SUBURBIA PRESENTS

IS COMPULSIVE FLYING DISORDER A THING?

ALTERNATIVE DATA FOR EVERYONE

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Contents

Summary

People are flying a lot more than they used to. The growth in demand has been triggered from lower fare prices, higher disposable incomes, the growth of middle-class and countless new routes. According to the International Air Transport Association (IATA), 2017 was another year of above-trend passenger growth, well ahead of the ten-year average pace of 5.5% and faster than that of capacity.

By 2035 around 8 billion passengers are expected to travel by plane each year, double the amount of present levels. This report will look at passenger traffic in the Dutch air hub (Schiphol) during the past twenty years and discuss the difference in seasonal peaks between passengers travelling to world-wide destinations and passengers travelling to European destinations.

1. Introduction

Taking a flight is a lot cheaper, easier and more popular than it was twenty years ago. Searching for a ticket online has never been easier as ticket platforms are booming. In Europe, flying abroad for a weekend to visit a friend or a relative, or just to explore a new city has become possible for everyone.

In relative terms, a passenger with median income is able to afford more flights per year today than he could twenty years ago, as his disposable income has surged along and relative costs have fallen. There are numerous reasons why travelling has become more affordable.

As technology advances at an exceeding speed, the costs of flying a plane have decreased and the overall efficiency of a single flight has increased. The short-run outcome is noticeable as technology has decreased the cost per ticket and increased demand.

There has been less pressure from the oil market as crude oil prices have relatively fallen. The price of oil counts for a vast share of the cost of an airline. As oil prices have relatively fallen, the prices of airfares have followed.

Additionally, flying is not considered a luxurious service anymore, but rather one that is reachable to everyone. Airlines have increased the number of seats per aircraft and have decreased legroom per seat. On average, legroom and seat width has decreased from 5cm to 10cm in the past 30 years and more people are being packed in the same space. (Telegraph, 2018)

On top of that, extra services from baggage handling to a glass of water on board have an additional cost for short flights. That means that if you have a carry-on and hopefully do not get thirsty, you can often get a great deal for a flight.

The increase in flight demand is also triggered from the supply of connecting flights. As more non-stop routes have opened, consumers can fly a shorter flight where they do not have to wait in airports during long layovers.

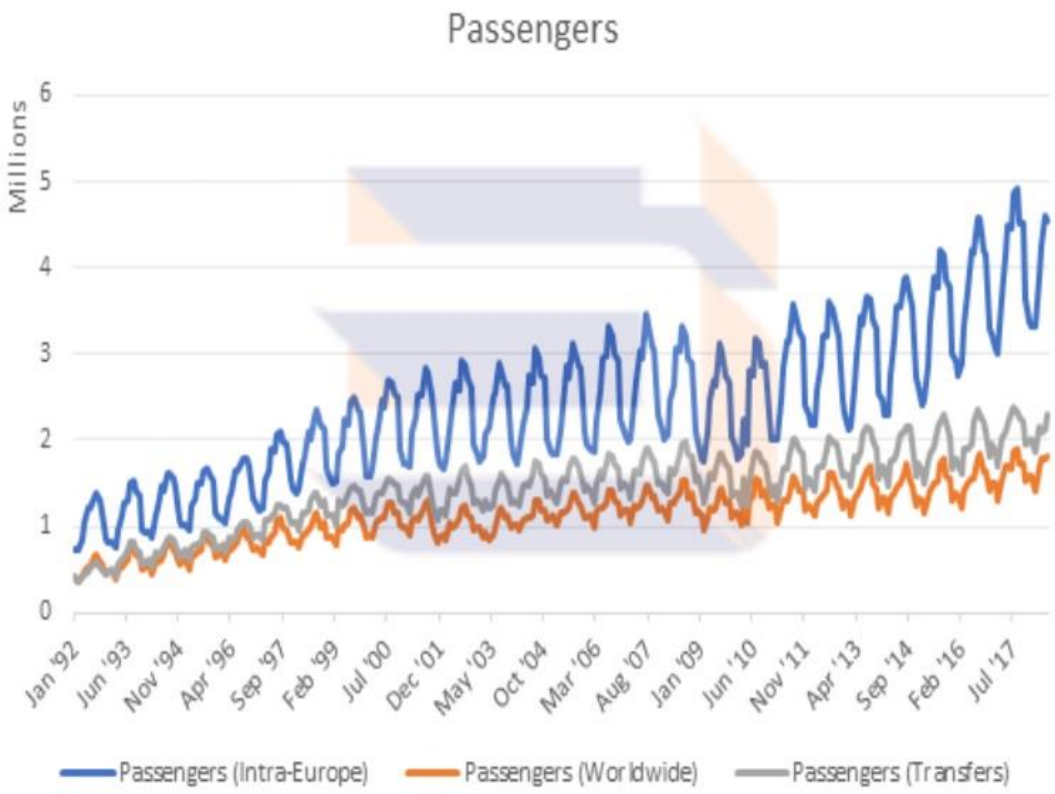
2. Data and Insights

Data is retrieved from Schiphol Statistics and it contains information on passengers and flights going through Schiphol every month since 1992 until July 2017. Passengers travelling within Europe have the largest share and also the highest volatility.

The data on transit passengers and those who travel outside of Europe used to follow the same trend until 1995. The divergence from this point corresponds with the time when Departure 3 was finalized, allowing for more international flights with a layover in Amsterdam and more transit passengers.

Summer holidays have the highest peaks and these peaks are repeated yearly. July and August are the preferred months to travel, while January and February are the least preferred ones. With respect to world-wide travelers, May scores a higher number of passengers than June and it might be due to a high number of bank holidays during this month, which travelers like to combine it with their holiday leave.

Figure 1: Passengers travelling through Schiphol every month since January 1992

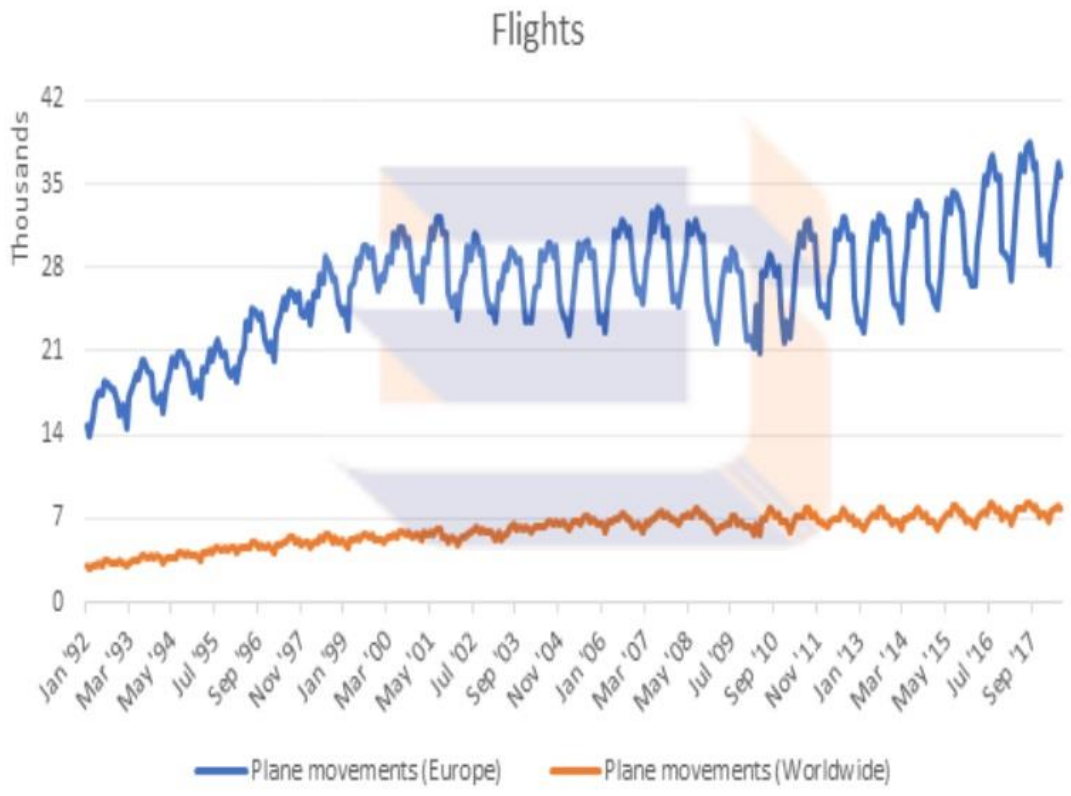


In the Figure 2 below, we notice that the number of *flights* arriving and leaving to ***worldwide*** destinations has not increased at a comparable rate to that of the *passengers* leaving to world-wide destinations (Figure 1). Remarkably, its trend is also relatively flatter with smaller peaks during holiday season.

Compared to February 2017 , in July there was a 29% increase in the number of ***worldwide*** flights and a 44% increase in the number of passengers.

Compared to February 2017 , in July there was a 43% increase in the number of *European* flights and a 60% increase in the number of passengers.

Figure 2: Flights leaving and arriving in Schiphol every month since January 1992



This data shows that the number of passengers per intra-European flight is much more volatile than the number of passengers per worldwide flight. In Figure 3 we see that number of passengers per worldwide flight is reaching a steady state with very little variability amongst seasons.

Demand for such long flights ought to be much better calculated as the cost of having a free seat is higher for worldwide connections. Due to longer distances, higher travel prices condition movements of demand for long flights and make it easy to calculate passengers per flight.

Figure 3: Average number of passengers per flight in Schiphol every month since January 1992

3. Conclusion

The number of air passengers has increased at an increasing rate during the past thirty years. Competition, increase in technology and oil prices have pushed the fare prices down, making flying affordable to more people.

Airlines are buying more jets and increasing capacity per plane in order to meet the increasing demand. Summer holidays remain the favorite time for passengers to travel while the difference between low peak and high peak travelling is more visible in intra-European flights.

4. References

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