

Free report on competition and analysis of global airline industry

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Introduction

Global airline industry is passenger based airline which provide air transportation. It operates on over scheduled or nonscheduled routes both domestically and internationally. Of late, it does not majorly deals with cargo since the prices per kilometer have drastically dropped. This airline industry is found in most of the countries in the world since it operates globally. (Rigas, D. 2001). It is a common knowledge that the global economy offers opportunities as well as threats to different businesses and the global airline industry is not exempted from this. In this report, the leading companies globally in this industry will be identified and the key factors affecting the market will also be analyzed.

Scope of the airline industry

The scope and scale of the global airline industry can be categorized as full service which operates many airline services internationally. It operates locally, regionally and internationally carrying passengers. Most of the airlines which operate in this sector are mostly owned by the government for better services and to avoid exploitation of the consumers by the private sectors. (Rigas, D. 2001). This industry experience different profit making seasons. For instance, it makes profit for five years followed by low five seasons and this has been a trend since it was started.

Key products and service

The global airline industry provides mainly air transportation for passengers to various routes throughout the world on daily basis. They offer mainline

carriers, regional carriers' charter as well as nonscheduled air transportation. The major portion of their flights is covered by network carriers. Where connections are made for flights on a spoke system, they make use of at least one hub to enhance better operations.(Rigas, D. 2001). They have introduced the transportation of mails also at local, regional and international level. The above mentioned products and services are the mostly provided by this airline industry. It can well be understood that it does more of service work than producing products.

Growth rate

The global airline industry is recovering after the huge world economic downturn. The revenue increased steadily per year at the rate of 2. 9% to \$636. 0 billion up to the year last year.(Rigas, D. 2001). At this rate, the revenue is expected to grow even bigger for the coming five years up to 5%. This is due to the recovery of the world economy and the expansion of this industry. 2009 was the worst year for this industry as far as profit is concerned. The solid income growth rate was high due to the weak US dollar which has contributed a lot to the increase in local airline transport. However, this was cut short by the ever increasing oil prices and not forgetting recession. Another negative effect was the outbreak of swine flu which caused major to close many routes. (Yosef, E. 2005).

The biggest factor was the drop of airfares and the declining air passengers' numbers which resulted to the drop of revenue. In 2009, the total number of passengers was 1. 1% with the stronger decrease in international flights as compared to domestic flights.

Key customers/consumers

According to the International Air Transport Association (IATA), the top most regions which serve this airline with many passengers come from North America, Europe and Asia. It has also been singled out that China has the fastest growing domestic flights.(Button, K. J., & Hensher, D. A. 2005). This makes it the only country which gives this airline industry most profit in t5he domestic flights. On the other hand, the Middle East has the highest growth of international flights over the past decade. According to the International Air Transport Association (IATA), in the year 2012, the number of carries only from Middle East account for 11. 5% of the total international flights in the world. It increased from 4. 8% over the past decade.

Key players

There are several players in the global airline industry. However, there are key players which dominate this market in terms of passenger turn out and the number of lights offered. The key main players in this market are the US Airlines, Emirates Airline, Qatar Airways and the Qatar Saudi Arabian Airlines. (Button, K. J., & Hensher, D. A. 2005). They are also referred to as the heavyweights of the airline industry. These airlines carry more than 10 million passengers per year. The leading airline industries come from US airline namely: Delta Air Lines, Southwest Airlines, and American Airlines. (Shaw, S. 2011).

Market shares by competitors

The global market of the airline industry is mainly occupied by the key players which have already discussed. In terms of market shares, the US

Airline has got a bigger share as compared to other competitors. There are several factors which make the US airline to be the leading in this sector some of which are; good network and market structure, pricing strategies and productivity and performance. The second largest airline in terms of percentage is the Emirates followed by Qatar. .(Rigas, D. 2001).

Size of the industry

The global airline line industry operates worldwide. It has very many employees which are more than 10 million across the world. This ranges from crew to the top most managers. This airline industry carries many passengers throughout the year. Like for instance, in the year 2008, the total number of passengers which were carried by this airline was almost 1billion. (Rigas, D. 2001).

Conclusion

As discussed above, it can be concluded that this airline industry have occupied a larger share of the market. It shows a positive sign of improving better in the coming years. It has grown rapidly despite that fact that it was not the first one to be founded. (Shaw, S. 2011). It competes positively in the market because of its bigger share and high cost of operations which cater for every department exhaustively.

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