



Air Overview

An introduction to air travel categories,
classifications and roles

expedia group
Academy



- Airline Travel Defined
- Airline Travel Categories & Players
- Airline Business Models
- Classification of a Trip
- Analyzing Airline Performance
- Types of Airline Roles



Air Travel Defined

The background is a dark blue gradient. It features several overlapping circles: a large teal circle on the right, a smaller teal circle at the top, a thin light blue circle overlapping the teal ones, and a blue circle on the bottom left.

Air Travel Defined

The business of transporting paying passengers and freight by air along regularly scheduled routes, typically by airplanes but also by helicopter.

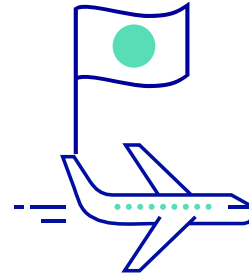


Air travel Categories & Players



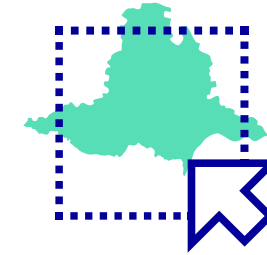
International Airlines

International airlines are a group of the largest and generally most successful airlines. They operate large passenger jets and tend to focus on offering global services, carrying passengers and cargo over large distances.



National Airlines

National airlines represent the tier below large international airlines. Typically they offer both medium-sized and large-sized jets and often serve areas within their home country. Many national carriers also provide access to international destinations.



Regional Airlines

Regional airlines are the smallest of the main airlines offering service within specific regional areas. They usually provide passenger services to parts of the world with lower levels of demand, where services are not offered by national or international airlines.



OAG

OAG (Official Airline Guide) is an air travel intelligence reference that provides data on airline schedules, cargo and aviation analytics for future and historic flights, with information from more than 900 different airlines and 4000 airports.



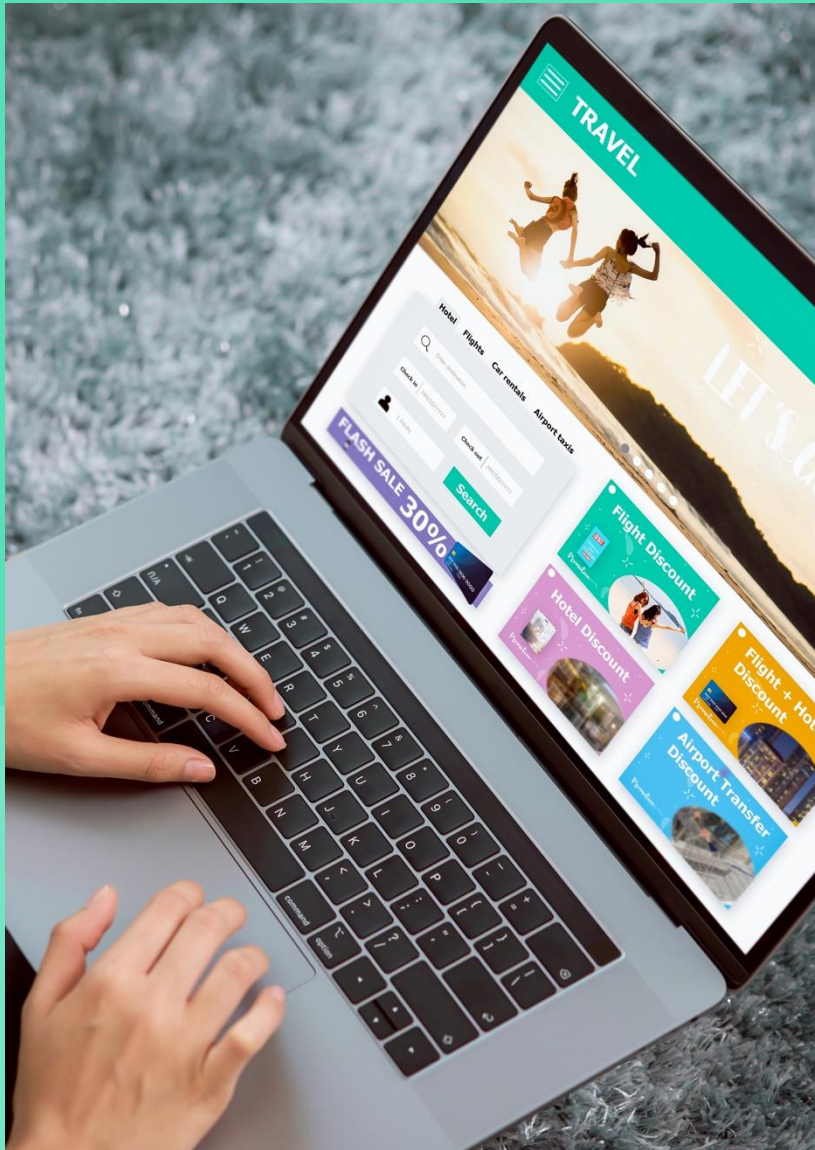
atpco

atpco distributes fare and fare related data for the airlines to the travel industry. They work with 427 airlines worldwide and supply more than 99% of the fare related information to all the world's airlines pricing engines and store over 211 million active fares in their database.



routehappy

Routehappy, owned by atpco, aims to help airlines de-commoditize by providing rich content to help others upsell. They are focused on next generation storefront to help agencies improve the airline retailing experience.



ARC

The Airlines Reporting Corporation (ARC) is a company that provides ticket transaction settlement services

between airlines and travel agencies (both traditional and online) and the travel management companies that sell their products in the United States.



ARC



IATA

The International Air Transport Association (IATA) is the trade association for the world's airlines

representing some 290 airlines or 82% of total air traffic. They support many areas of aviation activity and help formulate industry policy on critical aviation issues.



Airline Business Models

The background features a dark blue field with several overlapping circles. A large, solid yellow circle is positioned on the right side. A medium-sized, solid blue circle is on the left. A thin white circle overlaps the blue and yellow circles. A thick green circle is at the top, overlapping the white circle. The title 'Airline Business Models' is written in white, bold, sans-serif font on the left side.

Airline Business Models

While each airlines day to day operation model may differ slightly, majority can be categorized by one of the four main business models



Full Service Carriers

Full-service carriers offer a range of pre-flight and on-board services with the price of the ticket

This may include checked baggage, in-flight meals and multiple service classes. Their operations will typically include both passenger and cargo services, and often frequent flyer programs. They usually offer domestic, international, long haul and short haul flights.





Low-cost carriers

Airlines that aim to gain a competitive advantage over full-service carriers by providing services at a reduced cost.

This is done in several ways, including using smaller fleets and smaller aircraft, and by offering more limited services. Low-cost carriers focus providing value.

Flights from low-cost carriers are often significantly cheaper for travelers, however, additional services generally come with an added cost.



RYANAIR



easyJet



Southwest



Eurowings



Charter Airlines

Focused on providing passenger service for travelers

In most cases charter airlines do not sell airline tickets directly. Instead, they enter into agreements with tour operators and/or travel agencies, who connect them with passengers. In terms of passenger services, charter airlines are often a “middle-ground” between full-service and low-cost carriers. As with low-cost airlines, the business model relies on reducing overall costs.



Cargo Airlines

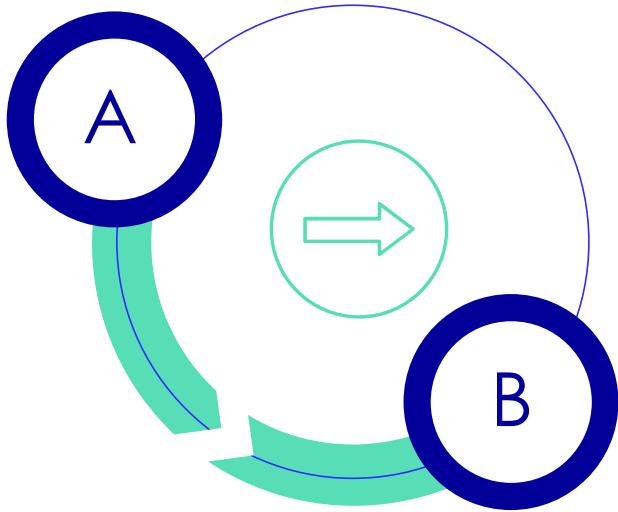
Focused on the air transportation of cargo or freight

Some cargo airlines, such as Lufthansa Cargo and Emirates SkyCargo, are subsidiaries or sub-divisions of airlines that also offer passenger services. Cargo airlines can be further broken down into traditional cargo and integrated carriers. With the latter, all aspects of cargo transportation are controlled by the company, including ground or non-flight elements.

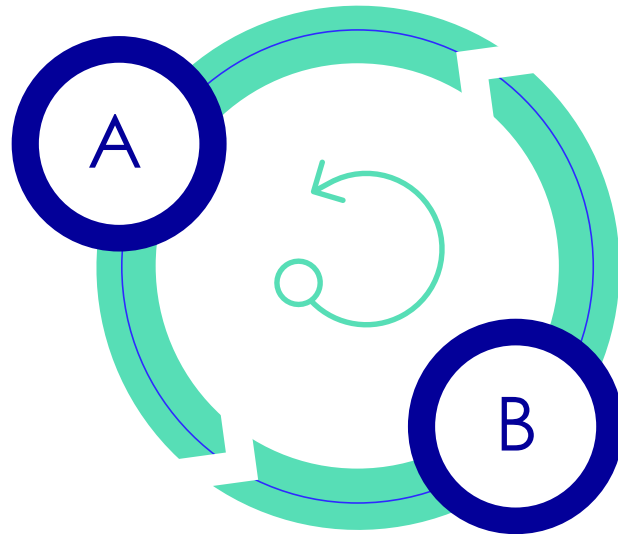




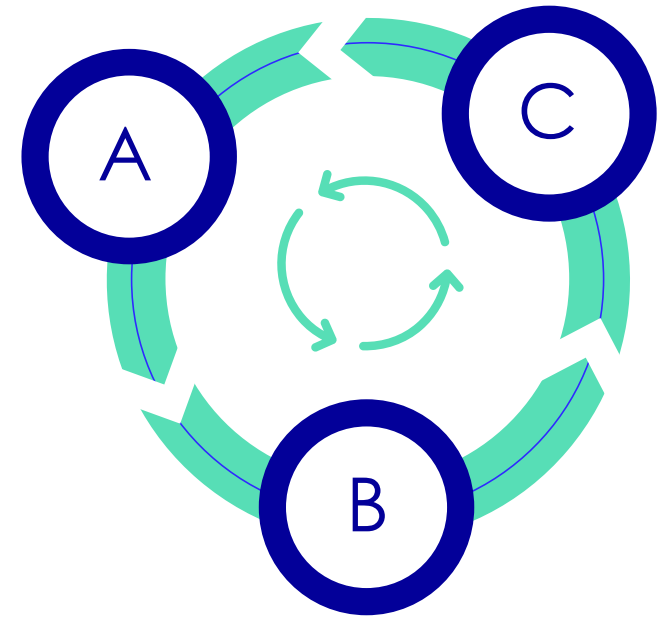
Categorizing and Qualifying Trip Type



One Way



Round Trip



Multi-City

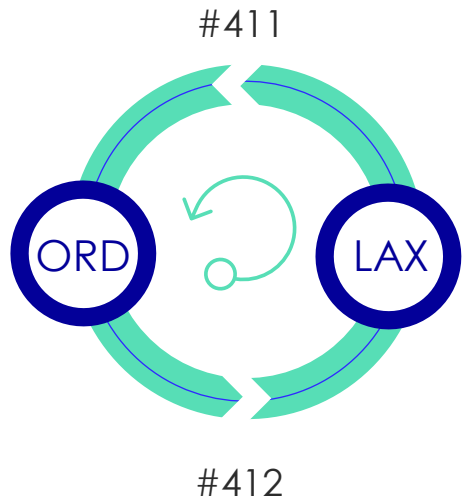
Defining a trip by leg, segment and slice



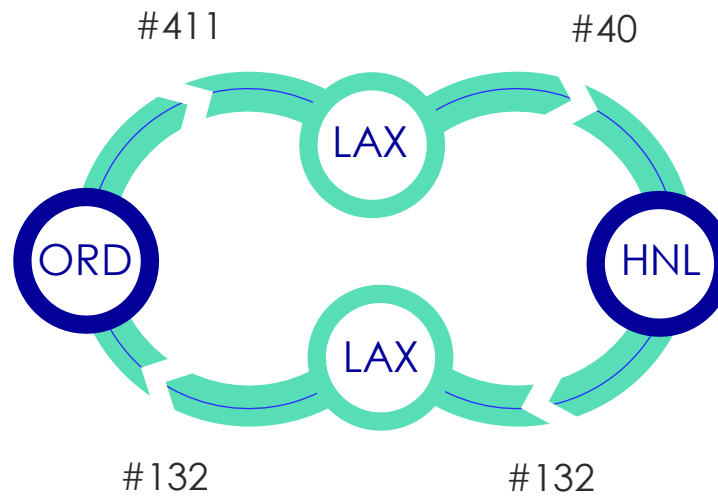
LEG: is defined by one take-off and landing, regardless of whether you change planes

SEGMENT: is defined as **ONE LEG** unless flight number between 2 successive legs does not change

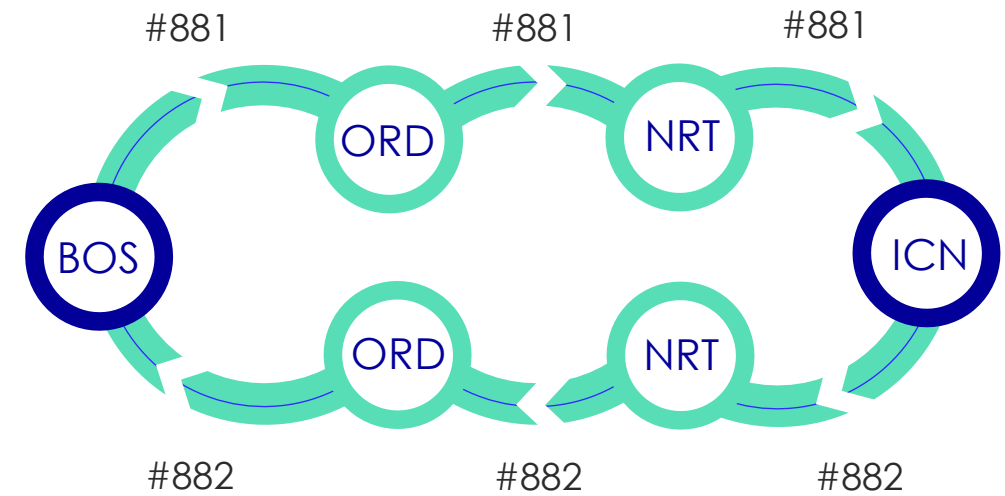
SLICE: is defined as the outbound or return, the origin and destination that the customer entered for search



- ▶ Round Trip, Non-Stop
- ▶ O&D: **ORD - LAX**
- ▶ 2 legs, 2 segments



- ▶ Round Trip, 1 Stop
- ▶ O&D: **ORD - HNL**
- ▶ 4 legs, 3 segments



- ▶ Round Trip, Many Stop
- ▶ O&D: **ORD - ICN**
- ▶ 6 legs, 2 segments

The class breakdown of an airplane

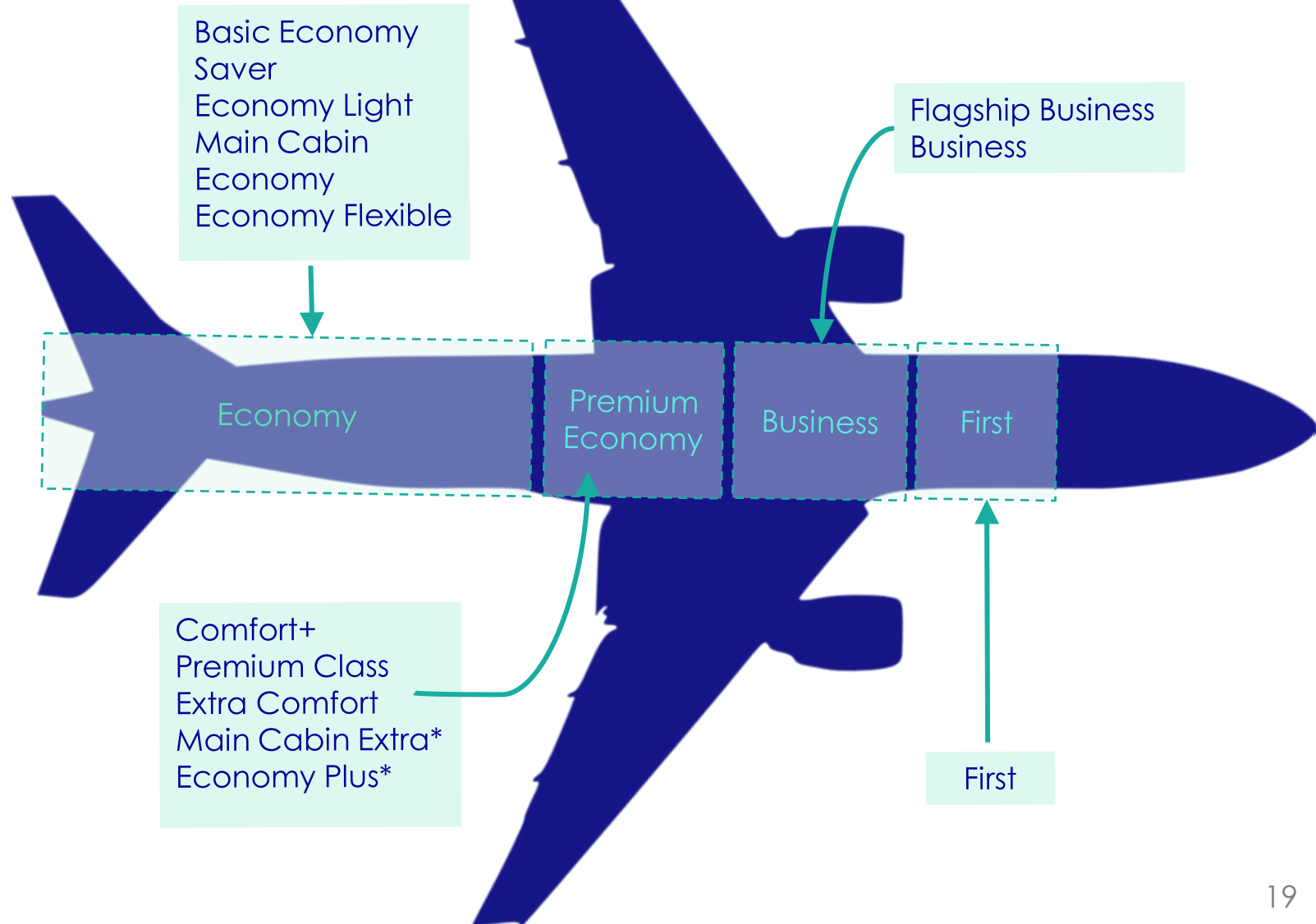


First, business, premium economy and economy represent the cabin

- Searches occur at this level

Basic economy and main cabin represent types of fares

- Fares can be identified by fare basis codes, booking codes, fare tier code and program name
- Attributes for each fare differ by carrier and route



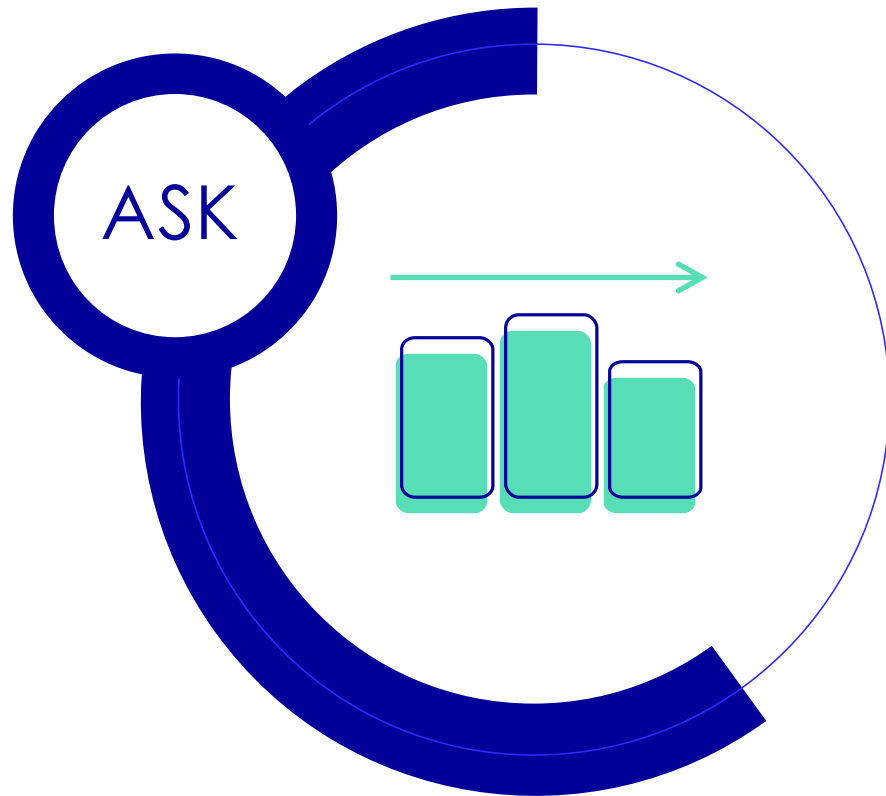
How do you analyze airline performance?

Following slides show the most important metrics that help airlines analyze performance and create suitable strategies



Revenue management started when airlines experimented with differentiated fare products to stimulate demand for seats that would otherwise fly empty.

It then evolved into yield management, which focused on maximizing revenue with analytics-based inventory control. Airline revenue management is evolving to drive incremental revenue through forecasting and optimization methods.



ASK or available seat kilometres captures the total flight passenger capacity of an airline in kilometers

It is found by multiplying the total number of seats available for scheduled passengers and the total number of kilometers in which those seats were flown. This should be calculated per airplane but is usually quoted per airline. A seat-kilometer is available when a seat that is available for carrying a passenger is flown one kilometer. Seats that are not usable for various reasons are excluded.

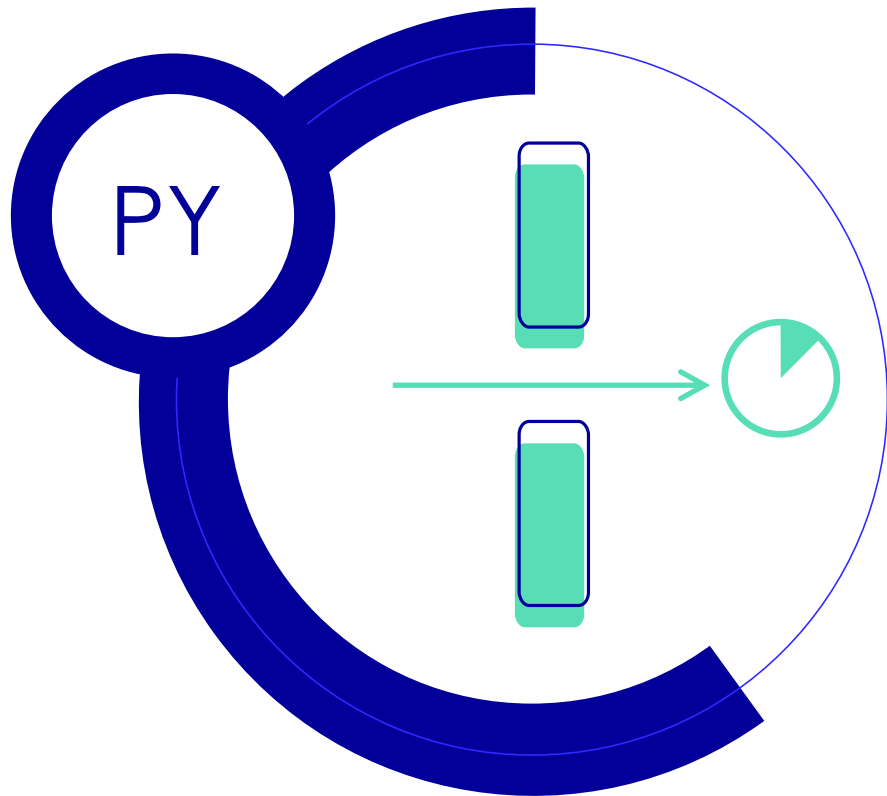
Average Aircraft Capacity



Average seating configuration of an airline's operating fleet.

The measure is derived by dividing total available seat miles flown by the number of aircraft miles flown. It is important to understand the average aircraft size as it is an important determinant of employees needed to service the operation of a particular airline.





Measure of average fare paid per mile, per passenger, calculated by dividing passenger revenue by revenue passenger miles (RPMs).

Typically the measure is presented in cents per mile and is useful measure in assessing changes in fares over time. Yield is not useful for comparisons across markets and/or airlines, as it varies dramatically by stage length and does not incorporate load factor (unlike PRASM).



Measure of aircraft productivity, calculated by dividing aircraft block hours by the number of aircraft days assigned to service on air carrier routes.

Typically presented in block hours per day.

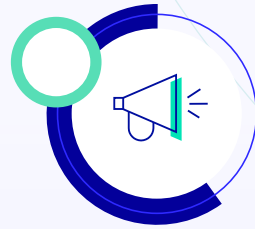
Types of Air Roles





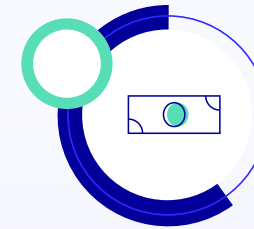
Sales

- Regional Sales Manager
- Reservation Sales Agent



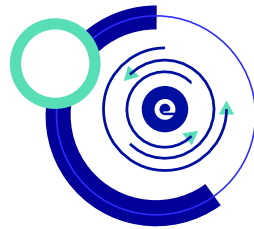
Marketing

- Media buying
- Organic/Social Media
- Creative
- Content generation
- Relation Management
- Branding



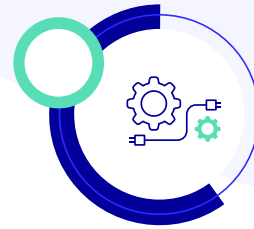
Revenue

- Pricing & Yielding
- Forecasting



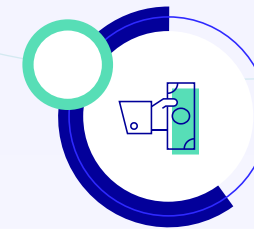
Airline Jobs

- Pilot
- Flight Attendant
- Gate Agent
- Ground Crew
- Ticket Agent



Operations

- Flights Dispatchers
- Ramp Planner
- Maintenance
- Customer Service
- Health & Safety



Finance & Human Resources



Food Services



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