

Thomas Hertle and Sabine Frühwald, GfK Marktforschung, Germany, discuss the new global brand strategy of Deutsche Lufthansa AG

The Lufthansa brand

Deutsche Lufthansa AG is the undisputed No. 1 in Germany and Europe and is also one of the world's biggest airlines. Despite increasingly difficult conditions, such as the emergence of low cost providers, rising fuel prices and increased international competition among scheduled flight companies, Lufthansa is successfully expanding its global market position. With the support of GfK Marktforschung, the company developed a global strategy for brand leadership last year and set positioning targets to be achieved by 2010.

No other market has attracted quite as much public attention in recent years than the fiercely competitive air travel sector. Competition from low cost airlines, tickets from discount outlets and the very public discussion about flight prices, airport taxes and other charges have attracted a great deal of attention, especially in Germany. Systematic professional brand management has made Deutsche Lufthansa AG the No. 1 in the German and European markets and a global leader among all airlines.

In addition to the continuous monitoring and analysis of the position of its own brand in relation to those of competitors, the systematic development of its brand value has been a key success factor for Lufthansa. GfK's TARGET®POSITIONING provides precisely this kind of consultancy service based on market research data. Criteria such as awareness, willingness to book a flight and provider of choice are identified along with image and brand identity dimensions. All of these impact positively on the position-



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is Division Manager for the Brand & Communication Research and Test Market Research Departments at GfK Marktforschung, Germany. Hertle, who holds a degree in Sociology advises German and international companies on, among other things, the development and management of their brands.

After starting out on his career in 1993 and experience in the area of brand and communication research with various German market research companies, he has continuously concentrated on brand positioning, brand value and also on advertising media pre-tests and advertising tracking in, among other locations, the UK and Canada.

Sabine Frühwald

is a Research Consultant in the Brand & Communication Research Department within GfK Marktforschung, Germany. She holds a degree in Dietetics, and since 2002 has as team leader been responsible for client service to major clients in the areas of brand value and positioning studies, advertising tracking, advertising media pretests and ad-hoc surveys.

She started her professional career in 1993 in the ConsumerScan area at GfK Panel Services in Nuremberg, from where in 1997 she moved to IRI/GfK, working in Retail Panel research and then finally she moved to GfK Marktforschung.



The two Lufthansa interviewees Nicola Lange, General Manager Advertising and Brand Positioning, and Harald Eisenächer, Vice President Marketing

ing and brand value of Lufthansa in the medium and long term. The key instrument used by GfK to ascertain brand value is the Brand Potential Index (BPI®).

Fact-based Consultancy for Lufthansa

GfK Marktforschung has been advising Lufthansa for several years. On the basis of its TARGET®POSITIONING instrument, GfK Marktforschung has carried out a market positioning survey for the company in the top eight strategic countries. The survey covers business and leisure travel in Germany, France, Italy, Spain, the UK, Switzerland, the USA and Japan.

Set-up phase

In an initial set-up phase (see figure 1), GfK used workshops and meetings to make recommendations on which competitors should be selected in each market as a point of comparison and what other topics the survey could cover. In consultation with decision-makers at Lufthansa, all the image and identity features that cover relevant positioning aspects were established. This was immediately followed by the implementation of the survey in the eight markets selected. To begin with, the questionnaire was translated into each of the languages, the fieldwork was conducted and the coding carried out. Then the data was analyzed.

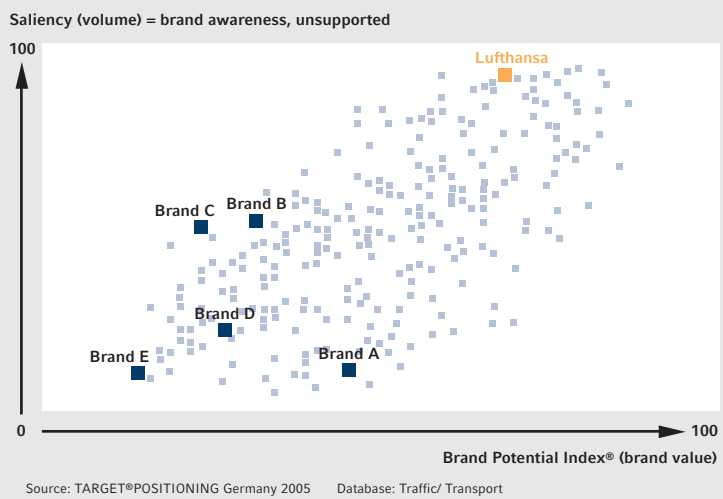
Analysis phase: brand value

In the second phase of the survey, GfK Marktforschung investigated how the Lufthansa brand performed compared with the brands of relevant competitors. To do this, a detailed evaluation of key features of the booking process was carried out and the brand value of the airlines involved was determined. The key GfK instrument for determining brand value is the Brand Potential Index (BPI®). The index is based on perception and takes into account rational as well as cognitive, emotional and behavioral aspects of perception. The analysis based on the correlations between BPI® and brand saliency (spontaneous recognition of the brand) highlights the strength of the Lufthansa brand (see figure 2).

Figure 1: Fact-based Consultancy for Lufthansa

Key consultancy aspects	Consultancy steps	Consultancy output
Set-up phase	Development of a design appropriate to the Lufthansa questionnaire	<ul style="list-style-type: none"> → Definition of random samples and survey population → Development of questionnaire → Selection of competitors → Identification of relevant image and identity characteristics → Survey implementation and data collection
Analysis phase	Interpretation of the findings	<ul style="list-style-type: none"> → Definition of the brand and positioning status quo → Evaluation of the brand value, incl. from "historic" perspective → Recommendations for development of Lufthansa brand strategy
Implementation phase	Workshops and management presentations for Lufthansa global and for the individual markets	<ul style="list-style-type: none"> → Analysis of positioning status quo in the competitive environment → Development of global target positioning which would remain relevant until 2010 → Development of a strategy / recommendations on achieving the targets for each market → Definition of action standards for target achievement

Figure 2: brand value and saliency Lufthansa is the star among the airlines in Germany



By comparison, brand A lacks saliency, for example. However, given its relatively high brand value, brand A could potentially be a great threat to Lufthansa. Such findings provide Lufthansa with important information on its own brand strength and the growth potential of the competition. This facilitates a targeted approach and specific management of the company's own marketing activities.

Given that Lufthansa is at different stages of its development in the various markets, as is reflected in the brand's current positioning, the future position was adjusted for the varying degrees of maturity in the different markets.

Harald Eisenächer, Vice President Marketing at Deutsche Lufthansa AG, is very happy with the consultancy services of GfK Marktforschung and the instruments it uses: "The BPI® illustration is available to us for every market and shows clearly in which countries there is a need for action and how the Lufthansa brand has changed since 2002." A comparison with an earlier measurement in 2002 highlighted that the brand strength of Lufthansa has improved systematically – not least thanks to the advisory effort of GfK.

Another study based on a wider, representative section of the public confirms the success of the Lufthansa brand. In the annual GfK Marktforschung study entitled "best brands – brand ranking in Germany" which also uses the Brand Potential Index, Lufthansa came in second place in Germany in the category of strongest corporate brand. In the prior year, Lufthansa was in fourth place in the same category. This bears out the fact that Lufthansa is an exceptional brand which has succeeded in further expanding its excellent positioning.

Analysis phase: brand diagnosis

The next phase of the study focused on enhancing the brand value assessment by including a brand diagnosis. This provided Lufthansa with a comprehensive overview of the strengths and weaknesses in terms of brand awareness compared with competitors in each market and for each target group. Salient image and identity aspects compared with the competition became evident as did their development over time. Also identified were brand drivers, i.e. image and identity dimensions which need to be strengthened in the future in order to systematically develop the brand value of Lufthansa.

On the basis of more qualitative aspects, such as the picture airline passengers have of the Lufthansa brand, GfK Marktforschung established the symbols and content that should perhaps be used more intensively to communicate the brand. The brand diagnosis forms an important element when illustrating the current and managing the future positioning of the Lufthansa brand.

Implementation phase

GfK Marktforschung used the implementation phase to record the market position of Lufthansa in 2005 for each of the markets observed. To do this, it integrated the strengths and weaknesses of Lufthansa in the various markets, the content and symbols which travelers associated with Lufthansa and the image and identity features that are particularly important as driving forces of the strength of the Lufthansa brand.


Nicola Lange, General Manager Advertising and Brand Positioning at Deutsche Lufthansa AG added, "The information about brand drivers in the different markets is extremely important in terms of our approach to international communications."

Workshops and presentation of findings

GfK Marktforschung presented the findings of the brand positioning survey as part of a workshop. In addition to presenting the relevant data, the aim of this workshop was to assess the brand trend compared with past performance and determine the global position for the future.

The target for the Lufthansa brand in all markets is based on this global target position. Given that Lufthansa is at different stages of its development in the various markets, as is reflected in the brand's current positioning, the future position was adjusted for the varying degrees of maturity in the different markets. For each market, recommendations were made that should support the achievement of the target positioning and efficient future marketing activities were also developed. This information enables decision-makers in the different markets to identify which levers are especially suited to promoting the Lufthansa brand. They also ensure that the target global position can be achieved as quickly and efficiently as possible.

Value added through consultancy

The mix of information and consultancy services provided by GfK Marktforschung has helped Deutsche Lufthansa AG to develop a global brand strategy, which is to be implemented throughout all divisions and markets by 2010. The survey facilitates a uniform, international image for Deutsche Lufthansa AG and offers the airline guidelines for successful brand management in all relevant markets. Provisional plans are in place to track the interim success of the positioning strategy in 2007 on the basis of a further survey. In 2010, a final survey is scheduled. This will focus on assessing the extent to which the targets of the global positioning strategy have been achieved. 

Further information:

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