

Abstract

This thesis investigates aspects of Boeing – Airbus competition on the field of large commercial aircraft. By analyzing action-reaction dynamics in M&A strategies, introductions of new models and trade disputes, namely interactions with regional jet manufacturers and Airbus’s reaction on the introduction of 787, we observe that mimicking competitor’s strategy does not necessarily guarantee increase of the market share. We collect and analyze data on wide-body aircraft sales and prices from 2004 to 2018 to find the most valuable parameter for customers. The results show the price being the most important and a market segmentation present, while medium and long-range wide-body segments are more sensitive to price changes within the segment than across. From the qualitative attributes of an aircraft, range is a more important factor than seating. Finally, we question the inaccuracies of demand estimations for A380 before its launch. Unpredictable events and factors unobservable by an economic model are found to have a drastic impact on the real demand and the estimations ought to be accepted with caution.

Keywords: Demand for aircraft, commercial aviation, duopoly, market share, demand estimation, market segmentation, wide-body aircraft.

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