

# To Fly or Not Fly?

**SAS**

March 2019  
Lovisa Gunnarsson  
Cecilia Finell  
Davide La Rocca



# Agenda



**01 Background**  
Introducing SAS and setting the scene

**02 Case discussion**  
Management question and  
evaluating alternatives

**03 Management decision**  
What SAS actually did

**04 Summary**  
Evaluation and reflection





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# Background

What does societal change mean for branding?

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# SAS - Scandinavia's leading airline

- ❖ Founded in **1946**
- ❖ Market share of **30%** in Scandinavia
- ❖ EuroBonus loyalty program with **5.6 million members**
- ❖ Listed on the Stockholm and Copenhagen stock exchange
- ❖ **222,000 departures** and **30 million passenger** (2018)
- ❖ Gross earnings of **SEK 2.1 billion** (2018)





# Corporate Brand Identity Matrix



External	<p><b>Value Proposition</b></p> <p>Offering smooth, attractively priced flights for those traveling on business and those traveling privately.</p>	<p><b>Relationship</b></p> <p>We Are Travelers</p>	<p><b>Positioning</b></p> <p>We want to be the first choice and the most reliable airline for Scandinavia's frequent travelers.</p>
	<p><b>Expression</b></p> <p>How can you change the world if you haven't seen it?</p>	<p><b>Brand Core</b></p> <p>We make life easier by making time matter to travelers, to employees and to the planet.</p> <p>Safety - Punctuality - Care</p>	<p><b>Personality</b></p> <p>We are ambitious, while being friendly and trustworthy.</p>
	<p><b>Mission and Vision</b></p> <p>Our mission is to win Scandinavia's frequent travelers.</p> <p>Our vision is to make life easier for Scandinavia's frequent travelers.</p>	<p><b>Culture</b></p> <p>Scandinavian by name and nature.</p>	<p><b>Competences</b></p> <p>Offer more destinations and departures than any other Nordic airline.</p>

Background

Case

Decision

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# But, the society is changing...

## Koldioxidhalten i atmosfären når nya rekordnivåer

Koldioxidhalten i atmosfären har nu nått den högsta nivån på 800 000 år, enligt världsmeteorologiorganisationen WMO:s årliga rapport om växthusgaser i atmosfären. Det globala genomsnittsvärdet för koldioxid i atmosfären är 403,3 ppm för 2016. Orsaken till ökningen är en kombination av mänskliga utsläpp och en stark El Niño.

The New York Times

## Flying Is Bad for the Planet.

Record heat and drought  
set the world on fire

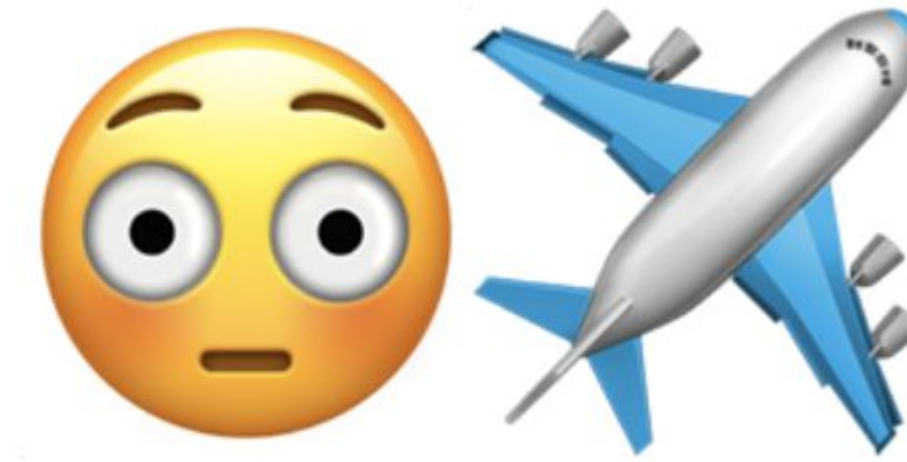
Flossa, flygskam, incel, är bara några ord ur nyordslistan 2018 som sammanställts av Språkrådets och Språktidningen.





# 'Fly shame'

*The word describes the guilt that travelers feel when flying somewhere, due to their knowledge of them contributing to climate change.*



**12%** *of the worldwide CO<sub>2</sub> emissions from transportation methods are generated by the aviation industry*



**1.6 ton of CO<sub>2</sub>**

For a single transatlantic journey, for each passenger.

**4.7% annual growth**

For the total number of airline passengers

**5 times more**  
than the global average

The amount of flights by every Swedish citizen per year  
(10 million ton of CO<sub>2</sub> annually)



# SAS' latest *internal* management decision

*“We will now climate compensate for all our EuroBonus members.”*

- ❖ Entails compensating for 40% of their trips
- ❖ Represents approximately 150 million SEK annually
- ❖ Previously compensated for only Youth travelers



# 'Carbon offsetting'

to compensate for CO<sub>2</sub> emissions by investing in emission reduction projects elsewhere.





Nothing is good enough...

The Guardian

... funded by readers

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The Guardian

*Is Carbon Offsetting Really A Climate Solution Or Is It a Trick?*

The WorldPost • Opinion

# For the love of Earth, stop traveling

*... actually changing their consumption habits, and nations to avoid the more difficult structural and regulatory change necessary to prevent further global warming.”*

Environment

Environment

The income offset inc

In the concluding part of a major report, Davies shows how greenhouse gas emissions are doing nothing to combat global warming.

## Carbon offsets can do more environmental harm than good

May 28, 2014 5.42am BST

Background

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Summary



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# The Case

To openly communicate  
sustainability actions or not?

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*SAS*



You are taking the  
role as...

SAS executive team



*Considering the corporate reputation of a brand that operates in a heavily criticized industry...*

*Should SAS openly communicate its newest initiative to offset the CO<sub>2</sub> emissions or keep quiet about it?*

**SAS**



# Evaluating the alternatives...

	Why communicate?	Why not communicate?
Short-term		
Long-term		



A photograph of a SAS Airbus A320neo aircraft inside a large hangar. The aircraft is white with red and blue accents, including the SAS logo on the tail and engines. The hangar has a high ceiling with many lights. Two horizontal blue bars are overlaid on the image, one above and one below the main text.

# Management decision

What did SAS do?



*“Sustainability is an integral part of our business, and affects every decision we make.”*

***Rickard Gustafson, CEO***



# The choice to lead a discussion...

January 31, 2019 09:00 / English

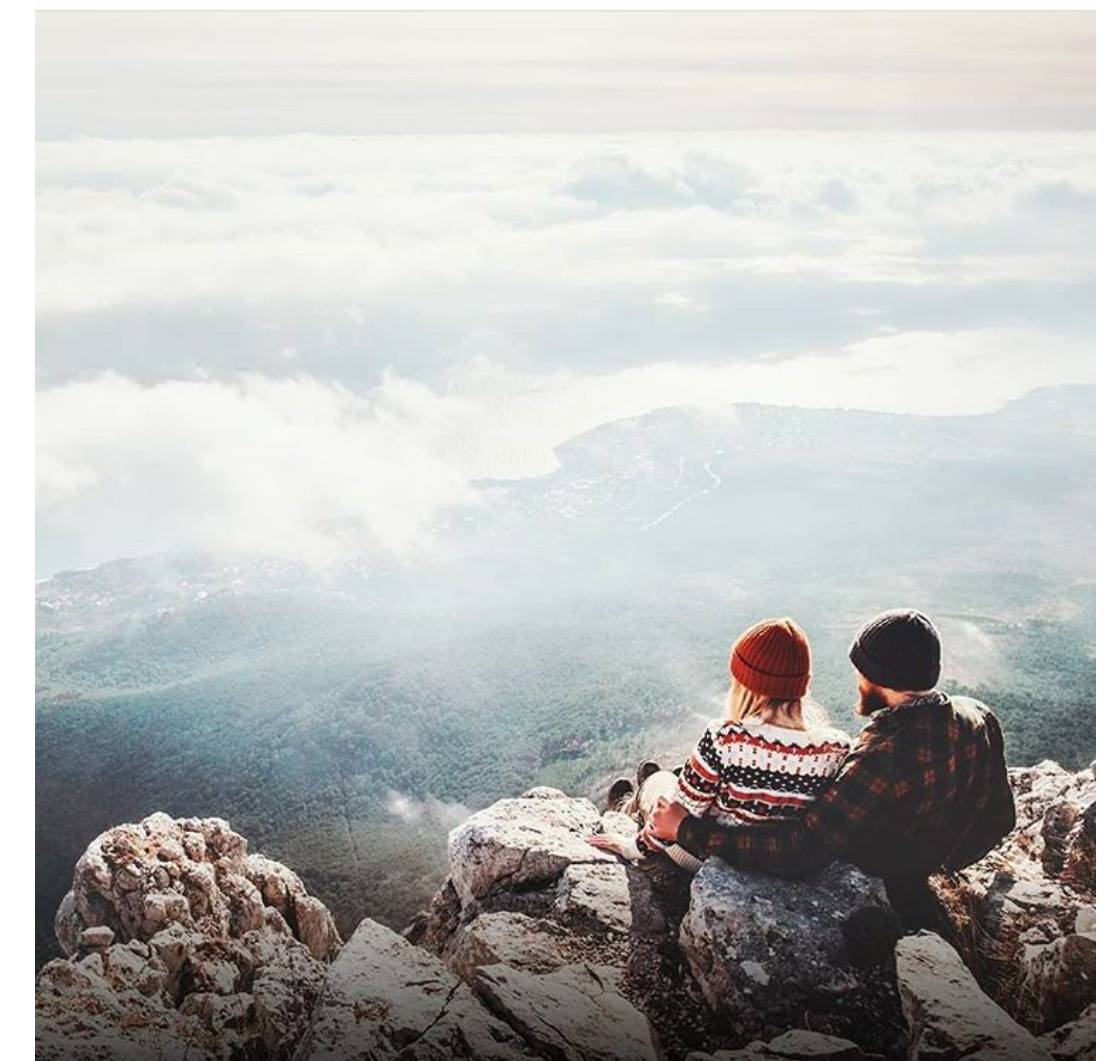
## SAS TO OFFSET THE FLIGHT CARBON FOOTPRINT OF EUROBONUS MEMBERS

Effective 1 February, SAS is going to offset the flight carbon footprint of all tickets booked using a EuroBonus number.

### SUSTAINABLE NEWS



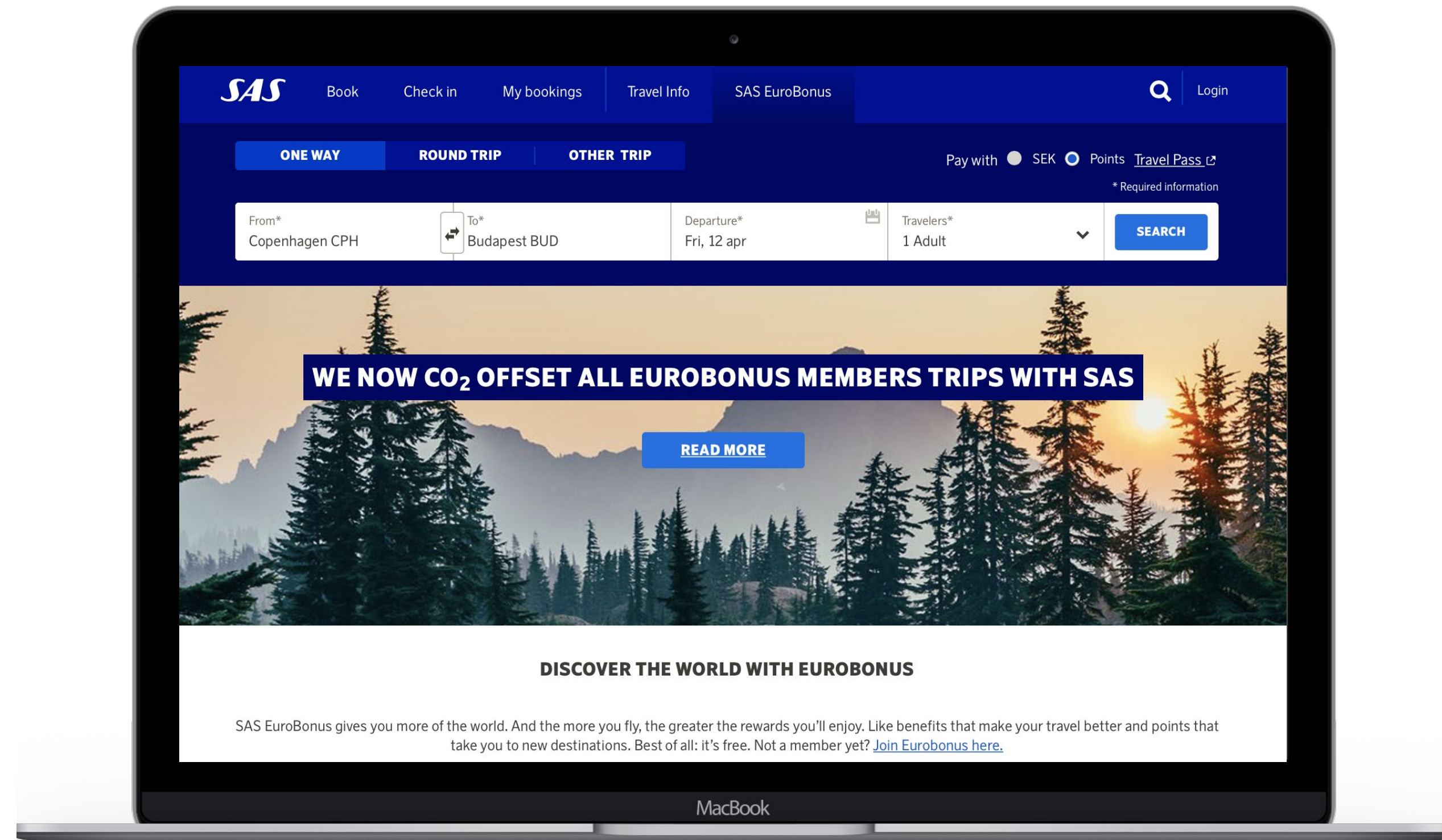
**EUROBONUS MEMBERS ARE ONE SUSTAINABLE STEP AHEAD**



1 993 gilla-markeringar

flysas Starting tomorrow we will CO2-offset all our EuroBonus members' trips on SAS flights. This is one of our actions to reduce our environmental impact and create a community of travelers for the future #flysas #TravelersForTheFuture





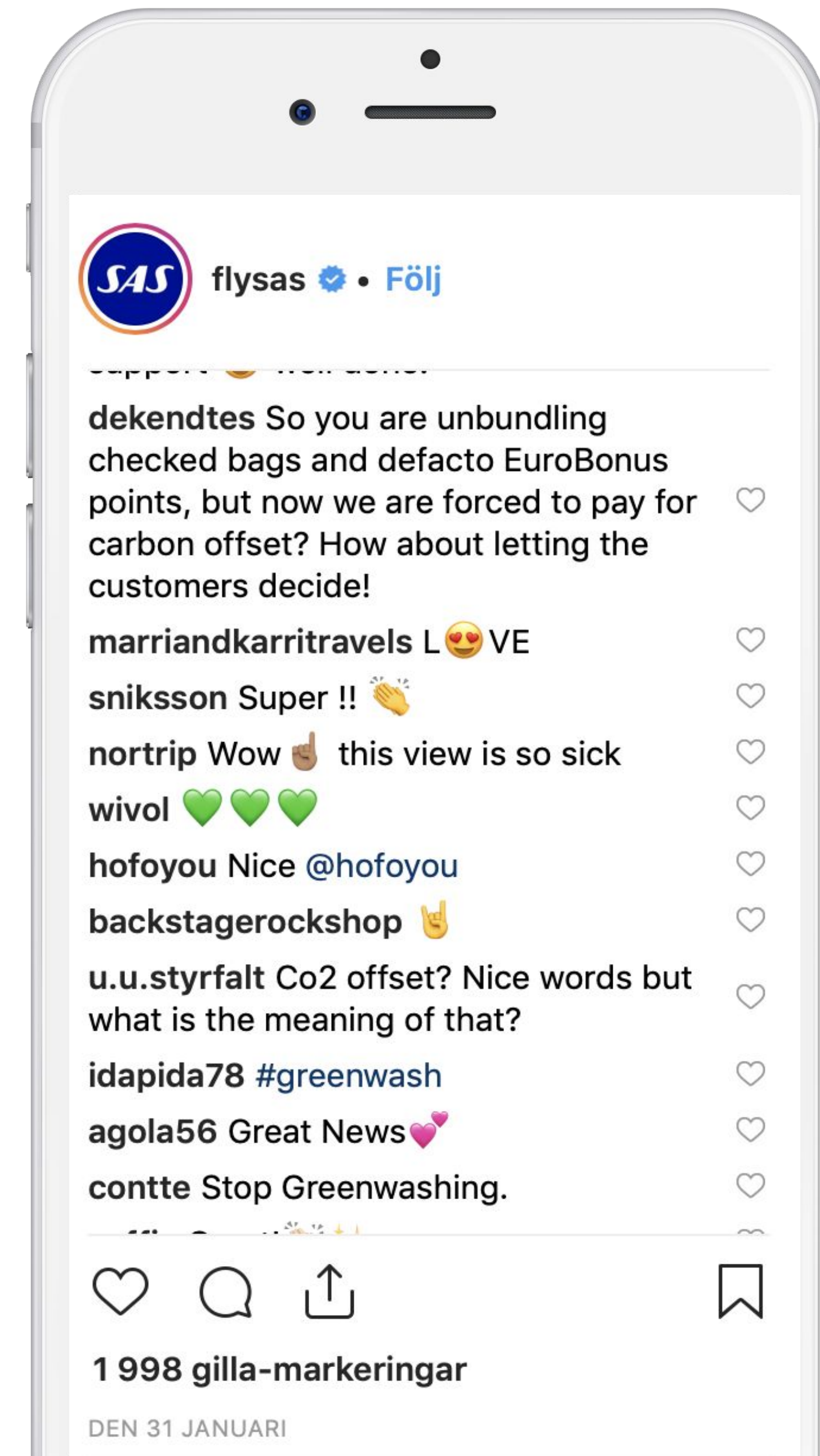
## First page news

The carbon offsetting initiative is publicly announced on the homepage of SAS in order to highlight the added value for EUROBONUS members.



# But the response...

-  **Malin Werner** Fast Travelers for the future flyger väl inte? De åker tåg.  
Like · Reply · 6w · Edited    42
-  **Johanna Nilsson** Hej, det allra bästa är väl att inte släppa ut något alls? Dvs att kompensera tar ju inte bort utsläppen, och det är väl ändå själva utsläppen som måste minska? Förklara gärna exakt hur ni tänker och hur detta kan vara hållbart?  
Like · Reply · 6w    58  
↳ 3 Replies
-  **Damon Hatefi** jag uppfattar denna kampanj som otroligt vilseledande. att marknadsföra ett medlemskap som påstår sig göra flygresor "hållbara" med formuleringar som "därför behöver vi göra flygresor mer hållbara genom att minska vår inverkan på klimatet" är ytterst märkligt, då vi sedan länge känner till flygets negativa inverkan på klimatet. hur har ni tänkt?  
Like · Reply · 6w   57
-  **Lisa Hernqvist** Hyckleri!!  
Att få folk att tro att de kan fortsätta flyga med gott samvete om klimatkompensation sker, det är ungefär som att hävda att det är ok att fortsätta slå sina barn om man samtidigt skänker pengar till Rädda Barnen.  
Det dom krävs är att drastiskt minska flygandet så att dess bidrag till de skadliga klimatförändringarna minskar.  
Like · Reply · 6w    55  
↳ 4 Replies





# And the media...

## Climate compensates air travel

BRA is thus the first and only commercial airline to compensate for all greenhouse gas emissions made by the company.

- We have chosen not to hassle it by, for example, simply allowing some travelers to benefit from the carbon dioxide compensation. With us, all flights are now carbon dioxide-compensated, says Anna Soltorp, Sustainability Manager for BRA.

**The airline SAS** has since February 1 climate compensated all flights made by Eurobonus members. According to SAS, this means that approximately 40 percent of all carbon dioxide emissions related to passengers will be compensated.

**Di**  
FREDAG 15 MAR  
Sveriges bästa finanssajt 2018  
MENY

OMXSPI 15:03  
+0,27%  
(+13,30 i år)

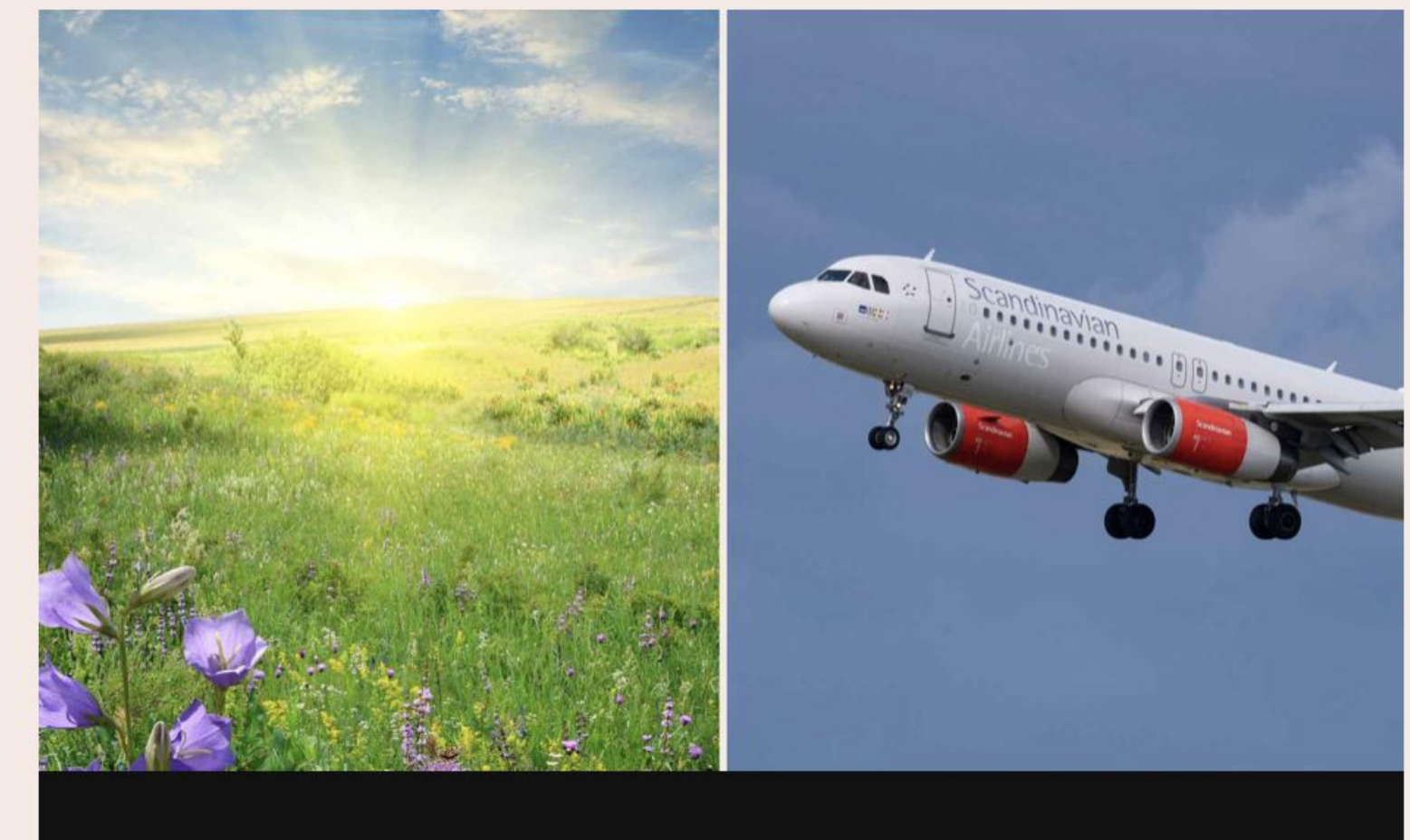
S&P500 14:52  
+0,37%  
(+12,45 i år)

Lägg till instrument

**DET ÄR ONT OM JORDKLOT**  
- HARRY MARTINSON

**ECOGA HÅLLBARA**  
Vår affärsidé handlar med naturen istället för affärsmodell som är s...

## SAS nya vapen mot flygskam



**SAS lovar att klimatkompensera alla Eurobonus-medlemmars flygbiljetter.**

**Åtgärden sänker dock inte utsläppen på flera miljoner ton årligen. Det dröjer flera decennier innan de kan elimineras, medger flygbolaget.**

KIM LUNDIN

Publicerad: 01 februari 2019, 05:06



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# Summary

Reflection and evaluation

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**What do you think about their actual decision?**

**Do you think it will be beneficial for SAS  
considering the response?**



# What have we learned?



Thank you  
for flying with us!

**SAS**