

Growing by growing the market

Hapag-Lloyd Express
project



Introducing LCC to Germany

The low-cost carrier (LCC) market in Germany was kicked-off by Ryanair. Lufthansa and TUI, not to be outdone, simultaneously and independently started their own LCCs in 2002.

The competition: people's mindset

When creating a new market, what is your largest competitor? It's not another airline. It isn't another means of transport. It is the pre-conception in people's minds.

Research showed, that flying in Germany was considered something you did for business, which could be at short notice, or once or twice a year on holiday, which would be planned well ahead.

We had to change this mindset.

Idea: Be the market

Part 1 of our strategy: Growing the market by both increasing the number of passengers as well as the frequency of those passen-

gers taking a plane. Or simply: Make more people fly more.

Focusing on creating the market rather than competing within it, we created a brand that would define the category. It had to represent low cost and to entice spontaneity. Part 2 of our strategy was, put simply: Fly for the price of a taxi.

First airline to prioritize online sales

The brand design resembled a checkered cab; the color scheme dramatically lowered production and media costs. All communication was sales only: sales is image.

Another bold step: Priority was given to online sales, only three years after Amazon had entered the German market, with e-commerce still in its infancy.

Low-cost ad for HLX

Build, Launch, Grow

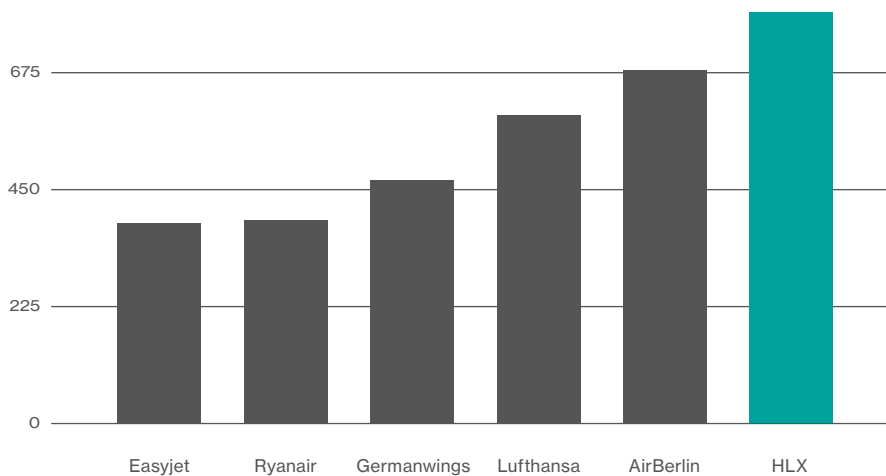
The team served as the external marketing and communication department from the conception of the project until three months after the launch of the airline. It was in charge of the research, strategy and execution of all marketing and communication. It installed all principles and processes and helped to build the internal marketing and communication capabilities.

Results: 5x #1

HLX, a TUI company, started a month later and with fewer routes than the Lufthansa-backed germanwings, but it ranked first in the number of passengers, brand awareness and preference, as well as in media coverage within the LCC segment in Germany within one year.

On top of that, it ranked #1 of all German airline websites and sold 94% of all its tickets online.

#1 of German Airline Websites



unique audience '000, Nielsen NetRatings 2004

#1

- Number of passengers
- Brand awareness
- Brand preference
- Media coverage

Ipsos 2003, Research International 2003, tns infratest 2003/2004, isi 2004

Disclaimer

All results independently monitored by TNS infratest Low Cost Carrier Monitor, isi Marketingtracking Airlines, Nielsen Netratings, Ipsos Germany, Stern Trendprofile, Research International. HLX has since been merged with Hapag-Lloyd Flug, which continues to operate today as TUIfly. This was a Scholz & Friends project under the leadership of our managing partner, Dirk O. Evenson.

We are consultants for the human side of progress. We advise on digital transformation, sustainability and global urbanization – and how these forces create opportunities and progress.

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