



“Coping with corporate crisis: the role of brand heritage while rethinking a business model. The case of Meridiana airline company”.

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Abstract

The Italian airline company Meridiana suffered a strong financial crisis during the second decade of 2000. The business model was based on internationalization in partnership with Qatar Airways, rebranding and financial restructuring, but unfortunately it did not succeed and led to a liquidation in 2020.

This paper aims at investigating an alternative communication strategy, based on the company's brand heritage on connections with Sardinia, while operating as an excellence in the national airline market. The research represents a “what-if analysis” based on a survey of 305 customers, conducted in 2017, applying a snowball sampling strategy.

Obviously, an alternative approach to communication during the crisis would not, by itself, have been enough to solve companies problems, but the analysis helps to identifying specific reference targets to address companies messages, measuring the importance of the motivations in regard to consumer behaviour attitudes.

The survey shows that, despite a portion of “price-oriented” respondents, there was another group of customers interested in the quality guarantees and in the recognition of an excellent national airline service. Thus, the company's heritage could have been during the crisis the starting point of an alternative communicative model, focused on a reliable national airline service.

Keywords: crisis communication, what-if analysis, consumer behaviour, brand heritage, aviation, Sardinia.

1. Analysis of the Recent Literature Review and introduction to the case study.

1.1 Decline and corporate crisis.

According to Danovi and Quagli (2015) analysts ought to study a crisis focusing on four fields of intervention: its causes, the indicators to consider, the trigger events and the considered model of intervention. A holistic analysis of those aspects is expected to provide a clear overview about the company's condition, in order to customize and to implement the strategies while facing a company crisis.

A crisis can find its origins in a micro or macro-economic context; more reasonably, a mixture of the two levels could involve the variables characterizing the business environment and the infrastructures around the company's activities, preventing from (or exacerbating) the worsening of the overall situation (Guatri, 1995).

Moreover, when macroeconomic causes are deteriorating a specific business, many similar business entities belonging to the same sector are expected to suffer analogously, with moderate differentiations depending on companies' characteristics (Bellandi, 2010).

This is the case of the aviation sector where, external shocks such as, oil prices abnormal increase, terroristic attacks, various modalities of market liberalization, a wider business environment, an increased number of competitors and pandemic crisis strongly impacted. Especially in the last three decades, several companies failed or entered into crisis, while, at the same time, some others were able to survive and to reinforce their market niche. In fact, the air transport market presents additional complexities linked to an ultra-competitive context, to a complex system of air traffic regulations and to the presence of high management costs that, increasingly, demand credit credibility from the company. The use of leasing aircraft, financial products derived for the supply of fuels and the need for constant updates and maintenance plans, require constant access to financial products supported by appropriate credit access by single companies (Harvey & Turnbull, 2009; Abeyratne, 2017). Also in the civil aviation market, many cases paved the way to identify several causes that followed the classical company's crisis path well described by Sottoriva (2012): "The crisis is then the consequence of the progressive deterioration of situations of imbalance and inefficiency of internal and/or external origin".

Therefore, the importance of a study of the endogenous and exogenous causes that characterize the anatomy of a company crisis is noted, focusing on the specific requests by each specific reference sector. In our study that relates to the air transport market, there are additional complexities, specific stakeholders and a range of solutions around which to move.

Thus, not necessarily, a trigger event could be the main cause of a crisis; a trigger event can be the peak that pushes a company over the edge: from an overall declining business context to a manifest crisis with its unpredictable outputs.

Furthermore, the general literature about crisis extends the discussion on the identification of performance indexes (Argenti,1983; Winn,1993), but the aim of this paper is to conduct the discussion in a field more addressed to crisis communication and to sociological aspects than to performance audit. Indeed, this paper tackles the case of a famous Italian airline company,

Meridiana, considering elements of brand heritage, crisis communication strategies and alternative approaches to be considered as a sociological leverage characterizing consumers' behaviour.

Elements such as companies' recognition, brand heritage, trust and reliability become more crucial while facing a crisis. Thus, the damage that a crisis may cause, not only can hurt the company's assets and its economic/financial capacity, but it can even affect the trust, especially trust of the stakeholders involved (Gistri, 2018; Milne & Bozar, 1999). One of the worst consequences of a crisis would be to aggravate the damage involving not only business parameters but also the sphere of trust towards the company (Huang, 2008) and towards its brand value (Wood, 2000; Greyser, 2009).

Additionally, talking about the necessity of a rapid intervention before the definitive compromise of the business, Norsa (2009) claimed: *"When we talk about a crisis, we refer to a series of very different situations, but with some common aspects: an enormous pressure both on the emotional side and on the temporal front (...). This condition implies a sudden acceleration of the events, that requires decisions and actions in times that are unusual for the uses and habits of the company and its management"*.

In order to avoid the worsening of a company crisis, Danovi (2014) claimed that an approach addressed to the recovery of a crisis must be based on a careful analysis of the starting scenario, of the company's condition, of its past strategies and on the evaluation of the surrounding competitive context.

1.2 Strategic crisis communication

The field of strategic communication includes a growing crisis communication literature that seeks to identify the effective crisis communication efforts. The literature regarding strategic communication has identified a selection of crisis response strategies and factors that determine when these response options are effective or ineffective. The actions that managers employ in dealing with crises are the crisis response strategies (Coombs, 2007). In literature, two are considered the main strategies for crisis communication: *managing information* and *managing meaning*. Managing information involves the collection and diffusion of crisis-related information, while managing meaning includes actions to influence people's perception of the crisis and/or the organization involved in it (Coombs, 2010). Most of the crisis response strategies involve managing the meaning, so the effect of the crisis upon stakeholder's perception of the situation must be taken into account and evaluated.

We can classify crisis response strategies into three main categories: instructing information, adjusting information, and reputation repair.

Instructing information helps stakeholders to protect themselves from a crisis. In this scenario the stakeholders become "victims" (Sturges, 1994) and the only applicable strategy is to warn people about the danger (of the product, or location and so on); the main objective is safety.

Adjusting information regards the psychological work that stakeholders need to cope with the crisis (Sturges, 1994). Expressions of sympathy, information about the crisis event, counseling, and corrective actions are all variations of adjusting information. Crises can create anxiety (Jin & Pang, 2010) and anger (Coombs & Holladay, 2005), thus, information about the crisis event reduces anxiety by reducing ambiguity.

Reputation repair seeks to reduce the negative effects a crisis has on the organization's reputation and related assets.

As Coombs (2015) underlines, *“Just because you communicate during a crisis does not mean you necessarily make the situation better”*, so it is important to keep in mind that crisis communication is fundamental to deal with a crisis, but at the same time it is a sharpened tool that can produce effects that are opposite to the intentions on stakeholders and general public. First of all, it is very important to communicate in a clear, linear way and most important with a unique message from the team that deals with the crisis, within and outside the organization (King, 2002).

The internal communication of the organization it is in fact a very delicate issue, that has the important role of reassuring the employees with several goals: to avoid panic, to push for clarity, to involve them directly in the resolution strategy employed, and to prevent distorted or incomplete news leaks (Fumagalli, 2010). As Kotler (1997) explained, the so called “noise” might be very dangerous to an organization involved in a crisis, in fact to have multiple voices commenting and disseminating information can lead to a discrepancy of the message that can have very bad results, aggravating the reputation situation instead of improving it (Johansen et Al., 2012). That is why it is fundamental to have a strong and univocal communication strategy that must involve all the actors dealing with the crisis. The marketing and communicative choices during a crisis determine the message to deliver; those are choices that, inevitably, follow the recovery paradigm towards which the company wants to redirect.

A company embodying values that represent the essence, identity and typicality of its production/offer of services (Crimmins, 1992) can use those tools as emotional levers to deal with a crisis. All these actions depend on both the type of product and the answer you want to give. In fact, some companies prefer to break away from their past to give their image a new independent polish with respect to the previous canons (Muzellec & Lambkin, 2006). Such a dilemma is intrinsic in strategic decisions above all because the rebranding or strengthening of its historical heritage requires huge efforts also from the point of the investments necessary for its own relaunch. In fact, contemporaneity requires increasingly widespread communication strategies that contemplate the web, digital and social dimension in addition to the conventional one. We want to impress in the customer/user memory of an imaginary that leverages on multiple psychological mechanisms and logical associations (Hutter & Hoffmann, 2011): a substantial investment that considers all the privileged channels to reach the desired audience (Tiago & Veríssimo, 2014).

1.3 Introduction to the case study. From Alisarda to Meridiana's partnership with Qatar Airways: over 55 years of history and anatomy of the crisis.

Meridiana is the second name acquired by the Alisarda company: an air company founded in Olbia on March 29, 1963 by Imam Aga Khan IV. The company initially carried out air taxi flights to/from Costa Smeralda¹: a pioneering project of tourist and residential development in northern Sardinia.

¹ The company operated short national stretches with small planes, using the Venafiorita runway between Olbia and Loiri. Only in 1974, with the construction of the new Olbia Costa Smeralda airport, the company acquired further larger aircraft, the McDonnell Douglas DC9.

<https://www.panorama.it/economia/alisarda-meridiana-airitaly-storia-foto?rebelltitem=1#rebelltitem1>
(checked July 2021)

Named Meridiana in 1991, on the occasion of the expansion of further national and international routes, the company has tried to innovate itself over the years, through acquisitions of smaller, younger and leaner companies. In December 2006, he completed the purchase of 29% of Eurofly and, after being listed on the stock exchange, in 2011 bought Air Italy, forming the Italian air transport group Meridiana fly. Despite this dynamism in the acquisitions, Meridiana's financial data already showed a loss of 13% from 2008, remaining in a situation of "sustainable suffering" at least until 2011. From 2012 the crisis was evident and from May 2013 there was a withdrawal from the stock exchange listing. Over the years, Meridiana's survival has been guaranteed by S.A. The Aga Khan with multiple capital increases, but in 2015 a debt restructuring had to be carried out, completed in the following year. In conjunction with the boom of low cost airlines, around 2008, Meridiana began to experience the first significant symptoms of suffering (Granella, 2016). This condition is the consequence of a completely different business model compared to its competitors. Especially for short journeys, Meridiana has seen its profit margin erode. Nonetheless, it had to maintain high fixed costs together with a constant need for new investments and fleet maintenance activities. The economic results of the low cost airlines, in fact, are supported by large earnings connected to the turnover of aircraft through profitable sales or leasing transactions: opportunities that are inaccessible to those who manage a historic fleet owned, just like Meridiana.

The national air market has also seen the arrival of another competitor: the high-speed trains that have managed to take possession of historically profitable routes for Meridiana, at a cheaper average price. For example, we can mention the route of the Verona-Rome Apennine ridge, now replaced by the predominance of the rail. Another difficulty for Meridiana's business arose from the political tensions on the Red Sea which significantly contracted the appeal of the destination. The 10 flights previously carried out weekly in the golden times, became 4 in 2017. All of this was negatively reflected in all the countries affected by the "Arab Spring". A sort of consequent chronic spiral was born - that recalls the legitimate concern connected with the terrorist attacks after September 11th. This decline was only minimally offset by the renewed interest in Sardinia by a part of international tourism. Unlike industrial strategies that can be budgeted or amended, events similar to those described above, occur suddenly and therefore, it is very difficult to plan countermeasures aimed at limiting their consequences.

It should also be emphasized that the flights where the profitability is greater are, above all, those at medium and long haul: exactly some of the bands affected by the greatest contraction. It should also be emphasized that the flights where the profitability is greater are above all those at medium and long haul: exactly some of the bands affected by the greatest contraction. In fact, it is not a trivial factor that the economic crisis has also made its echo heard on the propensity to purchase the same airline tickets by customers in financial distress. Meridiana also faced the expenses related to owning its fleet, unlike many other competitors who prefer leasing. This entailed a risk of obsolescence which is the one facing the part of the Meridiana fleet consisting of the MD 80/82 48, aircraft with an age of over 35 years. Their phase of disposal, which took place at the end of 2018, is a key element of the need for new investments. We therefore come to a very important point in the origins of the crisis: a business model that needs an important rethinking (Granella, 2020).

Let's start with the aerial rotation model to be developed. A owned fleet must make at least 6 short haul trips per day to amortize fixed costs. Meridiana supplied on average only 4 per aircraft. This was added to a frequency of routes that sees a notable seasonality.

In fact, there was an intense summer use of the aircraft and then moved on to long periods of shelter and maintenance in the hangars during the winter. This shows that a owned fleet can be a resource if duly exploited but, at the same time, it can become a burden to bear, especially in light of the complex economic scenario that has unfolded since the beginning of the

millennium. The company therefore suffered a fourfold stress: 1) of an economic/financial nature - due to the erosion of margins and the severity of costs; 2) of urgency from the point of view of investments; 3) of employment, due to the resulting tensions; 4) of a competitive nature. The mixture of all these elements has generated an overall suffering that can be defined as a crisis.

In September 2017, to cope with the persistent financial problems and the need for an overall relaunch of the Company, there was the purchase of 49% of the shareholding structure of a newco (AQA Holding spa, whose 51% remained in the hands of the AKFED fund owned by L'Aga Khan in which the air assets of Meridiana were conferred) by Qatar Airways. From this partnership a new industrial plan was born and the consequent re-branding of Meridiana in Air Italy (Granella, 2018).

In the first place, the Company tried to cope with financial problems and the aircraft fleet was also gradually renewed with the launch of leasing contracts for new aircraft. The management activities were not placed in the explicit logic of turnaround management but were directed towards a renewed internal management, with the rethinking of the routes and with the search for economies of scale by concentrating most of the operational activities in the international airport of Milan Malpensa. From 1 March 2018 to 2 February 2020, Air Italy therefore operated a renewed corporate strategy, promoting new national and international routes at more competitive prices on average. However, the announcement of the liquidation of the company takes place due to disappointing financial results, as the main company performance forecasts have been disregarded to the point of not making the continuation of activities more convenient. The project to make Meridiana "Italy's main carrier", as the shareholding claimed, was therefore shelved even in the face of Alitalia's survival during its penultimate crisis. The extreme competitiveness of the market, together with a lack of definitive remediation of financial criticalities, have therefore led the hypothesis of renewal of this historic Italian company to an unfortunate outcome, despite a crisis management that was set up with a view to relaunching the international market, then disregarded.

In the light of what emerged from the anatomy of the Meridiana's crisis, it is significant to note how the financial problems were the main cause of the Meridiana's liquidation².

Aspects such as communication during the crisis, rather than the enhancement of heritage, would certainly not have solved the main cause of the crisis, but may have induced rethinking the industrial plan in a different view.

In fact, by enhancing the identitarian values and a series of managerial strategies, it is possible to hypothesize an alternative industrial plan, in order to face its last financial crisis in a different way. Since its foundation (originally with the brand "Alisarda"), Meridiana was rooted in Sardinian territory, more precisely in Olbia, close to Costa Smeralda. In particular, the linkage with the city of Olbia has influenced the association of the company's brand to the Italian region in which it was founded: Sardinia.

In this way, Meridiana has consolidated its position, guaranteeing territorial continuity for both residents and tourists, and provided its recognition as an Italian and, more specifically, as a Sardinian company. Although Meridiana has evolved over the years, gaining new and multiple flight routes, it has always maintained its own identity and its headquarter in Olbia. The Sardinian city has always represented a clear element of recognition for the numerous travellers who land in the north-eastern part of the Region, called Gallura. In fact, the emerging competitors landing in the Olbia's airport never got a full recognition by the niche of Meridiana's customers.

² <https://www.agi.it/economia/news/2020-02-11/air-italy-liquidazione-aerei-7053154/> (checked July 2021)

Another successful element of Meridiana's marketing strategy is linked to the choice of maintaining the same colour of the corporate livery over time, until 2018, on occasion of the Quatariota Partnership that asked for a rebranding as “Air Italy” (Granella, 2018).

Finally, in the last 10 years of Meridiana's activity, its marketing campaigns conveyed a brand image that enhanced the company's connection with the territory. Some of those strategies, especially the ones related to its 50th anniversary, adopted a vintage connotation that evokes retro-marketing strategies.

Therefore, despite the crisis that affected this Italian airline company, the enhancement of the historical association between Meridiana and Sardinia would have represented an important element of corporate strategy, even during the last phase of the Qatariota Partnership.

Since its foundation, the company has valorized and strengthened its historical affiliation mechanisms with its region and with its customers. Thus, this identitarian connection would have been a useful additional business leverage, even while facing its last financial crisis.

1.4 Brand heritage strategies to promote processes of customer loyalty: an introductory literature about the case of Meridiana and its Sardinian heritage.

The main purpose of a brand heritage strategy should be to build a solid relationship with the customer, based on the element of trust, to foster mechanisms of loyalty between the company and consumers (Athanasopoulos, 2000; Misiura, 2006). A company that promotes its identity values can influence the purchasing behaviour of consumers. This process, in turn, can affect the solidity and stability of the company itself. Moreover, these strategies, which aim at affecting consumer choices, are also decisive in situations where it is necessary to intervene to remedy corporate crises (Park et al., 2010). The company should, therefore, aim at achieving a level of brand equity, through specific marketing strategies that give recognition and value to the brand. Brand equity depends on the perception that consumers have of the brand and the relationship they establish with the company over time. Specifically, the term refers to the ability of a brand to guide the purchase choice, not only based on the characteristics and quality of the products but rather concerning the recognition and knowledge of the brand (Aaker, 2009; Keller, 2001). In literature, it tends to be used the specific concept of corporate heritage identity to identify the system through which the company communicates its image and identity, which give the individual company uniqueness and, therefore, allow it to be competitive in a globalized landscape (Balmer, 2011; Balmer, 2013). The central elements to be enhanced to remind the historical and cultural heritage of a company are those related to its identity, memory, and history (Martino, 2013; Napolitano et Al., 2018; Urde et Al., 2007). Moreover, the corporate's origins and its connection to a specific territory and geographical context also represent important elements in the definition of a brand heritage strategies (Burghausen & Balmer, 2014). Despite the awareness of several successful paradigms while strengthening brand equity or facing a crisis, there are still few studies that examine whether and to what extent corporate heritage influences consumers' attitudes, purchasing behaviour, and attachment to a specific brand (Balmer, 2017). Therefore, to understand whether this type of strategy is reflected in customer attitudes, the marketing literature often interacts with the sociological literature, especially the sociology of consumption. From this dialogue between disciplines, it emerges, for example, how people's behaviours and consumption choices in today's modern society are driven less by needs and rather more by psychological and emotional factors (Fabris, 2009; Cova, 2013). Furthermore, the consumer is increasingly responsive to their consumption choices and eager to be the protagonist of their experiences of consumption (Napolitano, et Al., 2018; Pine and Gilmore, 2000). In addition, other studies highlight how consumers recognize and enhance the values promoted by the brand, especially concerning companies with a recognizable cultural heritage rooted over time (Garofano &

Riviezzo, 2016). Consumers, therefore, tend to rely on and prefer companies that, in contrast to highly globalized and delocalized business realities, leverage on the enhancement of the territory in which they operate. Consequently, it seems that companies with a richer historical and cultural heritage (and at the same time strongly rooted in the territory in which they operate), are favored by the propensities and choices of consumers (Cantoni, 2013). Therefore, the ability of a consumer to identify a product or service in a broad global offer can represent an added value for the company, when the association between a product and a specific company fosters a positive image and virtuous recognition. In this way, the dominant perspective of customer-based (Keller, 1993), is combined and intertwined with that of brand equity (Keller, 2001) which embodies, instead, the value of the brand. These elements can also be decisive in reorienting consumer choices even during periods marked by crisis. When a company embodies values that represent the essence, identity, and uniqueness of its services and products (Crimmins, 1992), it can also use its emotional impulses to face the crisis. The emotional dimension can emerge by soliciting and enhancing various strategies. For instance, when a company embodies the sense of belonging to an ideal community - constituted by members, loyal consumers or stakeholders, moved by the same intentions – it is possible to use tribal marketing strategies (Cova et. Al., 2012). “Tribes” arise when consumers identify as a group based more on common collective behaviours than on demographics - these customers set themselves apart with a shared way of thinking, common experiences, and lifestyle. Those strategies can also rely on the commonality of the same story. In this sense we talk about retro-marketing strategies. These strategies leverage customers' nostalgia and particularly involve brands and companies with a successful past, and which, through the re-enactment of a past event, reaffirms and consolidates this success even in the present (Brown, 2001). Those strategies can also invoke aspects of geographical identity (Cova, 2005). This would potentially create an appeal as to allow a company in crisis to rise to similar levers to recreate an emotional element useful for relaunching.

2. Methodology

This research represents a “what-if analysis”. This type of analysis involves the collection of a series of data, which can favor the projection of reliable scenarios, in the medium and long term. This in order to provide indications and guidelines for business strategies that must take into account numerous factors of different entities. Therefore, What-if analysis responds to the need of allowing users to simulate and investigate the behaviour of a system considering given hypotheses or scenarios.(Golfarelli et Al., 2006). The empirical study is based on a survey conducted in 2017, which involves 305 Italian respondents. Therefore, the questionnaire was written and filled in Italian. The respondents of the study were selected using the snowball sampling strategies (Goodman, 1961; Handocook & Gile, 2011). It represents a non-probabilistic sampling technique in which the subjects involved in the study personally recruit other subjects to be involved in the study, always following the assumptions and the objectives of the research. The main target population to be interviewed was mainly interested in national aviation, especially identifiable as flight customers; according to the fact that Meridiana operated not only roots towards Sardinia, the overall focus was about people interested in flight within Italian airports. Nevertheless, some other respondents were frequent international fliers.

Finally, the research refers to a heterogeneous type of sample. In fact, the study involved subjects of different ages and residing in different contexts and geographical areas. The study was conducted between August and October 2017, in conjunction with the signing of the partnership operation between Meridiana and Qatar Airways. Through the survey, the aim of the study is to investigate the perception of customers about Meridiana. An element of

originality in this study is to hypothesize a “what if analysis” through data collected before the unsuccessful output of the crisis.

Considering those data, we can properly identify which could be the alternative strategy avoiding a bias, otherwise inducted by the awareness of the consequent failure. At the same time, we can identify which weaknesses characterized the crisis management strategy that drove Meridiana to a definitive suspension of the companies’ activity. The survey was constructed following the model promoted by Keller (1993, 2001) to evaluate the brand perception, by customers and potential ones. The model has, therefore, been adapted to the case study and its configuration is as follows.

2.1 Customer habits profiling Perception of Meridiana Brand awareness and brand equity.

The questionnaire was built on 14 specific indicators, chosen according to questions that points to investigate several factors: the overriding interests in relation to one's own behaviour in purchasing airline tickets; the direct knowledge of Meridiana; consideration of the company and loyalty to the company; the values and history of Meridiana; the user profiling. The various questions aim to jointly assess both the level of knowledge with respect to company dynamics, and the level of satisfaction with respect to specific parameters.

The questions were designed according to the Likert scale values (1 to 5), in order to analyze the correlation between the answers. In this scale the minimum value is 1 and the maximum is 5. Based on the tabulation of data collected, descriptive statistics were weighted elements that give evidence of the parameters measured in the survey described above. Those elements are mean, standard deviation and median (Tab.1). This made it possible to identify the aforementioned elements for the main indicators which will then serve to contextualize the correlation between them. In the analysis process, for each indicator, it was identified the weight that it had on the corporate crisis context. This made it possible to understand the importance that certain rational and emotional levers can have in the eyes of the customer (Cavallone, 2014). Through the correlation matrix, the relationships between the answers to the questions in the survey were therefore studied (Tab. 2). In the responses of each subject it is observed whether there is a correlation between the various parameters analyzed. It is a positive correlation when the positive trend of one corresponds to a similar trend of the other. Exactly the opposite happens when it comes to negative correlations. The correlation oscillates between the values -1 and +1 respectively, with perfect correlation in the value +1, neutrality in the value 0 and “total non-correlation” in the value -1. The values flanked by an asterisk have a significance level of 5%. To properly read the table, they have been attributed to survey question designations from 1 to 14, corresponding to the order of the indicators listed in the table.

Tab.1 Legenda, Mean, St. Dev, Median.

		Mean,	St. Dev,	Median.
1	Ticket price	4.006557	1.054419	4
2	Company reliability	3.914754	1.054102	4
3	Service on board	2.701639	1.169583	3
4	History/recognition	2.872131	1.186566	3
5	Values expressed	2.281967	1.163806	2
6	Fleet type/conditions	2.832787	1.189969	3
7	Meridiana's consideration	3.183607	.7731473	3
8	Loyal customer	2	1.268841	1.5
9	55 years of company's history	2.813131	1.24241	3
10	Meridiana history / Costa Smeralda	2.628141	1.544757	2
11	Knowledge of relaunch plans	1.859016	1.148422	1
12	Qatar partnership assessment	3.311475	.9689418	3

Tab.2, Correlation Matrix

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	1													
2	0.2432*	1												
3	-0.0224	0.4569*	1											
4	0.0217	0.4226*	0.4939*	1										
5	-0.0364	0.2556*	0.5212*	0.5907*	1									
6	0.0114	0.4213*	0.4320*	0.4088*	0.4665*	1								
7	0.0671	0.0838	0.1444*	0.2336*	0.2786*	0.1193*	1							
8	0.0798	0.0530	0.1862*	0.2818*	0.3157*	0.2133*	0.5453*	1						
9	0.0073	0.2026*	0.2949*	0.4430*	0.4464*	0.2738*	0.4634*	0.5566*	1					
10	-0.0835	0.0069	0.0919	0.1509*	0.1121	0.1596*	0.1302	0.4487*	0.3770*	1				
11	-0.0318	0.0444	0.1743*	0.1581*	0.2070*	0.2354*	0.1663*	0.4991*	0.3154*	0.6279*	1			
12	-0.0278	0.0357	0.1200*	0.0290	0.0327	0.0738	0.0815	0.2109*	0.1484*	0.1717*	0.2436*	1		
13	-0.0208	0.0149	0.0141	0.0914	0.0861	0.0853	0.1170*	0.1164	-0.0259	0.1038	0.1562*	0.1964*	1	
14	-0.0156	-0.0511	0.1230	0.0678	0.1547*	0.1416*	0.2482*	0.3431*	0.2227*	0.1834*	0.2692*	0.1229	0.2052*	1

3. Research findings

From the answers obtained through the administration of the questionnaire, first of all, the majority profile of a respondent type emerged that can be defined as “price oriented”³ (Toh, 1990; Suhartanto & Noor, 2012); White and Lohmann, 2016). In fact, a majority of respondents, in the criteria that move the choice of the airline, seem to prefer and orient themselves towards a cost-benefit analysis and therefore to adopt choices conveyed and orientated to a greater extent to the price of the ticket offered by the company. <For 42% of respondents, the cost of the ticket is a decisive aspect and criterion in orienting their choice to fly with one airline rather than another. The results also highlight how this profile of respondents also positively assesses the size and aspect of the company's reliability, in terms of punctuality and safety guaranteed by the carrier, as important aspects that guide individual choices towards a specific airline. In this regard, reliability is an important criterion for almost 70% of respondents, with ratings that are equally distributed between 4 and 5, where 5 represents the maximum value. From the analysis it can be deduced how the user confirms the constant trend of low interest in the carrier's corporate vision, perceiving the transport service as a commodity.

The price-oriented and reliability-oriented attitude denotes that the short-haul business model is increasingly "value for money", influenced by the typical setting of low-cost airlines. The correlation matrix, in line with the selection criteria that guide this majority profile of

³The correlation matrix highlights the trend towards price-oriented behaviour towards the company, to a greater extent if we refer to the following pairs of variables: 7/8, 7/9, 7/11, 7/13, 7/14, 8/9, 8/10, 8/11, 8/12, 8/14, 9/10, 9/11, 9/12, 9/14, 10/11, 10/12, 10/14, 11/12, 11/13, 11/14, 12/13, 13/14).

respondents, highlighted an absence of correlation between the variables that look at price orientation and those parameters that instead focus on the heritage of Meridiana. Indeed, we note how rarer correlations are between variables that look to history and the recognition of the company with more utilitarian parameters and dimensions. So, it emerges that "History" and "Values" embody, for "price oriented" respondents, criteria that influence less their choice orientation towards the company. Although the participants in the questionnaire fall more within a profile of users oriented and influenced to a greater extent by the choice criterion linked to the price, a further share of respondents is, rather, more attentive to the historical-corporate values of Meridiana, thus outlining a more "identity-emotional" type of user profile. These actors are also more informed about the events that involve the company and show a greater interest in the situation of the company and its communication campaigns. This profile therefore seems to be more oriented towards elements and selection criteria in which the dimension of emotionality and recognition of the company to which one chooses to rely is rather incisive. Therefore, selection criteria more oriented towards the identity and value of the brand emerge and return more, among the respondents, when leveraging a whole series of aspects that reflect the parameters of greater attachment to the Company.⁴

A substantially different approach is confirmed between those who consider the airline as a "mere commodity" and those who instead experience air transport as an experiential, historical and emotional element. Also in the light of a similar statistical analysis, we can see the clear response of the customer who considers himself loyal to Meridiana; this profile fully confirms the paradigm characterized by the most emotional parameters.

4. Result discussion and conclusions

From our results it emerges clearly that there are two different mind dispositions regarding the customers: the ones that are more keen to price issues and the ones that are more sensible to quality issues - not necessarily to be understood as excellence in the finished product, as in a set of emotional factors and contextual reliability. In this kind of customers, with this mindset, we can find the customers that are more sensible to brand heritage strategies and attachment to the territory. This dualism finds its equilibrium where the price oriented customers pretend also the punctual and safe completion of the air transport service; and, at the same time, the customers that are principally driven by heritage sensibilities, are interested in a service that has a competitive price in the market, even if it's not their priority.

What emerged is that the weight of both profiles should be carefully considered when the company reasons about its target of customer (present and future). Departing from this reasoning, marketing company strategies can be designed in a way that can intercept the requests of a heterogeneous public, but can also find a point of contact in a substantial condition of equilibrium: a company that is competitive but representative of values and territorial attachment. In particular, the territorial recognition, strongly connected to the identitarian feeling - strong as such as the Sardinian one is, didn't react well to the eradication of Meridiana from its operative hub in Olbia in favor of Milano Malpensa, as indicated by the company strategy chosen by Qatar Airlines. The rebranding strategy that led to renaming the company as Air Italy, has been negatively perceived by loyal customers, making them feel it as a "treason" of the previous 55 years of history.

⁴ In this case the matrix shows a positive correlation, considering the following pairs of variables: 4/5, 4/7, 4/8, 4/9, 4/10, 4/11, 5/7, 5/8, 5/9, 5/11, 5/14).

This, as other crisis communications activities have potentially satisfied the stakeholders that were more price oriented, but disappointed the rest and among those a significant portion of loyal customers.

The results also revealed further evidence, that is the lack of interest recorded in the detailed study of the recovery plans and the influence of the Qatari diplomatic crisis⁵ on the completion of the operation⁶.

In their mean and median there is an attitude of substantial indifference of the sample in relation to these last parameters although, between them, there is an interesting correlation. The above therefore confirms that attitudes toward air travel, even for the most emotional audience, does not consider an excessive level of detail the company's strategy and management of its affairs. This underlines that the emotional customer is more interested in the heritage rather than details of contemporary business strategies. In conclusion, this section shows how essential it is for both customer segments to achieve service excellence in terms of punctuality, safety and reliability. The emotional discriminant assumes a different weight for users who are more sensitive to personal dynamics or identity factors such as the connection to the Sardinian socio-cultural environment.

What the management that tried to deal with the Meridiana crisis actually pursued, without success, was to take an interest in the majority of users by adhering to international pricing strategies. Having ignored the emotional and attached to the territory users has instead weakened a significant target which, at that point, probably began to consider the nascent Air Italy in the same way as international competitors such as Alitalia, Easy Jet, Volotea or Eurowings, working in the same Costa Smeralda airport of Olbia. This has therefore also weakened the commitment of a more local user who still used one of the most consolidated national routes of the same Meridiana, until the loss of the regional ban on "territorial continuity".

The pursuit of excellence in air service that could have satisfied both typologies of customers, should not have neglected the emotional levers linked to heritage; thus, the solution coming from this "what-if analysis" would also have been possible simply by avoiding two direct actions in this regard, identifiable in the relocation of the operational hub and in the choice of rebranding. Nevertheless, it is clear that the outcome of the management of the Meridiana crisis would not have had a substantial change in terms of financial performance, but, at the same time, this alternative solution would have embraced two additional levers to intercept both the targets in a sort of synthesis point.

The balanced coexistence of rational and emotional levers could have given further chances of consolidating a pre-existing national niche and a potential simultaneous extension in the more profitable and complicated international air market, also in light of the expertise coming from the Qatari investor.

⁵ The diplomatic crisis that caused an embargo on Qatar, which began between 2016 and 2017, also caused significant slowdowns in the investment strategies abroad of its Sovereign Fund and its branches in the business, among which Qatar Airways stands out. The acquisition of 49% of AQA Holding, the newco into which Meridiana's assets merged, was therefore delayed for several months and, consequently, the birth of Air Italy was postponed to 2018.

⁶ reference to the descriptive statistics of indicators 11, 12, 13 and their associated pairs of variables investigated in the correlation matrix.

5. Implications for the management

According to the empirical results, a crisis management strategy ought to consider alternative approaches, not only based on a wider internationalized perspective.

This is the case of our “what if analysis” where we tackled an alternative strategy based on excellences and on the valorization of a national market niche. The leverage of brand heritage, well recognized and connected with a specific business reality, could be the starting point to re-think the overall business after a process of financial restructuring.

The strategy adopted by Meridiana in 2017, after the merging with Qatar Airway, was to internationalize the company, to do so the first step was to rebrand the company with the new name “Air Italy”. The main strategy was to try to widen its market by strengthening the international flight routes, but it led to the liquidation of the Italian airline in 2019. There are several reasons for this outcome, first of all, the high level of competitiveness of the international flight market - that included numerous and bigger competitors promoting mainly a “price-oriented” strategy. Secondly, the company was not anymore occupying a specific market niche as it was doing before the merging, moving a huge part of its business from Olbia to Milan Malpensa. Lastly, the financial crisis that the company was facing was not solved, demonstrating the perseverance of the company’s financial weakness especially in the high operating management costs.

Our analysis comes from this acquired knowledge that led us to rethink the strategy in terms of brand recognition, brand identity and fidelitation of the stakeholders through the tools provided by tribal marketing strategies. This strategy would be expected to be implemented in parallel with the financial restructuring; more specifically, following a path of valorization of the brand heritage linked to the historical Sardinian Company. This process would not have necessarily asked for a resizing strategy. It would have addressed the business model to a paradigm of excellence both in the market niche of Sardinian aviation, both in the national air market, and in the most profitable international air market.

According to the strategy that we would have chosen, Meridiana should have kept its name and built up its recognition with focused marketing campaigns, implementing customer loyalty. The occupation of the Italian market niche (and more specifically the Sardinian one) would have been matched to an excellent service without forgetting a proper price collocation: the positioning of the overall service would have been calibrated to the existing competitors, in order to not lose also the average “price oriented” customer. In general terms, this case study is expected to outline how a crisis communication strategy can be substantially characterized by tribal marketing strategies in order to valorize both the geographical collocation and the overall company’s heritage.

As a final remark, according to the empirical results of this research, even in a complex market such as the aviation industry, it is possible to target a specific kind of customer, beyond a mere interest in the lowest price of the goods/services that are sold/provided. The existence of those niches could be driven by a useful sociological and communicative approach, to be adopted by the management, considering every single emotional leverage that could characterize specific customers’ behaviour.

6. Limitation and potential further extensions of the research.

As specified since the beginning of this paper, this “what if analysis” is mainly conducted considering communicative and marketing strategies. The prerequisite for applying the considered approach is to evaluate the financial sustainability of the overall corporate restructuring, having previously evaluated it through a performance audit. This aspect is fundamental because any marketing/communicative strategy could work without a sustainable business plan and without the resolution of previous financial issues. This limitation ought to be explained, but it does not underestimate the value of this “what if analysis”. Evidently, this “what if analysis” shows how a completely different approach would have worked, invoking a strategy of valorization of brand heritage and of the national core business. This is an opposite strategy to the one applied in reality, where the company tried unsuccessfully to promote itself in the airline global market arena, applying a rebranding strategy in a logic of discontinuity with Meridiana. Data coming from this survey of 2017 are an excellent starting point to implement a “what if analysis” because not biased by the awareness of the occurred unsuccessful output of the crisis. According to this, further extension of the research could re-propose the same questionnaire to the same respondents in order to measure the evolution of the answers in light of the company’s liquidation, proposing further questions addressed to the idea of a potential new Sardinian aviation company. Moreover, this analysis could also embrace elements of performance audit, looking for financial and managerial aspects to be evaluated, measured or considered to build up a wider “what if analysis”, again according to the purpose of a stronger valorization of Sardinian brand heritage.

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