

Airlines – China – September 2019

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

This report looks at the following areas:

- Budget airlines need to change the perception for improved competitiveness
- Themed flights help airlines to compete on short-distance routes
- Revenue from non-ticket items: In-flight meals innovated with the concept of total wellness

Total air passenger volume reached 690 million visits in China last year. The domestic segment and international segment accounted for about 80% and 20% respectively for the total passenger volume. Looking ahead, total air passenger volume is expected to increase at a CAGR of 9.3% in 2019-24. The international segment is estimated to grow faster than the domestic segment in the future.

Domestic short-distance flights face competition from high-speed trains. Airlines can capitalise on themed flights to differentiate flying experiences and attract potential consumers to travel by air on short-distance trips.

There are opportunities for airlines to increase revenue from non-ticket services. Consumers are more willing to pay extra for comfortable cabin experiences and healthier in-flight meals. Healthier meals could also deliver functional benefits that help passengers achieve holistic wellness. Entertainment on board however does not strongly motivate consumers to pay extra.



“Given the positive market conditions, total air passenger volume is estimated to maintain steady growth in 2019-24. Driven by consumers’ passion for outbound travel, the international segment is expected to see faster passenger growth than the domestic.”

– Saskia Zhao, Research Analyst

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

Table of Contents

OVERVIEW

- What you need to know
- Covered in this Report
- Excluded

EXECUTIVE SUMMARY

- **The market**
- **Total air passengers maintained a steady growth rate**
Figure 1: Total air travel market, by passenger traffic volume, in million person-times, 2013-18
- **It's due to the stable growth of domestic air passengers**
Figure 2: Domestic air travel market, by passenger traffic volume, in million person-times, 2013-18
- **International segment recovered from a low passenger growth**
Figure 3: International air travel market, by passenger traffic volume, in million person-times, 2013-18
- **Increasing travellers bring demand for air travel in future**
- **Willingness to spend on self-indulgence motivates leisure travel**
Figure 4: Spending preferences on self-indulgence – any importance*, 2014 and 2019
- **Infrastructure development paves way for air travel**
- **But high-speed trains are very competitive in the domestic segment**
- **Future air travel market will see faster increase of international passengers**
- **Companies and brands**
- **Concentrated competition in domestic segment...**
Figure 5: Airline companies' market share in domestic segment, by passenger volume, 2015-18
- **...while more fragmented competition in international segment**
Figure 6: Airline companies' market share in international segment, by passenger traffic volume, 2015-18
- **Domestic airlines changed focus from international air routes to domestic ones**
Figure 7: Number of scheduled air routes of domestic airline companies, 2014-18
- **Domestic airlines introduce themed flights to differentiate flying experiences**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Airlines also looking into opportunities of increasing revenue from non-ticket services**
- **The consumer**
- **Full-service airlines enjoy much higher penetration than budget airlines**
Figure 8: Penetration of different types of travel transport, May 2019
- **Barriers for using budget airlines: inconvenient travel, low-quality cabin services and negative perception of budget airlines**
Figure 9: Barriers for taking budget airlines in leisure travel, May 2019
- **Indirect sales channels are still the primary choice for buying air tickets**
Figure 10: Usage of different sales channels, May 2019
- **Airlines' official mobile apps are characterised by being trustworthy**
Figure 11: Perception of two air ticket sales channels, May 2019
- **On-board entertainment does not strongly motivate consumers to pay more**
Figure 12: Services consumers are willing to spend more for air travel, May 2019
- **On short-distance trips, airlines can use themed flights to compete with high-speed trains**
Figure 13: High-speed trains vs airlines – travel length, May 2019
- **What we think**

ISSUES AND INSIGHTS

- **Budget airlines need to change the perception for improved competitiveness**
- **The facts**
- **The implications**
Figure 14: Message delivered by Ryanair
- **Themed flights help airlines to compete on short-distance routes**
- **The facts**
- **The implications**
Figure 15: "Panda plane" themed airplane by Sichuan airlines,
- **Revenue from non-ticket items: In-flight meals innovated with the concept of total wellness**
- **The facts**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

- The implications

THE MARKET – WHAT YOU NEED TO KNOW

- China's air passengers maintained a steady growth rate
- ...due to the large domestic segment keeping a stable growth
- International segment recovered from a low passenger volume growth
- Positive market conditions support air travel
- About half of consumers are willing to spend more for travel transportation
- Challenges for air travel business
- Looking forward, international air passengers are estimated to grow faster than the domestic

MARKET SIZE AND FORECAST

- **China's air passenger growth exceeded the global level**
Figure 16: Comparison of passenger volume in three markets, 2015-18
Figure 17: Comparison of passenger traffic volume growth rate, China market and global market, 2016-18
- **Total air passenger volume in China market has increased steadily over the past five years**
Figure 18: Total air travel market, by passenger traffic volume, in million person-times, 2013-18
- **Future air passengers in China market is estimated to maintain steady growth**
Figure 19: total air travel market forecast*, by passenger volume, in million person-times, 2019-24(Est)

MARKET SEGMENTATION

- **Domestic segment has seen stable growth rate of passenger volume**
Figure 20: Domestic air travel market, by passenger volume, in million person-times, 2013-18
- **Domestic air passengers will increase at a slower rate**
Figure 21: Domestic segment forecast, by passenger traffic volume, in million person-times, 2019-24(Est)
- **International segment recovered from low growth**
Figure 22: International air travel market, by passenger volume, in million person-times, 2013-18
- **Within the international segment: domestic airline companies increased their share of passenger volume**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

Figure 23: International air travel market of domestic and international airlines companies, by passenger traffic volume, in million person-times, 2013-18

- **Future segment growth driven by favourable outbound travel market**

Figure 24: International segment forecast, by passenger volume, in million person-times, 2019-24(Est)

MARKET FACTORS

- **More consumers go on trips**
- **More willingness to spend on self-indulgence motivates more leisure travel**

Figure 25: Spending preferences on self-indulgence – any importance*, 2014 and 2019

- **More airports accessible to consumers facilitate air travel**

Figure 26: Number of airports in the China market, 2015-18

- **Three important hub-cities expand their airports**
- **About half of consumers are willing to spend more toward travel transportation**

Figure 27: Willingness of spending on transportation to destinations, domestic and outbound travel, November 2017

- **Competition from high-speed railway in domestic travel**

Figure 28: Passenger volume of high-speed railway and domestic airlines, in person-times, 2017-18

- **Environmental concerns pressure airlines to adopt green operations**

KEY PLAYERS – WHAT YOU NEED TO KNOW

- **Domestic segment characterised by concentrated competition**
- **Competition in the international segment is relatively more fragmented**
- **Airlines emphasizing direct sales channels**
- **Differentiate flying experiences with themed flights**
- **Rethinking economy class**
- **Services created to increase revenue from non-ticket sales**
- **Electric luggage tags introduced to reduce paper usage**

MARKET SHARE

- **Concentrated competition in domestic segment**

Figure 29: Airline companies' market share in domestic segment, by passenger volume, 2015-18

- **Budget airlines increased their market share in domestic segment**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Figure 30: Two budget airline companies' market share in domestic segment, by passenger volume, 2015-18

- **Relatively fragmented competition in international segment**

Figure 31: Airline companies' market share in international segment, by passenger traffic volume, 2015-18

- **Domestic airlines improved market share in the international segment by introducing more air routes**

Figure 32: Comparison of market share in international segment, by international passenger volume, 2015-18

COMPETITIVE STRATEGIES

- **Growth rate of international air routes is not as high as 2015**

Figure 33: Number of scheduled air routes of domestic airline companies, 2014-18

Figure 34: Year-on-year growth rate of scheduled routes, 2015-18

- **Domestic airline companies strengthen the capacity of their direct sales channels**

- **Full-service airlines launched budget economy class to target price-sensitive consumers**

- **Budget airlines upgraded flying experiences by the premium economy class**

Figure 35: Premium economy class by 9 Air

- **Themed flights differentiate flying experiences**

Figure 36: Disney themed plane by China Eastern Airlines

- **Healthy diet walks into the cabins**

- **Airline brands sell more than just flights**

Figure 37: Travel products sold on Airlines' official website

WHO'S INNOVATING?

- **Flying paperlessly with battery-free electric luggage tags**

Figure 38: Electric luggage tag by China Eastern Airlines

THE CONSUMER – WHAT YOU NEED TO KNOW

- **Penetration of budget airlines is far lower than the full-service**
- **Key passengers for international leisure flights**
- **Barriers for using budget airlines: inconvenient travel, low-quality cabin service and negative perception**
- **Indirect ticket sales channels have higher penetration than the direct channels**
- **Airlines' official apps are associated with trustworthy image**
- **Services consumers willing to pay more for: It is not entertainment on board**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

- **Airlines can try attracting short-distance travellers with themed flights**

PENETRATION OF DIFFERENT TRAVEL TRANSPORTS

- **Full service airlines' penetration exceeds budget airlines**
Figure 39: Penetration of different types of travel transport, May 2019
- **Income level does not have significant influence on travelling with domestic budget airlines for leisure**
Figure 40: Penetration of domestic budget airlines* in leisure travel, by monthly household income, May 2019
- **Passenger profile for international full-service airlines in leisure travel**
Figure 41: Penetration of different types of travel transport – international full-service airlines, by gender and generation, May 2019
Figure 42: Penetration of different types of travel transport – international full-service airlines, by family structure, May 2019
- **High-speed trains have reached high penetration level**

BARRIERS FOR TAKING BUDGET AIRLINES FOR LEISURE TRAVEL

- **Main barriers lie in concerns towards travel convenience and in-flight experiences**
Figure 43: Barriers for taking budget airlines in leisure travel, May 2019

PURCHASING CHANNELS

- **Overall indirect channels have increased in usage rate**
Figure 44: Usage of different air ticket purchasing channels, direct channels vs indirect channels, 2015 and 2019
- **Travel booking apps are the most used channel for air ticket purchase**
Figure 45: Usage of different air ticket purchasing channels, May 2019
- **Air ticket sales transferring to mobile end**
Figure 46: Comparison of PC website and mobile apps, 2015 and 2019, May 2019

PERCEPTIONS ON DIFFERENT SALES CHANNELS

- **Airlines official channels are associated with trustworthy image**
Figure 47: Perception of two air ticket sales channels, May 2019

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

SERVICES CONSUMERS ARE WILLING TO PAY MORE FOR

- **What works: consumers are willing to pay more for comfortable and relaxing air travel rather than in-flight entertainment**

Figure 48: Services consumers are willing to spend more for air travel, May 2019

- **In-flight Wi-Fi can't strongly persuade consumers to pay more**

- **Luggage delivery service is an opportunity to cash in at airports**

Figure 49: Services consumers are willing to spend more for air travel – luggage delivery service*, May-15 and May-19

- **Consumers are more interested in paying more for seats with wider legroom, in particular the post-90s**

Figure 50: Services consumers are willing to spend more for air travel – additional legroom, by gender and generation, May 2019

HIGH-SPEED TRAINS VS AIRLINES UNDER DIFFERENT TRAVEL CONTEXTS

- **Long-distance flights are less influenced by high-speed trains**

Figure 51: High-speed trains vs airlines – travel length, May 2019

- **Potential short-distance air travellers show interest in themed flights**

Figure 52: Services consumers are willing to pay more for, May 2019

MEET THE MINTROPOLITANS

- **MinTs have taken more leisure flights than business flights**

Figure 53: Penetration of different travel transports, May 2019

- **Desire of comfortable flying experiences push MinTs away from budget airlines**

Figure 54: Barriers for taking budget airlines, by consumer classification, May 2019

- **Direct sales channels are however not the primary choice for MinTs**

Figure 55: Top five air ticket purchasing channels for MinTs

- **Relaxing air travel motivate MinTs to increase spending**

Figure 56: Services consumers are willing to spend more for air travel, May 2019

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

APPENDIX – METHODOLOGY AND ABBREVIATIONS

- Methodology
- Fan chart forecast
- Abbreviations

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.