ASSESSING THE AIRLINE SECTOR POST PANDEMIC

Internship Submitted to

The IIHMR University, Jaipur

for the partial fulfillment for the award of the degree of

Master of Business Administration (MBA)

in

Hospital and Health Management

by

Neha Singh

Under the Supervision and Guidance of

Dr. Mahender Kumar

2021

CERTIFICATE

This is to certify that **Neha Singh** in partial fulfillment of the requirements for the award of the degree of MBA Hospital and Health Management from the IIHMR University, Jaipur has successfully completed her internship IIHMR University, Jaipur during March 22, 2021 to June 19, 2021.

Place: Ahmedabad	Dr. Purav Gandhi
Date: 02 Jul 2021	Healthark Insights, Ahmedabad

INTRODUCTION

Factors that were driving the aviation industry before the COVID-19 pandemic include increasing disposable income all across the globe, the introduction of low-fare airlines, increasing global economic activities, new travel trends, and many more. Moreover, replacement of aging commercial aircraft has also contributed significantly to the market growth.

The key factors affecting the aviation industry after the pandemic include the decline in tours and travels as a large number of international as well as domestic flights are getting cancelled all across the globe to curb the transmission of the virus. The government all across the globe are cancelling the visa of foreign people and locking down affected area which is also one of the major reason behind the slowing down of the aviation industry.

Effect of COVID-19 on the aviation industry can be observed in each region including North America, Europe, Asia-Pacific and Rest of the World. For instance, in the US, since the national health emergency due to the COVID-19 outbreak, most of the region is on complete lockdown, which is in turn restricting the domestic travel in the country. Countries such as Italy, France, Spain, and India are under complete lockdown and all kinds of flights are stopped until further notice.

Due to the effect of this COVID-19 pandemic even the Strategic alliances are facing the financial setbacks and since the Strategic alliance is the common use of resources and core competences by the enterprises in the production, distribution and development of goods and services in order to gain a competitive advantage in the sector. By using strategic collaboration techniques, airline companies can provide advantages such as economic, financial and managerial development, expansion of flight networks and increasing market share. Collaboration applications reduces the transfer and waiting times of passengers, provides more flight options, provides rewards for frequent flying passengers, provides reservation priority and standardized service.

In this study, we are going to analyze & compare the 3 largest strategic alliances on the basis of the quantity and qualifications of the Star Alliance, Skyteam and Oneworld alliances, which are strategic cooperation organizations, were compared according to many criteria such as number of members, annual income, market share, destination and daily flight before and try to predict the future of these alliances post pandemic.

OBJECTIVES OF INTERNSHIP

The objective of the project was to assess the airline sector post pandemic and to identify which airline were in play for acquisition or to leave their alliance i.e., the client looking forward to investing or acquire the airline players which are in the verge of selling their asset to come out the financial crisis caused by pandemic.

Client Situation

i. Deloitte wanted to understand the value of the major three airline alliances (Star Alliance, Oneworld, SkyTeam)

ii. Client wanted to know about the world's top airlines and their ownership status and stability coming out of Covid-19

iii. Client was looking to identify which airline were in play for acquisition or to leave their alliance.

ORGANIZATIONAL PROFILE

Healthark is a boutique consulting firm founded with an aim of solving most complex healthcare problems through deep domain expertise, scientific rigor and diverse skills applied in most suitable manner.

Healthark insights was established in 2016, by a team of consultants from top-tier strategy firms, with a cumulative experience of 100+ years. Over the last few years, healthark has developed a team of experts from diverse fields such as consulting, pharma, medicine, medical devices and digital health as well as public health and management with a common vision to cater to the healthcare and life sciences industry, along with a relentless focus on delivering executable solutions.

They help their customers to make critical decisions every day through expertise that combines deep domain knowledge, rigorous research and analysis, understanding of markets, technology and experience. With thier experience and expertise we not only provide insights, but also work closely with their clients to execute the strategy that they have helped develop.

Healthark solve complex strategic problems through deep domain knowledge and experiences.

They make **Strategies** with the help of :

- Market landscape assessment
- Competitive Intelligence
- Opportunity assessment
- Business model forecasting
- Innovative digital solutions

Healthark support clients with **end-to-end capabilities**, starting with business problem, to data to analysis to insights to prediction .

They perform their **Analytic & RWE** with:

- Advanced excel modelling & analytics
- Patient data extraction, digitization & curation
- Predictive analytics for clinical studies
- RWE study design, planning & protocol writing

Their **AI & Machine Learning** is consist of:

- Voice analytics
- Image analytics
- IOT based analytics
- NLP & Sentiment analysis

They have served **multiple MNC clients** globally including IQVIA, Decision Resources Group, Walmart, IBM, Johnson & Johnson, Roche, Abbott, Pfizer, Gilead Sciences, Novartis, Boehringer Ingelheim, etc.

Their delivery model supports **quick turnarounds** with **agile approach** and **cost efficient model** ensuring value for clients.

They have developed an in-depth experience of executing strategy & market assessments across variety of global markets, over the years.

- **The Healthark engagement structure:**
  - **i. Project Basis**
    - Projects of defined timeline, such as of weeks or month(s)
    - Defined and planned project structure with purpose
    - Availability of required resources dedicated to project viz. senior consultant(s) / consultant
    - Daily basis of feedback call(s) for task delegation
    - Routine engagement call(s) to keep track on project status
  - **ii. Retainer Basis**
    - Projects of defined timeline, for longer duration such us 6 months or year
    - Utilization of resources depending upon need viz. client project, internal team activities, business development, etc
    - Availability of required resources dedicated to project viz. senior consultant(s) / consultant, for longer duration
    - Periodic feedback call(s) for task delegation and track efficacy and efficiency of work
    - Routine engagement call(s) to keep track on project status

Healthark put forward domain expertise, decades of experience and a passion for the client's success. They have helped established healthcare companies with real results by combining our in-depth industry knowledge – business models, specific challenges, technological landscape and the market context along with our technical capability to create compelling solutions.

Which resulted in the great reputation of the organization around the world over the years and their team has support across multiple global markets from India. Which is the reason of having various leading MNC’s as their clients.

Healthark have experience working with leading MNC’s organizations …

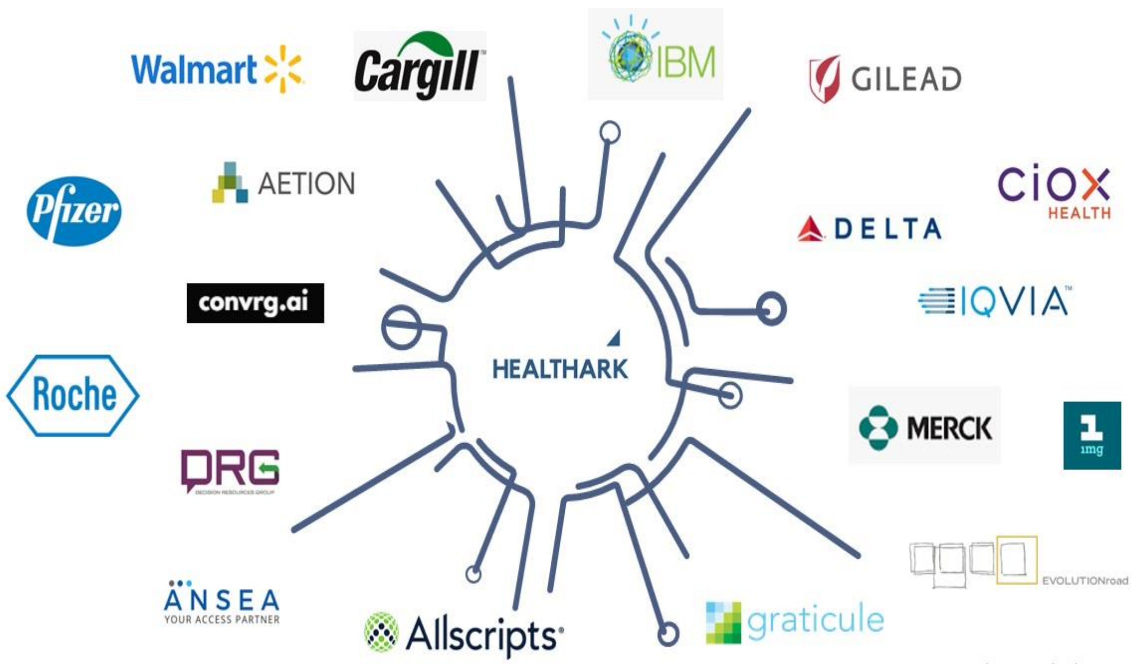


Image 3.1: Healthark Clients

SERVICES PROVIDED BY ORGANIZATION

The Healthark has its expertise is providing the services as follows:

i. Strategy & Market Research
ii. Digital Health
iii. Modeling & Forecasting
iv. Real World Evidence
v. Medical Writing
vi. Artificial Intelligence

vii. Business Intelligence & Reporting
viii. Claims Analytics
ix. KOL Identification & Mapping

Areas where Healthark can support:

- **Research**
  i. Primary Research
    - Telephonic Interview
    - Surveys (Online or mail)
    - Others

  ii. Secondary Research
    - Articles
    - Journals
    - Industry Publications
    - Reference Library
    - Others
- **Analytics & Visualization**
  i. Data Analytics / Modeling
    - Excel
    - SAS
    - SPSS

  ii. Dashboards
    - Excel
    - Tableau
    - SAS
- **Process Maps**
  i. Business Process Redesigning
    - Rethinking and redesigning of value-creating process to introduce change on a function-by-function basis

  ii. Process Manage Retention / Management

- Enable experienced team members to avoid mistakes and/or deliver service that is above and beyond client expectations

- **PMO**

  i. Department within a Division

  - A temporary team, put together to support a large program

KEY ACTIVITIES/ PROJECTS UNDERTAKEN

Project-1 Overview **{Post-pandemic airline sector}**

1.1. Objective

The objective of the project was to assess the airline sector post pandemic and to identify which airline were in play for acquisition or to leave their alliance i.e., the client looking forward to investing or acquire the airline players which are in the verge of selling their asset to come out the financial crisis caused by pandemic.

Client Situation

- Deloitte wanted to understand the value of the major three airline alliances (Star Alliance, Oneworld, SkyTeam)
- Client wanted to know about the world's top airlines and their ownership status and stability coming out of Covid-19.
- Client was looking to identify which airline were in play for acquisition or to leave their alliance.

1.2. Literature Review

Several recent studies about comparison of strategic alliances were discussed in this section. Min & Joo (2016) compared the performance of strategic alliances in the airline business. According to their study, joining an alliance does not certainly improve comparative activity efficiency for big airlines, but smaller alliances carry out better than the larger one. Alliance membership is not either positively or negatively associated with airline efficiency. So, airlines participating in an alliance group is enhancing their technical and scale efficiency seems vague.

Wang (2014) mentioned that airlines can affect consumer purchase intention by enhancing the customer perception of brand equity and brand preference by joining a global airline alliance. But product differentiation has become increasingly substantial, because of competition among airlines has led to the saturation of global airline alliances.

As they look beyond the pandemic, airlines need to grapple with some new realities—and devise strategies to adapt.
It's difficult to overstate just how much the COVID-19 pandemic has devastated airlines. In 2020, industry revenues totaled $328 billion, around 40 percent of the previous year's. In nominal terms, that's the same as in 2000. The sector is expected to be smaller for years to come; we project traffic won't return to 2019 levels before 2024.

Financial woes aside, the pandemic's longer-term effects on aviation are emerging. Some of these are obvious: hygiene and safety standards will be more stringent, and digitalization will continue to transform the travel experience. Mobile apps will be used to store travelers' vaccine certificates and COVID-19 test results.

Other effects, though, are more profound. Unlike the 2008 global financial crisis, which was purely economic and weakened spending power, COVID-19 has changed consumer behavior—and the airline sector—irrevocably.

The Three Major Strategic Alliance Airlines that covers most of the airlines are :

i. Star Alliance
ii. Oneworld Alliance
iii. SkyTeam Alliance

1.2.1. Star Alliance

Star Alliance, founded in 1997 by six major airlines such as Air Canada, Lufthansa, Scandinavian Airlines (SAS), Thai Airways, United Airlines and Varig Airlines, has been a pioneer for other partnerships and alliances. Air New Zealand, All Nippon Airways, Ansett Australia, British Midland, Mexicana Airlines, Singapore Airlines and

Turkish Airlines also joined the group. It has 28 Members in Star Alliance showed in Table 1.

Table 1. Members of the Star Alliance

Airline	Country	Member Since	Fleet Size	Total revenue	Number of employes	Countries served	Annual passenger
Adria	Slovenia	09/2004	21	0.164 Bil Usd	493	17	0.98 million
Aegean	Greece	06/2010	46	1.12	2285	44	7.37 mil
Air Canada	Canada	Founder	390	12.52	32000	61	48 mil
Air China	China	12/2007	397	5.99	29429	42	33.14 mil
Air India	India	07/2014	125	3.3	10411	28	24.6 mil
Air New Zealand	New Zealand	03/1999	112	3.9	12000	17	17 mil
ANA	Japan	10/1999	266	18.5	13928	22	53.9 mil
Asiana Airlines	South Korea	03/2003	84	5.374	11634	22	19.5 mil
Austrian	Austria	03/2003	83	2.47	6914	57	12.9 mil
Avianca	Colombia	06/2012	189	4.4	19000	27	29.4 mil
Brussels Airlines	Belgium	12/2009	54	1.557	4000	54	9.1 mil
Copa Airlines	Panama	06/2012	102	2.53	9204	32	13.3 mil
Croatia Airlines	Croatia	12/2004	12	0.276	1102	19	2.13 mil
Egypt Air	Egypt	07/2008	69	1.57	9000	47	7.33 mil
Ethiopian Airline	Ethiopia	12/2011	108	3.32	16732	75	10.63 mil
EVA Air	Taiwan	06/2013	79	4.10	10950	18	12 mil
LOT Polish A.	Poland	10/2003	75	1.51	1690	50	9 mil
Lufthansa	Germany	Founder	357	20.16	37500	76	66.2 mil
Scandinavian A.	Sweden	Founder	156	5.20	10261	30	30 mil
Shenzhen Airlines	China	11/2012	191	3.86	25304	7	30.22 mil
Singapore A.	Singapore	04/2000	112	8.51	14765	32	19.51 mil
South African A.	South Africa	04/2006	48	2.0	5752	22	6.8 mil
Swiss	Switzerland	04/2006	90	5.0	8834	43	16.9 mil
TAP Portugal	Portugal	03/2005	91	3.46	7470	34	14.2 mil
Thai	Thailand	Founder	100	5.73	22370	31	25 mil
Turkish	Turkey	04/2008	329	9.40	24075	122	68.6 mil

Airlines							
United	United States	Founder	1306	40.3	90900	48	156 mil

The main purpose of the Star Allience is to create a homogeneous product with the common system that allows each airline to recognize the flight program, to provide quality goods and services to its passengers and to establish a global communication network covering many countries of the world.

Star Alliance has established a global communication network that provides many services ranging from frequent flight schedules to uninterrupted travel to international travellers. With a network of more than 192 countries in the world and more than 1330 destinations around the world, the network offers a global network that easily meets passengers' ticketing or booking requests and offers the opportunity to travel anywhere in the world.

Star Alliance offers frequent flyer program rewards, which offer deals such as price reductions or free tickets on flights with any member of the airline. The elite passengers who receive the gold membership of the Star Alliance can use the comfortable and luxurious waiting lounges and benefit from all kinds of services in more than 1000 airports around the world. Especially with open tickets given to businessmen, changes can be made to the airport or airline ticket sales branches without any need to change the destination and date, and it is possible to fly with any Star Alliance member and to postpone the ticket. By signing a global product agreement, Star Alliance members can get support for all travel organizations and standardized products in all member airline STRATEGIC ALLIANCES IN AIRLINE BUSINESS: COMPARISON OF SKYTEAM, ONEWORLD, STAR ALLIANCE GROUPS 824 companies and around the world.

The product guarantee is provided to the passengers with the global product agreement application and the problems caused by the company difference are generally eliminated (Star Alliance,2018). Star alliance members increase the number of passengers and the number of passengers they carry by making code sharing, frequent flight program, pool agreements and decrease their costs. Passengers of member companies have many advantages such as quality service, low price and mileage.

As a result of these advantages, it is possible to work profitably and efficiently; there is a competitive advantage against other alliances.

In general, the Star Alliance group offers many advantages such as flying to new destinations, protecting against negative effects of competition, creating effective and efficient work, creating financing opportunities and providing ease of marketing and continues to develop with new services. However, for the sustainability of success, it is necessary to remove the differences between airline companies, to balance the quality of service and to standardize. Within the scope of social responsibility, the Star Alliance group has emphasized economic sustainability, climate and environmental responsibility, corporate citizenship, but does not mention specific studies as an alliance.

1.2.2. Oneworld Alliance

Oneworld, which was established in 1999 between American Airlines, British Airways, Quantas Airlines, Cathay Pasific, Finnair, Iberia and Lanchile airlines, has aimed to provide services to passengers all over the world. Oneworld, consisting of 15 members, provides access to 1016 destinations in 151 countries and provides all necessary services to passengers (Oneworld, 2018). Oneworld members consist of 13 airlines as shown in the table below. In addition, Oneworld Airline Affiliates and Oneworld Connect provide support for the association to work actively. Therefore, it is accepted as 15 members. It can be seen on table 2 as 13 members. Oneworld ‘s member airlines offer more than 650 private waiting rooms in different parts of the world, offer the opportunity to benefit from rest and other services in waiting rooms to passengers especially those who are frequent flight program members. Passengers may be privileged with the American Airlines’ Advantage, the Executive Club of British Airlines, the Marco Polo Club of Cathay Pasific and the frequent flyer program award of Finair Plus, Quantas Frequent Flyer and Iberia Plus.

Table 2. Members of the Oneworld

Airline	Country	Member Since	Fleet Size	Total revenue	Employes	Country served:	Annual passenger
American Airlines	United States	Founder	956	44.54 bil usd	104.400	50	203.7 mil
British Airways	United Kingdom	Founder	275	13.020 mil gbp	45000	80	44.142 mil
Cathay Pacific	Hong Kong	Founder	146	97.284 mil	33,000	30	34.8 mil
Finnair	Finland	09/1999	79	2,568 mil	6462	30	12 mil
Iberia	Spain	09/1999	85	340 million	7300	47	19 mil
Japan Airlines	Japan	04/2007	164	53.516 bil	33000	20	34.8 mil
Latam	Chile	06/2000	313	8.494 bil Usd	40000	23	50 mil
Malaysia Airlines	Malaysia	02/2013	80	4.851 mil	10,799	17	75 mil
Qantas	Australia	Founder	127	17.6 mil	33.000	20	22 mil
Qatar Airways	Qatar	10/2013	220	42.229	45.633	100	34.2 mil
Royal Jordanian	Jordan	04/2007	26	653.3 million.	4,016	40	3.3 mil
S7 Airlines	Russia	11/2010	91	4.4 bil rubles	3000	20	15.9 mil
SriLankan Airline	Sri Lanka	05/2014	27	126.9 bil usd	7019	48	5.5 mil

Oneworld airline companies pay attention to quality service on their flights all over the world; It makes transfers as easy as possible during transfers, especially by providing special services for passengers under protection such as children, disabled and elderly. Oneworld has classified its work in environmental, human and social terms on sustainability. Oneworld plans to gradually reduce carbon emissions from 2020 to 2050 and plans to reduce noise pollution and fossil fuel dependence. It works philanthropically with UNICEF. At the local level, all members are closely involved with community organizations such as schools, arts and youth groups. It is determined that It helps in extraordinary humanitarian situations. For example, it helped homeless people in Haiti earthquake in 2010, in Japan 2011 earthquake, in Nepal 2015 earthquake.

1.2.3. SkyTeam Alliance

Established in 2000 and consisting of 20 airlines, SkyTeam aims to provide passengers with a broader transportation network, tariff diversity and easy check-in at airports in 10 countries in 177 countries (SkyTeam, 2018). It can be seen on table 3. SkyTeam aims to increase the share they receive from airline transportation through code sharing agreements and frequent flight programs offered passengers and aims to strengthen the structures of the group members and create competitiveness with the financial support to each other. SkyTeam, known as the world’s second largest alliance group, is increasing its number of flights every day.

Table 3. Members of Skyteam Alliance

Airline	Country	Member Since	Fleet Size	Total revenue	Countries served	Annual passenger
Aeroflot	Russia	04/2006	197	427.9 billion	51	29 mil
Aerolineas Argentina	Argentina	08/2012	84	2.04 bil (usd)	13	11.5 mil
Aeromexico	Mexico	Founder	125	53.9 mil(mxn)	24	19.6 mil
Air Europa	Spain	09/2007	51	1.79(eur)	23	10.6 mil
Air France	France	Founder	348	24.8 (eur)	92	93.4 mil
Alitalia	Italy	01/2009	123	3.3 mil (eur)	41	22.6 mil
China Airlines	Taiwan	09/2011	98	133.4 (twd)	29	14.6 mil
China Eastern	China	06/2011	581	104.2 bil. (rmb)	33	101.7 mil
China Southern	China	11/2007	702+	114.9 bil (rmb)	40	115 mil
Czech Airlines	Czech Republic	03/2001	18	7.975 bil (czk)	25	2.7 mil
Delta Airlines	United States	Founder	800+	40 bil (usd)	62	180 mil
Garuda International	Indonesia	03/2014	196	3.86 bil (usd)	14	35 mil
Kenya Airways	Kenya	09/2007	36	106.2 bil (kes)	41	4.5 mil
KLM	The Netherlands	09/2004	71	24.8 bil (eur)	71	30.4 mil
Korean Air	South Korea	Founder	162	11.5 tri (krw)	46	26.8 mil

MEA	Lebanon	06/2012	18	1.013 bil (lbp)	22	2.7 mil
Saudia	Saudi Arabia	05/2012	129	5.12 bil (usd)	36	32.37 mil
TAROM	Romania	06/2010	23	423 mil(usd)	22	2.4 mil
Vietnam Airlines	Vietnam	06/2010	96	62.151 bil(vnd)	17	20.6 mil
Xiamen Air	China	11/2012	144	20.8 bil (cny)	14	25 mil

In August 2002, the Alliance launched its service, SkyTeam Europe Pass, aimed at passengers traveling to European destinations, particularly for holiday purposes. This personalized ticketing system has provided a new dimension for SkyTeam passengers to visit different places on the European continent. The SkyTeam Europe Pass provides the convenience and speed, discount prices and extra flight miles for each flight route. SkyTeam added America Pass service In July 2004 and Asia Pass service In October 2005 to the flight network portfolio. Also, SkyTeam incorporates SkyTeam Cargo.

Members have the opportunity to save on costs thanks to the synergy created by the sharing of three or more member airlines in the same area. For example, combining common placement and staff of check-in areas reduces cost of ground services and staff while ensuring efficiency. All common SkyTeam members share services at the airport, from check-in counters, self-service kiosks and luggage delivery areas to SkyTeam's firstexclusive check-in area.

Members can obtain a broader brand recognition and exposure, improve market positioning, and increase access to new points; uses Sky Team's structure to increase customer service, cost savings and information sharing. Member brands increase the global presence of the partnership and reinforce brand awareness while reaching the key regions of the world. Through alliance, member airlines benefit from both information sharing and sharing of best practices, especially in security, customer service and operational efficiency. The most important element of SkyTeam's global network is the unique hub and spoke of a unique connection and convenience for customers to reach their destination at any point of the world using their member airlines. The SkyTeam ID represents not only the responsibility of each member airline to the alliance partnership, but also the responsibility to provide high quality service to its customers.

Looking at the corporate social responsibility activities of the SkyTeam alliance, it is seen that it also carries out environmental and social responsibility activities while making a profit. It is stated that there is organizational justice among the employees, and employeesare given environmental sustainability awareness training.

1.3. Methodology

- Multiple rounds of secondary research for fetching the information about the post pandemic scenario.
- Generating database for analysing the trends and opportunities in the post pandemic airline sector
- Identifying the metrics for analyses by benchmarking and with the insights from experts
- The analytic hierarchy process (AHP) tool is leveraged to identify the top players from the database.

1.4. Research Observations

i. Research the 3 major airline alliances (star alliance, one world, sky team). What is working, what is not? Which one is working better and worse, and why?

Major Alliances

There are three leading airline alliances namely star alliance, skyteam & oneworld which contributes towards the 59% of total market share. Among this star alliance contributes the major market share

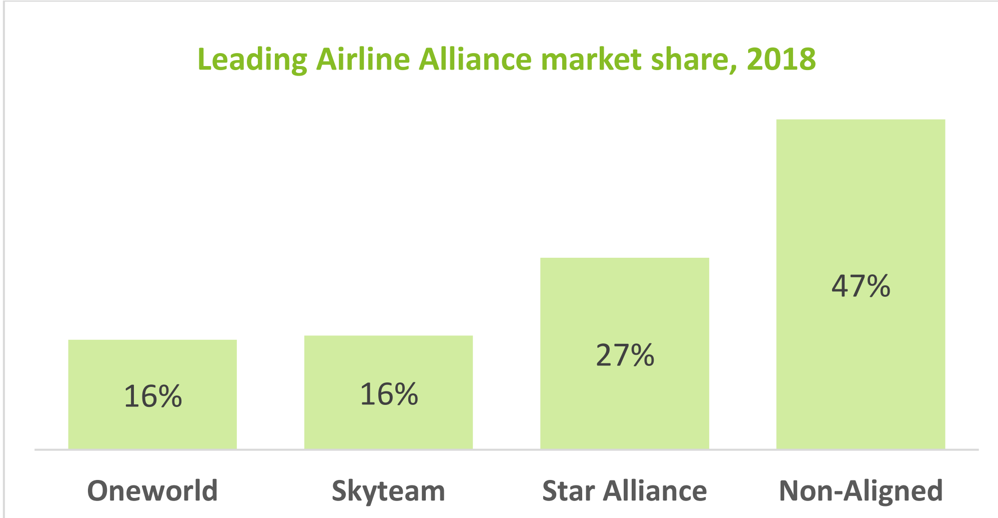


Image 5.4.1

Star Alliance operates the most extensive market among the three. SkyTeam focuses on the market in Asia and Europe (overall proportion: 80%) rather than the Pacific area. Oneworld has a relatively average distribution across the three major markets.

Star Alliance

- Star Alliance is the most dominant airline alliance out of all three alliances. First, the destination countries of Star Alliance are widely distributed throughout the world (**114**), and the alliance has **market dominance** on the highest number of routes (**1,109**) among the three airline alliances followed by market dominance of SkyTeam with **1,102** number of routes.
- Second, Star Alliance has more international impact caused by the relatively high proportion of international routes on which it has an international market position (**30%**) followed by Sky team (**30%**) and OneWorld with (**29%**)
- Also, Star Alliance brings together **28 member airlines** with **>762Mn** customers travel every year and offers **21** frequent flyers programmes and forms alliances adopted to low-costcarriers.

- **Comparison of Star Alliance, Oneworld and Skyteam**

According to IATA data; In 2017, 41.8 million flights were performed with 4.1 billion passengers worldwide (IATA, 2018). According to IATA, an important source of data on scheduled air transport in the world; In 2016, a total of 3,810 billion passengers were transported and in 2017 it was reported that it increased by 7,1% to 4,081 billion. 54.9 million tons of air cargo services were provided. According to 2016 data; If we look at the market share of global airline alliances, Star Alliance is at the top of the list with 23.8 percent. In the second place, SkyTeam took the second place with 20.6% and Oneworld took a share of 17.8%. Other airlines have been in the market with 37.8 percent (IATA, 2018). According to these data, Star Alliance, Oneworld and Skyteam represented more than 50% of global capacity.

If alliances are compared in terms of the number of employees, fleet size (number of aircraft), number of destinations, annual number of passengers, annual income, number of daily flights, and number of countries served, it is seen that the Star Alliance is the most powerful one. In terms of customer satisfaction, Star Alliance is the best in alliances.

Table 4: Comparison of Airline Alliance Groups Star Alliance, Oneworld and Skyteam

Facility	Star Alliance	Oneworld	SkyTeam
Incorporation date	14 May 1997	1 February 1999	22 June 2000
Slogan	The way the earth connects	Oneworld revolves around you	Caring more about you
Size	The largest one	The smallest one	The youngest and growing one
Employees	460238	317028	452590
Category	Global network	Evenly spread throughout the world	Very strong in the European Union countries
Alliance members	28 airlines	13 airlines	20 airlines
Benefits	e-ticketing available	First one to issue interlining e-tickets	e-ticketing available
Loyalty Programs	Frequent flyer programs available	Frequent flyer programs available	Frequent flyer programs available
Performance	%88,13	%88	%85,11
Average delay in minutes	13,73	13,48	17,63
Lounge	1000 +	650 +	600 +
Passenger patronage	727 million	557 million	665 million
Countries services	192	161	177
Destinations	1330	1016	1062
Fleet size	4657	3560	3054

Headquarters	Frankfurt	New York	Amsterdam
Customer satisfaction	Excellent	Fair	Fair
Annual revenue	170 million $	125 million $	150 million $
Daily flight	18800+	12750	16609
Market share (2016)	%23,8	%17,8	%20,6

ii. Understand the value each sky team partner brings to delta (if we can find this out) - e.g., China Air, Korean Airline

Delta Airlines

Delta is one of the major airlines of the United States and a legacy carrier which fly 200 million travelers to 300 destination in 50 countries, with up to 15000 daily departure, including partner operated flights. Delta airlines is one amongst the skyteam partners with a very large number of travel programs. The nature of the partnership varies quite a bit across the programs – some Delta partners allow passengers to earn points, others allow them to redeem points and join elite status benefits, and some preferred partners offer additional benefits.

Delta headed away from valuing alliance partnerships to focus on ownership or other airlines. Delta has many partnerships beyond SkyTeam members, giving passengers a ton of different options for earning miles even when they are not flying on Delta or a SkyTeam airline.

Delta airlines owned 49% of Virgin Atlantic and 49% of Aeromexico, which stood as the two closest carriers to Delta airlines on either side of the country.

iii. Need a table of the world's top airlines (maybe top 20, 50 or 100 but only if easy to get) by revenue and passenger volume and which alliance they are part of? Need to know their ownership status and stability coming out of Covid-19. Flag any that are up for sale. Include the following metrics in the table - Revenue, Passenger Volume, Ownership Status, Financial Stability, Rumors / confirmation of intentions to sell.

The database for analysing the top 50 airline players was generated by considering the following metric namely Revenue, Passenger Volume, Ownership Status, Financial Stability, Rumors / confirmation of intentions to sell. These metrics where fialized based upon expertise suggestion as well as benchmarking it with some of the similar work which are been done. For gathering the information to these metrics an immense multiple rounds of secondary research had been carried out from various research papers, articles, news, press release etc.

Post the preperaton of database, it was subjected to analyses. The AHP (Analytic Hierarchy Process) was used for assessing the the data finding. Then the data which composed of both characters and numbers was converted into to scale (1-5) then the metrics where provided with their coressponding weightages for analyses. By pareto principal it has been found that the metrics namely financial stability, revenue, & rumors / confirmation of intention to sell contributed towards the 80% of the total weightage. Hence these metrics where analysed for deteriming the top players who were hardly hit by the pandemic and paved as an opportuity for Delta to think about.

A	B	C	D	E	F	G	H	I	J	K
Sr. No.	Airline name	Revenue (billion USD)	;er Volume (million pass	Countries served	Alliance	Destinations	Ownership Status	Financial Stability	Rumors / Confirmation	Any Other Specific
1	Delta Air Lines	12.7	204 (2019)	51 countries	SkyTeam	Delta operated in 213 domestic destinations and 78 international destinations in 51 countries	Individual stakeholders hold a share of 12% and Institutional investors hold between 59-64% of Delta Air Lines'	Delta airlines reported a record loss of $12.4 billion in for all of 2020, total operating expense decreased $16.0 billion or 40% in	Delta Air Lines lost $1.2 billion in the first quarter of 2021, but the airline thinks it can be profitable by late summer unless there's a resurgence of COVID-19	Delta will start running at 100% capacity by selling all seats on its flights starting May 1
2	American Airlines	12.8	95.3 (2020)	60 countries	OneWorld	American Airlines serves 233 domestic destinations and 119 international destinations in	American Airlines Group was formed following the merger between American Airlines and US Airways Group.	American Airlines reported $8.9 billion loss for 2020. Incorporated more than $1.3 billion of permanent non-volume, non-fuel	American Airlines may buy Alaska Air or JetBlue. Reached an agreement with Boeing to secure rights to defer deliveries of 18 Boeing 737 MAX aircraft and finalized a	Earned the STAR Accreditation from the Global Biorisk Advisory Council for effective cleaning, disinfection and infectious disease
3	United Airlines	10.6	57.76 (2019)	66 countries	Star Alliance	United Airlines operated in 250 domestic destinations and 120 international destinations in	67.6% of United Airlines stock is held by institutional shareholders. Vanguard Group Inc.(9.4%),	Reported an annual loss of $7.1 billion compared to profit of $3.0 billion in 2019. It expects to have total available liquidity of	United Airlines will receive $2.8 billion in payroll support under the third round of government funding. The funding will exclusively be used to cover payroll for the	Announced $2 billion in annual structural cost reductions. United said it plans to train 5,000 pilots in its flight academy by 2030 and aims for
						Emirates serves 1 domestic	Emirates is owned by the Investment	In the first half of the 2020-21 financial	Emirates was particularly hard hit by the pandemic	Emirates has begun the process of firing

Image 5.4.2. Sample database

iv. Need to identify which airlines (e.g., Air India, Indigo, Cathay Pacific, etc.) are currently “in play” for acquisitions or to leave their alliance. Cathay pacific appears to be a top candidate. Are there others? Look at recent events

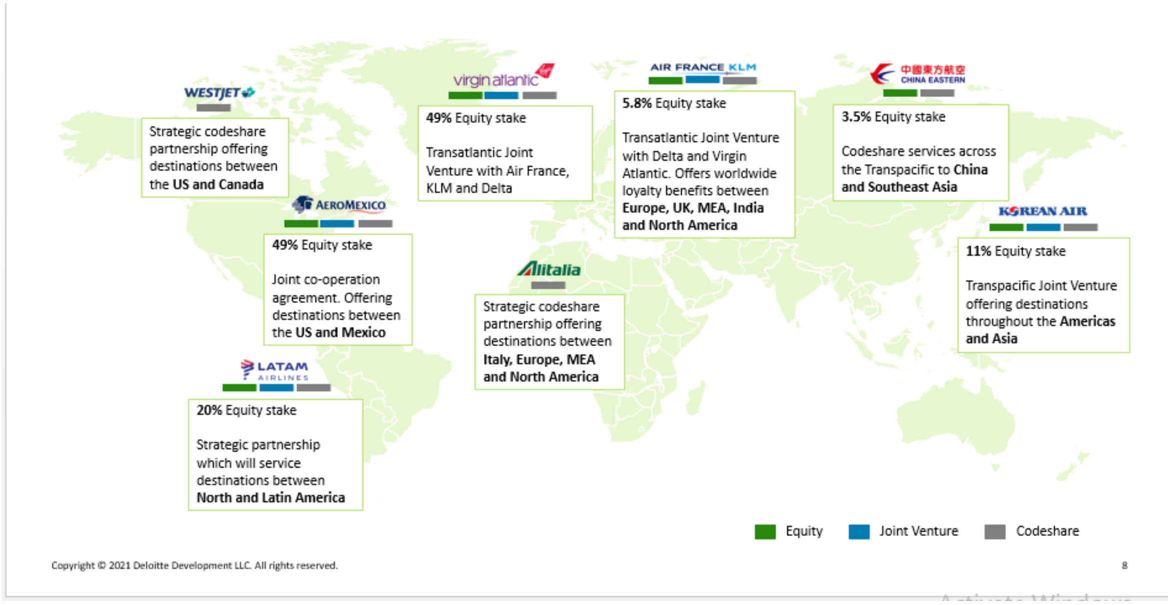
Top target for Delta

The AHP tool converged the scope of vision towards the top players by sorting them in terms of their resulted weightage. From that list the top target for Delta to think about are Cathay Pacific Airlines, Indigo, Hainan Airlines, &Japan Airlines and ANA.

Table 5.

S.No.	Airline Name	Acquisition / Investment Target	Rationale for the Target
1	Cathay Pacific Airlines	Investment	Cathay Pacific is the Hong Kong based International airlines. It is trying to rebrand its subsidiaries Cathay Dragon, and HK Express in a restructuring move
2	Indigo	Investment	It is India's largest passenger airline in terms of market share, consistently gave profits before pandemic. By investing in this Delta can expand its influence on Indian aviation market
3	Hainan Airlines	Acquisition	Hainan Airlines is the fourth largest airline in mainland China, although it is in huge losses due to covid effect if Delta air acquires and restructure it entirely. Delta air can establish its strong presence in China region
4	Japan Airlines and ANA	Investment	Japan Airlines is the flag carrier and ANA is the largest airline in Japan. Both are planning to merge. If Delta invests in these airlines after their merger delta will have stronger influence in Japanese aviation

Delta Airlines- Global Investments & Partnerships



1.5. Outcomes

- Finalized and Created a database including the following metrics - Revenue, Passenger Volume, Ownership Status, Financial Stability, Rumors / confirmation of intentions to sell.
- Identified different mileage programs, lounge access, international transfers, coach sharing and revenue-sharing agreements of top airlines.
- Analyzed and found the top players who play for acquisition or
- Created a tableau map view of their geographic coverage which pictures down the current players serviceability.

1.6. Conclusion

The database consisting information about the airlines under various metrics namely revenue, passenger volume, ownership status, financial stability, rumors / confirmation of intentions to sell has been finalized and updated. Identified different mileage programs, lounge access, international transfers, coach sharing and revenue-sharing agreements of top airlines. The airlines such as Cathay Pacific Airlines, Indigo, Hainan Airlines, and Japan Airlines& ANA has been hit harder by pandemic and these players are able to open their self for either acquisition / investment. None the less the detailed geographical opportunities are also mapped in a world map.

KEY LEARNINGS FROM INTERNSHIP

- Market research on 3 major airline alliances and analyzing their portfolio, their ownership status, financial stability and potential airline players to acquire
- In-dept market assessment, and analyzed disease burden, unmet needs, patients journey and lead players for cardiovascular device, XLMTM and GBS market for leading consulting firm
- Development of comprehensive research reports and competitive assessment for ADHD market to identify potential opportunities for EU region
- Revenue forecasting via bottom-up analysis for indications of lead product from US based MNC in UAE, KSA, Algeria, Nigeria, Turkey and Egypt