

Florian Smeritschnig

# WOW and SkyTeam Cargo

An In-depth Analysis of Strategic Alliances  
for Air Cargo Carriers and The Impact  
on Cargo Airlines' Operations and Success



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Florian Smeritschnig  
WOW and SkyTeam Cargo: An In-depth Analysis of Strategic Alliances for Air Cargo  
Carriers and The Impact on Cargo Airlines' Operations and Success

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„Aerodynamically the bumblebee shouldn't be able to fly, but the bumblebee doesn't know that so it goes on flying anyway.”

- Mary Kay Ash



## 1. Introduction

The formation of highly integrated strategic alliances in the airline industry started during the 1990's with Star Alliance as the first global player, as passenger airlines faced deregulation and wanted to support their growth and expansion in international markets. For cargo companies, this type of integration came around later at the beginning of 2000. As a result of this increased co-operation, major alliances were formed with the launch of SkyTeam Cargo and WOW. Beginning at the dawn of the new century, these alliances should mark a cornerstone that enables long term success and survival through synergy effects and higher competitiveness individually and as a group.<sup>1</sup> Now, a decade later, WOW and SkyTeam Cargo have evolved, but in different directions and not all members or ex-members are content with the results.

### 1.1. Research Questions

*The greatest change in corporate culture—and in the way business is being conducted—may be the accelerating growth of relationships based not on ownership but on partnership; joint ventures; minority investments cementing a joint marketing agreement or an agreement to do joint research ... alliances of all sorts.*

- Peter F. Drucker<sup>2</sup>

Strategic alliances in air transport have been studied widely in recent publications, most of which just cover the passenger side of the business. There is a lot of information, statements and common knowledge about what benefits alliances can bring to its members, but a literature review leads to the fact that research is very sparse when it comes down to evaluating the actual impact of alliance integration on air cargo carriers' standing.

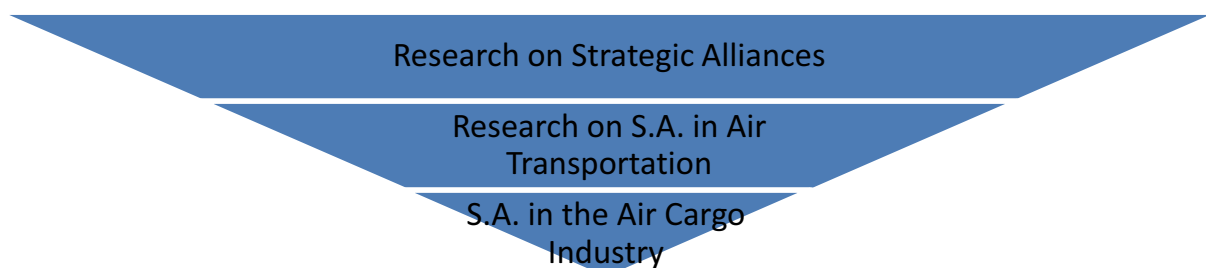


Figure 1: Alliance Research Broken Down

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<sup>1</sup> See Serna Velez (2007), p. 7

<sup>2</sup> Drucker (1996)