

Airlines - US - April 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

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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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Table of Contents

Overview

What you need to know

Definition

Executive Summary

Overview

The issues

Profits are under pressure

Figure 1: US gasoline and diesel retail prices, January 2007-December 2017

Figure 2: US average domestic fares, 1995-2015

Pilot shortage

The tech race is on

More flyers, less frequency

Figure 3: Flyer segments, by number of flights in the past 12 months, February 2018

The opportunities

Parents are a prime target for building affinity

Figure 4: Opinions of improved airport experience, any agree, by parental status of children under 18, February 2018

Tech solutions are going to be vital for airlines

Figure 5: Tech used to entertain while traveling, by generation, April 2017

In-flight service should be in-flight enabling

What it means

The Market – What You Need to Know

Airline industry has figured out profitability (for now)

Air travel will be driven by Millennials and iGeneration

The economy will continue to allow travel

Market factors will put stress on airfare profits

Market Size and Forecast

Airlines take advantage of record flyers, strong economy and favorable operation costs

Figure 6: Total US sales and fan chart forecast of market, at current prices, 2012-22

Figure 7: US airline operating revenue and forecast, at current prices, 2012-22

Market Breakdown

Airfare still the workhorse

Figure 8: US airline operating revenue, by segment, at current prices, 2015- 2017

Average domestic fares

Figure 9: US average domestic fares, 1995-2015

Airfare revenues to glide forward

Figure 10: US airline airfare revenues and fanchart forecast, at current prices, 2012-22

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Baggage fees are now the norm

Figure 11: US airline baggage fee revenues and fanchart forecast, at current prices, 2012-22

Reservation change fees declining

Figure 12: US airline reservation change fee revenues and fanchart forecast, at current prices, 2012-22

Other revenues picking up slack

Figure 13: US airline other revenue and fanchart forecast, at current prices, 2012-22

Market Perspective

Rise in "bleisure" travel

Demand for low fares keeps airlines in a bind

Millennials still have wanderlust – and now, kids

Be excellent to everyone – but mostly me

Driverless cars still developing

Figure 14: Opinions of driving versus flying, February 2018

Market Factors

The economy holds steady...for now

Figure 15: GDP change from previous period, Q1 2007-Q4 2017

Figure 16: Disposable personal income change from previous period, January 2007-December 2017

Figure 17: Unemployment and underemployment, January 2007-December 2017

Figure 18: Consumer Sentiment Index, January 2007-December 2017

Old headaches resurge

Fuel costs have been rising steadily since bottoming out in February 2016. Typically, fuel and labor costs represent the two largest expenditures for airlines.

Figure 19: US gasoline and diesel retail prices, January 2007-December 2017

Labor costs are also undergoing a change in the coming year, and the changes can negatively affect the bottom line.

Continuation of high load factors for carriers

Figure 20: Load factor on all us scheduled airlines (domestic & international), December 2010-May 2017

The heat is on

Key Players – What You Need to Know

Fare wars continue

Airlines teching up

The good: Airlines are getting more efficient

The bad: Americans aren't flying enough to build loyalty

The ugly: The road ahead is rocky

Airline Overview

Legacy Carriers

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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Alaska Airlines and Hawaiian Airlines, which were also in operation prior to deregulation but serve only limited areas

Low-cost Carriers (LCCs)

Southwest Airlines and JetBlue Airways

Ultra-low-cost Carriers (ULCCs)

Spirit Airlines and Frontier Airlines

JetBlue, the tech company?

Marketing Tactics of Airlines

Paid internet advertising

Figure 21: Paid online advertising, by airline, March 2017-March 2018

Figure 22: Paid advertising spend, by airline, top domains and platforms, March 2017-March 2018

Root for the away team

Figure 23: Delta Air Lines, desktop display ads – 2017

Taking on OTAs on their turf

Mobile video worth paying attention to

Hawaiian acts on its own

What's Working?

Previous struggles, improving

Best year for bags

Overbooking improved

Delta: the choice of a new generation

What's Struggling?

Previous struggles, persisting

Broader, but shallower base

Trouble making connections

Digital spending missing the mark

New revenue streams needed

What's Next?

Pilot shortage

United price war

OTA conflict

JVs get the start

Dynamic pricing

Putting data to work

The Consumer – What You Need to Know

Air travel is on the rise, but not done as frequently

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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...but airports can be a source of comfort

Parents want more from their loyalty programs

Past 12-Month Air Travel

More people are flying...

Figure 24: Plane travel [domestic] in the last 12 months, by all and domestic travelers, February 2010-March 2017

...less often

Figure 25: Flyer segments, by number of flights in the past 12 months, February 2018

Figure 26: High-frequency and ultra flyers, by gender and age and by household income, February 2018

Black Americans most likely to only travel once per year

Figure 27: Frequent flyer segments, by race/Hispanic origin, February 2016

Younger people are more likely to fly more often

Figure 28: Frequent flyer segments by age group, February 2018

Factors Impacting Airline Selection

Cheap, convenient, and fun – pick two

Figure 29: Factors impacting airline selection, February 2018

Change on the horizon?

Figure 30: Factors impacting airline selection, by generation, February 2018

Figure 31: Preference for JetBlue, by generation, February 2018

Passenger Booking and Flying Behaviors

It's the economy

Figure 32: Fare classes by trip purpose, February 2018

Direct tactics

Figure 33: Flight booking, airline website vs OTA, February 2018

Figure 34: Airline ticket travel booking methods – nets, by generation, February 2018

TURF Analysis highlights customer desire for low price, security

Methodology

Consumers want price security

Figure 35: TURF Analysis – Desired flight booking services, February 2018

Consumer Perceptions of Airlines

The Southwest affection

Figure 36: Consumer airline preference, February 2018

Figure 37: Consumer preference of Delta versus Southwest, by generation, February 2018

No such thing as bad press?

Figure 38: Influence of news on airline preference, February 2018

Figure 39: Influence of news on airline preference, by generation, February 2018

Figure 40: Preference of airlines of iGeneration and Millennials, February 2018

Experience matters

Figure 41: Opinions of airlines based on experience, February 2018

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Attitudes toward the Flying Experience

Turbulent experiences

Figure 42: Opinions on stressfulness of air travel by generation, February 2018

Figure 43: Opinions on stressfulness of air travel, by gender and age, February 2018

Airport as destination

Beyond security

Figure 44: Desire for improved airport experience, February 2018

Figure 45: Opinions of improved airport experience, any agree, by generation, February 2018

Figure 46: Opinions of improved airport experience, any agree, by parental status of children under 18, February 2018

Attitudes toward Technology

Great techspectations

Figure 47: Tech used to entertain while traveling, by generation, April 2017

Figure 48: In-flight tech: Use and interest, April 2017

Business travelers becoming iAccocas

Figure 49: Tech used while traveling, by type of travel, April 2017

Figure 50: Airline and airport tech – any use and interest, by type of travel, April 2017

Attitudes toward Loyalty and Differentiation

Enrollment increasing

Figure 51: Frequent flyer enrollment and airline programs, 2009-2017

Figure 52: Airline loyalty program membership, by generation, February 2018

Delta coming on strong

Figure 53: Membership in Delta and Southwest loyalty programs, by generation, February 2018

Figure 54: Delta loyalty member emails, targeted to Baby Boomers – March-July 2017

Figure 55: Delta loyalty member emails, targeted to Millennials – 2nd half 2017

Turning experience into unique possessions

Figure 56: Heart of Travel case study video stills, March 2018

Family loyalty

Figure 57: Airline loyalty membership by age of children in household, February 2018

Figure 58: Appeal of hypothetical airline amenities, parents vs. non-parents, February 2018

Appendix – Data Sources and Abbreviations

Data sources

Sales data

Fan chart forecast

Consumer survey data

Direct marketing creative

Abbreviations and terms

Abbreviations

Terms

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Appendix – The Market

Figure 59: US airline operating revenue and forecast, at inflation-adjusted prices, 2012-22

Figure 60: US airline operating revenue and forecast, at current prices, 2012-22

Figure 61: Total US retail sales of airlines, by segment, at current prices, 2015 and 2017

Figure 62: US airline airfare revenues and forecast, at current prices, 2012-22

Figure 63: US airline airfare revenues and forecast, at inflation-adjusted prices, 2012-22

Figure 64: US airline baggage fee revenues and forecast, at current prices, 2012-22

Figure 65: US airline baggage fee revenues and forecast, at inflation-adjusted prices, 2012-22

Figure 66: US airline reservation change fee revenues and forecast, at current prices, 2012-22

Figure 67: US airline reservation change fee revenues and forecast, at inflation-adjusted prices, 2012-22

Figure 68: US airline other revenues and forecast, at current prices, 2012-22

Figure 69: US airline reservation change fee revenues and forecast, at inflation-adjusted prices, 2012-22

Appendix – Key Players

Figure 70: Net income of top 10 US carriers, 2011-2016

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