



The 19th International Air Transport Forum

October 27, 2021

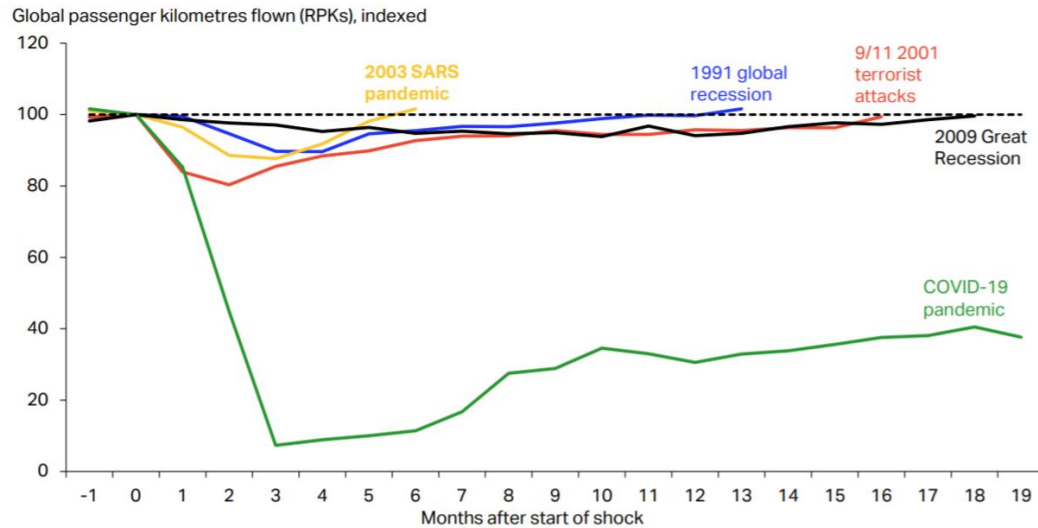
**“Airline’s Strategy Transformation in a
New Reality”**

Finnair, VP Market Management
Mikko Turtiainen

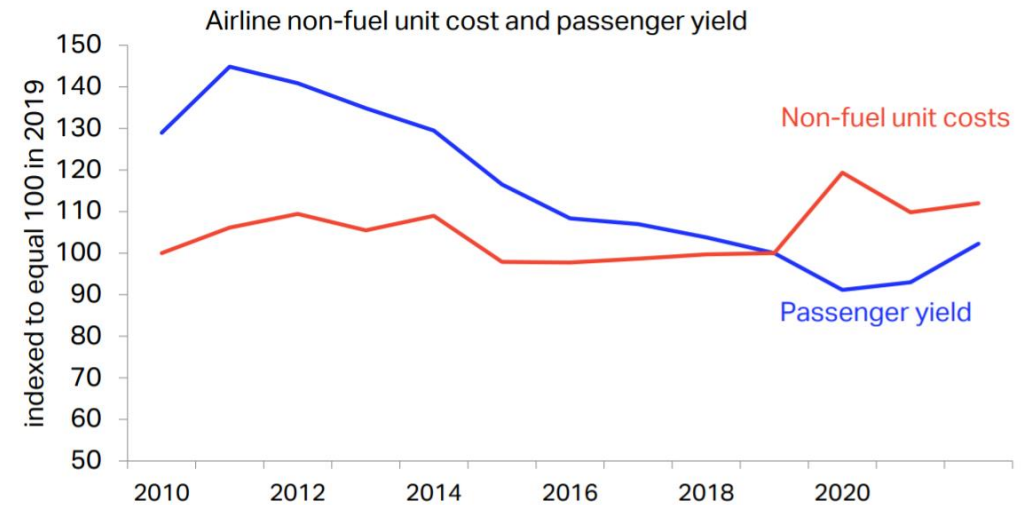


Why is **transformation** needed?

COVID-19 is the biggest and longest shock to hit aviation
Previous shocks cut 5-20% from RPKs and recovered after 6-18 months



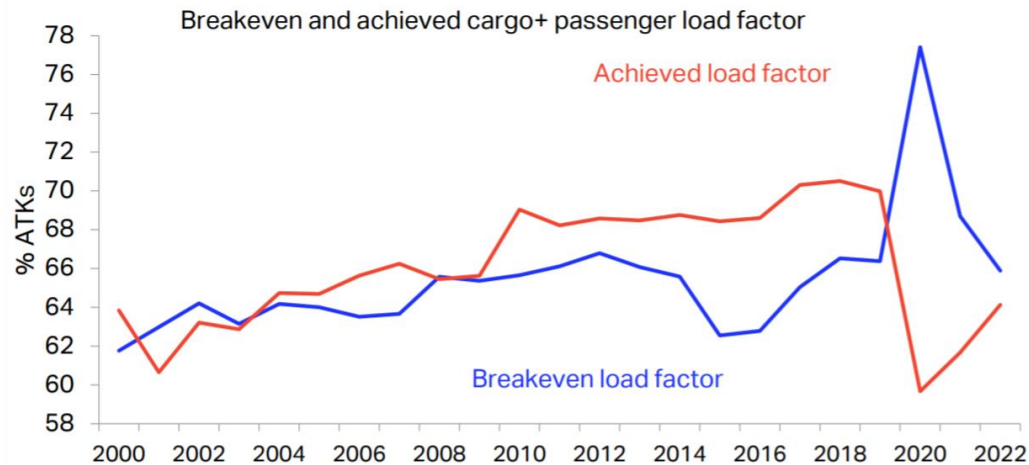
Unit costs will continue to surpass passenger yields
Passenger yields are expected to rise both in 2021 and 2022



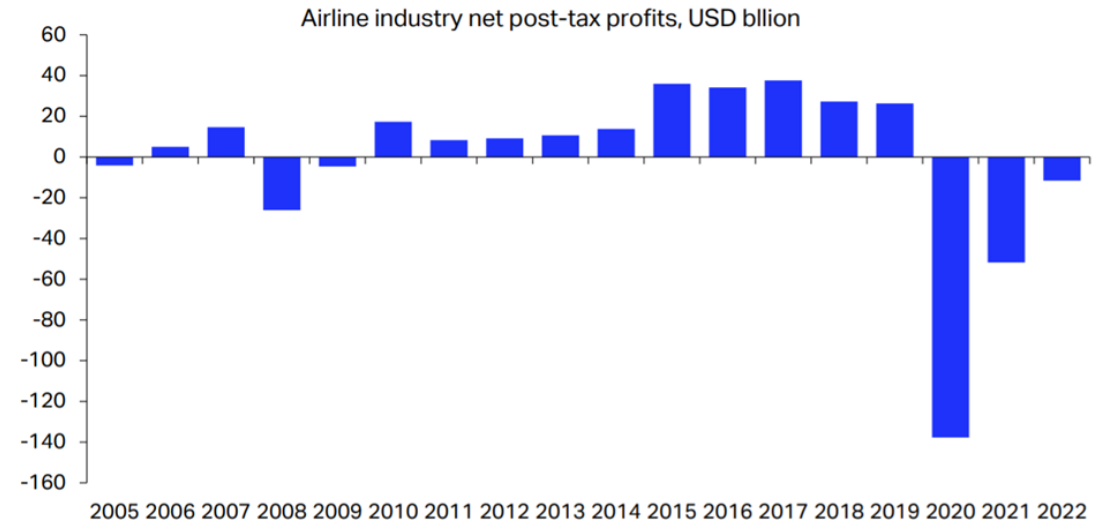


Why is **transformation** needed?

Load factors will improve but still below break-even level
Passenger load factors is expected to recover to 75% in 2022

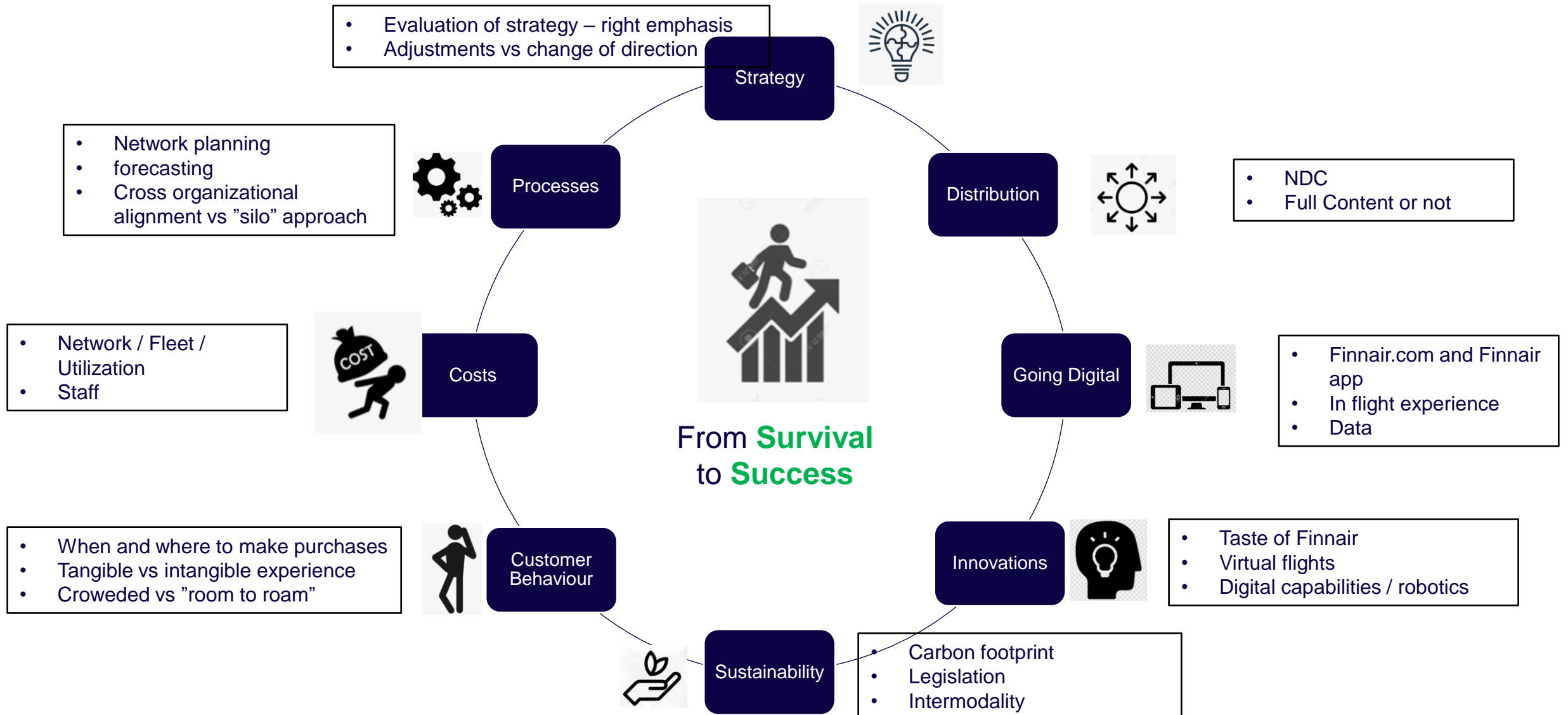


Return to profitability will be delayed another year...
With gradual traffic recovery, 2022 another year of loss

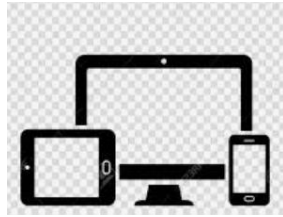


OK, transformation, but **where** and **how**?

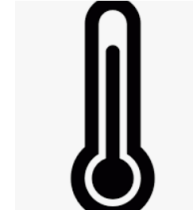
Short term vs long term?



Travel of tomorrow, some thoughts



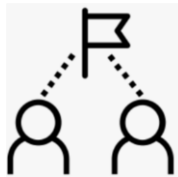
In the world of digital acceleration, expectations of the customer
"think we're connected now, just wait..."



The environment and travel chain from a health view
(home – taxi/Bus/train – airport – taxi/bus/train – accomodation – stay at destination with restaurants, activites etc – travel pass)



Individual travel vs group travel



Competition will be intense



Readiness to take the "extra star"



Building and maintaining customer trust