



# Spider web network based on frequency and hubs

**A**t first glance, it might be hard to spot the logic in Polar Air Cargo's network, suggested Kersti Krepp, Polar Vice President for Asia Pacific. "However, this spider's web has been created with two strong principles in mind."

"The first principle is the need for frequency between major markets."

"When Polar Air Cargo first started flying 10 years ago, forwarders and their customers were in the main happy to be

offered twice-weekly scheduled freighter services on major long-haul routes. If you could provide forwarders in Asia, for example, with departures to the USA on day three and day seven so they could put together twice-weekly consolidations, that was considered to be a great service."

"However, with the evolution of JIT (just in time) supply chains and the growing

value of goods, it is no longer adequate for forwarders to offer shippers twice-weekly consolidations. So as a carrier, we in turn have to provide a greater level of service to the forwarders. Basically, that means offering scheduled capacity which not only connects major markets around the world but also does that with much greater fre-



quency."

"The second principle," continued Krepp, "is that of the hub."

"Using hubs, we are able to offer more city pairs to our customers, whilst at the same time diversifying our risk by having multiple markets feed into our major truck routes. If one market has a bad day, another can take up the slack to fill the flight."

"Polar now has two major international hubs, one in Europe currently moving from Liege, Belgium to Amsterdam, Netherlands (see the article of the Amsterdam move), and one in Incheon, Korea. To a lesser extent Chicago also fulfills a similar role within the Americas."

When we asked about why Incheon, Krepp took us through the history. "At first sight, the choice of Incheon as the company's Asian hub may not be obvious." She said, "In fact, the development came about as part of a general evolution

of Polar's services within the region and particularly its traffic rights in relation to Japan."

"Historically, Polar was restricted to traffic rights to just one point beyond Japan. Initially, the company opted to make that point Taipei in Taiwan.

However, following a new Korean open skies agreement with the

USA in late 2001, which opened up the possibility of serving the local Korea/Japan market, as well as Hong Kong, Polar changed that point to Incheon, Seoul's new, 24-hour airport"

"Since then, the Incheon hub has gone from strength to strength, as Polar has added both traffic rights and new flights. By the end of 2004,

the hub is expected to draw freight from Korea, Hong Kong, Taipei, Tokyo and Shanghai, and will be able to provide service and frequency for all these origins to destinations throughout the USA, Latin America and Continental Europe."

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Kersti Krepp, Polar Vice President for Asia Pacific

