

The Best 2008

Germany's biggest air cargo market analysis identifies the airlines preferred by freight forwarders. The best carriers receive the Aircargo Award 2008.

By Andre Kranke

Quality, customer orientation and an outstanding price-performance ratio – these three factors are critical in the choice of an air cargo company. Three criteria which also form the pedestal of the "Aircargo Performance Survey 2008". On behalf of LOGISTIK inside and Garbe World Cargo Center, the Bielefeld-based market research institute TNS Emnid interviewed Germany's air freight forwarders for the second time since 2006 on the performance of the 50 most important cargo airlines. The outcome of this representative survey are once again winners, losers and a host of interesting results. The Aircargo Awards 2008 were presented to the winners in Hamburg on 18 September.

Clear Victory for Emirates

Winner of the overall ranking and thus "Best Cargo Airline" 2008 was, as two years ago, Emirates. The United Arab Emirates airline was the clear winner with 788 of a maximum 1000 possible performance points.

The basis of this success is the high score in quality of services and customer orientation. Especially when it came to quality, German airfreight forwarding agents gave the Dubai-based airline the absolute best score: 826 points – the top score in the entire study.

Compared to 2006, Emirates even achieved a 1.7 % improvement. In particular, the 240 freight forwarders interviewed in the study understood quality as the fulfilment of the customer promise – i.e., whether the goods were delivered by the airlines within the agreed deadline, without loss and to the agreed conditions.

The freight carriers from the Persian Gulf also chalked up an increment in customer orientation: the score of 802



1. Emirates Skycargo

The over-all winner of the Aircargo Awards 2008 is the airline Emirates. Most of the German forwarding agents find that the airline from Dubai has the best over-all performance of the 50 leading carriers in Germany



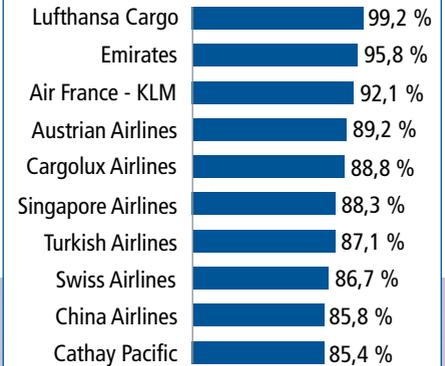
Austrian Airlines come 2nd place in the over-all ranking. The performance of the Austrian Airline convince the German forwarders

points represented a further 3.8 % improvement. The interviewed freight forwarders thus applauded the performance of Emirates for example in the areas of service, flexibility, accessibility, booking options and reaction time to enquiries.

Equally important for most freight forwarders was an acceptable relationship between services and prices. In the "Price-performance" category Emirates took

a good 3rd place with 737 points. Emirates also appears capable of making good proposals to smaller freight customers. In this group of so-called C-customers the Dubai airline likewise came in first with 779 points. But in the large and medium-sized freight customer group (A+B-customers) Emirates also led with 801 points. Only the group of the six biggest air freight forwarders ➔

Top 10 Market Penetration



Lufthansa Cargo, the „Home Carrier“, is clearly leading in the Market Penetration

source: LOGISTIK inside

3. Finn Air



picture: Emirates



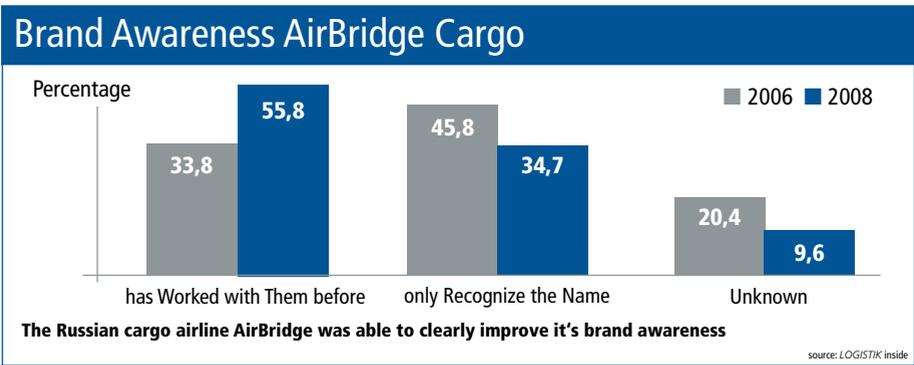
picture: Finn Air

Finn Air is third in the over-all ranking. The airline got 741 of 1000 points

The Best Cargo Airlines 2008 – Over-All Performance

Rank	Airline	Performance-Score (max. 1000)	Plus/Minus ¹⁾	Rank	Airline	Performance-Score (max. 1000)	Plus/Minus ¹⁾	Rank	Airline	Performance-Score (max. 1000)	Plus/Minus ¹⁾
1.	Emirates	788	+1,5 %	18.	Air Canada	673	-0,5 %	34.	C.A.L. Cargo Airlines	629	+16,1 %
2.	Austrian Airlines	745	+3,9 %	19.	Air China	672	+4,6 %	35.	British Airways	628	+7,5 %
3.	Finn Air	741	+1,9 %	20.	Turkish Airlines	670	+3,6 %	36.	American Airlines	624	+0,0 %
4.	Lufthansa Cargo	739	+10,6 %	21.	Qatar Airways	668	+4,4 %	37.	United Airlines	623	+4,7 %
5.	Swiss	738	+0,5 %	22.	Air New Zealand	662	-	38.	Eva Airways	618	-1,7 %
6.	Etihad Airways	722	+2,7 %	23.	All Nippon Airways	660	+4,2 %	39.	AirBridge Cargo	616	+8,4 %
7.	Cathay Pacific	710	-3,7 %	24.	Malaysian Airline	659	-1,9 %	40.	China Eastern	609	-
8.	Singapore Airlines	701	-1,2 %	25.	Thai Airways	656	-3,2 %	41.	Iberia	598	-0,6 %
8.	Asiana Airlines	701	+11,2 %	26.	Gulf Air	645	-2,9 %	42.	US Airways	596	+2,7 %
10.	Japan Airlines	693	+7,7 %	27.	China Airlines	644	-0,7 %	43.	Polar Air Cargo	594	+0,6 %
11.	Martinair Holland	686	-0,5 %	27.	Continental Airlines	644	+11,9 %	44.	Delta Airlines	593	-4,0 %
12.	Air France - KLM	684	-	29.	Qantas Airways	641	-0,7 %	45.	El Al Israel Airlines	590	+1,9 %
13.	South African	681	+0,1 %	30.	Kalitta Air	638	+11,5 %	46.	Saudi Arabian	587	+4,4 %
14.	Korean Airlines	679	-1,4 %	31.	Lan Chile	632	-0,5 %	47.	Air-India Limited	569	+10,7 %
15.	Leisure Cargo ²⁾	677	-1,3 %	32.	Scandinavian Airlines (SAS)	631	-8,0 %	48.	Egyptair	568	+5,8 %
15.	Nippon Cargo	677	+8,9 %	33.	Aeroflot Cargo	630	+3,1 %	49.	Varig Logistica ³⁾	556	-12,2 %
17.	Cargolux Airlines	676	-6,8 %					50.	Alitalia	546	-1,6 %

1) In comparison to the aircargo performance survey 2006 2) LTU, Air Berlin etc. 3) Is not operating in Germany any more



(A-customers), which together command a market share of around 50 %, relegated the Arabian airline to 2nd place.

Europe's No. 1: Austrian Airlines

Somewhat surprisingly, Austrian Airlines came in top with A-customers, scoring 798 points. The executive personnel of the top freight forwarders Schenker, Kühne + Nagel, Dachser, Deutsche Post, Panalpina and Uti attributed the best performance to the still state-owned, Vienna-based airline. Overall the Austrians came in second with 745 points. The Alpine flier, currently up for sale, excelled with a good price-performance ratio: again second place with 757 points. Conversely, the Viennese company showed weaknesses in quality: its score of 740 points only sufficed for 8th place.

The Austrians were nevertheless able to secure the title "Best Airline" in the Europe & Russia Region. Of all airlines based in this region, Austrian Airlines received the best score by the interviewed freight forwarders.

Air France a Millstone around KLM's Neck

A bitter blow for the major European airlines: the small Austrian Airlines stole the show. Europe's No.1 Air France-KLM, for example, came in only sixth among Europeans.

In the overall ranking the fusion of French and Dutch airlines did not make it beyond 12th place with only 684 points. A disaster for KLM, but an upward trend for Air France.

In the previous study in 2006 the two airlines were assessed separately: KLM

1



With 826 of 1000 maximum points, Emirates is the definite winner in the category quality of service

2



Lufthansa Cargo makes improvements concerning the quality and reaches the 2nd position with 796 points. That's a plus of 8 percent

3



For German forwarders Swiss comes third in the ranking based on the quality of service

Top 10 Quality

Rank	Airline	Performance-Score (max. 1000)	Plus/Minus ¹⁾
1.	Emirates	826	+1,7 %
2.	Lufthansa Cargo	796	+8,0 %
3.	Swiss	774	+2,8 %
4.	Japan Airlines	761	+5,8 %
5.	Finn Air	755	+0,4 %
6.	Cargolux Airlines	753	-3,1 %
7.	Singapore Airlines	745	-1,2 %
8.	Austrian Airlines	740	+2,4 %
9.	Cathay Pacific	735	-4,5 %
10.	South African	726	+1,3 %

1) In comparison to the aircargo performance survey 2006 source: LOGISTIK inside

the Dutch company KLM had been among the top 10 in terms of quality. Europe's second largest airline, Lufthansa Cargo, fared much better in this year's Aircargo Performance Study. This year

the crane airline – which was downright punished by freight forwarders in the 2006 study – significantly improved its record in all areas.

The reorganisation of the German showcase airline initiated two years ago appears to have borne fruit.

Lufthansa Cargo on the Upswing

In the overall ranking, Lufthansa climbed from 19th to 4th place. This jump

upwards is in particular attributable to the improvement in customer orientation. Here Lufthansa came third with 743 points. Two years ago it was languishing in 13th place with 668 points.

Where quality is concerned, the ranking again comes closer the company's own expectations: 796 points and 2nd place.

But Lufthansa Cargo still has scope for improvement in the price-perfor- ➔

Top 10 Customer Orientation

Rank	Airline	Performance-Score (max. 1000)	Plus/Minus ¹⁾
1.	Emirates	802	+3,8 %
2.	Finn Air	745	+4,3 %
3.	Lufthansa Cargo	743	+11,2 %
4.	Austrian Airlines	739	+4,4 %
5.	Swiss	731	-2,9 %
6.	Leisure Cargo ²⁾	698	+3,6 %
7.	Cathay Pacific	696	-2,4 %
8.	Martinair Holland	693	+1,2 %
9.	Air France - KLM	691	-
10.	South African	684	+2,4 %

1) In comparison to the aircargo performance survey 2006 2) LTV, Air Berlin etc. source: LOGISTIK inside



In the category customer orientation Emirates gets the first place with a score of 802



A score of 745 and the second place - that's how German forwarders grade Finn Air



With a plus of 11,2 percent and the third position Lufthansa Cargo makes distinct improvements in the customer orientation



Etihad Airways wins in the category value for money



In the category value for money Austrian Airlines take the 2nd place



Emirates on the 3rd place in value for money

Top 10 Value For Money

Rank	Airline	Performance-Score (max. 1000)	Plus/Minus ¹⁾
1.	Etihad Airways	768	+0,5 %
2.	Austrian Airlines	757	+5,1 %
3.	Emirates	737	-1,3 %
4.	Asiana Airlines	732	+8,9 %
5.	Finn Air	722	+1,0 %
6.	Swiss	708	+1,4 %
7.	AirBridge Cargo	705	+11,4 %
8.	Cathay Pacific	699	-4,0 %
9.	Air China	698	+5,6 %
10.	Turkish Airlines	696	+1,3 %

1) In comparison to the aircargo performance survey 2006 source: LOGISTIK inside

mance ratio. The score of 677 points only sufficed for 17th place.

However, a detailed analysis shows that particularly smaller freight forwarders are not satisfied in this point.

Lufthansa apparently offers significantly more attractive prices to its key customers. Nevertheless, the A-customers only put Lufthansa in 4th place. Cargolux likewise seems to be focused on bigger customers.

In the A-customer rating the Luxembourg airline came in 3rd, but in the C-customer rating (smaller freight forwarders) it managed only 30th place. The dissatisfaction of C-customers is particularly evident in the price-performance ratio.

It would appear that A-customers receive significantly better conditions from Cargolux. In the overall ranking Cargolux had to be content with only 17th

place. Remarkable was the ranking of two European airlines.

High Scores for Finnair and Swiss

Finnair and Swiss were among top 10 airlines in all categories. Whether it was quality, customer orientation and price-performance or large, medium- and small customers, the Finns and Swiss were always in the top echelon. The bottom of the table of European airlines was

Top 10 Europe and Russia¹⁾

Rank	Airline	Performance-Score (max. 1000)
1.	Austrian Airlines	745
2.	Finn Air	741
3.	Lufthansa Cargo	739
4.	Swiss	738
5.	Martinair Holland	686
6.	Air France - KLM	684
7.	Leisure Cargo	677
8.	Cargolux Airlines	676
9.	Turkish Airlines	670
10.	Scandinavian Airlines (SAS)	631

1) IATA-Region Europe & Russia & C.I.S. Countries source: LOGISTIK inside

Best airline in the IATA-region Europe and Russia is Austrian Airlines achieving 745 points



Europe & Russia

Top 5 America¹⁾

Rank	Airline	Performance-Score (max. 1000)
1.	Air Canada	673
2.	Continental Airlines	644
3.	Kalitta Air	638
4.	Lan Chile	632
5.	American Airlines	624

1) IATA-Region North America und Latin America & The Caribbean source: LOGISTIK inside

Best cargo airline in North and Latin America is Air Canada with 673 points



North & Latin America

Alitalia. The crisis-ridden Italian airline ranked 50th with a mere 546 points. Whoever buys the traditional airline will

have to shoulder a host of problems. In particular in terms of quality and the price-performance ratio there's a lot to do. The Italians occupy the last and last-but-one place. Another traditional European airline must also be on its guard. Scandinavian Airlines slipped from 12th to 32nd place in the study. The interviewed freight forwarders were particularly critically when it came to the price-performance ratio. The North Euro- ➔

Top 10 Asia & Pacific¹⁾

Rank	Airline	Performance-Score (max. 1000)
1.	Cathay Pacific	710
2.	Singapore Airlines	701
2.	Asiana Airlines	701
4.	Japan Airlines	693
5.	Korean Airlines	679
6.	Nippon Cargo Airlines	677
7.	Air China	672
8.	Air New Zealand	662
9.	All Nippon Airways	660
10.	Malaysian Airline	659

1) IATA-Region China and North Asia und Asia Pacific

source: LOGISTIK inside

1.

Best airline from Asia and Pacific is Cathay Pacific from Hongkong scoring 710 points



picture: Cathay

Asia & Pacific

1. Middle East & Africa



picture: Emirates

Emirates is the best airline in the region Middle East and Africa

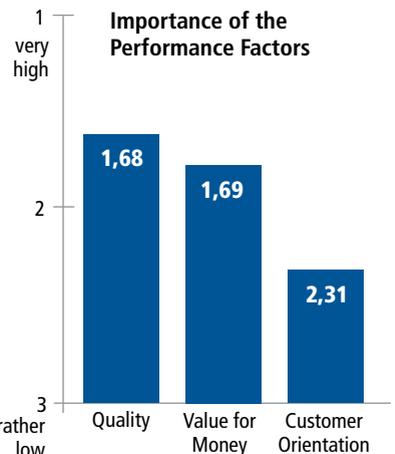
Top 5 Middle East & Africa¹⁾

Rank	Airline	Performance-Score (max. 1000)
1.	Emirates	788
2.	Etihad Airways	722
3.	South African	681
4.	Qatar Airways	668
5.	Gulf Air	645

1) IATA-region Middle East and North Africa (MENA) und Africa

source: LOGISTIK inside

Importance of the Factors

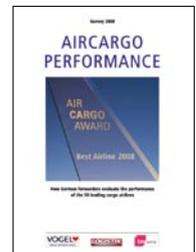


Most important to the forwarders is the quality of service

source: LOGISTIK inside

The Complete Study

All results of the survey carried out by the TNS Emnid market research institute on behalf of LOGISTIK inside and Garbe are to be found in the "Aircargo Performance Survey 2008". The study shows how the German air freight forwarders rate the efficiency of the 50 major airlines operating in Germany. The ring binder, comprising over 250 pages, contains all rankings and data sheets pertaining to each of the 50 cargo airlines evaluated. This includes in-depth analyses of performance, service quality, customer orientation, price-performance ratio, market penetration, degree of familiarity with the brand, rating of A-, B- and C-customers and evaluations by postcode area.



Aircargo Performance Survey 2008

The study will be published in English on 26 September and may be purchased for € 490 (incl. shipping within Germany) plus VAT from Springer Transport Media GmbH (darius.hupka@springer.com).

In the study 240 air freight forwarders in Germany were asked to rate the performance of the 50 most important airlines operating in Germany (see table on page 5).

The study is representative for the German air freight market. For further information please visit www.logistik-inside.de.

peans forfeited over 10 % of their score in this category. Of the Asian freight carriers, Cathay Pacific was one step ahead of the rest. With 710 points the Hong Kong company came in just ahead of Singapore Airlines (701 points) and Asiana (701 points).

Asian Tripartition

The study revealed an interesting "Asian tripartition". Whist Cathay led the

field in customer orientation, Singapore Airlines was right in front in terms of quality and Asiana offered the best price-performance ratio of the Asian carriers. Cathay again fared best with the key customers, whereas Singapore Airlines collected points with the smaller freight forwarders. Two Asian airlines made a great leap forward: Nippon Cargo improved its rating by 16 places to 15th place, and Japan Airlines even made it into the

top bracket, from 24th place in 2006 to 10th place in the current study. The main improvements in the two Japanese airlines were in customer orientation. The last in the line of Asians was again Air

Top 10 Ranking by A+B Clients¹⁾

Rank	Airline	A+B Clients Performance (max. 1000)	Over-All Performance
1.	Emirates	801	788
2.	Austrian Airlines	775	745
3.	Lufthansa Cargo	768	739
4.	Cargolux Airlines	756	676
5.	Swiss	741	738
6.	Etihad Airways	736	722
6.	Cathay Pacific	736	710
8.	Finn Air	732	741
9.	Japan Airlines	714	693
10.	Asiana Airlines	712	701

1) Ranking by the Top 30 forwarders who have a combined share of the German market (tonnage) of about 80 percent

source: LOGISTIK inside

1.



Austrian Airlines is the airline number 1 for the 6 biggest forwarders

For the major customers Emirates comes 2nd



1.



For the biggest 30 forwarders Emirates has the best performance

2nd place for Austrian Airlines in the ranking by the top 30 forwarders



3.



The major 6 forwarders in Germany voted the Luxembourg airline Cargolux Airlines on the 3rd place

Top 10 Ranking by A Clients¹⁾

Rank	Airline	A Clients Performance (max. 1000)	Over-All Performance
1.	Austrian Airlines	798	745
2.	Emirates	793	788
3.	Cargolux Airlines	786	676
4.	Lufthansa Cargo	775	739
5.	Swiss	745	738
6.	Finn Air	737	741
7.	Cathay Pacific	723	710
8.	Etihad Airways	719	722
9.	Japan Airlines	718	693
10.	Asiana Airlines	695	701

1) Ranking by the top 6 airfreight forwarders who together have a share of the market in Germany of about 50 percent (tonnage)

source: LOGISTIK inside

3.

In the ranking by the 30 biggest forwarders Lufthansa Cargo got the 3rd place



India. Although the airline from the Indian sub-continent was able to improve its score by 10.7 %, with 569 points it only came 47th in the overall ranking. The most significant improvement in Air India was in customer orientation. The worst ratings in the Aircargo Performance Study were once again achieved by the airlines from the North and South America Region.

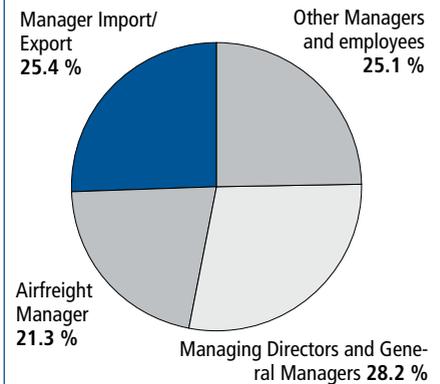
No carrier from this group made it into

the top 10, either in a single category or in the overall ranking. The highest-ranking airline was Air Canada. With 673 points the Canadians came in 18th in the overall ranking.

Air Canada No. 1 in North America

The interviewed freight forwarders attested Air Canada good quality in the services rendered and an acceptable customer orientation. However, the pri-

Who was Interviewed



Executive Employees of 240 randomly chosen forwarders were interviewed

source: LOGISTIK inside



picture: Emirates

For the smaller forwarders Emirates clearly deserves the 1st place

ce-performance ratio was subject to criticism. In particular the smaller freight forwarders had a poor opinion of the Montreal-based airline. Of the US airlines, Continental Airlines fared best with 644 points and 27th place. Delta Airlines brought up the rear with 593 points and 44th position.

Good Prices at Etihad

Airlines from the Middle East & Africa Region fared extremely well in the Aircargo Study: Next to the overall winner Emirates, Etihad Airways – also from the United Arab Emirates – again carved a notch for itself: 6th place in the overall ranking and with 768 points No. 1 in terms of price-performance. In

comparison to the 2006 survey Etihad was able to further improve its ranking in the area of quality, but the Achilles heel remains the above-average performance in customer orientation. If it wants to catch up with the top players, the airline, whose home base is in Abu Dhabi, must step up a gear. Also from this region, the carrier South African Airways also achieved a top position. With 681 points the South African company took 13th place in the overall ranking. South African received a high

1.

2.



picture: Finn Air

The smaller forwarders like Finn Air's the performance – 2nd place for the Finnish airline

Top 10 Ranking by C Clients¹⁾

Rank	Airline	C Clients Performance (max. 1000)	Over-All Performance
1.	Emirates	779	788
2.	Finn Air	747	741
3.	Swiss	736	738
4.	Austrian Airlines	725	745
5.	Lufthansa Cargo	723	739
6.	Etihad Airways	711	722
7.	Martinair Holland	703	686
8.	Singapore Airlines	699	701
9.	Cathay Pacific	691	710
10.	Air France - KLM	691	684

¹⁾ Ranking by C Clients who together have a share of the german market of 20 percent (tonnage)

source: LOGISTIK inside

3.



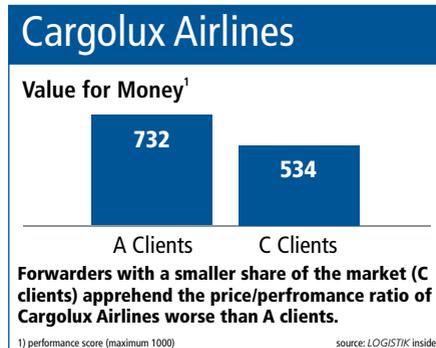
picture: Swiss

Swiss's performance convinces the smaller forwarders – 3rd place for the airline from Switzerland

score from the major freight forwarders, whilst the smaller customers judged it more critically. The tail-ender among the carriers from the Middle East and Africa was Egyptair. With 568 points the Egyptians took 48th place in the overall ranking. Only slightly better: Saudi Arabian Airlines with 587 points in 46th place. Both companies have problems with customer orientation, and also quality.

AirBridge Cargo catches up

The study also assessed who was particularly diligent in new customer acquisition in the past two years. The biggest strides forward were made by AirBridge



Cargo. The Russian airline boosted its market penetration from 30 % in 2006 to 49.2 % in 2008. This score shows that

in the past twelve months almost half of the respondents maintained business contacts with AirBridge Cargo. The degree of familiarity of the Russian airline is also increasing. Only 9.6 % of the German freight forwarders were completely unfamiliar with the name, compared with 20.4 % two years ago. When it comes to market penetration, Etihad has also made a step in the right direction. From 65 % market penetration in 2006, the company from the United Arab Emirates has advanced to 83 % today.

Complete details of the study are to be found in the Aircargo Performance Survey (see box on page 6). ←

Methods employed in the Aircargo Performance Study 2008

Survey method

The Aircargo Performance Survey 2008 analyses the performance of the 50 leading cargo airlines operating in Germany. On behalf of LOGISTIK inside and Garbe World Cargo Center the Bielefeld-based market research institute TNS Emnid interviewed a total of 240 air freight forwarders operating in Germany in summer 2008. The representative study shows the extent to which the customers use the airlines and how they evaluate the performance of the individual carriers.

Overall performance

The "Overall performance" score reflects the efficiency of a cargo airline. It is calculated from the average of the three categories 'Customer orientation', 'Service quality' and 'Price-performance ratio'. The maximum possible score of 1000 points reflects excellent performance, zero points reveals very poor performance.

Customer orientation

In this category the interviewed freight forwarders assessed the airlines' customer orientation. For the main part these were the indicators 'Service', 'Flexibility', 'Accessibility', 'Booking potential' and 'Reaction time to enquiries'. The maximum possible score of 1000 points reflects very good, zero points very poor customer orientation.

Service quality

In this category the interviewed freight forwarders assessed the quality of service provided by the cargo airlines. This related

mainly to the fulfilment of the customer promise – i.e. were the goods were transported the agreed time, without loss and to the agreed conditions of the airlines? The maximum possible score of 1000 points reflects a very good, zero points very poor service quality.

Value for money

In this category the interviewed freight forwarders assessed the price-performance ratio of the cargo airlines. The airline customers also evaluated the price for the service quality and customer orientation offered. The maximum possible score of 1000 points reflected a very good, zero points a very poor price-performance ratio.

Brand Awareness

The degree of brand awareness shows how many of the interviewed freight forwarders knew the air freight carriers by name. A score of 100 % means that every respondent was familiar with the airline. A lower score indicates that the brand name was unknown to a portion of the respondents.

Market penetration

The score for market penetration indicates the extent to which the interviewed freight forwarders were customers of an airline within the past year. A score of 100 % means that every respondent had goods transported at least once by the airline in the past twelve months. A low percentage shows that in the past year the airline had few freight customers in Germany.

A-customer rating

The A-customer rating shows how the representatives of the branch offices of the top 6 air freight forwarders assessed the performance of the 50 Airlines. In 2007 these A-freight forwarders jointly held a market share of about 50 % in the German air freight market (in terms of tonnage).

A+B-customer rating

The A+B-customer rating shows how the representatives of the branch offices of the top 30 air freight forwarders assessed the performance of the 50 airlines. In 2007 these A- and B-freight forwarders jointly held a market share of about 80 % in the German air freight market (in terms of tonnage).

C-customer rating

The C-customer rating shows how the representatives of the small German air freight forwarders assessed the performance of the 50 airlines. In 2007 these C-freight forwarders jointly held a market share of about 20 % in the German air freight market (in terms of tonnage).

Regions

The evaluation of the airlines by region shows which air cargo carrier from a certain country group fared best in the Aircargo Performance Study 2008 in the overall ranking. Membership of a region depends on the home country of an airline. The assignment of the countries to the individual regions is aligned to the guidelines of the International Air Transport Association (IATA).



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