



Massachusetts
Institute of
Technology

Examples of Some Things You Will Find in the Airline Data Project





About the Airline Data Project



About Us and the Establishment of the Airline Data Project

- The MIT **Global Airline Industry Program** represents a large-scale effort that provides the means for MIT and the academic community to make contributions in studying the airline industry and in educating its future leaders. This effort is funded under the umbrella of the **Sloan Foundation's Industry Studies Program**.
- The MIT **Airline Industry Consortium** is an outgrowth of the MIT Global Airline Industry Program, sponsored by the Alfred P. Sloan Foundation. Its goal is to engage industry stakeholders in the next phase of the Program's research and to provide a forum for addressing key issues facing the airline industry during this critical period of transformation.
- Another goal of MIT's **Global Airline Industry Program** is to develop a body of knowledge for understanding development, growth and competitive advantage in this industry, which is one of the most diverse, dynamic and perplexing of the world. To further this goal, and to support the goals of the **Sloan Foundation Industry Studies Program** and the goals set forth in establishing the **MIT Airline Industry Research Consortium**, the **MIT Global Airline Industry Program** is introducing the establishment of the **Airline Data Project**.



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- Dramatic changes have occurred in the US airline industry since 2000:
 - Competition between Legacy and LCC airlines has led to fare compression and revenue degradation
 - Despite the industry's unhealthy operating environment, new entrants continue enter the market further threatening the revenues of incumbent airlines
 - The historic relationship of airline revenue performance to GDP growth has been broken and has not recovered
 - Despite the well documented labor cost reductions that were realized in the 2002 – 2007 time frame, the reductions in those costs do not make up for the rise in the cost of fuel
 - Productivity has increased at the network legacy carriers, but still does not approach the levels realized within the low cost carrier segment
 - With the exception of Southwest, fragile balance sheets are the rule of the industry. Given the need for both aircraft and non-aircraft capital expenditures by nearly every carrier, a lack of meaningful profits and expensive capital make these much needed projects very difficult to fund.
- Each of these trends can be more closely examined by users of all interest levels inside of the Airline Data Project



Where to find the Airline Data Project

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