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| **1XXXXX** | **Explain business principles for commercial airlines** |

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| **Kaupae |** Level | 3 |
| **Whiwhinga |** Credit | 4 |
| **Whāinga |** Purpose | People credited with this skill standard have knowledge of business principles for commercial airlines, including key factors affecting strategy and sustainability. |

**Hua o te ako me Paearu aromatawai |** Learning outcomes and assessment criteria

| **Hua o te ako |** Learning outcomes | **Paearu aromatawai |** Assessment criteria |
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| 1. Explain business principles for commercial airlines. | 1. Explain different types of airline business models. |
| 1. Describe the key factors that affect airline strategy, profitability, and sustainability. |
| 1. Explain the importance of airline branding. |

**Pārongo aromatawai me te taumata paearu |** Assessment information and grade criteria

*Assessment specifications:*

Assessment must be in accordance with the expectations outlined in the New Zealand Qualifications and Credential Framework’s Level Descriptors.

Explanations of two different types of airline business models must include their function, services offered, and their target markets.

External factors that affect airline profitability and internal factors that affect strategy and profitability must be described.

Airline branding must include the attributes that make it successful and its ability to be competitive in a selected market segment.

Definitions:

*Airline* is inclusive of both fixed wing aircraft and helicopters.

*Sustainability* includes not only the sustainability of the workforce, organisation, and industry but also continuous improvement, risk assessment and mitigation, environmental considerations such as fuel, and consideration of impacts on wildlife and people (such as noise).

***Ngā momo whiwhinga |*** *Grades available*

Achieved

**Ihirangi waitohu |** Indicative content

Airline business models

* Full service, value-based, and not-for-profit models.
* Loyalty schemes.
* The purpose and value of interlining.
* Interlining versus codesharing.

Key factors affecting airline strategy and financial viability

* External factors affecting profitability:
  + Fuel price and availability
  + Epidemics
  + Pandemics
  + Terrorism
  + Competition
  + Passenger booking methods
  + Foreign exchange
  + Social License
* Internal factors affecting strategy and profitability:
  + Changes to costs
  + Pricing structures
  + Distribution channels
  + Network
  + Product

Branding

* Attributes of successful branding:
  + Value for money
  + Customer service
  + On-time performance
  + Breadth of route network
  + National flag carrier
  + Reputation for safety
  + Options within seat classes
  + Reputation of taking steps to improve care for the environment
  + In-flight products such as entertainment systems and internet and phone connectivity.
* Competitive advantage in a selected market segment:
  + High-value customers
  + Business travellers
  + Long haul
  + Short haul
  + Inbound tourism
  + Outbound tourism.

**Rauemi |** Resources

* [www.iata.org/en/iata-repository/publications/economic-reports/one-size-does-not-fit-all---airline-business-models/](http://www.iata.org/en/iata-repository/publications/economic-reports/one-size-does-not-fit-all---airline-business-models/)
* [www.airlineratings.com/articles/worlds-best-airlines-criteria](http://www.airlineratings.com/articles/worlds-best-airlines-criteria)

**Pārongo Whakaū Kounga |** Quality assurance information

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| **Ngā rōpū whakatau-paerewa |** Standard Setting Body | Ringa Hora Services Workforce Development Council |
| **Whakaritenga Rārangi Paetae Aromatawai |** DASS classification | Service Sector > Aviation > Aviation - Core |
| **Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga |** CMR | 0112 |

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| **Hātepe |** Process | **Putanga |** Version | **Rā whakaputa |** ReviewDate | **Rā whakamutunga mō te aromatawai |** Last date for assessment |
| **Rēhitatanga |** Registration | 1 | [dd mm yyyy] | N/A |
| **Kōrero whakakapinga |** Replacement information | This skill standard replaced unit standard 21835. | | |
| **Rā arotake |** Planned review date | 30 December 2030 | | |

Please contact Ringa Hora Services Workforce Development Council at [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) to suggest changes to the content of this skill standard.