

Airline competition

Business



It showed a difference in prices of \$3 between international carriers Delta Air Lines and American Airlines and \$27 between American Airlines and United Airlines. (Priceline) However, Air Tran Airways which only makes flights within North, Central and South America were selling the same flight for \$10 cheaper than Delta Air Lines, already the one with the lowest airfare among the three international airline companies.

The strategy also means providing more benefits than the competitor. In the same example, Air Tran Airways had 3-morning flights, 3-afternoon flights and 2 evening flights to choose from. On the other hand, Delta Air Lines only had 2, 2 and 1, respectively, while United Airlines, which offered the most expensive price, only had 2, 1 and 1.

Finally, strategy means mergers such as that between Delta Air Lines and Northwest Air Lines in 2008. (Mouawad) By combining their businesses, the public is given the opportunity to experience the services they like from the two airlines. Meanwhile, the new company receives the loyalty and business of two groups of consumers and possibly another group that sees the combination of two trusted names in the industry as resulting in the better flying experience.