

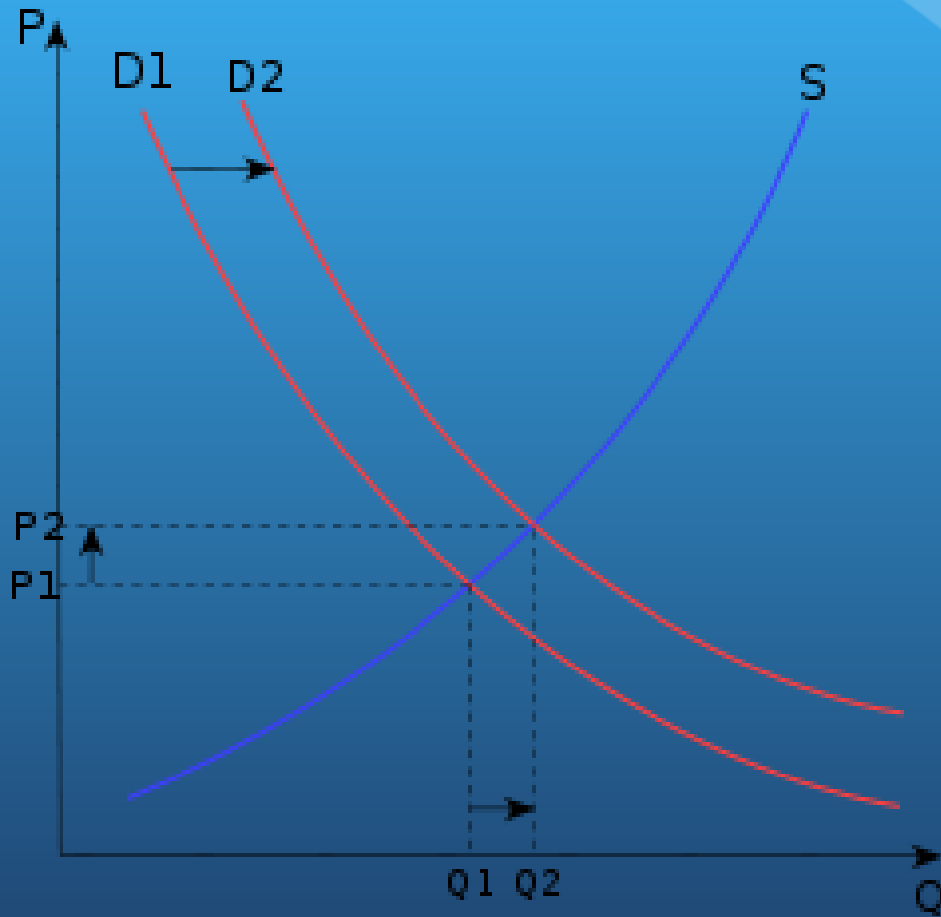
Advantages and Disadvantages of Airline Mergers

Zachary Mindel

Outline

- Disadvantages
 - Consumer
 - Company
- Advantages
 - Consumer
 - Company

Disadvantages to the Consumer



Disadvantages to the Consumer

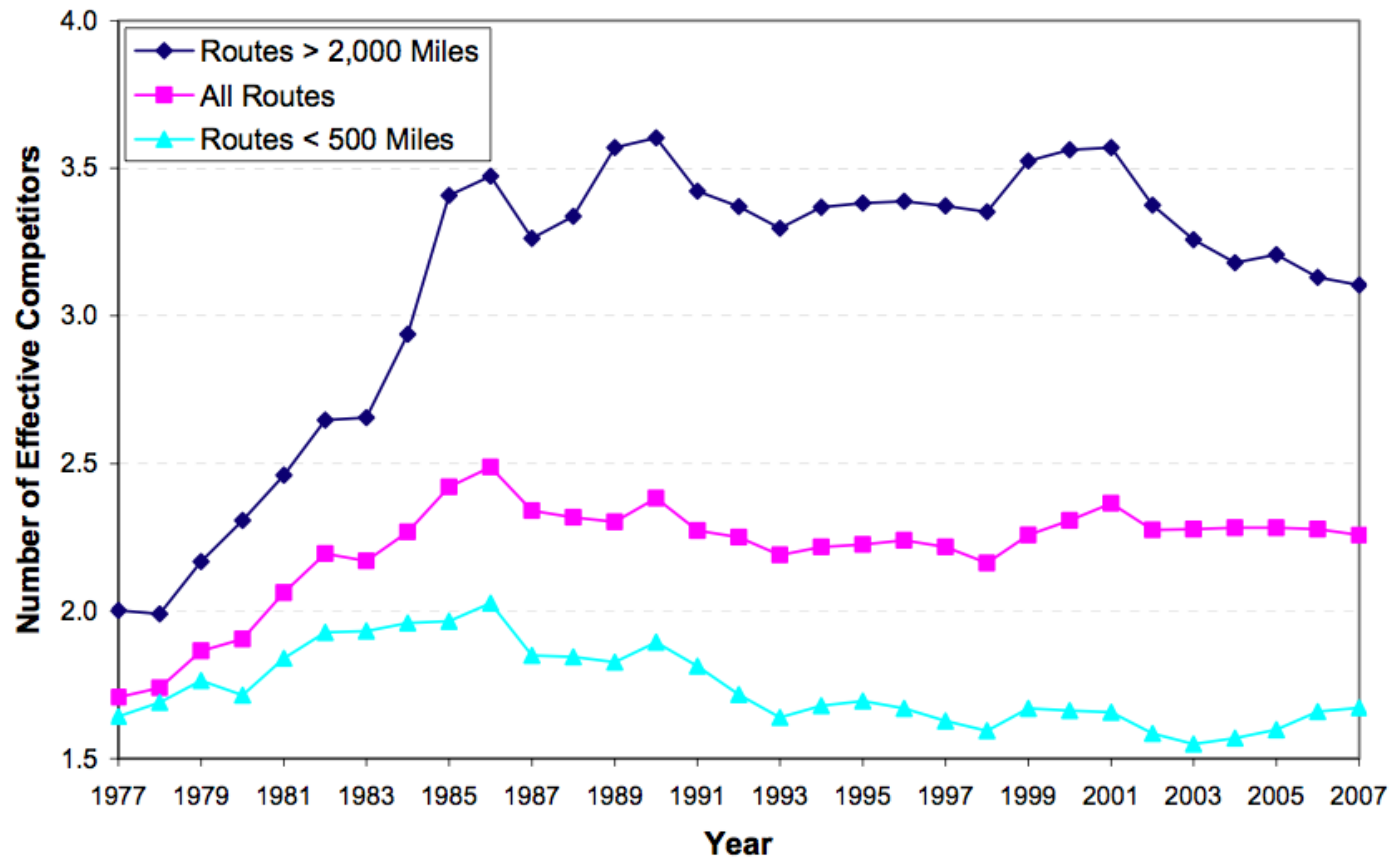
- Reduction in Competition
 - Firms competing for us?
 - Us competing for firms!

Disadvantages to the Company

- “Seniority, to airline employees, is paramount to getting the best routes, flying the best planes, having prime vacation days and higher pay and generally enjoying better perks and benefits”
 - Surviving-Group Principle
 - Length-of-Service Principle
 - Follow-the-Work Principle
 - Absolute-Rank Principle
 - Ratio-Rank Principle

Advantages to the Consumer

Figure 1
Competition at the Route Level

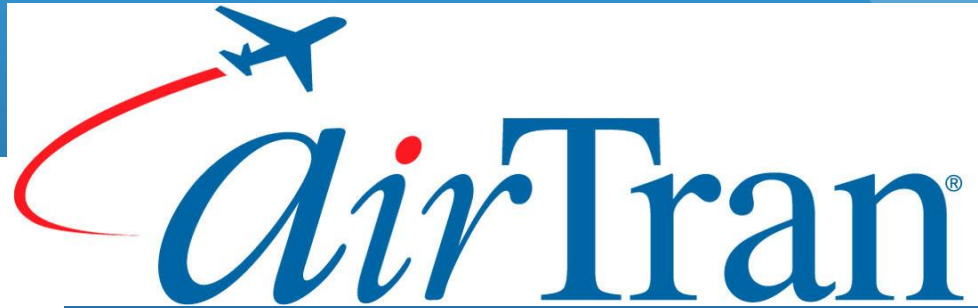


Advantages to the Consumer

- Increased Route Structure
 - Brand Loyalty



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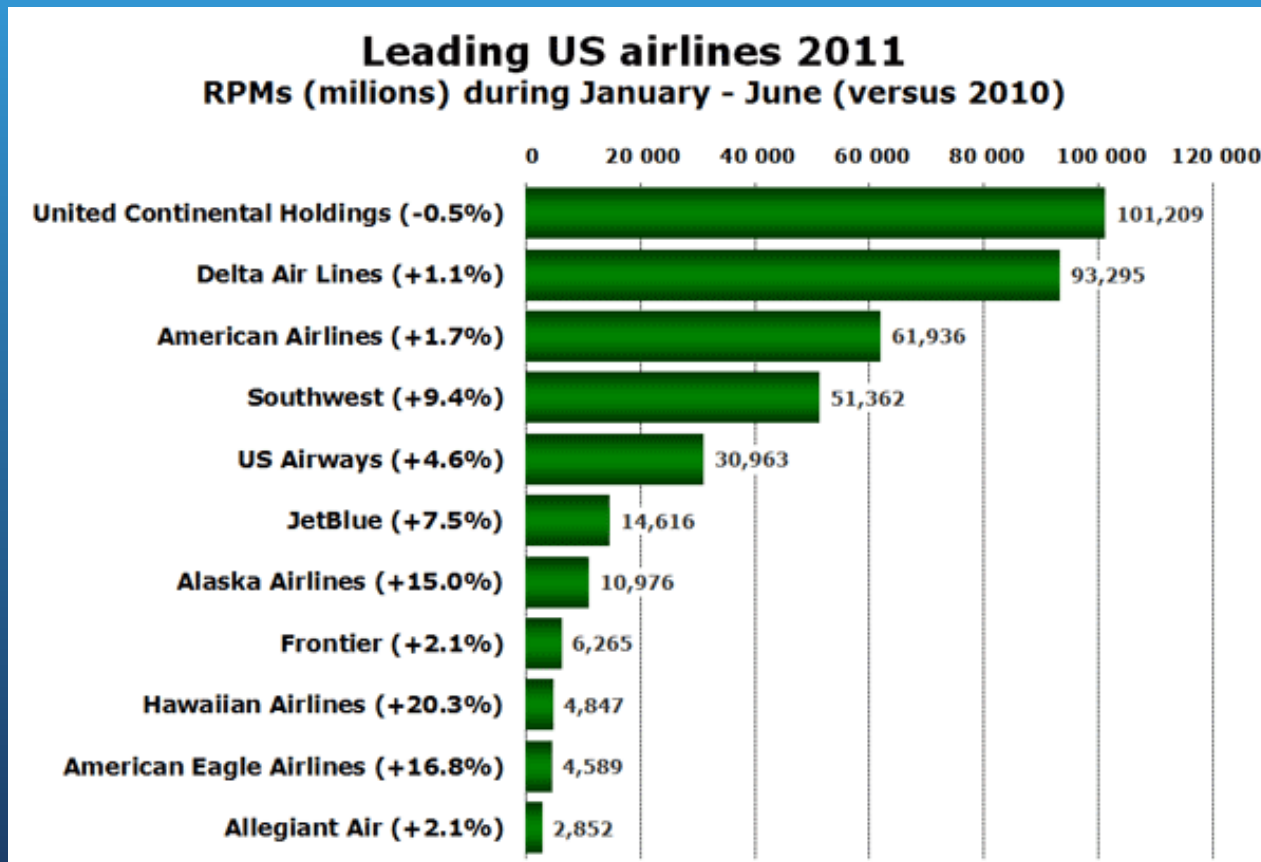
Advantages to the Consumer

- Improved Service



Advantages to the Company

- Competitive Advantage



Advantages to the Company

- Reduce Redundancies
 - Operate More Efficiently

Conclusion

- Merge or not?