

## **Business Model of Cargo Carriers**

Freighter Flights are mainly meant to carry and transport goods and commodities and they have their own business models. In this section the business model of Freighter Flights of combination carriers is discussed that includes the fact that how the carriers carry goods and those carriers also carries passengers at on the other hand (Gumy et al. 2017). The business model of Freighter Flights of combination carriers include goods handling and operations, logistics network which is all about moving the raw products from the production point to the market place, destination coverage, loads taken on board, risk management, building relationship or contacts with the stakeholders and goods transporting companies to increase profitability, managing the freight changers along with goods safety, cargo operations and handling. Some airlines solely operate for carrying goods while some leading airlines brand has their separate cargo airlines as well and in this prospect the reference is made of the flights that are combination carriers (Gumy et al. 2017). These are some of the points based on which the business model of the Freighter flights is made up of as these are the base that helps the Freighter flights of combination carriers to do their business (Gumy et al. 2017). Business model is very meticulously developed so that it helps in serving the purpose of carrying goods and maximizing the profit amount as well. Some examples in this context can be provided (Kuijpers et al. 2016). The business model consisting of logistics networking, cargo operations, goods handling and freight charges management are the main ones and this business model is followed by cargo flights of combination carriers like Cathy Pacific Airways, Lufthansa, Qatar Airways, Emirates and some others (Gumy et al. 2017). These are mainly the examples of Freighter flights that come under combination carriers and other than this some examples of only cargo or Freighter

flights include DHL, FEDEX Express, Airst, Blue Dart, Nippon Cargo and others. Cathy Pacific Airways is one of the famous combination carriers and this has a constructive and definite business model where the model is based on logistics operation, infrastructure to store the goods or handling of goods, transportation management and destination coverage management. These are firstly decided by the Cathy Pacific Airways while flying with their goods and thereafter are executed as per plan and the set program (Gumy et al. 2017). This kind of business model is very simple to follow and implement as well and besides this it allows a system flow and division of work (Kuijpers et al. 2016). The logistics form a significant part in this business model and this comprises of transporting goods through vehicles through air and through use of cargo to the ultimate and the final destination. The business model also includes destination coverage management and this is all about setting the destinations that are to be covered and preparing the transport as per that.

This section mainly talks about the difference between the business models of Integrated Carriers and All Cargo Carriers and thereby brings up all the relevant and important points. Integrated Carriers are those that perform the task of carrying goods and commodities as well as carrying passengers. On the other hand, all cargo Carriers is those that mainly carries goods and commodities and are all in all cargo flights (Kuijpers et al. 2016). The business model also differs in both the cases and a brief about that is provided here. In case of integrated carriers, the business model is based on stakeholder management where the stakeholder includes logistics supplier, transport supplier, and includes logistics networking, passenger handling operations, service management and risk management. The integrated Carriers like Emirates, Lufthansa, Qatar and others dwell on this business model that helps the integrated Carriers in managing their cargo responsibilities and also their passenger responsibility as well (Kuijpers et al. 2016).

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The business model of the business model of integrated Carriers involves a lot of third parties or suppliers as these Carriers are not out and out a cargo Carriers and has its other division as well which is the passenger carrying division. The business model consisting of logistics supplier is all about the complete facilities and provision of movement of goods towards the destination from the source (Kuijpers et al. 2016). Qatar follows this model and also their business model dwells on the use of destination coverage management so that the handling of cargo and the passengers can be synced and also can be chalked out before hand. On the other hand, there is all cargo and the business model of all cargo is based on in-house logistics management and networking, in house operations, packaging handling, cargo loading and off-loading, in house Freighter charges management and others (Kuijpers et al. 2016). The similarity between these two-business model includes destination coverage, product or goods loading and unloading, Freighter charger's management and the dissimilarities include logistics management which is done by in-house team in case of all air cargo and is done by suppliers in case of integrated Carriers. This shows the comparison between the two types of Cargo Carriers (Kuijpers et al. 2016). The all air cargo like DHL does the work of logistics that mainly comprises of storage of goods, goods flow from one place to another, inventory management, warehouse control and supervision, security control, infrastructure preparing and others. the major all air cargo for example includes DHL, FEDEX Express and others and all these all air cargo follow this business model in order to make their operations and management of the entire thing very easily and also help in effective result and speedy work accomplishment as well (Johnsen et al. 2016). On the other hand, the integrated Carriers like Cathy Airways looks after the logistics operations through their supplier and at a time does the passenger handling approach all by themselves that

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include passenger servicing, guest handling, front office services, on-board attendance and others.

This section mainly talks about the cargo systems within the Integrated Carrier's hub and the cargo systems within the All-Cargo Carrier's terminals (Johnsen et al. 2016). The cargo system in case of integrated Carriers hub includes railway terminals near the airport terminal, landing ground, unpacking ground for the goods and the products to be unpacked, provision of trucks and carrying vehicles are huge to accommodate all the products and also consist of warehouses (Johnsen et al. 2016). These are all the setups that can be found in case of integrated carriers hub and this is all about keeping all the necessary provision, equipment's, tools and others in one place so that after landing the products can be perfectly and easily moved to its final destination (Johnsen et al. 2016). The terminals of the integrated Carriers are set up in such a way that it helps in unloading and also packing of goods very easily and also helps in bringing out the best from the working pattern or approach. As per report it is known that Cathay Airways which is an integrated Carrier is aiming at enlarging their cargo hub so that they can have one specific space for conducting all their cargo activities. Nearly 60% of the integrated Carriers are aiming towards this kind of provision (Johnsen et al. 2016). On the other hand, the cargo systems of all cargo Carrier hub include provision of separate or adjacent cargo space from where the loading and unloading of goods and commodities is done and besides this warehouse set up is also there (Jongsma et al. 2016). The All Cargo Carrier is huge and enormous as it is mainly dealing in cargo line and thus the latest technology, the latest tools and equipment's to move products, to lift products and also to locate and preserve products are effectively done. This kind of system can be found in EDEX Express, Blue Dart and others. As per report it is known that

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nearly 40% of the all-cargo Carrier have already moved to building separate ground or terminal for their operations and also inclusion of railway paths so that the movement of goods is easy.



Subsidiaries mainly act as a helping hand to the cargo Carriers and their work is to promote the operations of the cargo Carriers so that it is easy to carry on the huge task of shipping, transporting and logistics work as well (Jongsma et al. 2016). Subsidiaries of EFDEX

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Express include TNT Express, FEDEX Ground, EDEX Office and others (Jongsma et al. 2016). These Subsidiaries acts in various ways such as the FEDEX Ground takes charge of the ground activities, the activities that are done on ground before loading and unloading, the paper work, the tax control and management work and others. This is a way boosts the work of the main cargo Carrier (Jongsma et al. 2016). On the other hand, the subsidiaries of Freighter Flights of Combination Carriers, Lufthansa include AeroLogic and this is mainly the partner of DHL Express that helps in transporting goods and commodities. This subsidiary promotes and supports the work of Lufthansa as a Freighter Flights of Combination Carriers and the main role being cargo management.

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