's say, he is an entrepreneur, a much admired marketer, an innovator and the Chairman of the Virgin Group.

"I have created one of the most respected companies in the world. Not necessarily the biggest." – Richard Branson

But his whole life is public, so it's much more to that, than only his business life. He is also a family father, a writer, an entertainer, an idol. He is famous, creative and innovative. And due to his activities, he seems fair, funny, always looking for a challenge and adventurous.

4.2 Vision – What do I want?

Branson seems to have many different visions, depending on the area of his life.

His vision as a family father is, to travel into space with his wife and his children.

From his countless special actions in public, we take, that his vision as an entertainer is: to keep and further build up his image as the crazy chairman of the virgin group, surprising, detached and at the same time down to earth. Just don't get boring in any case.

His vision as the chairman is: "to be different by being better with better quality, better service and better values" – Richard Branson.

Over all we could use a quote from www.virgin.com: "The brave may not live forever – but the cautious do not live at all." – Richard Branson. Branson wants to be brave.

4.3 Customer benefits: What do I offer?

Of course the customers benefit from the personal brand “Richard Branson”. The company and the personal brand are linked together. Richard Branson stands with his name for the products produced by the virgin group. It gives the customers a point of reference, a quality signal and reduction of risk.

Customer benefits can also occur in other forms. Through Richard Branson, they get an idol, a star to admire and a lot of entertainment.

4.4 Performance: What do I do?

The performance of Richard Branson is absolutely multilayered. He has his job, as the chairman of virgin group and also leads different virgin companies. Besides, he is very present in the public and does crazy activities. He is starring in series and movies, posing as a model for various ads. He is personally in direct contact with his fans over his blog, over YouTube and over twitter.

Let’s give you some examples:

- He had guest stars in “Friends” and “Baywatch”.
- He also has a cameo in James Bond, Casino Royal.
- At regular intervals, he answers questions of his fans on YouTube.
<http://www.youtube.com/watch?v=390mu3k7N00&feature=channel>
- He is present at his blog: <http://www.virgin.com/richard-branson/blog/>

And let us show you some ads he did:

For virgin trains and for Samsonite and Virgin Atlantic.



4.5 Believes: What do I stand for?

Richard Branson publishes several believes:

One of his believes is, to protect our planet and its people. *"We at Virgin believe 100% that we owe it to our customers and staff to ensure that our future economic growth is built on firm, ethically sustainable business models."* – Richard Branson.

Virgin invested into bio-fuel business, now it even broadened the investment in renewable energy and resource efficiency sectors through the formation of the "Virgin Green Fund" (VGF). Virgin built up an organization called the "Earth Challenge" to encourage research into Carbon sequestration technology. Knowing, that virgin has railway and airplane companies, you could be surprised. But Branson simply puts the profits of his transport businesses into the development of alternative fuels.

Richard Branson also believes in fun work atmosphere and a management with little hierarchy: *"Our companies are part of a family, rather than a hierarchy."* – Richard Branson

And he believes in fun at work and combining work and leisure time: *"I don't think of work as work and play as play. It's all living."* – Richard Branson

Richard Branson almost must believe in self-confidence, innovation and spontaneity.

4.6 Business Mission: What do I want to achieve?

"My interest in life comes from setting myself huge, apparently unachievable challenges and trying to rise above them... from the perspective of wanting to live life to the full, I felt that I had to attempt it." – Richard Branson

The Mission of Richard Branson is a continuous challenge.

4.7 Brand Identity I: How do I get perceived?

Richard Branson's brand identity is: Crazy, successful, full of energy, innovative, creative, fun, lucky, open minded, attentive.

4.8 Brand Identity II: How do I want to be perceived?

We don't know exactly about how he wants to be received, though it seems, that he gets perceived just as he wants it. He has built up a very constant image and manages it very well, with much effort though. Is this how he really wants to live or rather only how he wants to be perceived?

We also realized that there exist some contradictions between his „created“personal brand and his personal life.

- He always emphasizes “just try, and do what you like to do even if you fail from time to time”, but in real life he was really pushy, so his children would get a good education and finish school.
- He plays the „normal guy“, really down to earth and takes a taxi to work, which he pays with money he had to borrow, but makes holidays on his private island (Necker Island).

So in our opinion, he is really just acting his life in public.

4.9 Brand management: How do I develop into the envisaged Brand Identity II?

Branson manages his personal brand very well. He is famous, successful and his name resounds throughout the land. He has to keep going, which probably causes him a lot of work. He has to enter into new markets, keep doing crazy projects and “private” activities and never ever get boring.

4.10 Personal Branding Concept: What do I do concretely?

Unfortunately we don't know about the personal branding concept of Richard Branson. The brand seems to be in line with the concept, since it didn't change much over the last few years. It's to be expected, that no changes will occur in the next few year neither.

5 Influence Personal Brand on Corporate Brand

5.1 Positive influences

There is a positive impact on the corporate brand through the following characteristics of Branson's personal brand:

Richard Branson stands for competitive challenge and innovation. Transferred to the corporate brand, customers see also the brand virgin as competitive and challenging and reaching for innovations. As a result they get the feeling, that virgin's product are better than the ones of the competition. Better quality, more innovative...

Virgin's products are connected closely with Richard Branson as a person. Every customer who knows Richard Branson gets also a point of reference when buying such a product.

Through the celebrity status of Richard Branson, Virgin is able to find investors, who invest into a new business with taking over much risk.

Richard Branson has also a very fun and crazy image. So people perceive virgin also as a fun and crazy company. This can be positive and negative. Here, first the positive aspect: The company gets admired, since it stands in a tough competition but is still able to create a fun work atmosphere. So virgin has a very good position on the employment market.

5.2 Negative Influences

Richard Branson shows the public his chaotic personality. His "being different" will attract many customers, but at the same time, his unserious appearance has an impact on the perception of the corporate brand. It could just as well reduce the trust people feel towards virgin.

The virgin group is positioned in a rather young environment. At the same time though, Richard Branson is inevitably getting older. Could be that one day this gap will appear ridiculous and the brand will get a touch of incredibility.

As a summary, Virgin lives through exactly one person. Richard Branson. The virgin group seems to be way too much for one person to keep the overview and control. Also the products are connected to him and often only purchased because he stands for it with his name. That's dangerous.

The question comes up: What will happen if Richard Branson will leave the virgin group for example when retiring?

5.3 Recommendations

Richard Branson seems not to care about the obvious too close connection between his personal brand and virgin's corporate brand. He does not seem to care about the future.

Clearly, we would recommend reducing Virgin's dependence on Richard Branson.

He could slowly introduce a new leader for the virgin group. Build up a connection between this new person and himself, make him famous through doing his crazy activities together.

We would also recommend selling the virgin companies with little revenue, for financial reasons, but also in connection with a new prominent leader. For a newcomer it will be too much, to lead all those companies and to keep on doing all those crazy activities in public for PR-reasons.

Another approach would be, to build up a stronger leadership across the organization, not just on top-level. This is a solution we would recommend in any case.

Many of Virgins business are in markets with "high risk and low return" thanks to the personal values of Richard Branson. The focus should be shifted and cross-subsidizing should be avoided. Otherwise it will harm the brand.

And in general, decisions should not be made just based on the personal values of Richard Branson.

6 Sources

Branson, R. (1999), Business ist wie Rock 'n' Roll, Campus Verlag, Frankfurt/Main

Branson, R. (2008), Business Stripped Bare, Virgin Books, London

Branson, R. (2009), Geht nicht, gibts nicht!, Börsenmedien, Kulmbach

URL: [http:// www.virgin.com](http://www.virgin.com) (10.03.2010)

URL: [http:// www.youtube.com](http://www.youtube.com) (10.03.2010)

URL: [http:// http://en.wikipedia.org/wiki/Thorn_EMI](http://en.wikipedia.org/wiki/Thorn_EMI) (10.03.2010)

URL: [http:// http://www.findextrawork.co.uk/cosmeticwork.php](http://www.findextrawork.co.uk/cosmeticwork.php) (10.03.2010)

URL: [http:// http://www.mutualofamerica.com/articles/fortune/september03/fortune.asp](http://www.mutualofamerica.com/articles/fortune/september03/fortune.asp)
(10.03.2010)

URL: [http:// http://smallbusiness.yahoo.com/r-article-a-113610-m-6-sc-45-personal_effects](http://smallbusiness.yahoo.com/r-article-a-113610-m-6-sc-45-personal_effects)
(10.03.2010)

URL: [http:// http://resources.bnet.com/topic/virgin+group.html](http://resources.bnet.com/topic/virgin+group.html) (10.03.2010)

URL: [http:// http://www.fundinguniverse.com/company-histories/Virgin-Group-Company-History.html](http://www.fundinguniverse.com/company-histories/Virgin-Group-Company-History.html) (10.03.2010)

Morgan, K., URL: <http://www.islandconnections.com/edit/branson/htm> (10.03.2010)

URL: <http://twitter.com/RichardBranson> (10.03.2010)