

# Lufthansa drives competitive advantage through advanced data analytics

## COMPANY PROFILE

Lufthansa Airlines is one of the world's largest airlines with 207 destinations in 81 countries.

The airline is headquartered in Frankfurt, Germany and operates hubs in Frankfurt, Munich and Dusseldorf. Through its fleet of more than 500 aircraft, Lufthansa operates 14,200 weekly flights and carries more than 56 million passengers annually.

Lufthansa was a founding member of the Star Alliance, and the 26-member alliance is now the world's largest network with over 975 destinations in more than 160 countries. Employing more than 100,000 people, Lufthansa is regarded as one of the world's leading airlines in terms of quality, customer service, technical standards and innovation.



## Situation

In the early 1990s, Lufthansa executives realized that to sustain their profitability and leadership in the airline industry, they had to drive internal processes more efficiently while simultaneously growing customer satisfaction and loyalty. To accomplish those objectives, the right decisions needed to be made more expeditiously and stakeholders needed better access to information to make the decisions. It was at that time that Lufthansa initiated the search for a comprehensive data solution provider. A critical component of Lufthansa's success revolved around more timely and precise network planning. They wanted a more comprehensive view of changes in the marketplace and Lufthansa's positioning against the competition. The business analysts knew what data they needed to make these better decisions faster. However, the amount of time required to compile such meticulous, in-depth numbers limited their ability to efficiently analyze the data and uncover the best and most lucrative growth opportunities for Lufthansa – including route expansions and alliance partnerships.

In some cases, Lufthansa business units were independently exploring opportunities, analyzing disparate data sources. Discrepancies and conflicting outcomes resulted in valuable time lost for rectification. The accuracy, timeliness and completeness of available industry data were also being called into question.

Paramount for Lufthansa's continued success was the punctual delivery of the most comprehensive and trustworthy industry information available for such areas as seat capacity, supply and demand as well as trending shifts in the marketplace.

“It is critical that we have the most accurate information to drive efficiency and optimize our business processes. Ultimately, this means that Lufthansa is able to increase customer satisfaction while reducing costs and increasing revenue.”

*Guenter Kraemer  
Director Network Planning Data and Tools  
Lufthansa*

## Solution

Lufthansa made the decision to partner with OAG to secure multidimensional planning data and create a more productive and analytical environment. OAG was the first source considered by Lufthansa's business intelligence experts due to OAG's "perennial leadership in aviation data," said Lufthansa's Director Network Planning Data and Tools, Guenter Kraemer.

For more than 15 years, OAG has supplied Lufthansa weekly with industry data sources such as the Standard Schedules Information Manual (SSIM), Schedules for Passenger and Cargo in SSIM format, Minimum Connecting Times (MCT), Location (standard and customized origination and destination files), Aircraft Decodes, Airline Decodes, Daylight Saving Time files and Seat Configuration files.

OAG's synchronized data feeds Lufthansa's intellectual power source: its data center, referred to simply as "The Brain." The weekly delivery of OAG data is integrated into "The Brain" as soon as received because up to date information is fundamental to the network planning process and schedule optimization.

The data supports an alert system that helps monitor competitor activity in key markets. Specific alert findings are forwarded to planning professionals who determine where adjustments are needed. The data is also used to identify codeshare opportunities and manage partner schedule synchronization. It is used in every step of the planning process to develop the most profitable schedule and the best availability displays via the GDS systems.

In the Customer Service area, Lufthansa relies on OAG for the critical connection data that helps reservation and departure control agents book and process interline passengers and their baggage to their final destinations. Customer satisfaction is a top priority at Lufthansa, and the process enhancements have enabled Lufthansa to continually improve the customer completion and baggage processing metrics.



## Results

Thousands of Lufthansa employees around the world now rely on the accurate and comprehensive OAG data. It is used to drive a diverse array of processes and significant quality improvements have been realized. Opportunities are detected faster, theories are validated with more discipline, competitor activity can be more diligently tracked and schedules are better optimized.

Lufthansa management and business analysts in Planning, Operations, Sales and Revenue Accounting can now drill down to the level of detail needed to view the business from several different dimensions.

Business improvement processes have resulted in increased revenues, process efficiency improvements, reduced costs and improved customer satisfaction. The ongoing revenue impact related to improved connections through the Frankfurt and Munich hubs alone is substantial.

Overall, the OAG data helps provide better insight into the changing trends in the marketplace, supporting Lufthansa's sustained leadership in quality, customer service, technical standards and innovation.

"The OAG advantage is accuracy and reliability; this is imperative to our processes."

*Guenter Kraemer  
Director Network Planning Data and Tools  
Lufthansa*