



CONNECTING ELEGANCE WITH EXCELLENCE

North American Brand, Marketing and Communications Plan

MARCH 2016

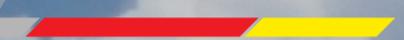


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EXECUTIVE SUMMARY

- 1 Key Objectives
- 2 Methodology
- 3 Plan Components

KEY OBJECTIVES

This document is an integrated brand elevation and marketing plan intended to guide strategic communications activities for Hainan Airlines in North America. Completed in March 2016, the plan includes insights into Hainan's current brand position, an analysis of the airline's assets and opportunities, core messaging and recommendations for marketing and brand development activities over the course of the next 12 months. The target audience is broadly defined as native English speakers in North America.

This plan was developed by Nyhus Communications in close partnership with Joel Chusid and Hainan Airlines' brand and marketing teams, with significant input from George Liu, regional director of airline partnership marketing at Boeing Commercial Airlines.

This plan is intended to serve as a living document, open to the input of Hainan's core team members and partners and adaptable to changing market factors or new service offerings. Nyhus welcomes the opportunity to collaborate with Hainan to refresh this plan throughout its execution to ensure it consistently delivers on its objectives and maximizes positive impact for the airline.

KEY OBJECTIVES



The primary objectives of this plan are:

- To guide communications, branding and marketing activities, including digital media, social media and advertising for the coming 12 months;
- To support Hainan Airlines' expansion and new route launches in North America and to increase sales, especially to premium business travelers originating in North America;
- To increase brand exposure, raise brand awareness and differentiate Hainan, its values and its services from direct competitors;
- To elevate brand perception and increase brand equity to the traveling public;
- To understand industry-specific and location-specific markets and Hainan's status with key demographics and communities;
- To optimize brand strategy to accelerate brand localization; and
- To identify branding opportunities and explore communication solutions to introduce Hainan Airlines into the mainstream market.

METHODOLOGY



In collaboration with Hainan, Nyhus developed a methodology to accelerate the development of the plan and capture actionable intelligence from key stakeholders. Rather than building a period of research, market analysis and additional discovery into the work plan, Nyhus hosted a daylong strategic session with Joel Chusid and George Liu to establish a baseline of operational knowledge on which the plan would be based.

This session, held on February 10, 2016 at the Nyhus offices in Seattle, comprised an internal review of brand assets, Hainan's value proposition, audience demographics and priority promotions that will roll out in the coming year. The strategy session included a thorough analysis of Hainan's strengths, weaknesses, opportunities and threats and a messaging exercise where we honed core message components, audience-specific proof points, and identified key service components that should be promoted in our marketing campaigns.

The learnings from the February 10 session then informed Nyhus' development of this plan. Nyhus reflected on the session's findings, executed several internal creative development sessions, conducted additional research as necessary to flesh out components of the plan and mapped out a yearlong executional strategy to guide marketing and branding activities in North America. The plan was submitted to Hainan teams both in North America and China for feedback, adjustments and refinements.

PLAN COMPONENTS



- 1 An analysis of strengths, weaknesses, opportunities and threats (SWOT)
- 2 Identification of target audiences and markets
- 3 Core messaging, including:
 - Hainan's overall value proposition
 - Prospective slogans that deliver on Hainan's brand promise
 - Proof points and copy points to reinforce value proposition
 - Market- and audience-specific messaging
- 4 Recommended yearlong brand and marketing activities and, Including:
 - National-level brand building recommendations
 - Updates to brand translation and image library
 - Refresh/update technology and user experience
 - Print, digital, video and out-of-home advertising campaigns
 - Collateral development
 - Corporate partnerships
 - Corporate social responsibility (CSR) campaigns
 - Spokesperson campaigns
 - Market-specific promotions and awareness campaigns
 - Template for local product launches, including:
 - New routes
 - New products or services
 - New partnerships
 - Calendar of key promotional activities in 2016-17



SWOT ANALYSIS

- 1 Strengths
- 2 Weaknesses
- 3 Opportunities
- 4 Threats

SWOT ANALYSIS



A thorough and accurate analysis of a company's strengths, weaknesses, opportunities and threats is a critical prerequisite to the development and deployment of an effective brand-building strategy. This analysis includes the positive and negative factors that originate internally from the company – its strengths and weaknesses – and the factors that originate in the external environment that have an appreciable impact on the company's effectiveness and success in the market – opportunities and threats.

This exercise was driven by Joel Chusid and George Liu with significant input from the Nyhus team. These findings served as the foundation for Nyhus' brand and marketing recommendations and our development of key messages and brand slogans.

STRENGTHS

HAINAN HAS A YOUNG AND MODERN FLEET

- Largest number of 787s flying between North America and China combined with a large fleet of 737-800s
- Hainan will become the Chinese airline with the largest fleet of 787s
- Hainan currently has the most 787 nonstop routes and flights between North America and China

EXCELLENT IN-FLIGHT PRODUCT

- Gourmet meal service
- Attentive and pleasant flight crew
- Spotless plane, including bathrooms
- Lie-flat seats in business class
- Bose headsets (coming)
- WiFi (coming)
- Premium economy (likely coming with new 787s)
- Power and USB on all new airplanes

EXCELLENT SAFETY RECORD

- On par with leading global airlines
- This is assumed for an American audience – Hainan should be careful how it promotes this strength

COMPLIMENTARY LIMO SERVICE FOR BUSINESS-CLASS PASSENGERS

- Hainan will send a car up to 30 miles from the airport on either end of the trip
- In North America, this is usually a Lincoln Town Car; in China, BMW or Mercedes

THE HNA BRAND HAS MULTIPLE ASSETS UNDER ITS UMBRELLA CREATING A WRAP-AROUND SERVICE FOR CUSTOMERS

- Hotels
- 20 airlines
- Tour companies

HAINAN HAS RECEIVED MULTIPLE INTERNATIONAL AWARDS

- Skytrax 5-star airline
- Global Traveler
- Premier Traveler
- World Traveler Awards

HNA GROUP AND HAINAN HAVE COMMITTED TO BECOMING A GLOBAL BRAND

- There is a strong desire to do whatever it takes to be a global brand
- There is a willingness to make changes, and the company is nimble and responsive
- Hainan has a strong focus on customers

HAINAN IS GROWING QUICKLY

- Hainan is modernizing its fleet
- Expanding network and service
- Hiring foreign employees (but needs to hire Americans)
- Steady financial growth – sales and customers

MILEAGE PLAN – COOPERATION WITH ALASKA AIRLINES

- This is great in Seattle but less impactful in other markets
- Hainan has had difficulty getting this off the ground with other partners

HAINAN IS A PRIVATE AIRLINE – NOT STATE-OWNED

HAINAN'S LAUNCH IN THE NORTH AMERICAN MARKET HAS BEEN SUCCESSFUL

FIVE-TIER FFP

- Points.com partnership began in 2015
- Adding RocketMiles

WEAKNESSES

TECHNOLOGY CHALLENGES

- No in-flight WiFi – Hainan is late to the party
- When it comes, in-flight WiFi will likely be subjected to the Great Firewall
- Unusable mobile app
- Underdeveloped North American website
- Phones prohibited during flight

TEMPORARY AIRCRAFT SUBSTITUTION – SEATTLE WILL HAVE AIRBUS PLANES THIS SUMMER

ALLIANCES AND FFP

- FFP has little value to American travelers
- No alliance affiliation
- Mileage partnership with Alaska Airlines only appeals to West Coast travelers
- Codeshares are underdeveloped
- Strategic elite matching not practiced, but is a competitive practice

ENGLISH LANGUAGE PROFICIENCY FOR CREW MEMBERS

- English classes are underway but this won't be fixed overnight
- Hainan does not seem to have American or native English-speaking flight attendants

CONNECTIONS AT PEK – BAGS HAVE TO BE RECHECKED FOR A CONNECTING FLIGHT

- Competitor airlines offer a much more convenient connection – Delta, Air China, etc.
- Domestic departures and arrivals are in T1 while international connections are in T2 – passengers need to transfer between terminals

HAINAN DOES NOT HAVE A CONSISTENT AND EFFECTIVE LISTENING SYSTEM

- Hainan cannot solicit feedback from customers or respond to customers easily
- Hainan has a call center in Chicago but it is only used for agencies

BRAND TRANSLATION

- There is very low awareness of Hainan in the North American market
- The Hainan brand is not well translated for an American audience
- American customers are often served Chinese ads
- The brand's visual representation is inconsistent

HAINAN DOES NOT HAVE A CHANNEL OR PLATFORM TO TELL ITS STORY

- Hainan needs a blog or other owned platform
- Hainan does not have a consistent email marketing program
- Hainan would benefit from an influencer communication program

PROBLEMS WITH THE IN-FLIGHT EXPERIENCE

- The Hainan experience does not always match its claims to premier status
- The in-flight product is very good, but Singapore and Emirates are in a different class
- Hainan lacks an enhanced liquor license in the US so it cannot serve liquor within US airspace

CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Hainan does not have a CSR presence in the North American market
- CSR activities are not consistent and are not effectively communicated

SILOS WITHIN HAINAN

- Cost centers are separated
- How can we provide cost benefit for booking across the HNA group?

BECAUSE HAINAN IS A CHINESE COMPANY, THERE IS A CONCERN ABOUT QUALITY AND DEPENDABILITY

OPPORTUNITIES

INTEGRATE HNA'S OTHER BRANDS AND COMPANIES INTO A WRAP-AROUND SERVICE FOR HAINAN CUSTOMERS

- A Hainan customer should be able to book a tour in Beijing when they are on a Hainan flight to China
- Create package deals to stay in HNA-owned hotels when booking a Hainan flight

REFRESH/UPDATE TECHNOLOGY AND USER EXPERIENCE

- Refresh Mobile app and North American website
- Refresh the customer experience when someone calls the Hainan call center
- Develop a consistent and easy system to process domestic and international upgrades

HIGHLIGHT CULTURAL NUANCE, SOCIAL AGENDA AND CHARITABLE WORK

- Chairman Feng is a devoted Zen Buddhist
- Chairman Feng is committed to saving sea turtles
- Communicate about sustainability initiatives like investments in biofuels to combat the perception that China is harmful to the environment

INTEGRATION INTO A FREQUENT FLIER PROGRAM WOULD ATTRACT TRAVEL INFLUENCERS AND CONVERT HIGH VOLUME TRAVELERS THROUGH ENTICEMENTS

CREATE PLATFORMS AND OPPORTUNITIES FOR HAINAN TO TELL ITS OWN STORY

- Hainan will own all the content and control how it is displayed online
- Blog and email program
- Key influencer engagement
- Social media

BUILD A BRAND AMBASSADOR PROGRAM

- Tap friendlies to tell positive stories about Hainan
- Leverage online platforms like the blog and social media to promote these stories

EXTERNAL OPPORTUNITIES

- Growth of the Chinese market, which leads to greater business and cultural exchange with North America
- 10-year visas enhance ease of cross-border interaction
- Interest in China is constantly increasing – education, business, language, real estate

IN-FLIGHT WIFI (COMING)

OPPORTUNITIES

(continued)

BUILD PROMOTIONAL PARTNERSHIPS

- Disney/DreamWorks: Kung Fu Panda
- Create special liveries, digital advertising and other promotions to leverage partnership

CREATE OPPORTUNITIES FOR COMMUNITY ENGAGEMENT FOR HAINAN CREW MEMBERS

- There is a 3-day layover in LA for the inbound Changsha crew
- Use this time for flight crews to visit Chinese language classrooms
- Consider sponsoring a student or school organizations

INTEGRATE HAINAN MORE CLOSELY WITH KEY CHINA-WATCHERS IN AMERICA

- Build relationships with think tanks and other high-visibility intellectuals
- Sponsor investment conferences with a focus on China

REFRESH HAINAN'S BRAND VISUALS

- Update the "scarf" theme
- Expand the image library
- Stage a photo shoot with new 787-9

BUILD AND PROMOTE AFFILIATIONS WITH AMERICAN BRANDS

- Starbucks, beer and wine, Bose
- Hire a spokesperson or model
- Create partnerships with sports teams
- Lang Lang
- Uber
- Gary Locke

CONVERT NEW CORPORATE ACCOUNTS

- When a corporate traveler has a choice, how can we convert the customer to Hainan?
- Quantify how much it costs to recruit a new customer

GET AN ENHANCED LIQUOR LICENSE IN THE US TO ALLOW HAINAN TO SERVE LIQUOR WITHIN US AIRSPACE

DEVELOP PROMOTION ITEMS THAT RESONATE WITH NORTH AMERICAN AUDIENCE

- Christmas ornaments
- Lunar New Year item or Moon Cakes
- Red envelopes with coupons or prizes

THREATS

U.S.-CHINA POLITICAL RELATIONS

U.S.-CHINA ECONOMIC RELATIONS

COMPETITORS

- Delta Airlines (major competitor in Seattle)
- American Airlines (major competitor in Chicago)
- United Airlines (major competitor in Chicago)
- Air China
- China Eastern
- Korean/Asiana
- Hawaiian Airlines
- Air Canada (in Toronto...and will be in Calgary)
- Xiamen (Xiamen – Shenzhen – Seattle)
- China Southern (less so)

PANDEMICS

- SARS
- Avian flu
- Zika

TERRORISM

FINE/SERIOUS SAFETY VIOLATION

NEGATIVE PRESS



TARGET AUDIENCES

- 1 Audience Priorities
- 2 Personas
- 3 Geographic Audiences

TARGET AUDIENCES

Identifying Hainan's target audiences – both demographically and geographically – is an important element to building out an effective marketing and brand elevation strategy. It is critical that we have internal consensus on the audience segments that are most impactful for Hainan's outreach and build an engagement program that targets those audiences and delivers customized content that will drive them to action.

In our February 10 planning session, Nyhus, Joel Chusid and George Liu discussed the audience groups that are priority targets for Hainan. To better understand our marketing strategy with each segment, we developed prototypical personas for those audience groups and discussed the groups' geographic distribution in Hainan's primary markets.

AUDIENCE PRIORITIES

During the planning session, the team identified more than a half-dozen target audiences. These ranged from business travelers to government officials to families that travel to China to adopt a child. Our discussion focused on three key audience sectors that would serve as the priority targets for our branding and marketing plan. These audience groups were identified for the value they represented to Hainan and the potential impact they could have on the airline's broader brand elevation objectives.

The top three audience sectors, in order of priority, are:

- 1 Business Travelers
- 2 Leisure Travelers
- 3 Industry Audiences

Business Travelers

Business travelers are our top priority due to the value they represent to Hainan. Travelers that regularly fly in business class and make travel decisions based on the core values of the airline represent a premier value to Hainan. They care deeply about reliability, convenience, comfort and, to a lesser extent, value. Building loyalty and brand affinity with business travelers will substantially improve Hainan's ticket sales, brand recognition and broader business goals in the North American market. The male/female split for business travelers is 60/40.

Business travelers are divided into two primary categories: managed and unmanaged. Managed travelers are provided limited, if any, options from their employers for international travel and are often booking through a company agency or travel office. Unmanaged business travelers tend to work in smaller companies or are self-employed, able to make personal decisions about travel options without the constraints of a company policy. Unmanaged business travelers represent a premium to Hainan as they are easier to convert to long-term customers than their managed counterparts.

Leisure Travelers

Leisure travelers are our second priority, due to their frequency of travel, ability to serve as brand ambassadors within their communities and occasional usage of premier amenities like business class services. This segment includes those travelers visiting friends and relatives (VFR), tour groups including student tours, and backpackers. In many markets this segment represents the bulk of Hainan's passengers, so building customized outreach strategies for this segment is an important component of our engagement effort.

The VFR segment includes Chinese-American families traveling to China to see relatives or expose children to their family heritage. These groups will occasionally travel in business class, citing comfort and service as priorities. More often they are price sensitive and prioritize value over other considerations. This group is likely more "open" to a Chinese brand than other audience segments, so a primary focus is on building brand awareness.

This segment also includes students, a major audience for Hainan. Chinese and American students residing in North America but traveling to China are frequent travelers, prioritizing value over other factors.

III. TARGET AUDIENCES

Industry Audiences

Industry audiences are our third priority. Though this group does not represent a large portion of ticket sales or seat miles, industry representatives such as travel agents, trade association leaders and travel writers/bloggers are hugely influential in building brand recognition for Hainan in North America. These audiences have access to customer engagement channels like blogs or travel guides, or engage regularly with prospective customers when they recommend travel options or book large groups. Converting these audiences to the Hainan brand will have a substantial ripple effect on our marketing and brand elevation efforts.

Industry Audiences (continued)

Industry audiences can be accessed through several trade associations and other business groups. These touch points are important places for Hainan to increase its brand awareness and amplify its engagement strategies to more directly connect with key influencers in this segment.

Key industry associations and organizations:

- United States Tour Operator Association (tour managers)
- Global Business Travel Association (corporate travel agents)
- Association of Corporate Travel Executives
- (ASTA) American Society of Travel Agents
- (TMCs) Travel management companies
- Society of American Travel Writers
- International Food, Wine and Travel Writers Association

PERSONAS



WILLIAM

Managed business traveler

-  Department head at Microsoft
-  30-45
-  \$200k+
-  6-8 trips per year
(four times per year triggers business class dispensation at Microsoft)
-  Beijing and Shanghai

- Often uses an intermediary to book his ticket – either the Microsoft call center or corporate website
- Usually stays in managed hotels on trips
- Likely to make a decision based on:
 - ◆ Frequent flier program
 - ◆ In-flight service
 - ◆ Limo ride and other premium amenities
 - ◆ Schedule convenience



LINDSEY

Unmanaged business traveler

-  Clothing designer traveling to China to look at manufacturing and vendor opportunities
-  30-45
-  \$150k
-  3-4 trips per year
-  Southern China because of manufacturing centers, Shanghai, Beijing

- Originates in several US markets
- Mostly booking online through Expedia or Kayak
- Buys business-class tickets half the time
- Stays in the most comfortable hotel she can find in a reasonable price range
- Likely to make a decision based on:
 - ◆ Value
 - ◆ Service
 - ◆ Convenience

PERSONAS

(continued)



AMY

VFR leisure traveler

-  Chinese-American mother traveling with children, spouse and possibly parents
-  \$200k+ (family)
-  Perhaps 1-2 trips per year, timed mostly around Chinese and American holidays

- Women responsible for making many family travel plans
- Sometimes flying business class, but mostly economy
- Booking online or through an ethnic agency
- VFR has a high volume during summer – many families will send children alone to visit relatives in China
- Amy speaks Chinese but her children likely do not
- Likely to make a decision based on:
 - ◆ Value
 - ◆ Service



GRANDMA JOAN

Leisure traveler

-  Senior leisure traveler visiting China to check it off her bucket list
-  65-80
-  Retired
-  Single trip
-  Beijing, Shanghai, Xi'an

- Mostly flies in economy, but sometimes splurges on business class
- Uses tourism guides – in print and online – to make travel decisions, and is highly influenced by word-of-mouth reviews
- She is not familiar with Hainan – there is an awareness challenge and a conversion challenge
- Enjoys the culture of the flight experience
- Likely to make a decision based on:
 - ◆ Value
 - ◆ Destinations
 - ◆ Cuisine

PERSONAS

(continued)



CHRIS

Leisure traveler

-
-  Backpacker traveling after college graduation
 -  20-25
 -  N/A
 -  Single trip
 -  Beijing, Shanghai

-
- Exclusively flies in economy
 - Accustomed to staying in youth hostels and other economy accommodations
 - Highly influenced by travel guides – makes most decisions based on advice from *The Lonely Planet* or similar guides
 - Likely to make a decision based on:
 - ◆ Value
 - ◆ Cultural authenticity



BRETT

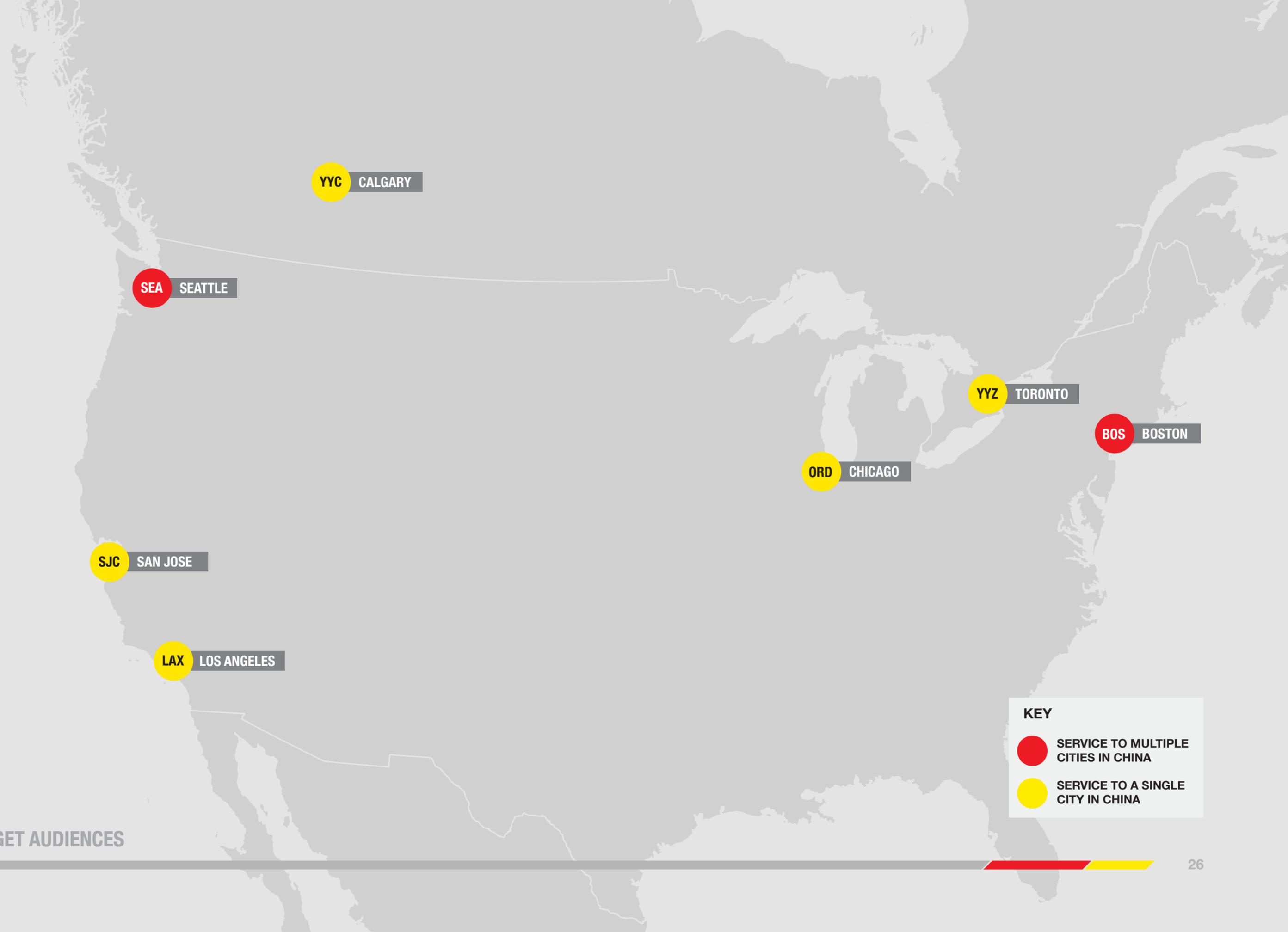
Industry audience

-
-  Travel agent
 -  30-55
 -  \$100k+

-
- He is most likely to recommend brands he is familiar with to clients and customers
 - There is an opportunity for one-on-one outreach with Brett through a fam trip or connection through an association like ASTA

GEOGRAPHIC AUDIENCES

Once we have identified our target audience segments, our next step is to better understand their geographic distribution throughout the North American market. Hainan's key audiences are concentrated in the markets served by the airline. Additional prospective customers will certainly come from other areas of the continent, but an initial focus on these geographic hubs will help direct our marketing and branding activities to where they will be most impactful.



III. TARGET AUDIENCES

GEOGRAPHIC AUDIENCES

TORONTO (YYZ)

Established in 2010, YYZ serves the Toronto metro area and Eastern Canada feed cities including YUL, YOW and YQB. Primary audiences include:

- Students
- Business travelers
- VFR travelers

BOSTON (BOS)

Established in 2014, BOS serves New England (including central and eastern Connecticut, Rhode Island, Vermont, New Hampshire and Maine), plus East Coast feeder cities (BOS is a JetBlue hub) from the Northeast (including NYC, PHL and WAS). Shanghai route established in June 2015. Primary audiences include:

- Students (largest market for students traveling between North America and China)
- VFR travelers
- Medical and other academic exchanges

CHICAGO (ORD)

Established in 2012, ORD serves the Chicago metro area and nearby markets of Milwaukee, Indianapolis and feeder traffic from Illinois. Primary audiences include:

- Business travelers
- VFR
- Students

SEATTLE (SEA)

Established in 2008, SEA serves the Pacific Northwest including Portland, Boise, Spokane and several feeder cities as the hub of Alaska Airlines (including LAX, SFO, DEN, PHX, SAN and SLC). Shanghai route established in June 2015. Primary audiences include:

- Business travelers
- VFR travelers
- Students

SAN JOSE (SJC)

Established in June 2015, SJC serves Silicon Valley, southern SFO, SMF and MRY (drive markets), including “self-connects” on Southwest Airlines. Connections on new AS service from SNA and SAN. Primary audiences include:

- Business travelers
- VFR travelers

LOS ANGELES (LAX)

Established in January 2016, LAX serves southern Californian markets to Changsha, including some price-sensitive passengers that transfer at CSX to PEK, some feed markets and “self connects.” Primary audiences include:

- VFR travelers
- Leisure travelers, including backpackers
- Industry – travel writers

CALGARY (YYC)

To open in June 2016, YYC will service the Calgary area, Alberta, Saskatchewan, Northern Canadian oil markets and feed traffic (WestJet has a major hub in YYC). Primary audiences include:

- Business travelers
- VFR travelers



CORE MESSAGING

- 1 Core Value Proposition
- 2 Supporting Proof Points
- 3 Audience-Specific Proof Points
- 4 Brand Slogans

CORE MESSAGING

Refreshing Hainan's core messaging is a primary objective of this marketing and brand elevation plan, with the goal of enhancing the company's resonance with target audiences in North America. How the company's messaging articulates its brand promise and value proposition became a point of discussion early in Nyhus' partnership with Hainan. The airline's usage of "Cherished Experience" was ubiquitous in its English-language marketing materials, but this slogan had not been market tested in North America to determine how Hainan's target audiences responded to it.

Beyond the company's slogan, the airline lacked a messaging architecture that captured language that could be used to promote the airline in the market more broadly, including proof points that would speak to specific audiences and specific markets. When developed, this additional language would intentionally position the airline with key audiences and ensure greater message consistency across promotional platforms.

CORE MESSAGING

The Nyhus team directed a thorough messaging workshop during the February 10 strategic planning meeting. This session focused on articulating Hainan's core value proposition, or its "elevator pitch," as well as supporting proof points and audience-specific messaging that would direct our outreach efforts.

At Hainan's request, Nyhus also executed a brand slogan development and testing process. This work focused on developing a broad slogan for the North American market that delivers on Hainan's core brand promise.



CORE VALUE PROPOSITION

Our messaging workshop began as a high-level brainstorm to capture the most essential elements of Hainan's value proposition to North American audiences. From this starting point, we then focused on identifying a one- to two-line message that could serve as Hainan's elevator pitch. Our goal was to create concise, understandable and tangible messages that speak to Hainan's most basic value proposition.

We focused on connectivity and discovery — emphasizing that once customers experience Hainan for the first time, they will want to return for another flight. The team collaboratively developed the following language that articulates Hainan's core value proposition in North America.

Core Value Proposition

**“The best airline in North America
that connects you with China.”**

Fly with us once and you'll come back.”



CORE VALUE PROPOSITION

Our usage of “best airline” positions Hainan as an elite service provider and premier brand. This language speaks to Hainan’s recognition as a SkyTrax five-star airline, its promise of comfort and convenience and its infusion of Eastern elegance with Western excellence. Extending this theme to position Hainan as the “best airline in America” connects directly with North American customers that want a product they can trust and that will satisfy their expectations of familiarity and comfort. We then make a direct allusion to Hainan’s route network and its role as a bridge between two cultures with our “connects you with China” language. Hainan is not just a connector of people and experiences, but also the premier bridge that brings North Americans to China.

The supporting language in the elevator pitch speaks to our theme of discovery. Hainan is not yet a household name in North America. The airline does not yet have the level of brand recognition we aim to achieve through this work. But the product is outstanding and the value is strong. Once passengers try Hainan for the first time and discover what the airline has to offer, they will build affinity and become loyal customers. This is an important value proposition and invites prospective customers to sample the Hainan experience for themselves.

SUPPORTING PROOF POINTS

In support of our claims in the elevator pitch, we developed the following proof points that deliver on the promise extended in our value proposition. These are key messages that will inform various marketing and branding efforts in North America. We will highlight these components to ensure we are promoting Hainan's core services, mission and values to our target audiences.

- Extensive, growing and global network
- Providing exquisite service with a human touch
- Caring for our planet and its inhabitants
- Respecting all people
- Sharing the modern, vibrant Asian experience
- Honoring timeless traditions of harmony and elegance
- Offering the most 787 nonstop routes and flights between America and China
- Providing safe, reliable and convenient flights
- Delivering every passenger with comfort, choice and control

AUDIENCE PROOF POINTS

In addition to brand-level proof points, Nyhus developed a series of audience-specific messages to appeal to key targets. These messaging components are elements of Hainan's service and value proposition that we will highlight with specific audiences to amplify our marketing efforts. The proof points that follow reinforce the themes of comfort, choice and control that were identified as the most important decision points for business travelers—our top priority audience.

BUSINESS TRAVELERS

- Elite benefits, including frequent flier programs
- Partner airlines, particularly Hainan's partnership with Alaska Airlines
- Lounge access and other reciprocal amenities
- Integrated service, like earning points at partner hotels in addition to air tickets

LEISURE TRAVELERS/VFR

- Value and competitive pricing
- Integrated service
- Corporate partnerships like Uber
- Chinese cultural elements like cuisine and signage
- Extra baggage allowance for students

INDUSTRY AUDIENCES

- Integrated service
- Industry fares
- Publishing exposure on Hainan-owned channels like a Hainan blog

COMFORT, CHOICE AND CONTROL PROOF POINTS

- 787 Dreamliner
- Limo service
- Cuisine
- Lie-flat seats
- In-seat power
- In-flight entertainment
- Extra bag allowance
- Espresso machine
- Duvet and turn-down service



BRAND SLOGANS

At Hainan's request, Nyhus executed a brand slogan development and testing process. This work focused on developing a broad-reaching slogan for the North American market that delivers on Hainan's core brand promise. This slogan is not meant to serve as a specific marketing or advertising campaign. It is not intended to lend itself to a singular creative expression. Rather, it is meant to refresh the "Cherished Experience" language that Hainan has used in marketing materials and promotional activities to convey its brand promise.



BRAND SLOGANS

Nyhus identified more than 100 prospective slogans focusing on various elements of Hainan's service offering, core values and commitment to its North American audience. Our internal team narrowed these options to our top four prospective slogans which were submitted to quantitative market testing. This is a critical step in the slogan development process, as it provides actionable insight into how the slogan resonates with our target audiences. Nyhus recommends additional market testing before Hainan permanently adopts a new slogan.

Nyhus submitted "Cherished Experience" as one of the prospective slogans to generate comparative data with Hainan's current international slogan. Two of the prospective slogans – "Fly with Elegance" and "Elevate your Horizon" – were initially developed in Summer 2015 during the launches of the Seattle-Shanghai, San Jose-Beijing and Boston-Shanghai routes. These slogans continue to deliver powerfully on Hainan's core brand promise, so the Nyhus team included them in our market testing.



BRAND SLOGANS

Nyhus queried a total of 544 respondents in our survey. The majority ranged between 30 and 59 years old. All respondents earned more than \$125,000 per year, with a third earning over \$200,000 per year. Sixty percent were male.

The vast majority of respondents were not familiar with Hainan Airlines. This brand ignorance provided a clean slate for their perceptions of the slogans.

“Connecting Elegance with Excellence” ranked highest among the slogans we tested, followed by “Imagine No Boundaries.” “Elevate your Horizon” and “Fly with Elegance” trailed closely behind, while “Cherished Experience” was the lowest rated of the five slogans.

The following five slides present the most actionable findings from the survey. The ratings generated by many of the questions were extremely close, which reinforces the value and importance of continuing to test these slogans with larger market segments and the ability to gather qualitative responses. But these findings provide initial guidance as we build a marketing and brand elevation strategy that will most powerfully resonate with a North American audience.

BRAND SLOGANS

MARKETING RESULTS

12%

POSITIVE INFLUENCE
IN PURCHASING DECISION

11%

EVOKES A FEELING THAT HAINAN
AIRLINES IS THE BEST CHOICE

11%

PERSONAL PREFERENCE
FOR SLOGAN



Below Average Performance

BRAND SLOGANS

MARKETING RESULTS



POSITIVE INFLUENCE
IN PURCHASING DECISION



EVOKES A FEELING THAT HAINAN
AIRLINES IS THE BEST CHOICE



PERSONAL PREFERENCE
FOR SLOGAN



Average Performance

BRAND SLOGANS

MARKETING RESULTS

16%

POSITIVE INFLUENCE
IN PURCHASING DECISION

18%

EVOKES A FEELING THAT HAINAN
AIRLINES IS THE BEST CHOICE

21%

PERSONAL PREFERENCE
FOR SLOGAN



Moderate Performance

BRAND SLOGANS

MARKETING RESULTS



POSITIVE INFLUENCE
IN PURCHASING DECISION



EVOKES A FEELING THAT HAINAN
AIRLINES IS THE BEST CHOICE



PERSONAL PREFERENCE
FOR SLOGAN



Excellent Performance

BRAND SLOGANS

MARKETING RESULTS



POSITIVE INFLUENCE
IN PURCHASING DECISION



EVOKES A FEELING THAT HAINAN
AIRLINES IS THE BEST CHOICE



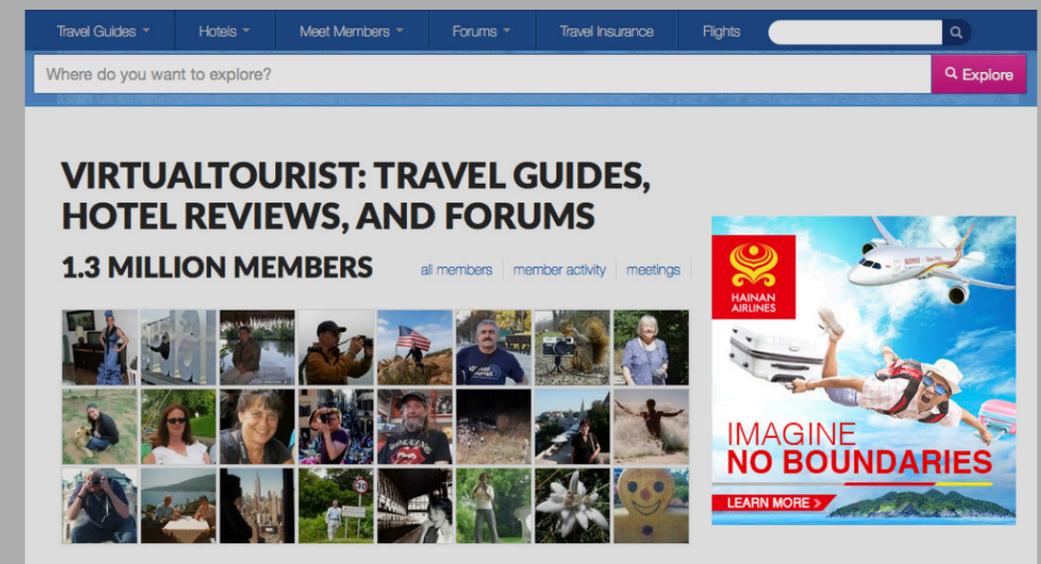
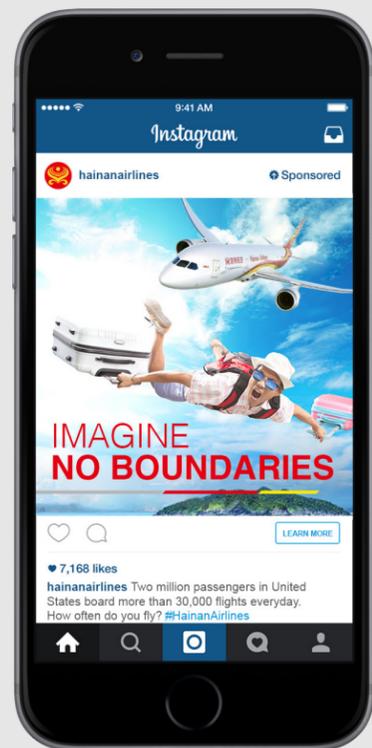
PERSONAL PREFERENCE
FOR SLOGAN



Excellent Performance

BRAND SLOGAN: IMAGINE NO BOUNDARIES

Visualization & Application (Digital)



IV. CORE MESSAGING

BRAND SLOGAN: IMAGINE NO BOUNDARIES

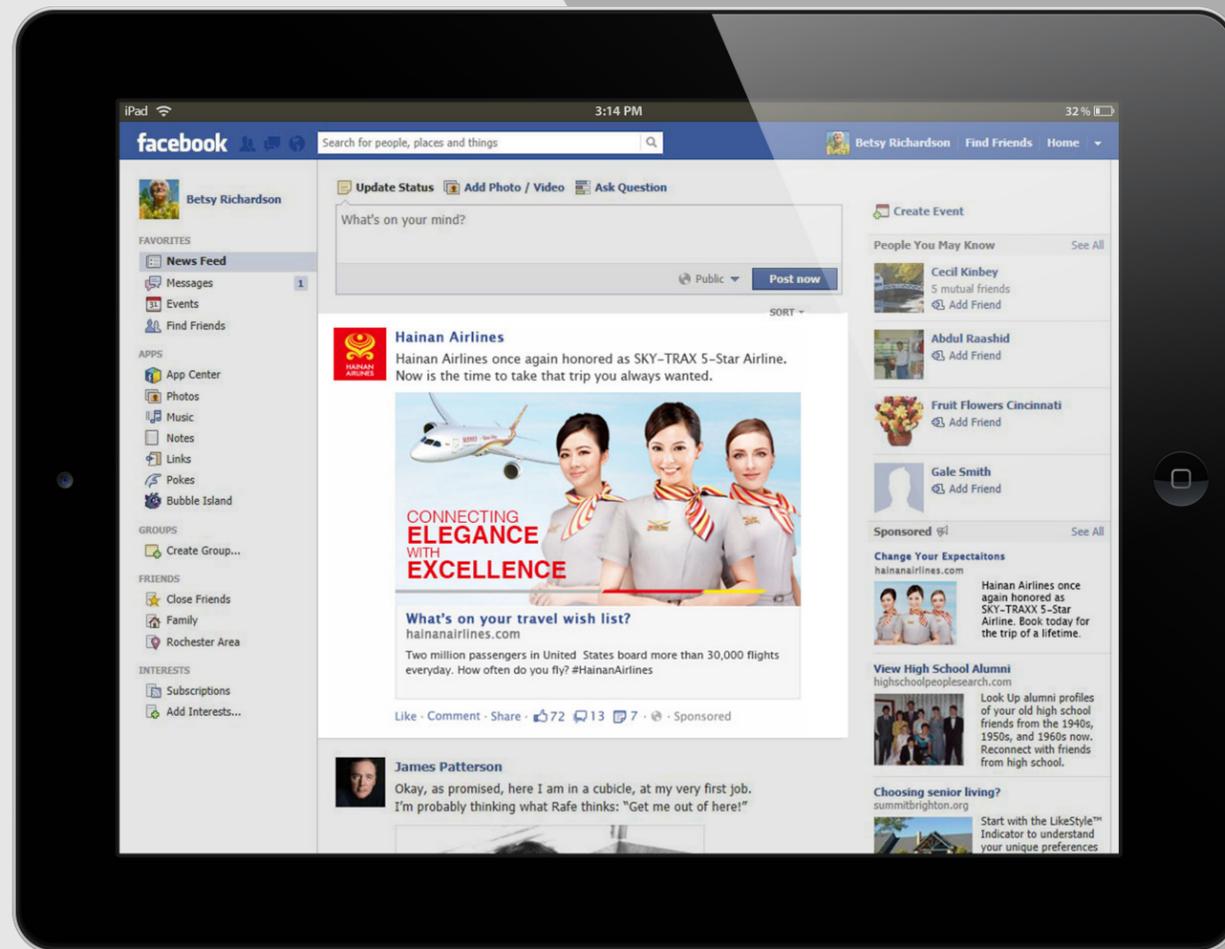
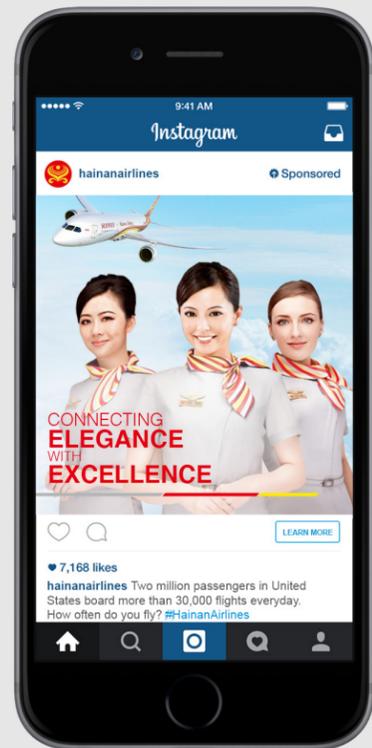
Visualization & Application (Print)



IV. CORE MESSAGING

BRAND SLOGAN: CONNECTING ELEGANCE WITH EXCELLENCE

Visualization & Application (Digital)



IV. CORE MESSAGING

BRAND SLOGAN: CONNECTING ELEGANCE WITH EXCELLENCE

Visualization & Application (Print)



IV. CORE MESSAGING

BRAND ELEVATION & MARKETING RECOMMENDATIONS

- 1 Advertising and Marketing
- 2 Branding and User Experience
- 3 Public Relations and Partnerships

BRAND ELEVATION & MARKETING RECOMMENDATIONS

This section presents Nyhus’ initial brand elevation and marketing recommendations to build a comprehensive and integrated strategy that will guide Hainan’s activity in the North American market for the coming year.

These recommendations are informed by our initial discovery, our research and familiarity with the Hainan brand, the guidance received on February 10, and our initial audit of competitor activities. Our integrated strategy leverages the learnings we gained from market testing our prospective brand slogans. The activities will be united under Hainan’s broad brand promise: to provide excellence and elegance in everything we do; to serve as a cultural bridge between China and North America; to break boundaries and elevate our passengers’ expectations; and to discover new experiences and connections every time we fly.

These activities can be executed in tandem. They constitute components of an integrated and unified strategy – they are not arranged in chronological order. The most important factors are that they are part of a single branding and marketing program, that the messaging, imagery and themes are consistent across platforms and audiences, and that the activities highlight Hainan’s key differentiators and core value proposition for the North American market.

Comprehensive & Integrated Strategy

The tactical recommendations and findings from our brand audit are divided into three main categories. These recommendations, when implemented as a coordinated strategic program, will heighten brand awareness and increase affinity for Hainan Airlines at the national level. Several recommendations are targeted to specific markets, product launches or audiences. Others are intended to raise broad brand awareness in the North American market. We have included a “Local Market Playbook” to serve as a template that can be adapted to specific markets to promote events like inaugural flights.

ADVERTISING AND MARKETING

- Print Advertising
- Digital Advertising
- Specific Content Marketing
- Dedicated Marketing Channels
- Local Market Playbook
- Upcoming Promotional Events

BRANDING AND USER EXPERIENCE

- Refresh Image Library
- Video and Commercial Content
- Consistent Brand Application
- Refresh Travel Experience
- Enhanced Online User Experience
- Integrate HNA Assets

PUBLIC RELATIONS AND PARTNERSHIPS

- Brand Ambassador Program
- Celebrity Spokesperson
- Corporate Partnerships
- CSR Program
- DreamWorks Partnership

ADVERTISING & MARKETING

Print Ad Campaign

Print advertising will focus on building awareness of Hainan's service offerings, delivering on the brand promise, building affinity for the brand and connecting with target audiences in North American markets. Print advertisements can also be leveraged in particular markets to advertise new routes, service offerings, promotions, or partnerships.

The design of these advertisements will be attuned to a North American audience, with an emphasis on clean, uncluttered layout, powerful imagery, and streamlined information. We will leverage our key message points, new slogan, refreshed image library, and updated visual theme to more directly engage North American customers. The following target publications directly align with reaching and engaging our audience personas.

- 1 Tier 1 Target Publications
- 2 Tier 2 Target Publications
- 3 Industry Specific Publications

Print Ad Campaign

Tier 1 Target Publications

FAST COMPANY

FINANCIAL TIMES

Forbes

FORTUNE

Inc.

Money

The New York Times

THE WALL STREET JOURNAL.

WIRED

Tier 2 Target Publications

ADWEEK

Bloomberg BusinessWeek

Chicago Tribune

ConsumerReports®

Entrepreneur®
MAGAZINE'S

Los Angeles Times

USA
TODAY

NEW YORK

Industry Specific Publications

Business
Traveler

THE ECONOMIC TIMES

g Global Traveler®

premier
TRAVELER

V. BRAND ELEVATION AND MARKETING RECOMMENDATIONS

ADVERTISING & MARKETING

Digital Ad Campaign

Hainan's digital advertising is a critically important component of our brand promotion strategy. In many cases, these advertisements and remarketing materials are the touch points our target audiences will connect with most often. With remarketing technologies (i.e. website "cookies") we can ensure that our target audiences are served customized and impactful content wherever they travel on the internet.

These display ads must be carefully designed to elicit a strong and immediate reaction from our audiences, using clear calls to action, compelling language, and illustrative imagery.

Digital Ad Campaign

Digital Advertising Channels

- Facebook advertisements
- Promote evergreen brand elevation designs and information, like the route network, value proposition and elite services like limo service and lie-flat seats
- Develop promotional templates for ticket sales and new routes
- Remarketing advertisements that engage and convert previous Hainan website visitors and customers
- Banner and side bar ads

Targeted Channels



ADVERTISING & MARKETING

Specific Content Marketing

Hainan has several marquee assets that should be marketed independently to American audiences. These assets can be promoted in coordination with existing marketing channels, or they can be highlighted in stand-alone campaigns.

Additional market research will help identify content and features that resonate most strongly with Hainan's target audiences. These assets should be leveraged regularly within marketing promotion to reinforce Hainan's value proposition to American travelers.

- 1 Fleet
- 2 Amenities
- 3 Awards & Recognitions

Specific Content Marketing

Initial content-specific marketing assets:

Fleet

- Hainan operates the most 787 nonstop routes between China and North America
- Hainan operates the largest Boeing fleet between China and North America (when confirmed)

Amenities

- Limo / Town Car service
- Gourmet menu with Chinese and Western options
- Turn-down service

Awards & Recognitions

- Skytrax
- Premier Traveler
- Global Traveler

ADVERTISING & MARKETING

DEVELOP DEDICATED MARKETING CHANNELS

Aside from its social media platforms, Hainan currently has no dedicated marketing channels to engage with passengers and share its messages.

Hainan should develop a blog on its website and build out content that is specifically aimed at North American travelers. Regular postings on Hainan's services and offerings, tips for first-time travelers to China, profiles of frequent fliers, and thought leadership content about developments in US-China relations will substantially increase awareness of the Hainan brand.

This content could then be integrated into an email marketing campaign or a key influencer email program. In both cases, Hainan could target its passengers, key audiences and other community influencers to market new products and services, and share exciting news about the industry. These channels are important opportunities to own content that is shared with customers and industry audiences to increase awareness and build customer loyalty.

LOCAL MARKET PLAYBOOK

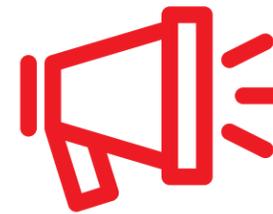
- 1 Build a local program that can be adapted based on the announcement and timing
- 2 Components to include for a successful program:



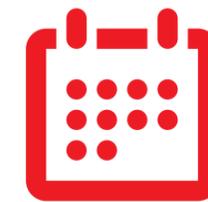
Press release



Local radio campaign



Out of home advertising campaign



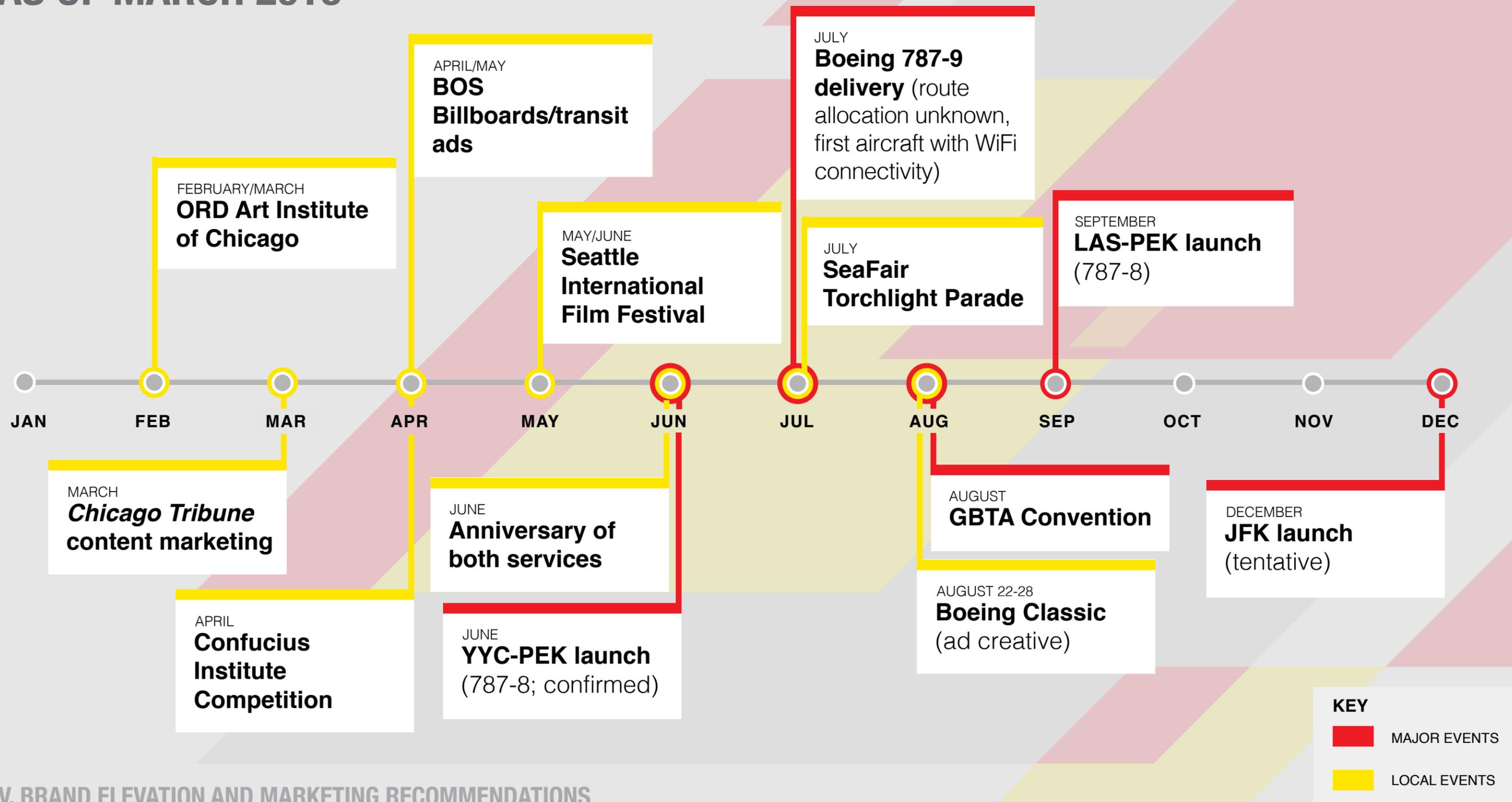
Launch event

LAUNCH EVENT INCLUDES:

- Inaugural flight press event
- Inaugural flight influencer event
- Pull-up and banner design
- Launch-specific collateral

UPCOMING PROMOTIONAL EVENTS

AS OF MARCH 2016



BRANDING & USER EXPERIENCE

Refresh Image Library

An important priority for Hainan Airlines is to generate refreshed photo assets that can be used in North American advertisements, marketing materials and collateral development. Hainan should execute a series of photo shoots to capture the Hainan product and experience in a variety of contexts. These settings should include, but are not limited to:

- Onboard photos of the product offering, including seats, cuisine, amenities and in-flight entertainment;
- Onboard shots of flight attendants engaging with passengers of a variety of ethnicities, age groups and service levels;
- In-flight photography of Hainan planes, including air-to-air photography;
- Hainan staff and passengers at check-in counters and boarding gates;
- Hainan airport lounges; and
- Photography of Hainan destinations in both China and North America, including cityscapes and images of iconic landmarks.

BRANDING & USER EXPERIENCE

Refresh Image Library (continued)

We recommend that Hainan develop new visual themes that can unite the image library and provide a recurring component that can move through various marketing materials. This theme will be an update to the current “scarf” motif, developing refreshed visual elements that will link our marketing materials and resonate more powerfully with a North American audience. These themes will be embodiments of Hainan’s core values and brand promise, emphasizing elegance, vitality, modern Asian culture, Zen simplicity and harmony.

BRANDING & USER EXPERIENCE

Video & Commercial Content

Leveraging our core messaging and refreshed brand imagery, we will develop concepts for new 30- and 60- second television commercials that focus on Hainan's premier product, expanding network, airline partnerships and elite service. These television spots will extend our visual themes and core messaging and reinforce the brand promise we have promoted within our print and online marketing materials.

Once we have developed the concept and design for the 30- and 60-second television advertisements, we will iterate many of the key themes, images and messages into shortened versions that can be used for YouTube pre-roll, Facebook promoted posts and on other online platforms.

- 1 Target Distribution Channels
- 2 Local Affiliates

Video & Commercial Content

Target Distribution Channels



Local Affiliates



BRANDING & USER EXPERIENCE

Advertising & Brand Audit

Hainan's current digital advertising strategy includes investments in display ads, particularly on social media channels, and remarketing. To understand Hainan's digital advertising strategy holistically, Nyhus audited the available creative and promotional materials from Hainan to gauge whether the campaigns were consistently branded, actionable and visually compelling.

Nyhus then extended this investigation to understand whether the branding and messaging in the digital advertising campaigns carried into the in-flight experience to create a seamless customer journey.

We found that the current digital advertising and in-flight creative could be more consistently aligned with Hainan's core brand promise. The digital advertising campaigns had disparate fonts, colors, messaging and branding with poor calls to action. The in-flight experience had similar gaps in visuals and messaging.

Following the brand audit, Nyhus reimagined current Hainan creative to clearly articulate how simple, thoughtful tweaks could provide customers with a seamless journey from digital touchpoints to real world flight experience. This initial creative is intended to serve as a starting point from which we would support a more robust refresh of current digital collateral.

BRANDING & USER EXPERIENCE

BRAND AUDIT / DISPLAY ADS



V. BRAND ELEVATION AND MARKETING RECOMMENDATIONS

BRANDING & USER EXPERIENCE

BRAND AUDIT / DISPLAY ADS

2015年6月1日~2016年3月31日

行李宅配/包膜 8折/件

海南航空 HAINAN AIRLINES 登机证/电子客票行程单

注: 限普通舱位使用 宅配服务仅限使用

SILICON VALLEY (SJC) → BEIJING (PEK)
NONSTOP

Book Now

HAINAN AIRLINES

Change Your Expectations

Hainan Airlines again honored as SKYTRAX Five-Star Airline

ROCKETMILES 海南航空 HAINAN AIRLINES

Book hotels and earn 500 - 10,000 Fortune Wings points per night.

Plus, earn 3,000 bonus Fortune Wings points on your first booking. Save up points to reach the trip of your dreams.

City or address | Check in | Check out | 2 Guests | 1 Room | Go

Hainan Airlines

Now hiring international flight attendants!

China's only SkyTrax 5-star airline is now hiring International Flight attendants for their continuously expanding international network. Positions will be based in Beijing.

All selected candidates will go through 3 months paid training. Applicants are required to have fluent English language skills and to be service oriented.

If interested, please send your application along with your resume no later than Friday 22 November 2014 to hnar@vip.china.com.

First ever nonstop from Calgary to Beijing

Starting from \$339 (3 taxes & fees) Round Trip From \$1392 CAD

30 Jun. 2015 - 10 Jul. 2015

Including taxes and fees. Terms and Conditions apply.

Optimal Seat Selection, Enjoy Comfortable Space

Hainan Airlines

WTA World's Best Business Class SKYTRAX Five-Star Airline

In-flight Shopping

HAINAN AIRLINES Cherished Experience

Ni Hao, Silicon Valley!

FIRST TIME IN HISTORY... SILICON VALLEY TO CHINA...NONSTOP!

Nonstop service San Jose to Beijing 5 days a week Starting June 15

Enjoy the deal!

20

FLYING HIGH

The evolution of China's economy and commercial flying

1993-2013

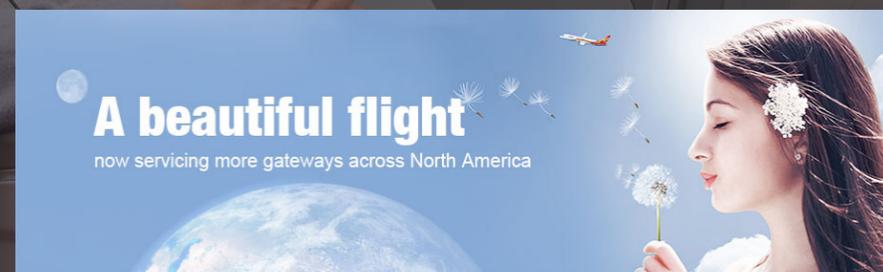
HNA 20

V. BRAND ELEVATION AND MARKETING RECOMMENDATIONS

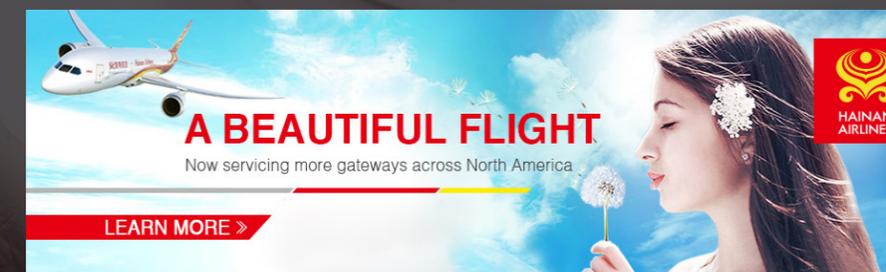
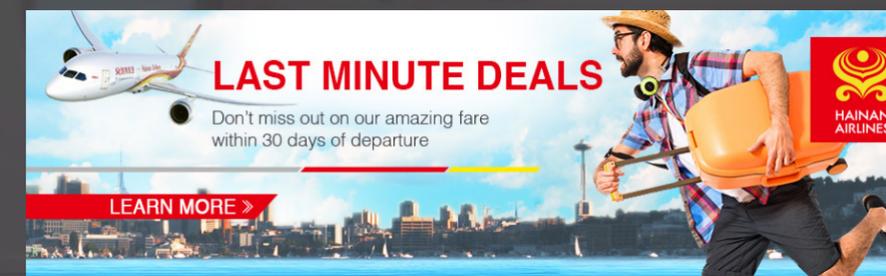
BRANDING & USER EXPERIENCE

REVISED CREATIVE USING HAINAN VISUAL IDENTITY STANDARDS & CONSISTENT BRAND APPLICATION

✘ DISPLAY ADS CURRENT



✔ RECOMMENDED



V. BRAND ELEVATION AND MARKETING RECOMMENDATIONS

BRANDING & USER EXPERIENCE

REVISED CREATIVE USING HAINAN VISUAL IDENTITY STANDARDS & CONSISTENT BRAND APPLICATION

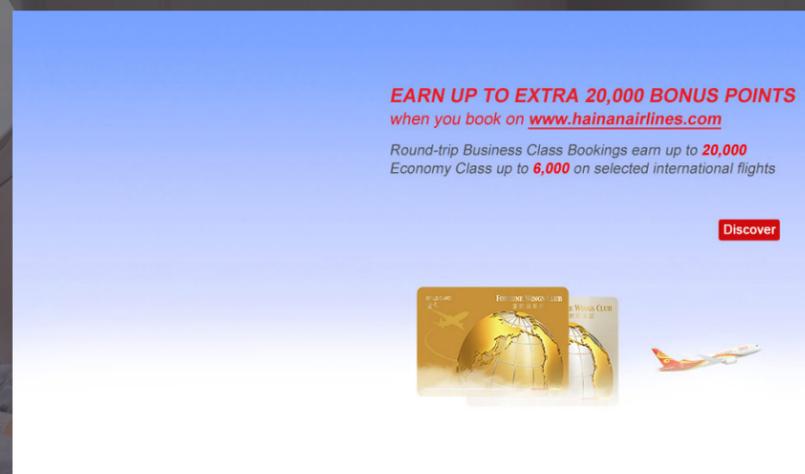
✘ DISPLAY ADS CURRENT



EARN UP TO EXTRA 20,000 BONUS POINTS when you book on www.hainanairlines.com

Round-trip Business Class Bookings earn up to **20,000**
Economy Class up to **6,000** on selected international flights

This ad features a gold membership card on the left, a small airplane icon in the center, and the promotional text on the right. The layout is somewhat cluttered and lacks a clear visual hierarchy.



EARN UP TO EXTRA 20,000 BONUS POINTS when you book on www.hainanairlines.com

Round-trip Business Class Bookings earn up to **20,000**
Economy Class up to **6,000** on selected international flights

Discover

This ad features the promotional text at the top, followed by the gold membership card and airplane icon at the bottom. The text is centered, and the overall design is less visually appealing than the recommended version.

✔ RECOMMENDED



EARN UP TO AN EXTRA 20,000 BONUS POINTS when you book on hainanairlines.com

Round-trip Business Class Bookings earn up to **20,000**
Economy Class earn up to **6,000** on selected international flights

DISCOVER >

This recommended ad features a large, high-quality image of a Hainan Airlines aircraft in flight. The promotional text is positioned in the top right corner, and the gold membership card is shown in the bottom left. The layout is clean and professional, with a clear call to action.



EARN UP TO AN EXTRA 20,000 BONUS POINTS when you book on hainanairlines.com

Round-trip Business Class Bookings earn up to **20,000**
Economy Class earn up to **6,000** on selected international flights

DISCOVER >

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BRANDING & USER EXPERIENCE

REVISED CREATIVE USING HAINAN VISUAL IDENTITY STANDARDS & CONSISTENT BRAND APPLICATION

✘ DISPLAY ADS CURRENT



✔ RECOMMENDED



BRAND ELEVATION RECOMMENDATIONS

REVISED CREATIVE USING HAINAN VISUAL
IDENTITY STANDARDS & CONSISTENT
BRAND APPLICATION

✘ DISPLAY ADS CURRENT



The current display ad features the Hainan Airlines logo and tagline 'Cherished Experience' at the top. Below, it says 'Ni Hao, Silicon Valley!' followed by 'FIRST TIME IN HISTORY... SILICON VALLEY TO CHINA...NONSTOP!' in green text. It then lists 'Nonstop service San Jose to Beijing 5 days a week Starting June 15'. A red button at the bottom right says 'Enjoy the deal'. The background shows a traditional Chinese building.



This current display ad shows the route 'SILICON VALLEY (SJC) ---> BEIJING (PEK) NONSTOP' in yellow and white text. A purple button says 'Book Now'. The background features a traditional Chinese building. The Hainan Airlines logo is at the bottom right.

✔ RECOMMENDED



The recommended display ad features an image of a Hainan Airlines aircraft in flight. The Hainan Airlines logo is in the top right corner. Below the aircraft, it says 'Ni Hao, Silicon Valley' followed by 'FIRST TIME IN HISTORY... SILICON VALLEY TO CHINA...NONSTOP!' in red text. It then lists 'Nonstop service San Jose to Beijing 5 days a week, starting June 15'. A red button at the bottom says 'LEARN MORE >'. The background shows a traditional Chinese building.

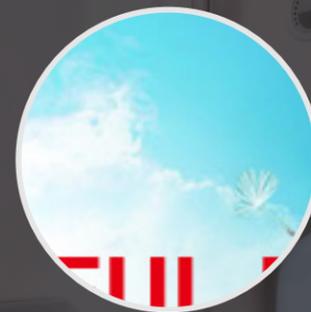


This recommended display ad features the route 'SILICON VALLEY (SJC) TO BEIJING (PEK) NONSTOP' in red and white text. A red button at the bottom says 'BOOK NOW >'. The background features a traditional Chinese building. The Hainan Airlines logo is at the top right.

BRANDING & USER EXPERIENCE

CONSISTENT BRAND & VISUAL IDENTITY SYSTEM

Consistent usage of planes, and not too small



Consistent background coloring and cloud elements



Consistent use of logo identity



Prominent call to action

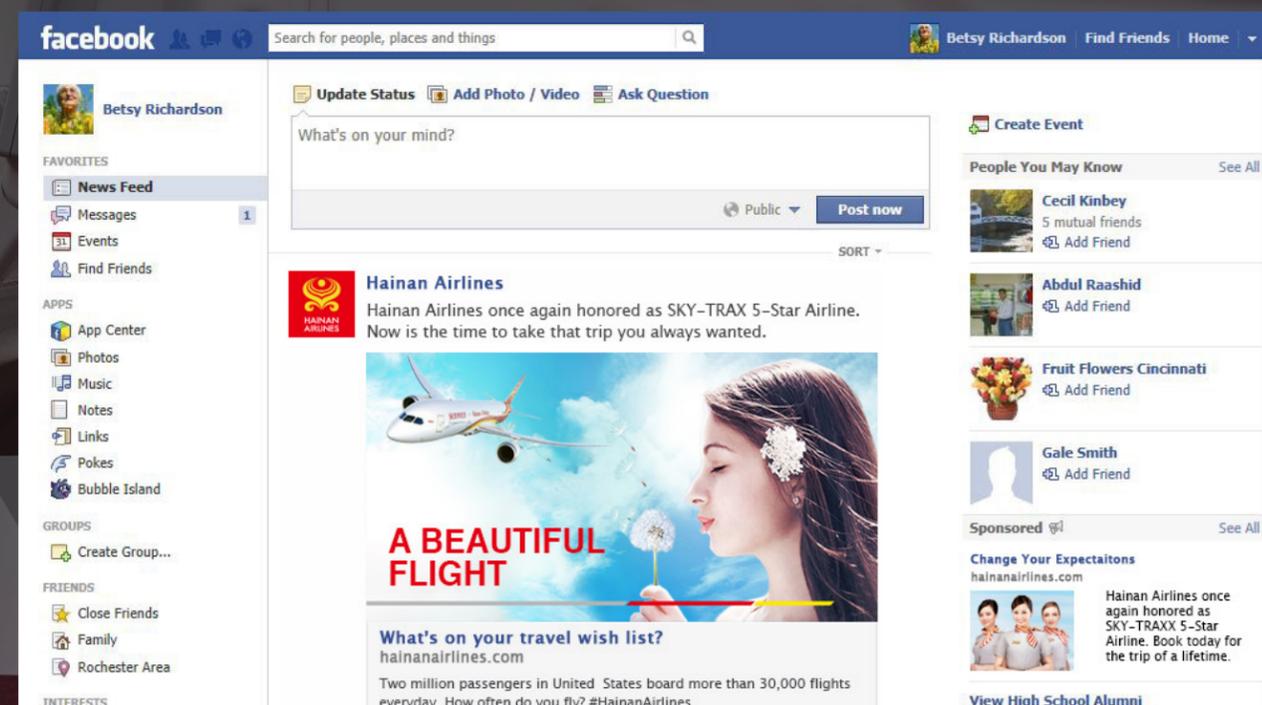
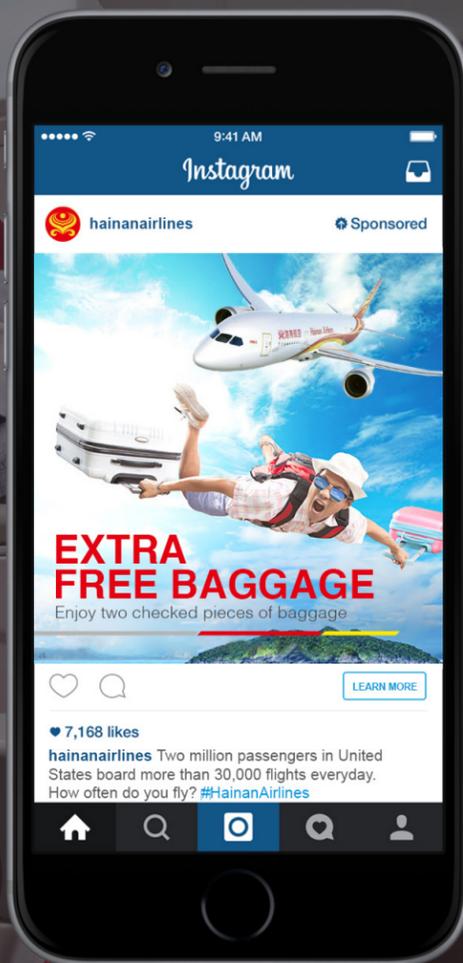


Consistent, correct font and design elements based on identity system



BRANDING & USER EXPERIENCE

APPLICATION OF CONSISTENT BRANDING



V. BRAND ELEVATION AND MARKETING RECOMMENDATIONS

BRANDING & USER EXPERIENCE

Refresh the Traveling Experience for American Passengers

There are many opportunities to improve the onboard experience for American passengers. The in-flight service, cuisine, and other accommodations on Hainan flights are top-rate, but the in-plane signage, informational materials, and flight attendant scripts can be refreshed to appeal more directly to American passengers.

From the moment a passenger steps onto a Hainan flight, we want to reinforce the airline's value proposition and connect directly with that passenger in ways that will resonate. With a split of Chinese and Western fliers on Hainan planes, this will likely mean having multiple versions of materials that speak to each type of customer. It may also mean that in-cabin signage on airplanes that serve North American routes will be designed differently from those airplanes that operate other international routes.

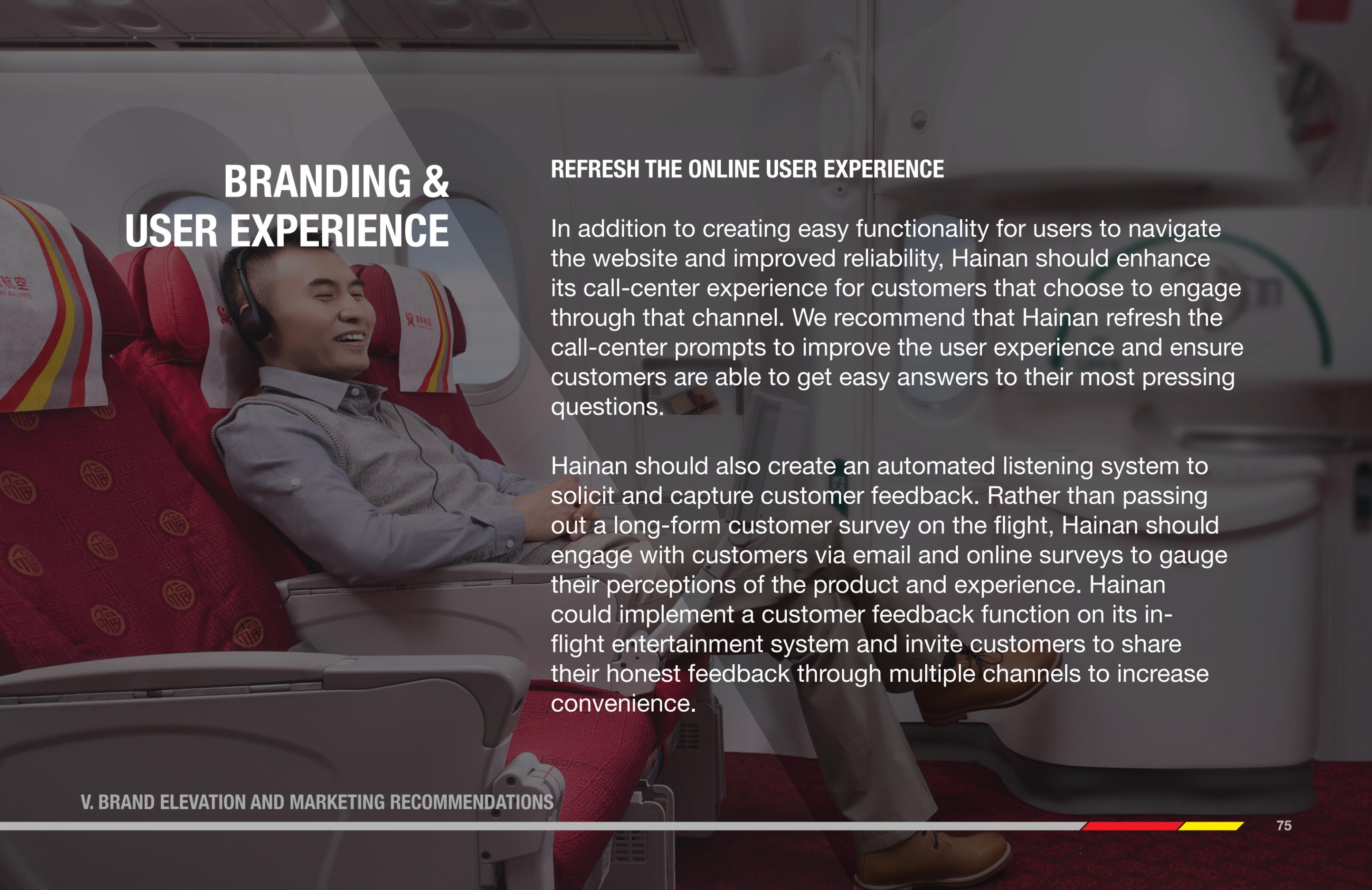
Refresh the Traveling Experience

BRANDING & USER EXPERIENCE

Re-translating and editing the English-language content that travelers engage with on the flight will enhance Hainan's image as an international airline. These materials should be tweaked to ensure they are natural and understandable to an English-speaking audience.

We recommend updated the following materials with new messaging, imagery and brand assets:

- In-flight menu
- In-flight entertainment system interface
- English-language materials like the note in pajamas, placemat language, way-finding signage and boarding gate signage, including consideration of the hierarchy of Chinese and English
- Image greeting passengers on in-flight entertainment screens
- In-flight safety video for all North America-China routes
- Flight attendant script for all in-flight announcements

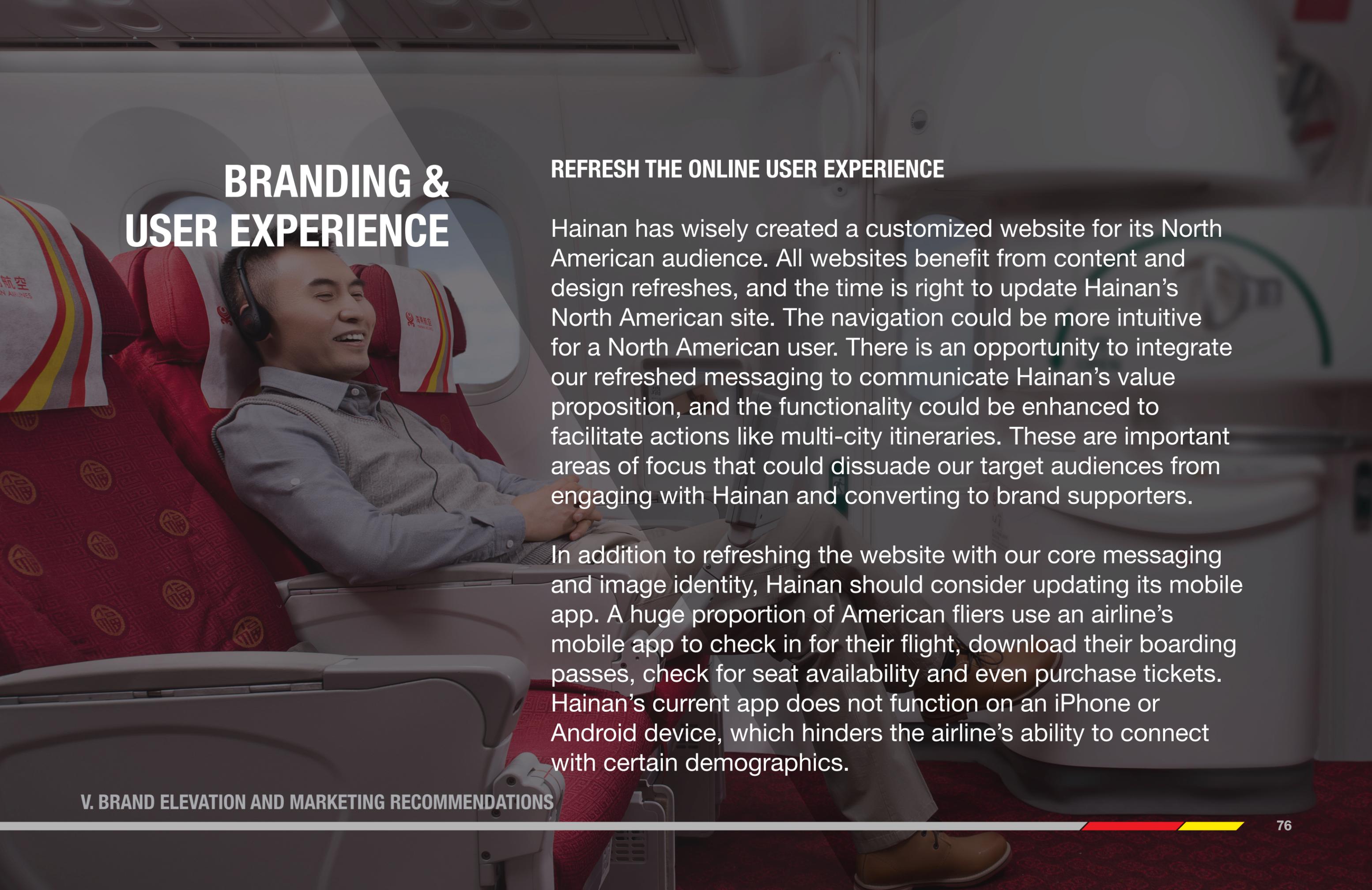


BRANDING & USER EXPERIENCE

REFRESH THE ONLINE USER EXPERIENCE

In addition to creating easy functionality for users to navigate the website and improved reliability, Hainan should enhance its call-center experience for customers that choose to engage through that channel. We recommend that Hainan refresh the call-center prompts to improve the user experience and ensure customers are able to get easy answers to their most pressing questions.

Hainan should also create an automated listening system to solicit and capture customer feedback. Rather than passing out a long-form customer survey on the flight, Hainan should engage with customers via email and online surveys to gauge their perceptions of the product and experience. Hainan could implement a customer feedback function on its in-flight entertainment system and invite customers to share their honest feedback through multiple channels to increase convenience.

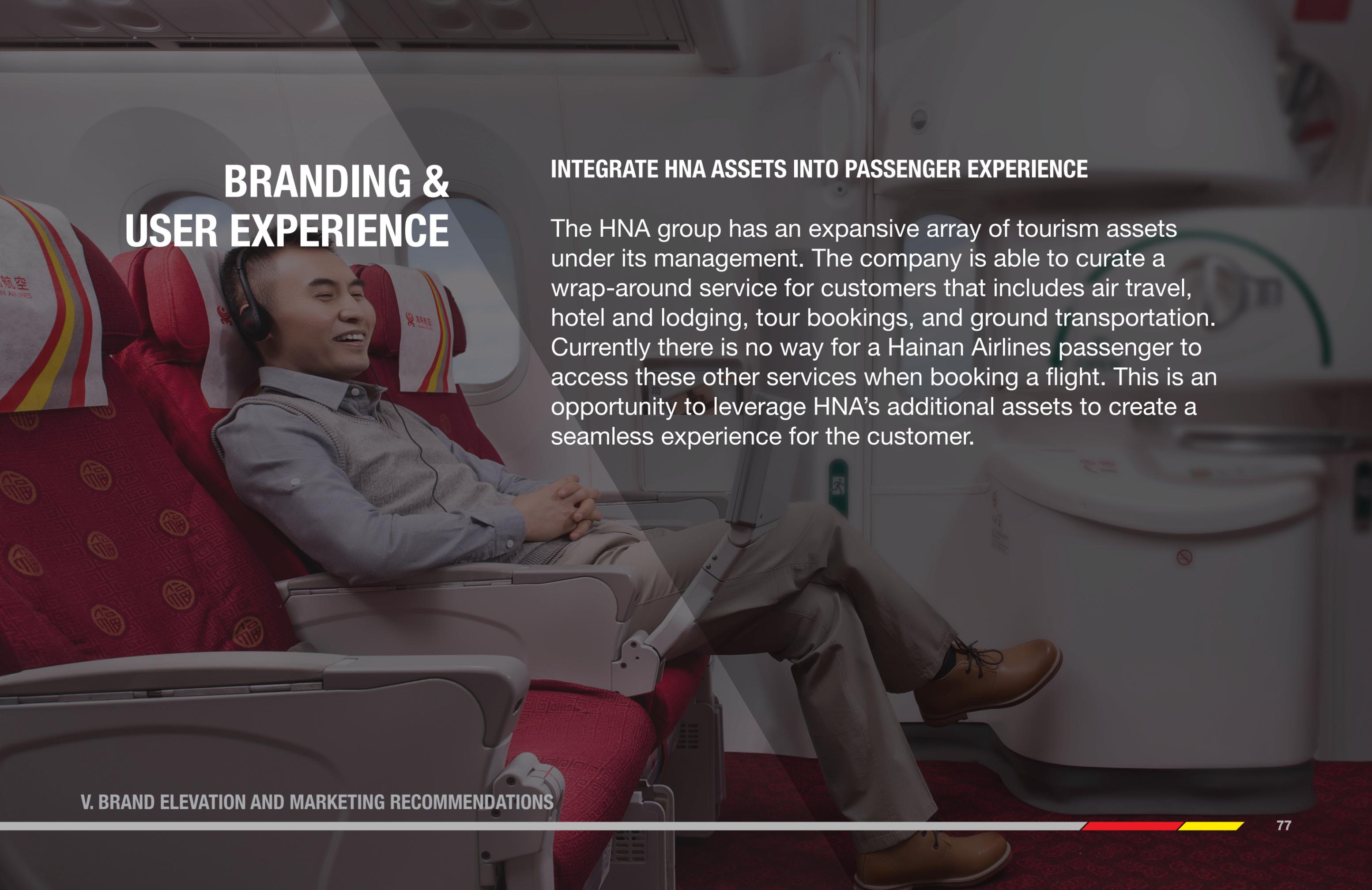


BRANDING & USER EXPERIENCE

REFRESH THE ONLINE USER EXPERIENCE

Hainan has wisely created a customized website for its North American audience. All websites benefit from content and design refreshes, and the time is right to update Hainan's North American site. The navigation could be more intuitive for a North American user. There is an opportunity to integrate our refreshed messaging to communicate Hainan's value proposition, and the functionality could be enhanced to facilitate actions like multi-city itineraries. These are important areas of focus that could dissuade our target audiences from engaging with Hainan and converting to brand supporters.

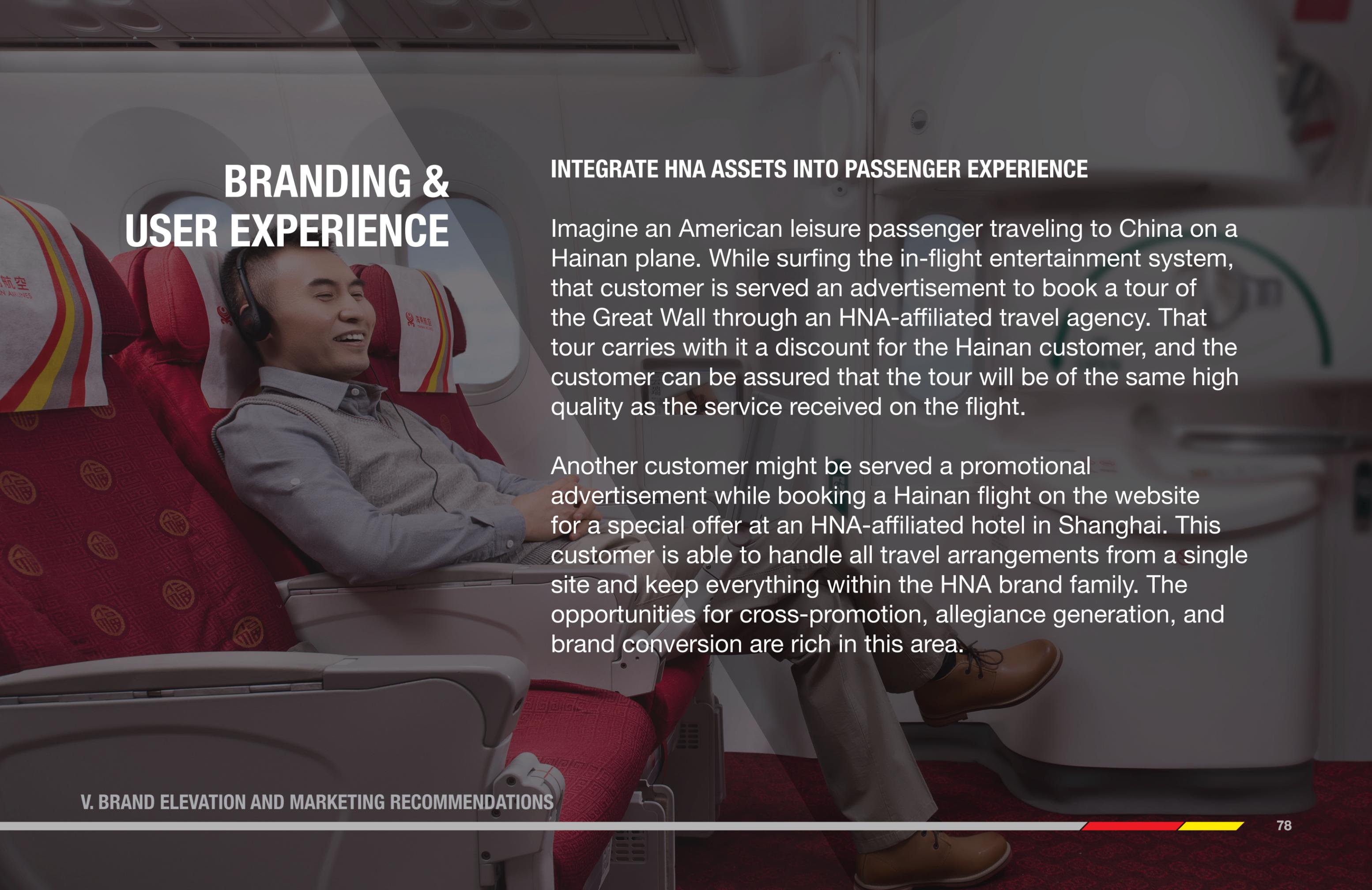
In addition to refreshing the website with our core messaging and image identity, Hainan should consider updating its mobile app. A huge proportion of American fliers use an airline's mobile app to check in for their flight, download their boarding passes, check for seat availability and even purchase tickets. Hainan's current app does not function on an iPhone or Android device, which hinders the airline's ability to connect with certain demographics.



BRANDING & USER EXPERIENCE

INTEGRATE HNA ASSETS INTO PASSENGER EXPERIENCE

The HNA group has an expansive array of tourism assets under its management. The company is able to curate a wrap-around service for customers that includes air travel, hotel and lodging, tour bookings, and ground transportation. Currently there is no way for a Hainan Airlines passenger to access these other services when booking a flight. This is an opportunity to leverage HNA's additional assets to create a seamless experience for the customer.



BRANDING & USER EXPERIENCE

INTEGRATE HNA ASSETS INTO PASSENGER EXPERIENCE

Imagine an American leisure passenger traveling to China on a Hainan plane. While surfing the in-flight entertainment system, that customer is served an advertisement to book a tour of the Great Wall through an HNA-affiliated travel agency. That tour carries with it a discount for the Hainan customer, and the customer can be assured that the tour will be of the same high quality as the service received on the flight.

Another customer might be served a promotional advertisement while booking a Hainan flight on the website for a special offer at an HNA-affiliated hotel in Shanghai. This customer is able to handle all travel arrangements from a single site and keep everything within the HNA brand family. The opportunities for cross-promotion, allegiance generation, and brand conversion are rich in this area.

PUBLIC RELATIONS AND PARTNERSHIPS

Brand Ambassador Program

Third-party advocacy is one of the most impactful tools for a brand to elevate its equity and recognition with a target audience. Nyhus will identify strategically positioned ambassadors that can support Hainan within their networks, promote the airline's services and value proposition, and serve as public advocates for the brand.

Ambassadors should be provided elite status on Hainan so they are incentivized to travel on Hainan flights and speak positively about the experience.

Potential early candidates:

- Gary Locke
- Warren McFarlan
- Travel Bloggers
 - ◆ Lucky
 - ◆ Runway Girl

PUBLIC RELATIONS AND PARTNERSHIPS

Brand Ambassador Program (continued)

Hainan could also pursue partnerships with sports teams or sporting events to increase reach and align the brand with popular American culture. Events like golf tournaments, basketball tournaments or football games will dramatically increase Hainan's connectivity in the North American market. Sponsoring the American Olympic team or being a corporate partner for an international competition that is popular in America, like the World Cup, will enhance brand recognition.

PUBLIC RELATIONS AND PARTNERSHIPS

Identify and Leverage Celebrity Spokesperson

A recognized celebrity spokesperson could extend the Hainan brand promise and create affinity for the company within communities that were previously disengaged from the airline. This celebrity spokesperson should have resonance in both North America and China.

This spokesperson could be a Chinese movie star that is recognizable to an American audience or a celebrity that embodies the brand's key values in the same way Roger Federer serves as a spokesperson for Moët and Chandon, a French brand of champagne.



YAO MING

Professional basketball player



JET LI

Actor, producer, martial artist, and wushu champion



NEYO

Chinese-African American singer



NATHAN ADRIAN

Three-time Olympic gold medalist



LUCY LIU

American actress



GARY LOCKE

American politician



JACKY CHAN

Hong Kong superstar



MING-NA WEN

Macau American Actress



LANG LANG

China pianist



JAY CHOU

Film and pop star

PUBLIC RELATIONS AND PARTNERSHIPS

CORPORATE PARTNERSHIPS

Partnerships with companies that both embody Hainan's core value proposition and advantageously position Hainan with its target audiences will bring significant positive impact to the airline. We will work with Hainan to identify target companies and build relationships, partnerships, and cross-promotional agreements that expand Hainan's network and extend the airline's reach into captive audiences.

Initial prospective partners include:



- Companies that list vacant homes and hotels within the Hainan network, like Hotwire.com and Hotels.com
- Additional car service companies that can provide a service for coach passengers similar to the business class limo service

PUBLIC RELATIONS AND PARTNERSHIPS

CORPORATE PARTNERSHIPS

Creating a strong brand alliance and affiliation with a well-known American brand will have a significant positive impact on Hainan Airlines efforts. If these brands are also well established in China, the synergies will be amplified. Consider a cross-promotional partnership with Starbucks where Starbucks coffee would be served on Hainan flights and Hainan would be promoted in Starbucks stores in North America and China. A partnership like this would significantly increase brand exposure for Hainan and make clear connections between the Hainan brand and another corporate leader with a positive brand identity.





PUBLIC RELATIONS AND PARTNERSHIPS

DEVELOP CSR PROGRAM

Corporate social responsibility is a critical component of doing business in America. Companies are expected to play impactful roles in the communities they serve, and Hainan is no exception. Hainan must build a comprehensive CSR initiative that engages the company in the community.

This strategy must extend beyond donations to charities. Hainan's employees, leaders and partners need to be engaged directly in the community, visiting schools, helping families in need or doing service. The increasing interest in studying Chinese in American elementary, middle and high schools is a clear opportunity for Hainan to build an impactful and unique CSR program. Hainan could donate Chinese language text books to schools in need in their key markets and send flight attendants to schools to teach Chinese classes when they have layovers between flights. Hainan could position its employees and leaders as ambassadors of Chinese culture and tradition for young people throughout their target markets.

PUBLIC RELATIONS AND PARTNERSHIPS

DREAMWORKS PARTNERSHIP - KUNG FU PANDA

One strategic partnership Nyhus has suggested is a promotional arrangement with DreamWorks to integrate assets from the “Kung Fu Panda” movie franchise into Hainan’s collateral and advertising. The close synergy between the movie’s themes and Hainan’s cultural heritage create an exciting opportunity to develop a co-promotional agreement between the two companies.

Nyhus originally recommended that Hainan create a special new livery for its first 787-9 Dreamliner using the “Kung Fu Panda” characters and set pieces. We have begun conversations with DreamWorks to license elements of the “Kung Fu Panda” franchise and integrate them into a variety of promotional materials and advertisements.

Boeing has created speculative designs for the airplane livery once an agreement is finalized. Nyhus will work with the Hainan teams to build a comprehensive promotional campaign around the introduction of the airplane into the Hainan fleet as well as co-branded advertising and marketing materials to amplify the partnership and raise awareness of Hainan with North American audiences.

Kung Fu Panda - “Po & Team” Graphics

PUBLIC RELATIONS AND PARTNERSHIPS

VERSION 1



V. BRAND ELEVATION AND MARKETING RECOMMENDATIONS

Kung Fu Panda - “Po & Team” Graphics

PUBLIC RELATIONS AND PARTNERSHIPS

VERSION 2



V. BRAND ELEVATION AND MARKETING RECOMMENDATIONS



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