

History of Airline Business

An **airline** provides air transport service for traveling passengers and/or freight.

Airlines Feature

- Airlines vary from those with a single aircraft carrying mail or cargo, through full-service international airlines operating hundreds of aircraft.
- Airline services can be categorized as being intercontinental, intra-continental, domestic, regional, or international, and may be operated as scheduled services or charters.

First airlines

- American aviation pioneers, such as Rufus Porter and Frederick Marriot, attempted to start airlines using airships in the mid-19th century, focusing on the New York-California route.
- Delag, *Deutsche Luftschiffahrts-Aktiengesellschaft* was the world's first airline. It was founded on November 16, 1909 with government assistance, and operated airships manufactured by The Zeppelin Cooperation. Its headquarters were in Frankfurt.

• The four oldest non-dirigible airlines that still exist are Netherlands' KLM, Colombia's Avianca, Australia's Qantas, and the Czech Republic's Czech Airline. KLM first flew in May 1920, while Qantas (which stands for *Queensland and Northern Territory Aerial Services Limited*) was founded in Queensland, Australia, in late 1920.



U.S. Airline Industry

- Tony Jannus conducted the United State's first scheduled commercial airline flight on 1 January 1914 for the St. Petersburg-Tampa Airboat Line.
- Chalk's International Airlines began service between Miami and Bimini in the Bahamas in February 1919. Based in Ft. Lauderdale, Chalk's claimed to be the oldest continuously operating airline in the United States until its closure in 2008.

- Following World War I, the United States found itself swamped with aviators.
- By the mid-1920s, the Postal Service had developed its own air mail network, based on a transcontinental backbone between New York and San Francisco.
- Some of the carriers that won these routes would, through time and mergers, evolve into Pan Am, Delta Airlines, Braniff Airways, American Airlines, United Airlines (originally a division of Boeing), Trans World Airlines, Northwest Airlines, and Eastern Airlines.

- Juan Trippe began a crusade to create an air network that would link America to the world, and he achieved this goal through his airline, Pan American World Airways, with a fleet of flying boats that linked Los Angeles to Shanghai and Boston to London.
- Pan Am and Northwest Airways (which began flights to Canada in the 1920s) were the only U.S. airlines to go international before the 1940s.

Development since 1945

- *In October 1945, the American Export Airlines became the first airline to offer regular commercial flights between North America and Europe. Shown here is Am Ex Boeing 377 Stratocruiser in 1949.*
- As governments met to set the standards and scope for an emergent civil air industry towards the end of the war, the U.S. took a position of maximum operating freedom; U.S. airline companies were not as hard-hit as European and the few Asian ones had been. This preference for "open skies" operating regimes continues, within limitations, to this day.

• In the 1950s, the De Havilland Comet, Boeing 707, Douglas DC-8 and Sud Aviation Caravelle became the first flagships of the Jet Age in the West, while the Soviet Union bloc had Tupolev TU-104 and Tupolev TU-124 in the fleets of state-owned carriers such as Czechoslovak CSA, Soviet Aeroflot and East-German Interflug. The Vickers Viscount and Lockheed L-188 inaugurated turboprop transport.

• The next big boost for the airlines would come in the 1970s, when the Boeing 747, McDonnell Douglas DC-10, McDonnell Douglas DC-10, and Lockheed L-1011 inaugurated wide-body ("jumbo jet") service, which is still the standard in international travel.

• Travel Concepts, Inc., founded by William J. Tobin in 1971, developed the first travel kits to be distributed in First Class and Business Class cabins, and also provided in-flight educational games for children.

• 1978's U.S. airline industry deregulation lowered barriers for new airlines just as a downturn occurred. New start-ups entered during the downturn, during which time they found aircraft and funding, contracted hangar and maintenance services, trained new employees, and recruited laid-off staff from other airlines.

- By the 1980s, almost half of the total flying in the world took place in the U.S., and today the domestic industry operates over 10,000 daily departures nationwide.
- Toward the end of the century, a new style of low cost airline emerged, offering a no-frills product at a lower price. Southwest Airlines, JetBlue, AirTran Airways, Skybus Airlines and other low-cost carriers began to represent a serious challenge to the so-called "legacy airlines", as did their low-cost counterparts in many other countries. Their commercial viability represented a serious competitive threat to the legacy carriers. However, of these, ATA and Skybus have since ceased operations.

- Thus the last 50 years of the airline industry have varied from reasonably profitable, to devastatingly depressed. As the first major market to deregulate the industry in 1978, U.S. airlines have experienced more turbulence than almost any other country or region. Today, American Airlines is the only U.S. legacy carrier to survive bankruptcy-free.

European Airline Industry

- The first countries in Europe embraced air transport were Austria, Belgium, Finland, France, Germany, the Netherlands and the United Kingdom.
- Austria initiated the first regularly scheduled airmail service on March 31, 1918 in the midst of World War I. The route provided airmail service spanning Vienna to Krakow (now in Poland) to Lviv (now in Ukraine), as was often also extended to Kiev and Odessa.

The Netherlands and France

- KLM, the oldest carrier still operating under its original name, was founded in 1919. The first flight (operated on behalf of KLM by Aircraft Transport and Travel) transported two English passengers to Schiphol, Amsterdam from London in 1920.
- France began an air mail service to Morocco in 1919 that was bought out in 1927, renamed Aéropostale, and injected with capital to become a major international carrier. In 1933, Aéropostale went bankrupt, was nationalized and merged with several other airlines into what became Air France.

Finland

- In Finland, the charter establishing Aero O/Y (now Finnair) was signed in the city of Helsinki on September 12, 1923. Junkers F 13 D-335 became the first aircraft of the company, when Aero took delivery of it on March 14, 1924. The first flight was between Helsinki and Tallinn, capital of Estonia, and it took place on March 20, 1924, one week later.

Germany

- Germany's Lufthansa began in 1926. Lufthansa, unlike most other airlines at the time, became a major investor in airlines outside of Europe, providing capital to Varig and Avianca. German airliners built by Junkers, Dornier, and Fokker were the most advanced in the world at the time.

U.K.

- The British company Aircraft Transport and Travel commenced a London to Paris service on August 25, 1919, this was the world's first regular international flight. The United Kingdom's flag carrier during this period was Imperial Airways, which became BOAC (British Overseas Airways Co.) in 1939. Imperial Airways used huge Handley-Page biplanes for routes between London, the Middle East, and India: images of Imperial aircraft in the middle of the Rub'al Khali, being maintained by Bedouins, are among the most famous pictures from the heyday of the British Empire.

USSR

- In Soviet Union the Chief Administration of the Civil Air Fleet was established in 1921.
- During the Soviet era Aeroflot was synonymous with Russian civil aviation, as it was the only air carrier. It became the first airline in the world to operate sustained regular jet services on 15 September 1956 with the Tupolev Tu-104.

Deregulation

- Deregulation of the European Union airspace in the early 1990s has had substantial effect on structure of the industry there. The shift towards 'budget' airlines on shorter routes has been significant. Airlines such as EasyJet and Ryanair have grown at the expense of the traditional national airlines.
- There has also been a trend for these national airlines themselves to be privatized, such as has occurred for Aer Lingus and British Airways. Other national airlines, including Italy's Alitalia, have suffered - particularly with the rapid increase of oil prices in early 2008.

Asian Airline Industry

- Philippine Airlines (PAL) was officially founded on February 26, 1941, its license to operate as an airliner was derived from merged Philippine Aerial Taxi Company (PATCO) established by mining magnate Emmanuel N. Bachrach on December 3, 1930, making it Asia's oldest scheduled carrier still in operation. Commercial air service commenced three weeks later from Manila to Baguio, making it Asia's first airline route.
- On July 31, 1946, a chartered Philippine Airlines (PAL) DC-4 ferried 40 American servicemen to Oakland, California from Nielson Airport in Makati City with stops in Guam, Wake Island, Johnston Atoll and Honolulu, Hawaii, making PAL the first Asian airline to cross the Pacific Ocean. A regular service between Manila and San Francisco was started in December. It was during this year that the airline was designated as the flag carrier of Philippines.

India

- India was also one of the first countries to embrace civil aviation. One of the first West Asian airline companies was Air India, which had its beginning as Tata Airlines in 1932, a division of Tata Sons Ltd. (now Tata Group). The airline was founded by India's leading industrialist, JRD Tata. On October 15, 1932, J. R. D. Tata himself flew a single engine De Havilland Puss Moth carrying air mail (postal mail of Imperial Airways) from Karachi to Bombay via Ahmadabad.
- Tata Airlines was also one of the world's first major airlines which began its operations without any support from the Government.

Newly-born Airlines

- During the era of decolonization, newly-born Asian countries started to embrace air transport. Among the first Asian carriers during the era were Cathay Pacific of Hong Kong (founded in September 1946), Orient Airways (later Pakistan International Airlines; founded in October 1946), Malayan Airlines (later Singapore and Malaysia Airlines; founded in 1947), El Al in Israel in 1948, Garuda Indonesia in 1949, Japan Airlines in 1951, Thai Airways International in 1960, and Korean Air in 1962.



Latin American Airlines

- Among the first countries to have regular airlines in Latin America were Cuba with Cubana de Aviación, Colombia with Avianca, Brazil with Varig, Chile with LAN Chile (today LAN Airlines), Dominican Republic with Dominicana de Aviación, Mexico with Mexicana de Aviación, and TACA as a brand of several airlines of Central American countries (Honduras, El Salvador, Costa Rica, Guatemala and Nicaragua). All the previous airlines started regular operations before World War II.



- Just three airlines: LAN (Latin American Networks), Oceanair and TAM Airlines have international subsidiaries with Chile as the central operation along with Peru, Ecuador, Argentina and some operations in the Dominican Republic and TAM with TAM Mercosur have a base in Asuncion, Paraguay. Avianca have the control of Oceanair, VIP Airlines and also have an e-strategic alliance with TACA.
