

Do Low-Cost-Carriers threaten traditional HUB-s ?

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What is a “Low-Cost-Carrier” (LCC) ?

	<i>One-way-Fares</i>		
Ryan-Air	Off-Airports	from “Free”(Tax)	Large Network ex STN
Germanwings	Big Airports	from 19 € ex CGN	Growing Network
Hapag-Lloyd-Express	Big Airports	from 19,99 €	Growing N. ex CGN / HAJ
Air Berlin	Big Airports	from 29 € elsewhere	Growing N. ex Berlin and
Germania	Big airports	77 / 88 / 99 €	Growing N. ex Berlin
..			
Deutsche BA	Big Airports	from 25 € Network	Standard Domestic
..			
“The Empire strikes back”:	<u>Round-Trip-Fare</u>		
Lufthansa	All Airports	from 92 €	Domestic Fares, “Specials” Europe

Comparison of Fares

	<i>Short Term Booking</i>	<i>Long Term B.</i>
Booking Travel	"next week" Monday/ Thursday	"in 2 month" Monday/ Thursday
	€	€
CGN-NCE vv HLX	240 (120/120) non-stop	118 (59/59)
LH	1134 via FR	216
CGN-ROM vv HLX	130 (65/65) non-stop	70 (35/35)
LH	898 via FRA	207
HAJ-BIO vv HLX	70 (35/35) non-stop	100 (65/35)
LH	1564 via FRA	226
Rail Berlin-HAJvv	96	96

Fares for weekday "business" travel in €, Economy Class, fees included Checked on 13May for travel on 20/23May or 21/24July

The Motivation for LCC Travel

- 1) Very low fare, depending on time of booking**
- 2) Non-stop – Services**
- 3) Easy to book, easy to understand**
- 4) Standard sized aircraft B737 or A320**

The Disadvantage of Connecting Travel

- 1) Longer duration of travel**
- 2) “Ploughing” through hub airport**
- 3) Different seats on different flights**
- 4) Small regional aircraft due to small traffic volumes**

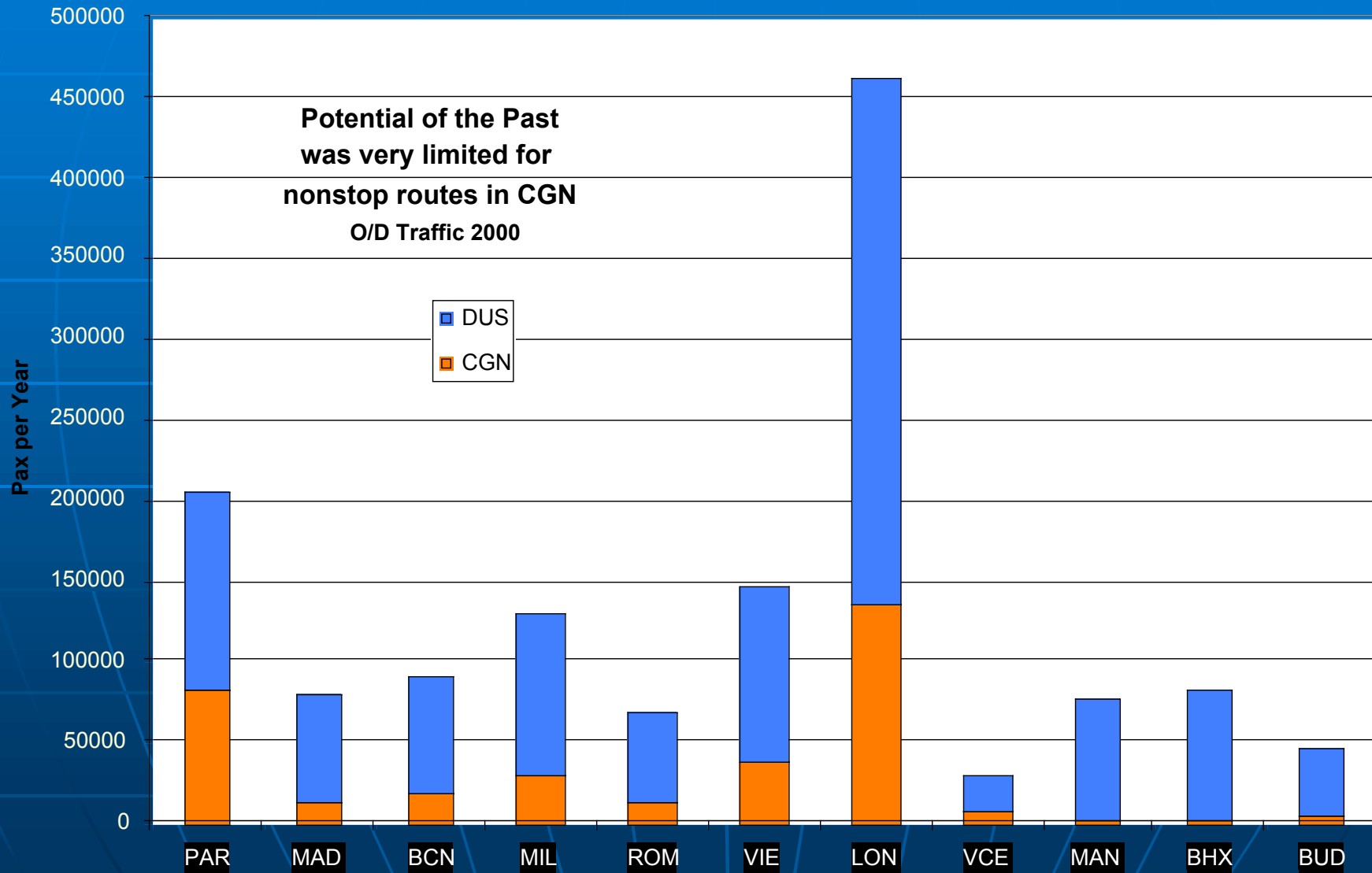
The Ingredients of a “good” Hub

- ✓ Perfect route structure
- ✓ Long-haul-flights
- ✓ One home-carrier, but additionally other airlines
- ✓ Quality of the Terminal, “one-in-one”
- ✓ Capacity for expansion
- ✓
- ✓
- ✓Poor non-stop network at other airports

The Lufthansa Hub in Frankfurt

- ✓ Perfect route structure, major cities well served
- ✓ Geographically well positioned
- ✓ Home base
- ✓ High European fares keep air travel between smaller European city-pairs at low level
- ✓ Slow regional propeller aircraft even on non-stop routes of the past made connecting traffic with jets competitive regarding overall travel time
- ✓ Relatively small countries surrounding Germany provided for additional feeder traffic

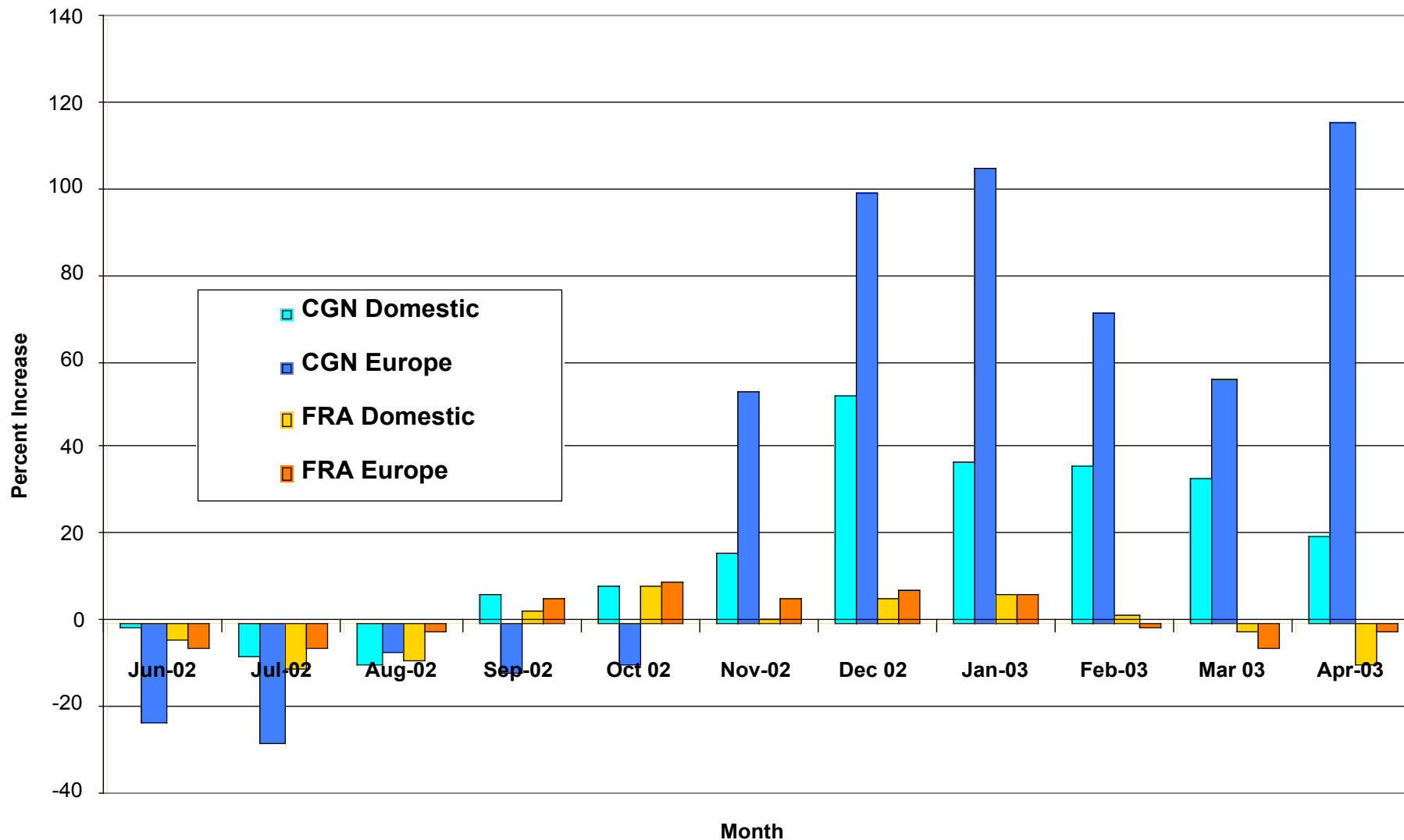
Potential Low fare



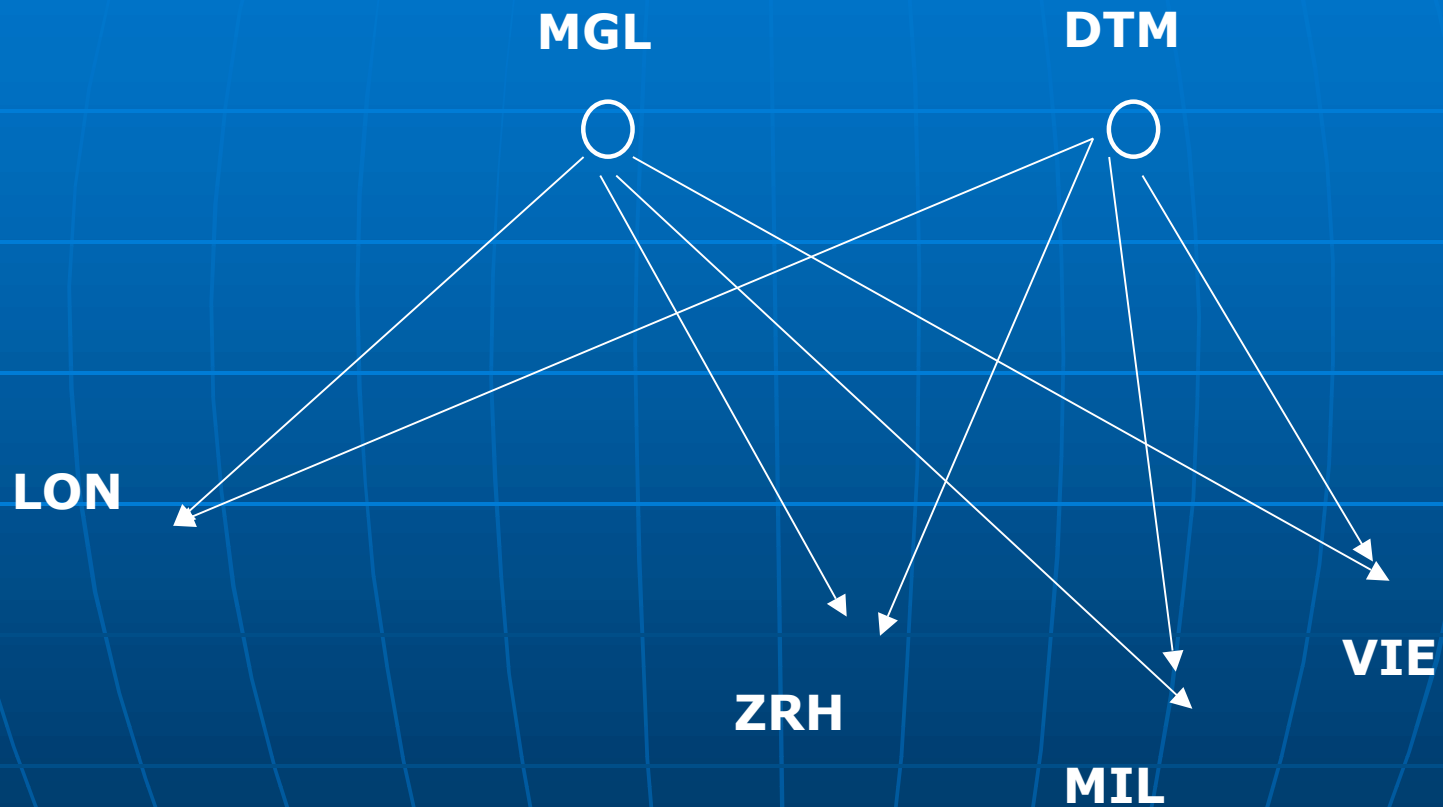
Passenger Traffic Increase 2002/3 over 2001/2

CGN versus FRA

The LCC started in Nov 2002

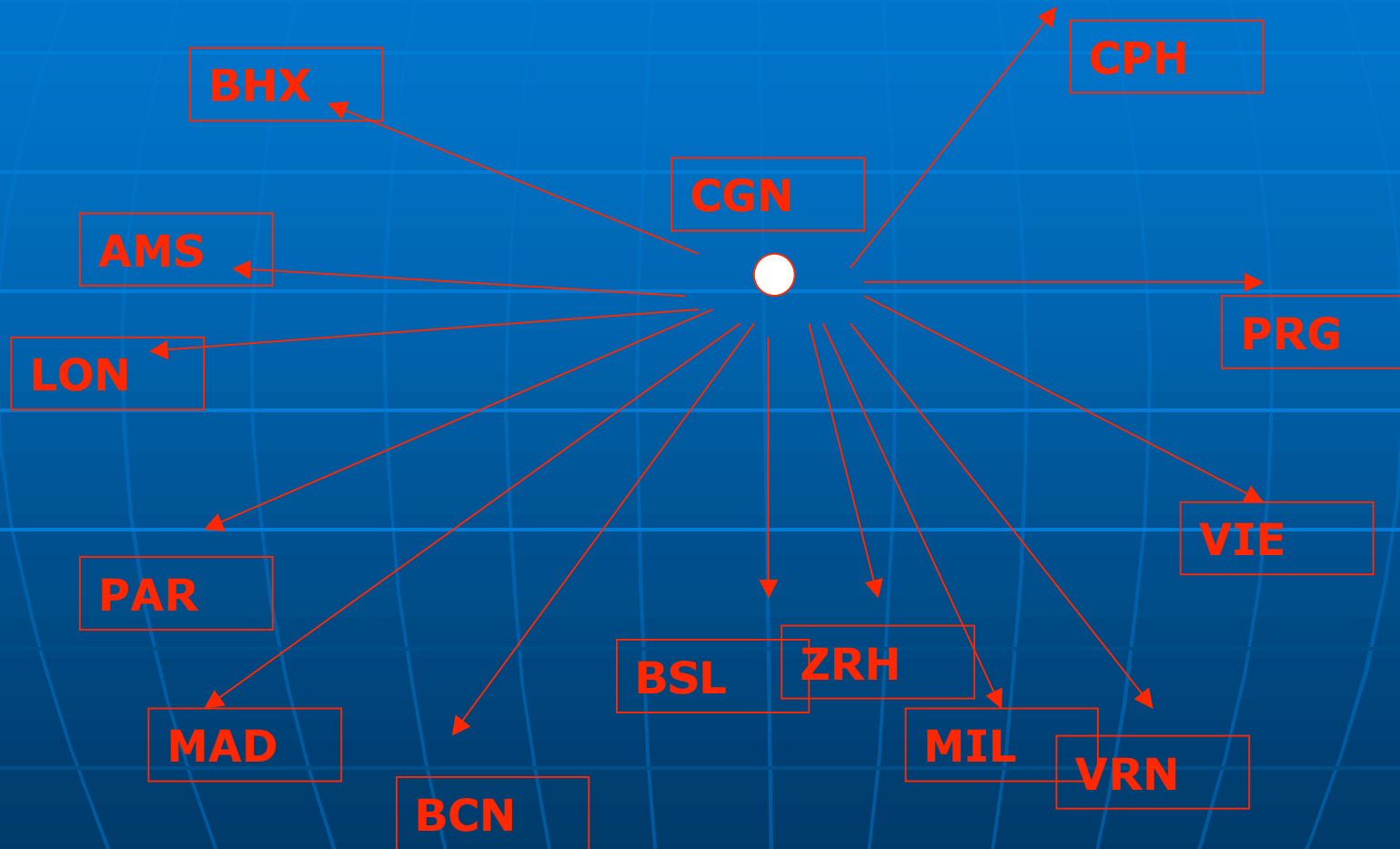


Air Berlin – Routes (extract)



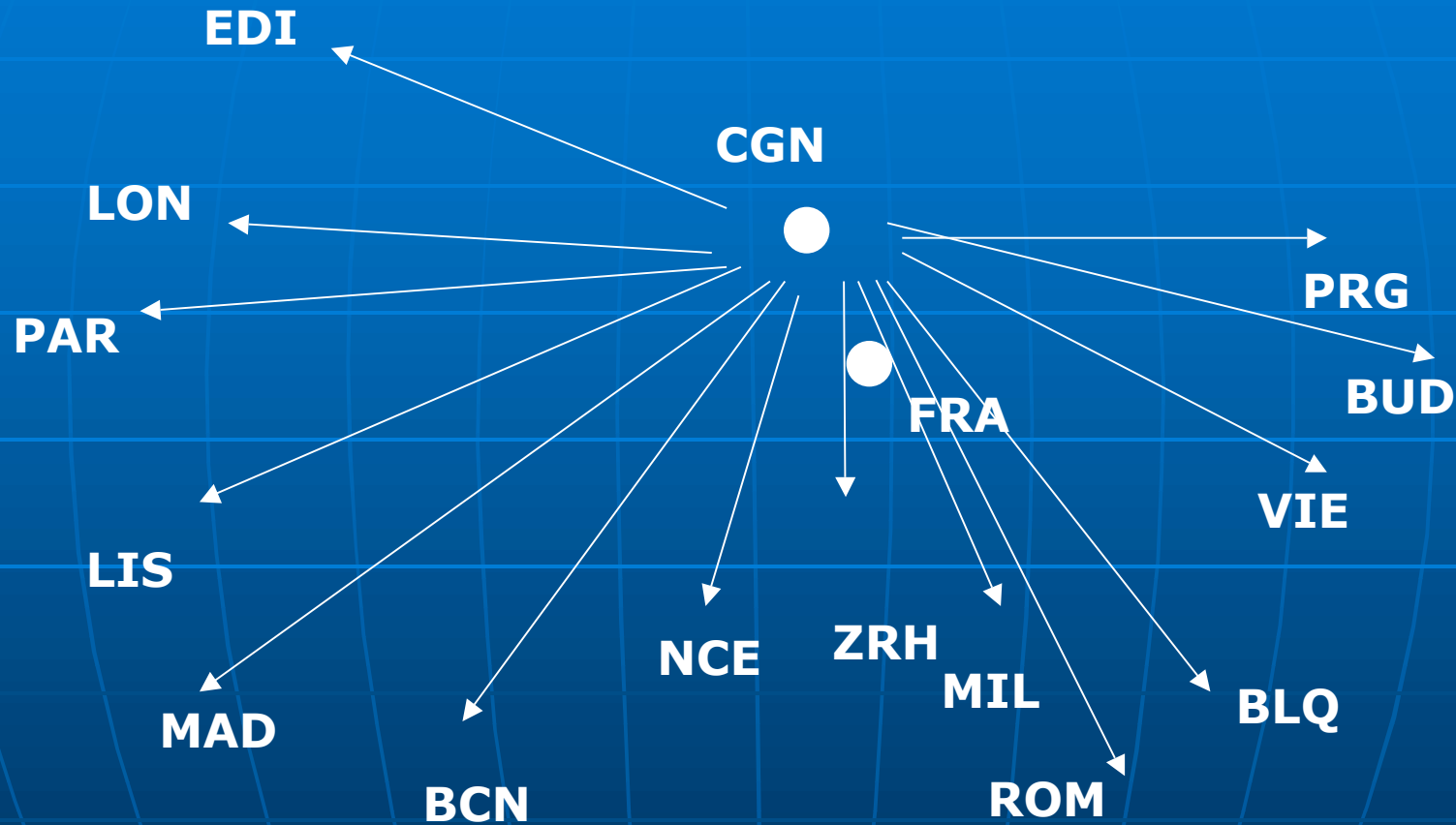
Business Routes CGN – Europe 2001

“The good old times”



Mostly served by small regional aircraft Luftansa and others

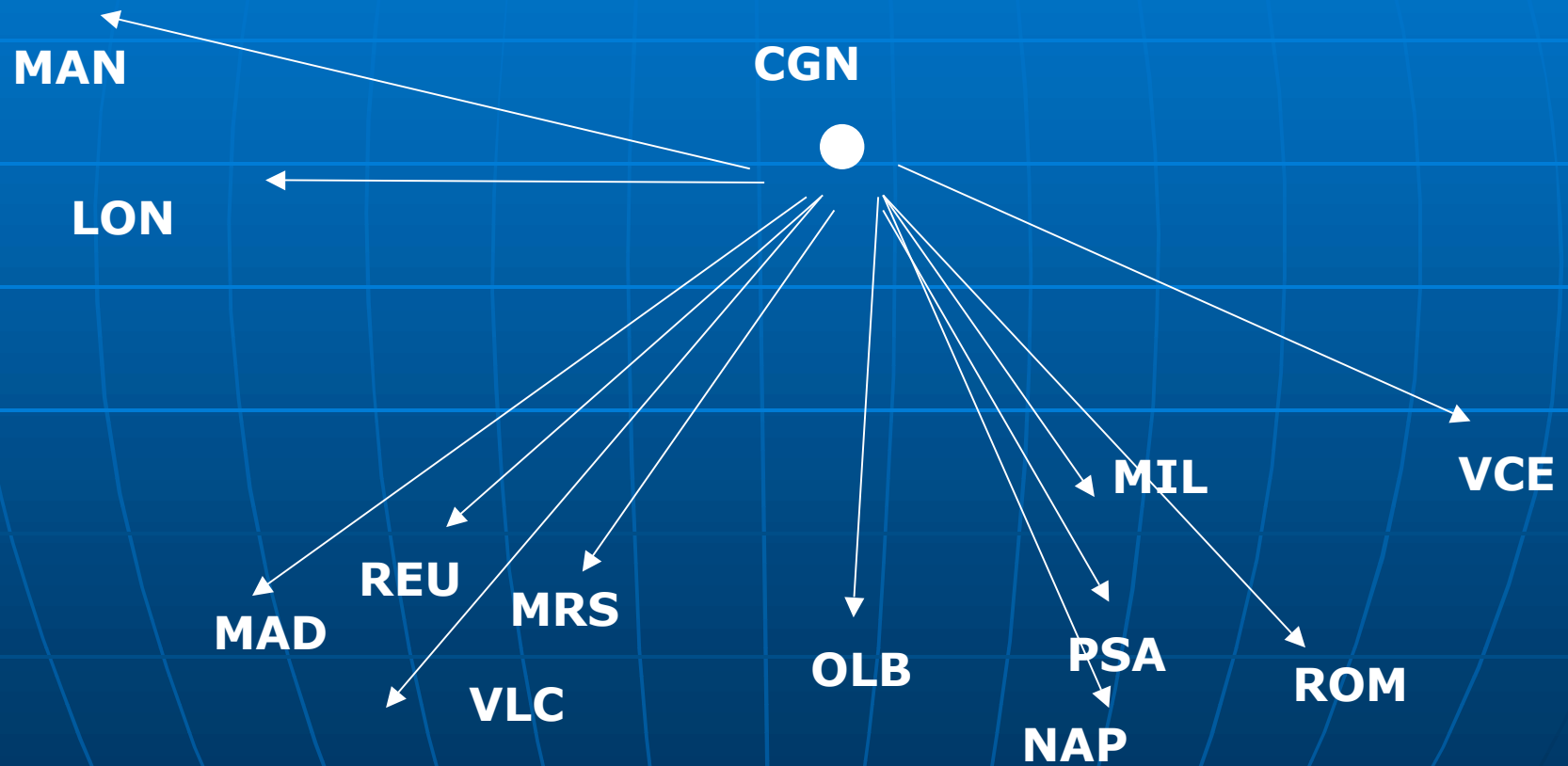
Germanwings Routes 2003



Mostly served by small regional aircraft Luftansa and others

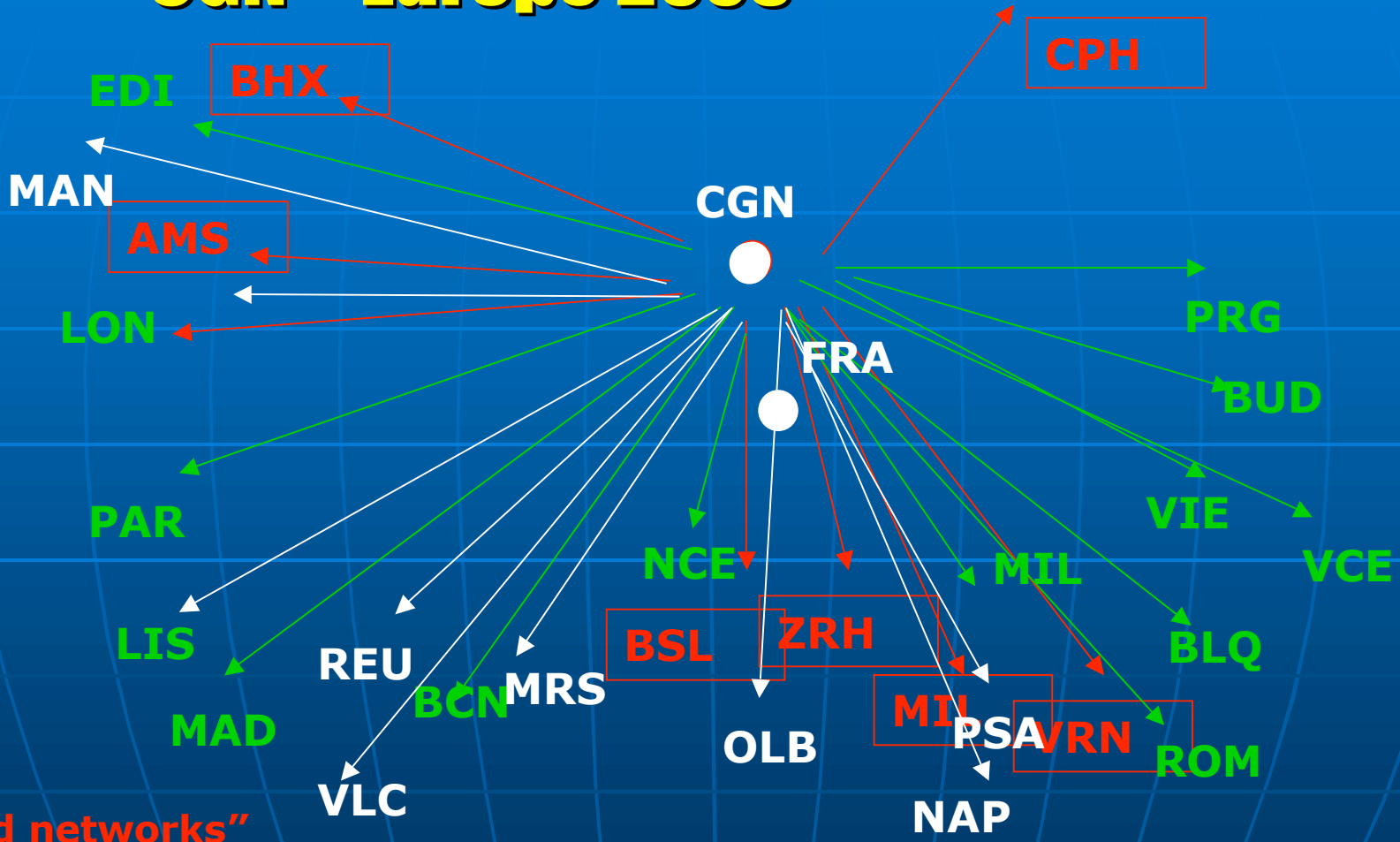
HLX Routes

CGN – Europe 2003



ALL Routes

CGN – Europe 2003



"Old networks"

HLX

Germanwings

HLX Routes

HAJ – Europe 2003

Formerly only BCN, MIL were served non-stop

