



10 years Star Alliance from “The airline network for Earth” to “The way the Earth connects”

When the Star Alliance network was founded in 1997 it was the right idea at the right time. Globalisation had started to change the business world and the needs of business travellers from the ground up. The founders of Star Alliance responded by creating an airline alliance, which was the first of its kind and still is the most successful in every respect.

Usually the world advances in small steps. But from time to time there are those leaps forward that take us to the next level - ideas that have the power to change an entire industry or even to touch everyone's lives. In aviation, the 1950s saw the advent of jet airplanes that made the world shrink. In the 1970s the introduction of jumbo jets helped to make flying affordable for everybody. And ten years ago in 1997, it was the creation of the Star Alliance network that revolutionised the way people travel.

Star Alliance is not only the first but the largest airline alliance in the world. With 16,000 departures per day and a combined fleet of nearly 2,800 airplanes, its 17 member airlines link 855 airports in 155 countries. The 407 million passengers of Star Alliance represent more than 27 per cent of the world's air travel. Air China and Shanghai Airlines will join in 2007, complementing the alliance network in China. Turkish Airlines will follow in 2008, improving access to Central Asia and also providing more choice between Europe and Asia. Ten years after its creation there are only a few “white spots” left on the map of the alliance.

But as impressive as the numbers may be, sheer size has never been the main idea behind Star Alliance. The basis of this stunning success story is the realisation of the changing needs of travellers in a globalised world and the innovative way of serving them.

BACKGROUND

Air travel in the global village

In the 1990s the world saw an unprecedented economic change. Along with the Berlin Wall, many other frontiers came down. Virtually overnight the world was full of new opportunities to travel and to do business. Suddenly it became possible to share work on a global scale and to build new business relationships from continent to continent. Tiny companies in small towns in Wisconsin, northern Norway or Poznan, Poland suddenly had business partners in places they had never heard of before.

At the same time the Internet created a global village, making communication easy, fast and inexpensive while facilitating globalisation. But because basically all business is social, technical means aren't a substitute for meeting face-to-face. Working together is a matter of trust, and success is built on personal relationships – even more when the partners come from different cultures and speak different languages. So globalisation created travel patterns far beyond the traditional economic centres such as Tokyo, New York, Hong Kong and Frankfurt.

For the airline industry, this created new business opportunities. Building a network to fit the new dimension of global mobility and link these new destinations would exceed the capabilities and resources of any single carrier. And even expanding the number of bilateral codeshare agreements, which already were in place between single carriers, wouldn't be a realistic solution.

The answer the five CEOs of Air Canada, Lufthansa, SAS, Thai Airways International and United Airlines gave to this challenge was novel and simple at the same time – a strategic airline alliance based on partnership and trust, on a common vision, shared values and above all the will to serve the needs of this new generation of business travellers in the best possible way. Star Alliance, which was founded on May 14, 1997 not only proved to be a trendsetter but stayed well ahead of those who embarked on similar projects.

BACKGROUNDER

Fast connections are everything

The secret of this success is that Star Alliance generates significant benefits for the member airlines and their customers. Today, many things that business travellers could only dream of in the inconvenient pre-alliance world, are a matter of course: coordinated schedules where travellers don't waste time waiting for onward connecting flights, access more than 650 airport lounges regardless of which Star Alliance carrier they are flying with, and the possibility to earn and redeem frequent flyer miles on all Star Alliance member carriers.

With its "Move under one Roof" strategy, the members of Star Alliance took the next step to improve their services and – equally important – to create synergies and cut costs. Narita is the first major international hub in Asia where passengers find most Star Alliance members collocated in one terminal. The effect on connecting times is dramatic. Transfers between international flights have been reduced to 45 minutes, down from approximately 100 minutes. Narita was followed by Bangkok. But that is just the beginning. Warsaw, Miami, Beijing and Shanghai are to open Star Alliance terminals this year, with similar projects in the planning for London - Heathrow, Paris – Charles de Gaulle, Singapore, Seoul - Incheon and Los Angeles.

At other critical airports the alliance has opened Connection Centres, where teams of employees ensure that every effort is made to transfer passengers and baggage from one Star Alliance carrier to another for connections that might be at risk. If needed, corrective action can be initiated, such as sending a staff member to meet the incoming aircraft and guiding the connecting passengers through the terminal or even ensuring a direct bus transfer from airplane to airplane. Fewer missed connecting flights means more happy passengers. And the feeling of being cared for in a stressful situation adds much to the overall travel experience. Because each passenger and each piece of luggage that miss a flight represent costs to the airlines, this innovative service also generates savings of nearly 10 million euro per year.

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Technology that makes global travel easy

There are few industries where information technology is as critical for success as the airline industry. Looking for the best connection, checking the availability of a seat, finding the optimum fare, reservation and booking, passenger and baggage check-in, boarding – every step associated with the trip of a single passenger requires a sophisticated infrastructure for processing, storing and sharing the relevant data. What is even more, IT is the key to increasing efficiency and delivering better service.

Striving to make the seamless travel experience a reality, Star Alliance and its members work to develop new technologies and to incorporate them into the current processes. Today a unique infrastructure, StarNet, links the different airline computer systems of the carriers so that they can exchange information. The development of a common IT platform – where participating carriers use the same infrastructure – is the next step in creating efficiencies for airlines and their customers. New e-services are giving customers easy and quick access to the products and services of the alliance. Electronic ticketing adds convenience and saves money. And the list goes on. A lot of things have been achieved and have helped to make Star Alliance the favourite of international business travellers. But keeping the competitive edge requires continuous effort.

From its beginning Star Alliance was all about cooperation. It is a partnership among peers who have a similar view of the future of air travel and who share certain core values. Though Star Alliance has built a strong globally-recognised brand, it has always complemented the brands of the individual airlines. The members have defined a set of requirements to create consistent service quality throughout the network. But at the same time they are careful to preserve the specifics of each culture. The cultural diversity within the alliance network has proven to be a tremendous asset. So for Star Alliance, connecting people and cultures around the globe is more than business. It is its very nature.

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About Star Alliance:

The Star Alliance network was established in 1997 as the first truly global airline alliance to offer customers worldwide reach and a smooth travel experience. Star Alliance was voted Best Airline Alliance by Business Traveller Magazine in 2003 and 2006 and by Skytrax in 2003 and 2005. The members are Air Canada, Air New Zealand, ANA, Asiana Airlines, Austrian, bmi, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Singapore Airlines, South African Airways, Spanair, SWISS, TAP Portugal, THAI, United and US Airways. Regional member carriers Adria Airways (Slovenia), Blue1 (Finland) and Croatia Airlines enhance the global network. Air China, Shanghai Airlines and Turkish Airlines have all been accepted as future members and are expected to join Star Alliance soon. Overall, the Star Alliance network offers more than 16,000 daily flights to 855 destinations in 155 countries.

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