



*Market share analysis: international direct offer to and from Quito's International Airport Mariscal Sucre (2017-2019)*

*Análisis de participación de mercado: oferta directa internacional desde y hacia el Aeropuerto Internacional Mariscal Sucre de Quito (2017-2019)*

*Análise de participação de mercado: oferta internacional direta de e para o Aeroporto Internacional Mariscal Sucre de Quito (2017-2019)*

María Gracia Ribadeneira-Páez <sup>I</sup>

[mgrp1897@gmail.com](mailto:mgrp1897@gmail.com)

<https://orcid.org/0000-0001-7654-2947>

Oswaldo Sebastián Vega-Pérez <sup>II</sup>

[sebastian.vega925@gmail.com](mailto:sebastian.vega925@gmail.com)

<https://orcid.org/0000-0003-0096-5219>

Jonathan Luis Cruz-Pierard <sup>II</sup>

[jonathan.cruz@ute.edu.ec](mailto:jonathan.cruz@ute.edu.ec)

<https://orcid.org/0000-0002-6960-2662>

**Correspondencia:** [mgrp1897@gmail.com](mailto:mgrp1897@gmail.com)

Ciencias económicas y empresariales  
Artículo de Investigación

\***Recibido:** 30 de enero de 2021 \***Aceptado:** 17 de febrero de 2021 \* **Publicado:** 20 de marzo de 2021

- I. Licenciada en Administración de Empresas Turísticas y Conservación Ambiental, Investigador Independiente, Quito, Ecuador.
- II. Magister en Mercadotecnia, Ingeniero en Gestion Turistica y Preservacion Ambiental, Docente Universidad UTE, Quito, Ecuador.
- III. Magister en Gestión Turística, Licenciado En Administracion de Empresas de Turismo, Docente Universidad UTE, Quito, Ecuador.



## Abstract

This research work has a qualitative, exploratory and descriptive approach that develops the evolution presented in the number of airlines operating to and from Quito's Mariscal Sucre International Airport (AIMS) during 2017-2019, with direct international destinations, operated by airline and the market share, for each of them, in order to dimension the size of the international offer and identify the market leader during the selected period of time, along with behavior, as well as the appearance of new airlines in the international market.

**Keywords:** Market share; international routes; international offer; airlines; airport; market.

## Resumen

Esta investigación se ha desarrollado a través de un enfoque cualitativo, exploratorio y descriptivo, presenta la evolución en el número de aerolíneas que operan desde y hacia el Aeropuerto Internacional Mariscal Sucre (AIMS) de Quito durante 2017-2019, con destinos internacionales directos, operados por aerolínea y la cuota de mercado, para cada una de ellas, con el fin de dimensionar el tamaño de la oferta internacional e identificar al líder del mercado durante el periodo de tiempo seleccionado, junto con el comportamiento, así como la aparición de nuevas aerolíneas en el mercado internacional.

**Palabras clave:** Cuota de mercado; rutas internacionales; oferta internacional; aerolíneas; aeropuerto; mercado.

## Resumo

Este trabalho de investigação tem uma abordagem qualitativa, exploratória e descritiva que desenvolve a evolução apresentada no número de companhias aéreas que operam de e para o Aeroporto Internacional Mariscal Sucre de Quito (AIMS) durante 2017-2019, com destinos internacionais directos, operados por companhia aérea e a quota de mercado, para cada uma delas, a fim de dimensionar a dimensão da oferta internacional e identificar o líder de mercado durante o período de tempo seleccionado, juntamente com o comportamento, bem como o aparecimento de novas companhias aéreas no mercado internacional.

**Palavras-chave:** Quota de mercado; rotas internacionais; oferta internacional; companhias aéreas; aeroporto; mercado.

## Introduction

According to the Oxford University Press (2020), market share is defined as the number of products that are sold by a company compared to the total sales of the same product in the entire market. However, Gonzales (2013), identifies the market in the airline industry by origin-destination routes, considering a company as dominant if it has a relevant presence in the market, which refers to air transport through scheduled flights, in a certain origin-destination. Likewise, there are several ways to measure market share, being one of them the revenue per route and per month or the estimate based on the passengers transported, including the use of mechanisms to strengthen a company's dominant position in the market, as it is the case of predation, where a company significantly reduces its prices, even setting them lower than their costs, to intimidate the competitor.

Likewise, according to Rosales Tapia (2015), the international airlines' offer is defined as the air operators that provide a similar or equal service on the same route, identifying themselves as direct substitute suppliers. In addition, airlines or air operators are specified as those companies of commercial air services of public transport legally authorized in a specific country (Aeronáutica Civil- Unidad Administrativa Especial, n.d.).

On the other hand, Quito's International Airport Mariscal Sucre was built in 1935 in the northern part of the city with the presence of a rudimentary infrastructure that in 2013 was moved to the rural zone of Tababela to begin operations after the delivery of concessional and operational contracts for the new airport, signed in between Canadian Commercial Corporation [CCC] and the Quito Airport and Free Zone Corporation [Corpaq] (Quito International Airport, 2019; being Quiport S.A the enterprise in charge of the administration of this airport in terms of development, financing, construction and operation (Aeropuerto Internacional de Quito, n.d.). In the same way, this airport has a percentage of 99.5% operating time and a maximum capacity for 5 million passengers (Empresas Metropolitanas, 2017, Quito International Airport, 2019), in addition of handling a Category II within the Instrumental Landing System established by the International Civil Aviation Organization [ICAO], reflecting its high safety and 99% effectiveness. (Quito Airport, 2019). Being awarded by the Skytrax Awards certifications in: 4 stars for quality of service, best regional airport in South America and best airport staff in South America during 2017, 2018 and 2019 (Quito Airport, s.f).

Therefore, the objective of the research is based on determining the size of the international offer and identifying the market leader of this airport during the selected study period, under the identified problem of the studies' shortage carried out regarding to the airlines' market share that operates at this airport.

## **Methodology**

For this research, the qualitative approach has been used as the most appropriate to make a detailed description of the object of study. Complemented with the use of exploratory research, which allows the development of inquiry about problems or topics of little knowledge and general depth, using an innovative and different approach that helps to familiarize information and concepts, as well as being the base for future investigations; and the descriptive research that allows to analyze secondary data in a qualitative way to facilitate the specification of characteristics about the object of study.

On the other hand, the research method used was the synthetic one, by integrating the disaggregated components of the object of study to address them in their entirety, and the inductive method to produce general conclusions, by the use of reasoning, of individual ones on a certain topic.

Likewise, the review of secondary sources of bibliographic information was used as the designated technique to support the theoretical basis of the research, in terms of the number of airlines, number of direct international routes and market share per airline.

Therefore, the information's collection, review and selection to support the results of the investigation was carried out based on the information available on each airports' official web site, publications related to the topic and official international air organizations, such as: ICAO and General Civil Aviation Directions.

## **Results and discussion**

The results obtained during the investigation for the Mariscal Sucre International Airport are presented and analyzed below:

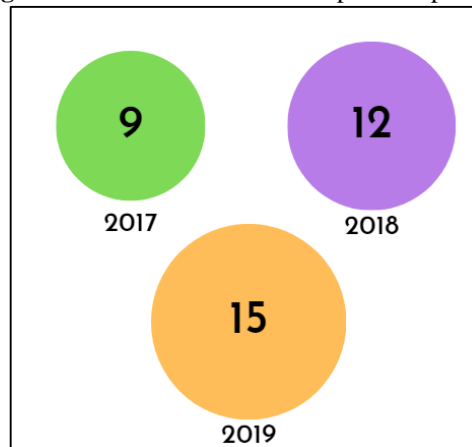
*Number of international routes operated per airline*

Regarding to the number of routes that each airline operates with direct international flights, those that have connections in cities within or outside Ecuador have not been taken into consideration, also discarding those flights operated with shared codes, which means two airlines sell the same flight, being one the operator and the other the marketing, meaning that the last one sells seats with its own code and flight number (Cambridge Univeristy Press, 2020).

Also, it is important to mention that the information below takes into account the number of international flights per airline regardless of whether one or more airlines operate the same destination.

In addition, to facilitate the dimension of the size of the offer, it is necessary to identify the number of airlines with direct international operation to and from the Mariscal Sucre International Airport for each of the years of study, identifying the existing variation between them, which the corresponding figure will present below.

**Figure 1:** Number of airlines in operation per year

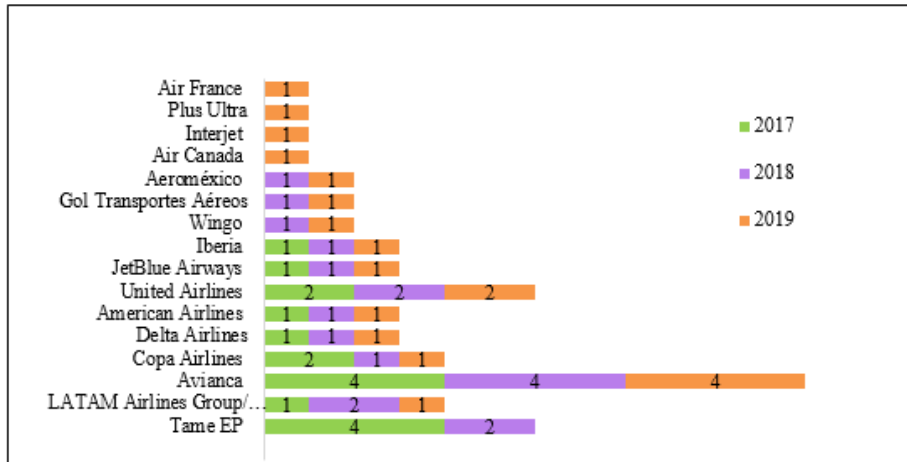


**Source:** Adapted from “Conectividad aerocomercial internacional: Análisis comparativo- Aeropuerto Internacional Mariscal Sucre frente a El Dorado y Arturo Merino Benítez” by Ribadeneira Páez, M., Vega- Pérez, S. & Cruz- Pierard, J. (2021), *Dominio de la Ciencias*, 7(1), p. 815.

Therefore, figure 1 shows that in 2017 Quito’s airport had international routes operating in 9 airlines, a number that increased for 2018 with the add of 3 new airlines, resulting in 12 active ones and that for the 2019 became 15 due to the increase of 4 more and the reduction of an airline that stopped operating for that year (Ribadeneira Páez, Vega- Pérez & Cruz- Pierard, 2021).

On the other hand, figure 2 determines the number of direct international routes actively operated in the study period by each airline to and from the Mariscal Sucre International Airport. Obtaining as a total result of 17, 18 and 19 routes, respectively, distributed in the number of airlines presented in figure 1.

**Figure 2:** Number of international direct destinations operated per airline- Mariscal Sucre International Airport (2017-2019)



Source: Authors, 2020

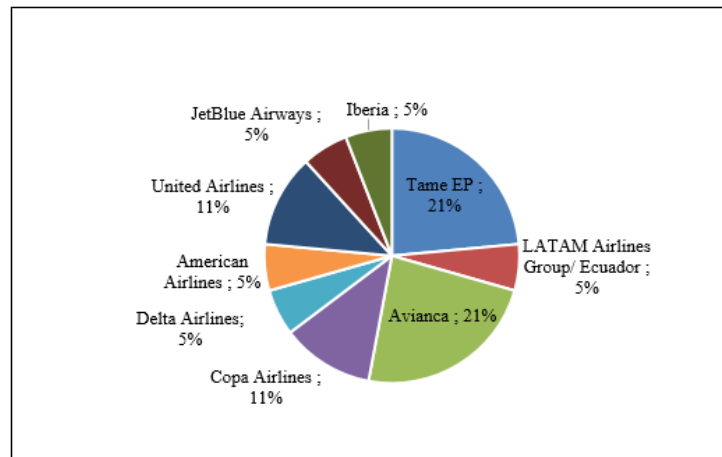
The previous figure, shows that Avianca maintained the largest number of international operations with the biggest number of direct international routes to and from Quito's airport during the study period, with 4 constant destinations each. While, for 2018, Aeroméxico, Gol Transportes Aéreos and Wingo entered the market, starting their operations with one destination each and for 2019, Air France, Plus Ultra Líneas Aéreas, Interjet and Air Canada did so too, also with one destination each. However, Copa Airlines went from handling 2 destinations in 2017 to one in the following two years and Tame EP, due to the business restructuring process in which it was immersed, went from being the airline that operated the most destinations, along with Avianca in 2017, to reduce its operations in 2018 and suspend them in 2019.

### Market share per airline

For this reason, in order to deepen the analysis on the market share by airline, the market share during 2017, 2018 and 2019 is presented below, starting with 2017.



**Figure 3:** Market share per airline – Mariscal Sucre International Airport (2017)

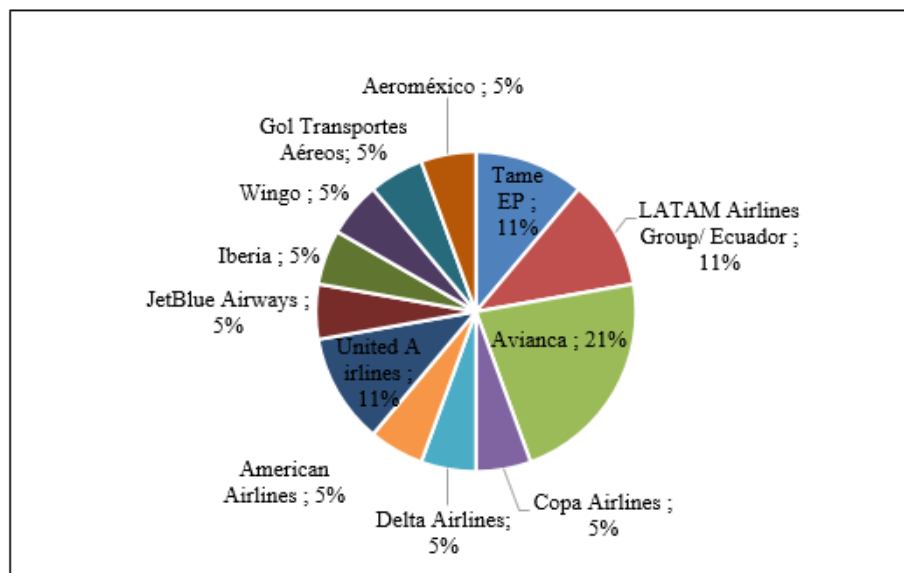


Source: Authors, 2020

In figure 3, the market share for 2017 is led by: Tame EP, Ecuador's flag airline until 2020, and Avianca, Colombia's flag airline, with 21% each, followed by Copa Airlines and United Airlines with the 11% each and the 5% for the remaining airlines each one.

In the same way, the following figure shows below the same market share relationship by airline for 2018.

**Figure 4:** Market share per airline – Mariscal Sucre International Airport (2018)



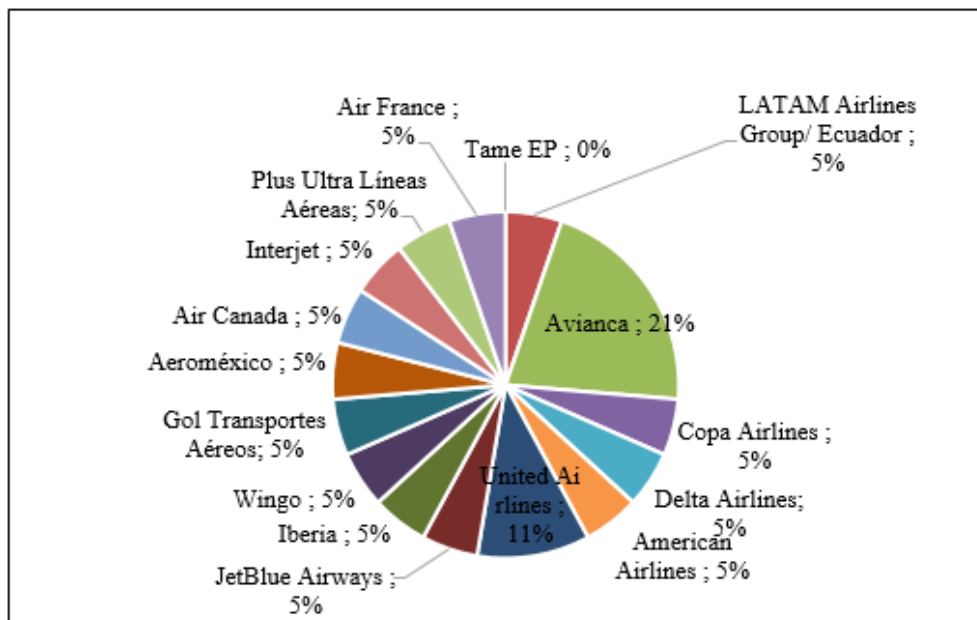
Source: Authors, 2020



However, for this year, the market share leadership remained in Avianca only, with 21% and 4 routes, differently from Tame EP, who reduced its participation to 11% due to a decrease of 2 routes, as it can be observed in figure 2. At the same time, United Airlines' market share remained and LATAM Airlines Group / LATAM Ecuador's increased to 11% thanks to the adding of one route. Likewise, for this year three new airlines came into operation: Aeroméxico, Wingo and Gol Transportes Aéreos, with one route each, sharing a 5% stake respectively along with the other three airlines that already operated last year.

In the same way, and as for the other two years, the figure below also shows the market share by airline for 2019, the last year of the period selected for the study.

**Figure 5:** Market share per airline – Mariscal Sucre International Airport (2019)



Source: Authors, 2020

Likewise, in 2019 the Avianca airline sustained its leadership in the market with 21% on its 4 regular routes, followed by United Airlines with 11%, reflected on its 2 regular routes. At the same time, for this year four new airlines started operation: Air France, Plus Ultra Líneas Aéreas, Interjet and Air Canada, maintaining a 5% stake each in conjunction with those that already operated last year. However, in the case of Tame EP, for 2019 its international operation was suspended due to its business restructuring and goal of strengthening its domestic operation and LATAM Airlines Group/ LATAM Ecuador presented a decrease in its participation due to the reduction in the

number of routes handled in comparison to the previous year, which became one, as shown in figure 2.

Once the results of the research have been exposed, it agrees with the specification made by Gonzales (2013), regarding the size of the air market based on the routes operated from an origin to a specific travel destination, evidenced in the number of international routes, for each of the years of study, operated at the Quito airport.

In addition, the existing concordance between what is proposed by Rosales Tapia (2015), in terms of the offer, stands out as correct, when approaching it from the point of view of air operators such as companies that provide a similar service within the same route, where, the determination of the market size, based on the offer, considering the number of airlines and routes operated, helped to identify the airlines with the largest market share in each of the years of the study and its behavior.

## **Conclusions**

Synthetizing, based on the study carried out, despite of the reduction of operation and the exit of Tame EP from the international market for 2018 and 2019 respectively, and the decrease in LATAM's offer for the last year analyzed, the size of the offer was not affected because the decrease in routes presented were replaced by the number of airlines that entered the market.

Likewise, it was evidenced that the international offer with direct flights to and from the Mariscal Sucre International Airport is quite limited in relation to the number of routes operated by airline, reflecting it on the fact that the result, in terms of market leadership, was sustained only with 4 regular international routes, giving the 21% of stake to Avianca.

In addition, since the offer is very segmented, the difference in a single route can easily generate a second place in the market share on this airport, as in the case of United Airlines, which by staying with 2 regular routes for each of the study's years, it makes the difference from the others that maintained a single route in operation, representing 5% of participation.

## **Referencias**

1. Aeronáutica Civil- Unidad Administrativa Especial. (s.f.). Glosario. Retrieved from <http://www.aerocivil.gov.co/atencion/informaci%C3%B3n/glosario>
2. Aeropuerto Internacional de Quito. (2019). Conozca su aeropuerto. Retrieved from <https://www.aeropuertoquito.aero/es/conozca-su-aeropuerto.html>

3. Aeropuerto Internacional de Quito. (2019). El aeropuerto de Quito es el primero en el país en obtener categoría II en el sistema de aterrizaje instrumental de baja visibilidad. Retrieved from <https://www.aeropuertoquito.aero/es/noticias-del-aeropuerto/495-el-aeropuerto-de-quito-es-el-primero-del-pais-en-obtener-categoria-ii-en-el-sistema-de-aterrizaje-instrumental-en-condiciones-de-baja-visibilidad.html>
4. Aeropuerto Internacional de Quito. (2019). Historia. Retrieved from <https://www.aeropuertoquito.aero/es/historia->
5. Aeropuerto Internacional de Quito. (n.d). Corporación Quiport. Retrieved from <https://www.aeropuertoquito.aero/es/corporacion-quiport.html>
6. Aeropuerto Internacional de Quito. (n.d). Reconocimientos. Retrieved from <https://www.aeropuertoquito.aero/es/premios-y-reconocimientos.html#:~:text=Mejor%20Aeropuerto%20Regional%20de%20Sudam%20C3%A9rica.,-Skytrax%20World%20Airport&text=Trofeo%20Beyond%20Success%20a%20Salas,A m%20C3%A9rica%20Latina%20y%20el%20Caribe.>
7. Cambridge University Press. (2020). Codeshare. Retrieved from <https://dictionary.cambridge.org/es/diccionario/ingles/codeshare>
8. Gonzales, A. (2013). Estudio sobre el Mercado Aéreo de Transporte de Pasajeros en Latinoamérica. Recuperado de <https://www.fne.gob.cl/wp-content/uploads/2013/09/Airport-Study-260212-CRCAL.pdf>
9. Empresas Metropolitanas. (2017). Quito cuenta con un nuevo aeropuerto Internacional y su certificación de operación. Retrieved from <https://www.trolebus.gob.ec/index.php/noticias/noticias-2/143-quito-cuenta-con-un-nuevo-aeropuerto-internacional-y-su-certificacion-de-operacion#:~:text=Quito%20cuenta%20con%20un%20nuevo%20aeropuerto%20internacional%20y%20su%20certificaci%C3%B3n%20de%20o>
10. Oxford University Press. (2020). Market Share. Retrieved from <https://languages.oup.com/google-dictionary-en/>
11. Ribadeneira Páez, M., Vega- Pérez, S. & Cruz- Pierard, J. (2021). Conectividad aerocomercial internacional: Análisis comparativo- Aeropuerto Internacional Mariscal

Sucre frente a El Dorado y Arturo Merino Benítez. Dominio de las Ciencias, 7(1). 810-831 Retrieved from <https://www.dominiodelasciencias.com/ojs/index.php/es/article/view/1742/3458>

12. Rosales Tapia, S. (2015). Estudio de Mercado de Transporte Aéreo de Pasajeros, año 2011-2014. Retrieved from <https://www.scpm.gob.ec/sitio/wp-content/uploads/2019/03/Estudio-AEREO-VERSIN-PUBLICA.pdf>

© 2020 por los autores. Este artículo es de acceso abierto y distribuido según los términos y condiciones de la licencia Creative Commons Atribución-NoComercial-CompartirIgual 4.0 Internacional (CC BY-NC-SA 4.0) (<https://creativecommons.org/licenses/by-nc-sa/4.0/>).