



Aviation Industry

Company Analysis

- *Boeing*
- *Airbus*

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Overview

Boeing

VS

Airbus

The Boeing Company is a **multinational Aerospace Company and Defence Corporation** that has its roots in the **United States**.

Boeing is one of the world's leading aerospace companies and the largest manufacturer of satellites and military aircraft worldwide. Beside that it shares the market leadership for **large commercial jets**. The company designs, manufactures, and sells airplanes, rotorcraft, rockets, satellites, telecommunication equipment, and missiles worldwide. Boeing produces aircrafts that carry between 107 and 433 passengers.

Airbus is a European joint venture between EADS and BAE Systems, headquartered in **Blagnac Cedex, France**. Starting in the 1970's, Airbus has caught up becoming an aircraft manufacturer for large civil jetliners and is now fighting for the market leadership.

The company offers a range of **single aisle and wide body aircrafts** that carry between 110 and 555 passengers, a sign for strong diversification. Airbus is known as the innovation leader by using new technologies for reducing operating costs, fuel burn, noise and emissions, and simultaneously increasing range.

Future Prospects

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Boeing forecasts **\$9 trillion aerospace market opportunities in Commercial, Defense and Services over the next decade.** The global market is recovering largely as Boeing projected in 2020.

The global commercial fleet will surpass 49,000 airplanes by 2040, with **China, Europe, North America and the Asia-Pacific countries** each accounting for about 20% of new airplane deliveries, and the remaining 20% going to other emerging markets.

Boeing forecasts a \$3.2 trillion market opportunity for its served services market with commercial, business and general aviation services representing **\$1.7 trillion and government services representing \$1.5 trillion through 2030.**

In the next 20 years, Airbus forecasts that the demand for new aircraft will progressively shift from fleet growth to accelerated replacement of older, less fuel-efficient aircraft.

The demand for new aircraft includes around **29,700 Small aircraft like the A220 and A320 Families**, as well as about 5,300 in the Medium aircraft category such as the A321XLR and the A330neo. In the Large segment, covered by the A350, a need for some 4,000 deliveries is expected by 2040.

Having lost nearly two years of growth over the COVID period, passenger traffic has demonstrated its resilience and is set to reconnect to an annual growth of 3.9% per year.

Marketing Strategies

Boeing

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- The marketing strategy of Boeing is **quiet extensive and attractive in nature**. It uses geographic and demographic policies to provide the services of different nations. They target the customers by catering fighter jet planes, private planes, and commercial planes to customers. They also target by offering **IT-based advanced features that make their position strong and hold them in the aerospace industry**.
- Boeing gives an appealing touch and is more preferred by the customers. The design of the plane is entirely different too.
- Boeing's commercial airplane segment supplies jetliners to meet global airlines' varying requirements for transporting passengers and cargo.



- It uses a mix of different segmentation strategies such as demographic, geographic, and psychographic strategies in order to cater to the customers of different nations.
- Selective targeting strategy is used by Airbus as its different aircraft are meant for a different set of customers.
- The company's strategy in global expansion direction comprises three approaches: **expansion of its existing business, external growth through acquisitions in key sectors, as well as internal and natural organic growth**.
- There are several marketing strategies like **product innovation, pricing approach, promotion planning etc.** These business strategies, based on Airbus marketing mix, help the brand succeed.

USP

Boeing

- The Boeing Company's USP lies in being the world's biggest aerospace company, the **leading manufacturer** of commercial aircrafts and defense, space and security systems and service provider of aftermarket support and a the prime supplier to government and commercial aerospace services.
- Mission statement is **"Connect, protect, explore and inspire the world through aerospace innovation."**
- The company has a strong financial position and is listed on NYSE and S&P
- The company has invested heavily towards hybrid and electric propulsion engines for more environmental friendly travel

VS

Airbus

- Airbus's USP lies in being the **international pioneer** in the aerospace industry and a worldwide leader in designing, manufacturing and delivering aerospace products, services and solutions to customers on a global scale.
- Mission statement is **"aim for a better- connected, safer and more prosperous world."**
- Innovative products, successful acquisitions and mergers, superb performance in all fields, good ROI and excellent customer satisfaction are the major strengths of Airbus, creating a competitive advantage to the company over its peers and competitors.

Financials

Evaluation Criteria

Boeing

vs

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Market Valuation

\$125.84 B

\$97.44 B

Total Funding

\$1.5 B

N/A

Rounds of Funding

Series J (10 rounds)

N/A

Valuation

\$100.94-billion

\$168.71 billion

Number of Investors

38 investors

57 investors

Acquisitions

16 Organisations

6 Organisations

CSR Initiative

Boeing

Boeing Corporate Social Responsibility programs focus on promoting social and environmental sustainability. **It has leveraged its manufacturing and transportation capacities for Covid 19 by transporting more than 4.5 million units of personal protective equipment to front line workers.**

For over 100+ years, Boeing has been at the center of some of the most consequential moments in modern history. From supplying military aircraft for two World Wars, surviving the economic fall out of 9/11 to navigating global disruptions due to the Covid-19 pandemic, Boeing has played a vital role in determining not only the past, but the future of aviation.

VS

Airbus

Airbus has played a vital role in humanitarian relief work, performing many important missions in times of need. **It has launched relief foundations like The Airbus Helicopters Foundation and The Airbus Corporate Foundation.** The Airbus Helicopters Foundation volunteers in disaster like situations by providing **relief packages and transporting essentials via helicopters.** Since 2013, this foundation has volunteered 150 helicopters hours on humanitarian grounds. The Airbus Corporate Foundation aims to support the humanitarian community by educating and inspiring the young generation through the world of aerospace. Launched in 2014, it has bases across all the major regions where they operate.

Highlights

Boeing

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As the leading manufacturer for commercial and defense platforms, Boeing is positioned to provide **unparalleled aftermarket support** for mixed fleets worldwide.

Boeing has been the premier manufacturer of commercial jetliners for decades. Today, the company manufactures the 737, 747, 767, 777 and 787 families of airplanes and the Boeing Business Jet range. **New product development** efforts include the Boeing 787-10 Dreamliner, the 737 MAX, and the 777X. More than 10,000 Boeing-built commercial jetliners are in service worldwide, almost half the world fleet. **The company offers the most complete family of freighters, and about 90 percent of the world's cargo is carried onboard Boeing planes.**

Airbus owns a **market share of 59.4% making it a global market leader** in the aerospace industry. Airbus's major competition is **Boeing with a market share of 40.6%**. Airbus receives a strong support from the Airbus group- its progenitor company, therefore it has successfully persisted despite stiff competition.

The company's A380 is the world's largest passenger plan. Airbus is working to create a cheap electric-fueled on-demand self-flying plane service. In November 2017, it debuted its Vahana prototype, a little pod of an aircraft with just enough room for a single passenger. **What makes this vehicle unique is that it doesn't need a runway.**