

Risk-taker Branson battles to protect Virgin brand (Update 2)

November 4 2014, by Robin Millard



Virgin founder Richard Branson, seen here in April, is fighting to restore his company's reputation after the crash of SpaceShipTwo

Richard Branson knows how to handle business setbacks, but he is now battling to protect the Virgin empire's image following the test flight crash of his flagship space tourism venture.

The British entrepreneur is fighting to stop the fatal explosion that

brought down Virgin Galactic's SpaceShipTwo charring his sprawling Virgin Group, which encompasses more than 400 companies in multiple sectors.

Risk-taking has always been part of Branson's business entrepreneurship and personal adventurism.

"Pushing the bounds of knowledge and possibility comes with unavoidable risk," Branson said after Friday's crash.

The 64-year-old tycoon had hoped to take the first commercial flight, planned for four months' time.

British newspaper The Times said Tuesday that Branson was facing the damaging accusation "that his pioneering space tourism company had become a triumph of public relations with an unproven and potentially lethal spacecraft attached".

Financial Times writer John Gapper said Branson was both a "risk-taking, publicity-seeking adventurer" and a "hard-headed private entrepreneur" and it was "foolish" of him to have mixed up these personas in Virgin Galactic.

Reputation at risk: biographer

Branson's biographer Tom Bower warned that the tycoon's personal standing—so often indelibly intertwined with his investments—was now on the line.

"Branson heading for space was going to be the Last Great Hurrah for the Virgin Superman, confirming the genius of the Virgin brand and embellishing the myth of Branson the Superhero," he wrote in the Daily Mail newspaper.


"Instead of global glory, Branson is now scrabbling for survival. Not only is his Virgin brand at risk, so too is his personal reputation."


Space craft crash

Virgin Galactic's SpaceShipTwo was on a test flight

▶ 35th test flight

▶ 2 pilots aboard, one of whom was killed

 500 people have already booked a seat

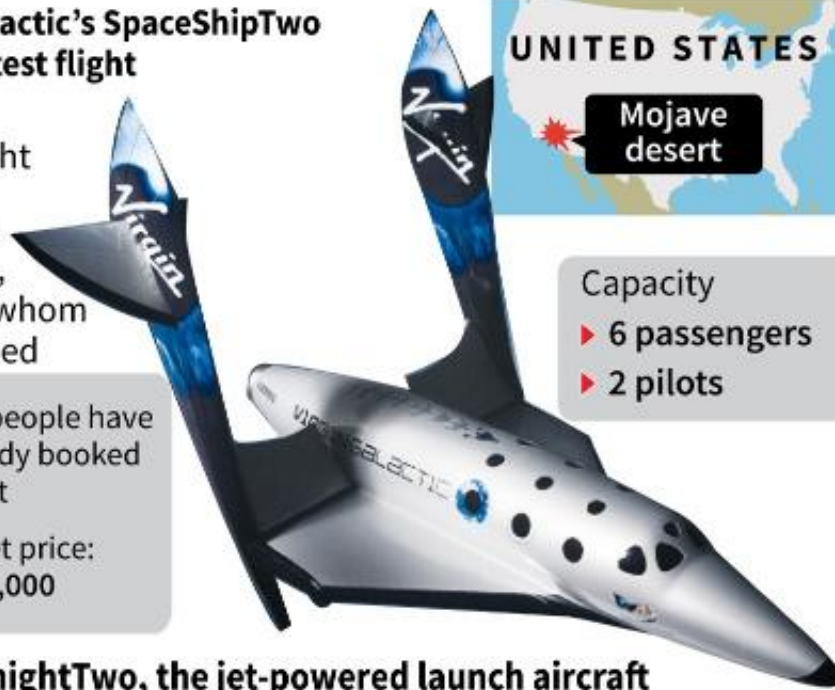
 Ticket price: \$250,000



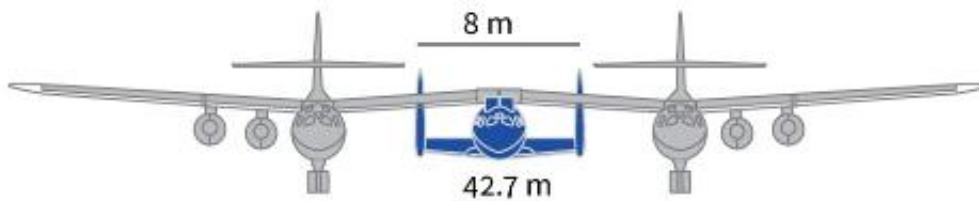
Capacity

▶ 6 passengers

▶ 2 pilots



WhiteKnightTwo, the jet-powered launch aircraft



Source: Virgin Galactic

AFP

One pilot was killed and another injured when Virgin Galactic's SpaceShipTwo crashed in the Mojave desert

Branson has bounced back from business failures in the past, including Virgin Brides, Virgin Cola and Virgin Megastores.

But he is already facing hostile press in Britain for relocating to the British Virgin Islands tax haven, where he has owned a paradise island getaway since 1978.

Shy in person and hesitant when speaking, Branson—dyslexic, and twice married with two surviving children—has built a vast business empire.

A knight of the realm, The Sunday Times newspaper's Rich List 2014 ranks him the 23rd-richest person in Britain, with a £3.6 billion (\$5.8 billion, 4.6 billion euro) fortune.

Virgin Group encompasses companies dealing in everything from trains, wines and music labels, to mobile phones, airlines and banking.

Branson's typical modus operandi is to throw the Virgin name into existing markets as a fresh, upstart rival offering better customer service.

Few of Branson's ventures have been launched without some attention-grabbing publicity stunt featuring the boss himself.

Branson a crisis management 'master'

Branson began young, launching a student-aimed magazine while still at private school before setting up Virgin Records aged just 20.



NTSB Acting Chairman Christopher Hart(2nd-L), Virgin Galactic pilot Todd Ericson(C) and investigators survey a section of the SpaceShipTwo accident site near Cantil, California, November 1, 2014

His breakthrough came with "Tubular Bells", a 1973 instrumental album by British progressive rock act Mike Oldfield which sold millions of copies.

The record label was sold off in 1992, but by that time Branson had already branched into aviation, setting up Virgin Atlantic in 1984 and building it into Britain's second-biggest airline.

Branson has also set a series of aviation and nautical adventure records, although he failed, despite numerous attempts, to become the first person to circumnavigate the globe non-stop in a balloon.

These exploits brought Branson close to tragedy in 1998 when he and his co-pilot had to ditch their balloon in the Pacific Ocean after low pressure

forced the craft down.

Citing this, British public relations expert Mark Borkowski said the entrepreneur had handled crises before and his response this time had been "textbook" and "pure Branson".



Virgin founder Sir Richard Branson(2ndL) helps a reporter (L) with his camera after the reporter fell to the ground after a press conference at the Mojave Air and Space Port in California on November 1, 2014

"He's come out with a very pertinent line—I am going to go up first, with my family. You can't argue with that," Borkowski told AFP.

"He's not created a news vacuum: he's faced it up personally, he's tackled

the difficult questions.



Virgin Group founder Richard Branson, pictured in 2008 with a scale model of the SpaceshipTwo in New York

"Because the Virgin brand is still partly Branson, his ability to do it actually encloses the contagion.

"There are some people absolutely built for it and Branson is the master of it. When a brand can tackle a crisis, it actually has a counter-effect because it gives greater confidence throughout the brand."

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