

Philip Hofbauer

Market leadership in niche segments of the aviation industry. Customer integration and aircraft innovation by EMBRAER S.A.

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Bibliographic information published by the German National Library:

The German National Library lists this publication in the National Bibliography; detailed bibliographic data are available on the Internet at <http://dnb.dnb.de> .

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Imprint:

Copyright © 2006 GRIN Verlag
ISBN: 9783668194045

This book at GRIN:

<https://www.grin.com/document/85550>

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Hochschule Fulda – University of Applied Sciences
Department of Business

Bachelor Thesis in International Management

**Market leader in niche segments of the aviation industry through
customer integration and aircraft innovations with focus on
EMBRAER S.A.**

By Philip Hofbauer

05.07.2006

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Abbreviations and glossary of aviation terms

AEW&C – Airborne Early Warning and Control

Aircraft productivity – average aircraft block speed multiplied by its maximum payload in tons equals ton kilometers per hour or multiplied with seat capacity equals seat kilometers per hour

Aircraft utilization – average number of block hours that an aircraft is used on a daily or annual basis

Available seat kilometers (ASK) – multiplied number of seats available for sale on each flight with the distance in km flown

Available ton kilometers (ATK) – multiplied available ton capacity for passengers and freight on each flight with the distance in km flown

Block time – is the time in hours from the point when an aircraft leaves its gate or stand until it arrives at its gate or stand at its final destination

Break-even load factor – is the required load factor in per cent at a given average fare or yield to generate total revenue that equals total operating costs

COIN – Counter-insurgency operations

Direct Operating costs per ATK – obtained by dividing total direct-operating-costs by total ATKs

e.g. – *exempli gratia, Latin*; for example, for instance, *English*

Embraer - Empresa Brasileira de Aeronáutica S.A., founded in 1969

FAB - Força Aérea Brasileira, *Portuguese*; Brazilian Air Force

GDP – Gross Domestic Product = consumption + investment + government spending + (exports – imports)

IATA – International Air Transport Association

LCC – low-cost-carrier: low cost airlines that use yield management to achieve profits while offering very low fares on some seats. Primarily established in the US and Europe.

Narrow-body aircraft – aircraft with one aisle in the main cabin
(e.g. Airbus A320)

p.a. – per annum, *Latin*; per year, *English*

Regional aircraft – jet or turbo-prop engine aircraft with around 20 to 100 seats normally used on distances between 300 and 1.500 kilometers.

Revenue passenger kilometers (RPKs) – number of paying passengers divided by the distance flown. Measure of airline traffic.

RJ – Regional jet

S.A. - sociedade anônima, *Portuguese*; This translates literally in all languages mentioned as *anonymous company* or *share company* and generally designating corporations.

SIVAM - Sistema de Vigilância da Amazônia, *Portuguese*; Amazon Surveillance System

Structural design efficiency (SDE) – Maximum payload divided by operating empty weight

Turbojet – air is pressurized and overheated with a fuel ignition to produce a high-velocity gas stream that offers net thrust, if its velocity is higher than the aircraft's velocity .

Turboprop – a gas-turbine engine is optimized to produce rotating shaft power to drive a propeller, instead of thrust from the exhaust gas.

Turnaround time – time in minutes that is needed to accomplish all needed tasks to make an airliner ready for take-off after arrival at a destination. Less time on the ground means higher productivity and utilization which keeps costs per ASK low.

Wide-body aircraft – aircraft with two aisles in the main cabin
(e.g. Boeing 777)