network

04/2009

Making connections

Superstars and more

Last month, we started asking for volunteers to join our Superstars project, and a large number of you took the call to heart. The project is just getting off the ground, so feel free to send us your email addresses and we'll put you on the list. We're looking for employees who can help us spread the Star Alliance message near and far.

If you're interested in lending a hand, check with your supervisor or manager, then give us your name and e-mail address so we can begin sending news that you can print, post and share with your colleagues. You can also become involved in online focus groups to help the Alliance refine its communication methods so that we add the maximum benefit to you and your co-workers. Be a Superstar! Get onboard by sending us an email at

garry.bridgewater@staralliance.com

Employee Internet
Our employee internet site is growing in popularity. It's at

www.starallianceemployees.com.

So if you want to stay connected with Alliance information, join the thousands of your colleagues who rely on the website to stay up to speed.

There you'll find news about the Alliance and its member carriers posted each day. Previous stories are easy to find, and there is a comments section at the end of each article
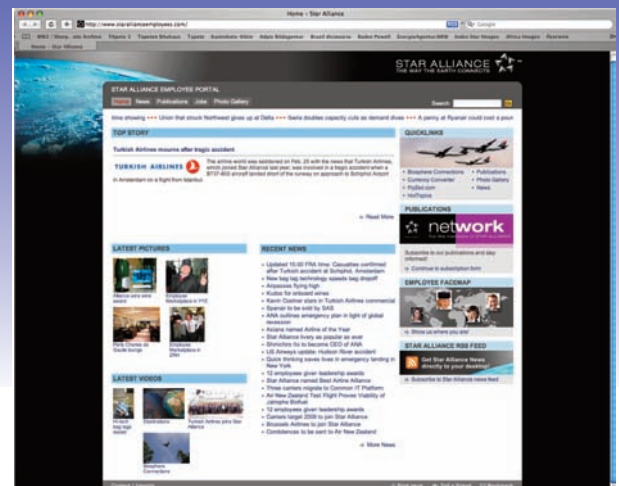
so we can receive your feedback. To add more substance, our monthly publication *network* digs into the "whys and hows" of the stories to give you more perspective.

Plus there is a continuous news "crawl" across the top of the screen that contains major articles about the industry that have appeared in newspapers around the world.

You'll also find a gallery of recent photos and videos, archives of all our publications, links to career postings at the member carriers, a subscription form to receive news directly to your inbox and links to useful sites such our global FaceMap project. Want to know the best restaurant in Vienna? How about great places to hike in Germany? Our FaceMap site connects you to your colleagues from around the world. Register on FaceMap today to get connected!

It's about about staying informed, and the employee site is there to help.

contents

Social media makes inroads in employee communication

A recent three-day forum in the U.S. devoted to discussing social media and its role in employee communication concluded that trends towards blogging, RSS feeds, Twitter, and other new ways of getting messages out are making inroads at many large companies.

Research has shown that 75 per cent of companies say social media is changing how they communicate. Customers are sharing opinions, the media is listening and brands are being impacted. As one researcher noted, a brand is no longer what a company says it is; it's what the public says it is. Companies fear they will lose control of the message they want to convey, but experts at the conference said companies simply need to insert themselves into the conversation that is already taking place to ensure accurate messages are passed along.

The dissemination of news is rapidly moving into the hands of consumers. For instance, when US Airways landed one of its aircraft in the Hudson River in New York, a passenger on a ferry snapped a picture with his cell phone and uploaded it to TwitPic, which allows photos to be shown on the social network, Twitter. Within minutes, more than 7,000 people had seen the photo – before mainstream media even knew the accident had happened. The same thing occurred with the Turkish Airways accident in Amsterdam. A resident near the site sent a photo to Twitter, which was viewed more than 72,000 times.

One thing is certain. The communication landscape is continually shifting, and the hot trends today are replaced by other hot trends tomorrow.

Which brings us to the point of this story. How do you want to receive communication from Star Alliance? Should we make the plunge into the "hot trends" by adding social media tools to our communication efforts, or are we doing just fine the way things are?

We've created a short survey. To participate please click here.

We'll look at adding tools based on your feedback.

Search [   ] Ok

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Traffic a direct connection to revenue

While members of the Alliance carry passengers within their own countries, a lot of traffic is moved to points beyond to connect through hubs on other member carriers. Connecting traffic is the lifeblood of many international airlines. As mentioned in the accompanying article, as much as half of a carrier's revenue comes from connecting passengers. And while it's the operating carrier that takes the revenue, airlines are both the giver and receiver of traffic, making connections a vital part of any carrier's business.

For example, a Lufthansa flight from Los Angeles to Frankfurt will typically have over 150 passengers connecting on to other destinations. While Lufthansa keeps the revenue earned on the flight to Frankfurt, revenue is passed along to the connecting carriers who take passengers onward to Warsaw, Barcelona, London and the like.

If you were to add up all the connecting passengers between Star Alliance carriers on a typical day, it would total about 32,000 – the equivalent of 100 B747s, which would not be flying were it not for the connecting traffic. That's a lot of added revenue made possible by being part of the Alliance, and through normal codeshare relationships.

**32,000 passengers transfer from one
That's the same as 100 full B747s.**

Codesharing helps in tough times

By Klaus Pokorny

Call it a perfect storm or simply a financial crisis unprecedented in history. Either way, the outlook for most industries – including aviation – seems to be grim. "In times like these, belonging to an alliance proves to be more crucial than ever," said Marcus Puffer, Director, Network & Membership Development.

But to what extent can Star Alliance help when carriers keep slashing capacity and reducing fleet size? "Codesharing is the magic word," answered Puffer. Put simply, a codeshare agreement allows one Star Alliance member to sell tickets on flights operated by another member carrier, using its own airline code. In this way reducing an airline's network does not necessarily mean giving up market presence. "Through codesharing a destination remains part of a carrier's timetable. At the same time costs are cut since one of its own aircraft does not need to fly there," he explained. According to Puffer it is flexibility like this that helps the industry in dire times like it is currently facing. "When things get better flights can easily be resumed." British carrier bmi is just one example that shows how important codesharing can be. By using the infrastructure of other member carriers, more than 70 per cent of its timetable consists of codeshare flights.

In terms of codesharing Star Alliance's secret is flexibility. "Within the Alliance every member has bilateral agreements with another member – the motto is one size certainly does not fit all," said Puffer. "It is up to two members to determine the scope of their codeshare agreement. There is no hard rule here and it is up to our members to determine how far they want to go with each other – after all, codeshare flights must make commercial sense," he emphasised. For example, two large hub and spoke carriers like United and Lufthansa with many long- and short-haul flights focus on different routes than United and bmi would." And Air New Zealand might see less sense in a large number of codeshare flights with regional member carrier Adria Airways than with Lufthansa, ANA or Singapore Airlines.

Nevertheless, Puffer stressed the importance of fostering the readiness to enter into such an agreement. "Without Star Alliance smaller airlines would face a bigger challenge. Membership creates a certain familiarity and the appropriate framework to evaluate and eventually initiate commercially viable codeshare agreements."

Star Alliance member to another each day.

>> from page 7

In practice, airlines have different options. "In the early days we had what you call a blocked seat agreement. A fixed number of seats on one airline was purchased by another member," said Puffer. Since then, a so-called "soft block purchase" and a "free sale codeshare" are possible. "With a soft block purchase the number of unsold seats can be returned at no cost to the operating carrier before a certain deadline is met." Free sale codeshare is a bit more straightforward and grants more flexibility, he added. "Given permission and availability, seats can be booked directly by accessing another member carrier's seat inventory."

According to Marcus Puffer, however, codesharing as a safety net alone wouldn't do. "At the end of the day passengers not only give credit to our network but also to our products and services. This is why our combined network must continue to go hand-in-hand with quality to tip the scale in favour of a member carrier." Seamless travel, he continued, is not only about the 912 current destinations. "You have to include the comfort of through check-in from the point of departure to the final destination and access to 805 lounges worldwide."

Asiana's Change for Good breaks 4 billion KRW in donations

Since 1994, Asiana Airlines has been collecting money for UNICEF through its Change for Good programme onboard aircraft. In those 15 years, some four billion South Korean won (KRW), about $2.9 million US has been collected for children. Asiana celebrated the milestone by holding a change counting event at its headquarters in Seoul.

The programme gives passengers a chance to donate unwanted foreign change to provide aid to children in difficult environments.

Executive Director Dong-Eun Park, Korea Committee for UNICEF, praised the accomplishment and said, "Four billion won is a meal for six million starving children. With Asiana's passengers' participation, a small miracle has been made. With events such as these, the spirit of giving is spreading."

For example, a businessman changed his class from Business to Travel and donated the deducted one million won to the programme. Another passenger donated $10,000 US.

On domestic flights, Asiana has collected some 300 million won since 2006. Flight Attendants have formed a club called OZ UNICEF, within which they do volunteer work in South Korea.

Counting the change. Flight Attendants help Asiana President Young-Doo Yoon (3rd from right), Executive Vice-President of Administration Dong-Jin Hwang (5th from right), Executive Director Dong-Eun Park, Korea Committee for UNICEF (woman in middle) and actor Sung-Ki Ahn (second from right) count a small portion of the foreign currency donated to the Change for Good programme for UNICEF.

Employee training
takes electronic leap

Star Alliance has launched the first of several innovative training programmes, called e-Learning Modules, which will provide a visual and interactive educational experience for employees during training sessions.

The courses are designed for new and current employees, and complement the training programmes already in place at the airlines.

"It's important to the mutual success of the airlines and the Alliance to have a common understanding of what Star Alliance is all about," said Chrstine Swanstrom, Head of Training. "What we have produced, in close cooperation with the airlines, is a unique series of programmes that will educate employees in a highly interactive way."

The first module, Overview Training, provides a firm foundation for employees. It goes over the history of the Alliance and why it was created, the expectations customers have and the products and services offered. It covers the way the Alliance responds to the marketplace by pro-

Topic 5: Star Alliance Products and Services

Topic 6: The Star Alliance Team
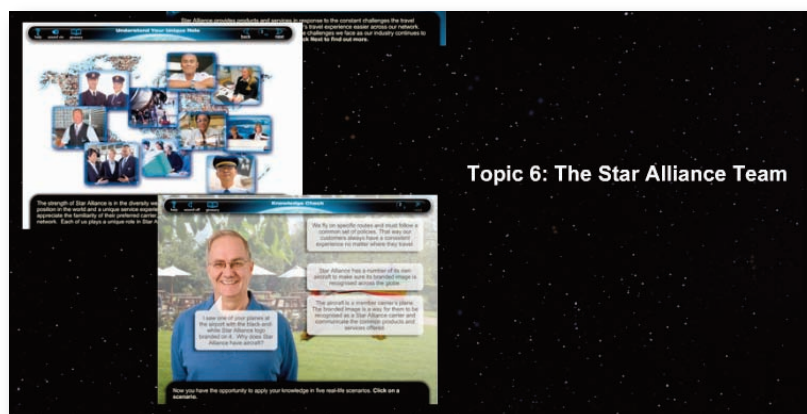
ducing a range of products and services and explains the procedures that are common to the member carriers for delivering them. And it explains the roles, responsibilities and benefits that each carrier has as a part of Star Alliance.

"One of our most important goals is to treat customers with the same care and attention no matter which member airline they fly on," said Swanstrom. "The e-Learning is designed for any employee –

We wish you a pleasant journey and hope that you enjoy the training!

CLICK TO REPLAY

old or new, management or frontline – who 'touches' the customer, product or service. This also includes ground handlers and others hired by the airlines to perform services. If they impact the customer, we want to be sure the same, consistently high level of service is provided."

At the end of the module is an opportunity for employees to apply their new knowledge through interactive scenarios that could be encountered on the job.

"We expect the Overview Training module to be available for use by the carriers later this month," added Swanstrom. "We're already developing several other modules that focus on various aspects of the service delivery process, and those should be available to employees later this year."

To see what's in store, take a short video tour at

http://www.rootlearning.com/ staralliance/teaser1/

Bits and bites from the member carriers

ANA

ANA and Shenzhen Airlines will start a codesharing and reciprocal mileage agreement on May 20 under which ANA will place its code on Shenzhen Airline's four weekly Osaka-Fuzhou-Shenzhen flights, and Shen-zhen Airlines will place its code on ANA flights between Tokyo Narita and Guangzhou/Xiamen, as well as Osaka Kansai-Xiamen flights.

Air China

Air China, which operates flights to Tai-wan from five cities, has opened an of-fice in Taiwan. The airline plans to hire in Taiwan, and will serve tea onboard that is grown in Taiwan.

Austrian

Austrian Airlines Group reported a 2008 loss of €429.5 million. The group has im-plemented a €225 million savings pro-gram that may be extended if necessary. The airline is staying with its Focus East strategy, continuing to expand markets in Central and Eastern Europe and the Middle East, introducing the Premium Service concept into the Middle East and implementing improvements in quality and service.

LOT Polish Airlines

LOT took part in the annual Earth Hour lights off campaign on March 28 to show support for climate initiatives. Lights were turned off for one hour in houses, companies and public buildings. Last year, more than 50 million people in 35 countries participated.

Lufthansa

For 2008, Lufthansa posted a €1.35 bil-lion profit. Although the economic envi-ronment is difficult, Lufthansa said it will continue to focus on the development of products and services.

€1.378 bil. €1.354 bil.

-1.7%

operating result
2007 2008
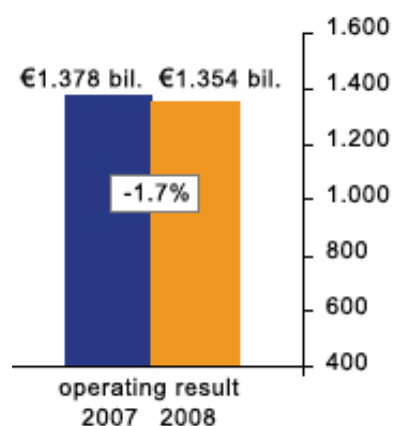
South African Airways

South African Airways announced the ter-mination of Dr. Khaya Ngqula's employ-ment as CEO of SAA. Chris Smyth will continue to act as CEO while the airline searches for a permanent replacement.

Singapore Airlines

Singapore Airlines started operating flights between Kuwait and Singapore, via Abu Dhabi. Flights will operate four times a week using B777-200 aircraft.

Spanair

Spanair and Air Europa have signed a codeshare agreement on their combined domestic networks. The agreement covers 13 routes effective March 29. It includes flights operated between Madrid and A Coruna, Alicante, Almeria, Bilbao, Jerez, Menorca, Malaga, Santiago de Compostela, Valencia and Vigo; and from Barcelona to Jerez, Malaga and Seville.

SWISS

SWISS is investing in its European aircraft fleet. Starting in 2014, the carrier's RJ100s will be gradually replaced by a new generation of CSeries aircraft from Bombardier. The fleet renewal programme should be completed within two years.

THAI

THAI has moved its domestic operations from Don Mueang Airport to Suvarnabhumi. By operating from Suvarnabhumi Airport, THAI is developing its network operations and improving handling efficiency. It will also increase convenience for passengers, and help with aircraft utilization, including aircraft rotation and flight frequency.

Turkish Airlines

Turkish Airlines has launched a new direct flight to Mashad, Iran. The new flight from Istanbul operates three times a week. It's the airline's third destination in Iran.

US Airways

US Airways has been tentatively awarded authority to fly to Rio de Janeiro, Brazil. Flights will originate in Philadelphia, fly to Charlotte, N.C. and then on to Rio de Janeiro. The route will be primarily operated with B767 aircraft, with service to begin this fall.

>> Bits and bites

Future members

Air India

Air India will continue to update its fleet despite the global slump in air travel. Some 45 aircraft have joined the fleet in the past 18 months, bringing the number of aircraft to more than 150 aircraft. Thirty additional aircraft will be brought on line between now and March 2010.

Brussels Airlines

Brussels Airlines and Lufthansa are code-sharing on flights between Belgium and Germany. Customers will be able to combine flights of both airlines, which gives them more departure and connection possibilities.

Continental

Continental has received tentative approval to operate daily year-round service between Houston and Rio de Janeiro, Brazil and through flight service between New Orleans and Rio de Janeiro beginning this summer. Continental also became the first U.S. carrier to start scheduled flights between New York and Shanghai, China, with daily flights from Newark.

A snapshot of Star Alliance members

21 member airlines, plus 3 regional members

Total revenue ($US)	$141.7 billion*	**Airports served** 912
Annual passengers	499.9 million	**Fleet** 3,325
Daily departures	More than 16,500	**Lounges** 805
Number of employees	398,559	
Countries served	159	* All figures as of December 2008 and include the regional members.

Star Alliance Member Carriers	Fleet size	Number of employees	Major hub airports
Air Canada (AC)	335	27,619	Toronto, Montreal, Vancouver, Calgary
Air China (CA)	220	19,972	Beijing, Chengdu, Shanghai
Air New Zealand (NZ)	99	11,083	Auckland
ANA (NH)	216	22,170	Tokyo, Osaka, Nagoya
Asiana Airlines (OZ)	69	8,391	Seoul Incheon
Austrian (OS)	100	8,031	Vienna
bmi (BD)	52	5,016	London Heathrow, Manchester
EGYPTAIR (MS)	51	7,300	Cairo
LOT Polish Airlines (LO)	54	3,500	Warsaw
Lufthansa (LH)	513	105,261	Frankfurt, Munich
Scandinavian Airlines (SK)	198	7,598	Copenhagen, Oslo, Stockholm
Shanghai Airlines (FM)	59	5,460	Shanghai
Singapore Airlines (SQ)	92	13,924	Singapore Changi
South African Airways (SA)	53	8,305	Johannesburg
Spanair (JK)	58	3,524	Madrid, Barcelona
SWISS (LX)	77	7,277	Zurich, Geneva, Basel
TAP Portugal (TP)	69	6,300	Lisbon, Porto
Thai Airways Intl (TG)	88	26,897	Bangkok, Chiang Mai, Phuket, Hat Yai
Turkish Airlines (TK)	130	11,520	Istanbul, Ankara
United (UA)	433	52,000	Chicago, Denver, San Francisco, Los Angeles, Washington, D.C.
US Airways (US)	356*	36,500	Charlotte, Philadelphia, Phoenix, Las Vegas

* Mainline

Regional Members

	Fleet size	Number of employees	Major hub airports
Adria Airways (JP)	13	710	Ljubljana
Blue1 (KF)	11	500	Helsinki
Croatia Airlines (OU)	11	1,022	Zagreb

Soon to join

	Fleet size	Number of employees	Major hub airports
Air India (AI)	146	33,000	Mumbai, Delhi, Kolkata, Chennai
Brussels Airlines (SN)	49	3,000	Brussels
Continental (CO)	351	43,000	New York, Houston, Cleveland, Guam
TAM (JJ)	116	22,900	Sao Paulo

THE WAY THE EARTH CONNECTS

STAR ALLIANCE