

Airlines - US - April 2018

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The airline industry has enjoyed a period of record profitability, mostly due to low fuel costs and an economy and culture that enables and promotes air travel. However, market factors are starting to turn against airlines, and they will have to adapt and innovate to satisfy the demands of a consumer base that expects to pay bottom dollar to fly.

This report looks at the following areas:

- Profits are under pressure
- Pilot shortage
- The tech race is on
- More flyers, less frequency

The airline industry will remain strong through 2018, though major carriers will face serious challenges in maintaining the profit levels seen in recent years. Low-cost and ultra-low-cost carriers, both domestic and foreign, will continue expanding in the US, and major carriers will have to continue to adapt to challenge them, all while external costs mount. Meanwhile, customers are hungry to travel but mercenary in their flying habits, and often eschew both comfort and loyalty in favor of cheap air travel. Carriers can connect with their customers by creating environments that enable them to experience air travel on their terms, streamlining the mundane and inconvenient and creating standout unique experiences.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The "Big 3" of American Airlines, Delta Air Lines, and United Airlines, large airlines that were in operation prior to the 1978 industry deregulation

Regional Legacy Carriers (RLCs)

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Consumers are still looking for cheap, convenient fares

Individual experience is more important than public perception

Millennials flying at a stressful time...

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