

The long-term implications of the COVID-19 pandemic on the aviation industry

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Abstract

The aviation industry is of utmost importance for the economic prosperity and strategic development of many countries and it plays an irreplaceable role in the global transportation system. One of the most prevalent and unprecedented threats to this industry is the occurrence of a pandemic, that is likely to shatter the sector and change its operations fundamentally. Starting in 2020, aviation in particular has been confronted with the devastating impact of coronavirus (COVID-19) disease, which has evolved to a worldwide pandemic and led to a drastic reestablishment of the society's daily life. The pandemic has triggered a change in the previously standardized way of traveling by air. This thesis focuses on the investigation of COVID-19 implications for the aviation industry, on the strategies implemented by this sector as a response to the crisis, as well as on the intention of passengers to travel by air in pandemic times. The literature review of this thesis elaborates on the challenges that the aviation industry is facing due to the global pandemic and it discusses the restructured onboard experience including the introduced safety measures throughout the entire aviation network. The paper also focuses on the new behavioral patterns of passengers. Based on a quantitative research approach, an online empirical experiment including a video advertisement as a form of stimulus in two different experimental conditions was conducted in April-May 2021. The population's exposure to aviation safety measures and their impact on travel intention, customer satisfaction, value for money and perceived health risk were examined. The research has revealed that airline safety measures are likely to positively influence the anticipated customer satisfaction. At the same time, a direct exposure to safety measures introduced by airlines does not reduce their perceived health risk, as well as increase their value for money.

As further concluded by the research, a rising customer satisfaction and anticipated value for money can positively influence the individual travel intention. On the contrary, the more of a health risk perception passengers develop, the less likely they are to travel by air. This would imply a negative scenario for the air traffic sector, of which a further development is currently difficult to predict, while the time needed for recovery remains unclear.