

**COMPETITIVE ADVANTAGES OF AIRBUS IN THE AEROSPACE
INDUSTRY**

THESIS

**Presented as Partial Fulfillment of the Requirements for the Degree of
Sarjana Ekonomi (S1)**

**in International Business Management Program Faculty of Economics
Universitas Atma Jaya Yogyakarta**



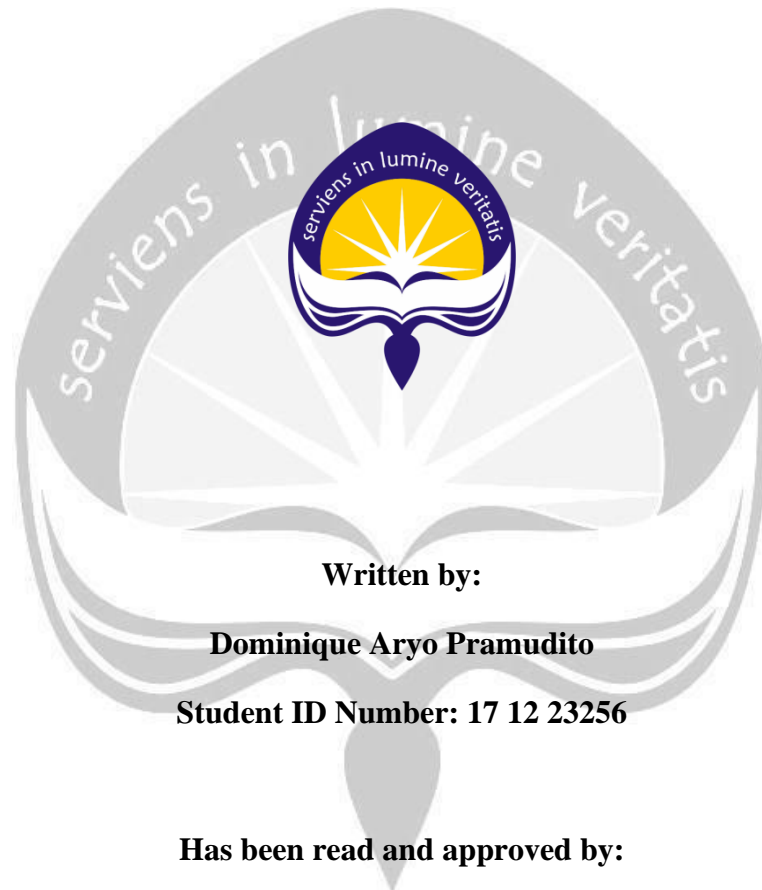
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Thesis

**COMPETITIVE ADVANTAGES OF AIRBUS IN THE AEROSPACE
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Northampton, 22 April 2021



UNIVERSITAS ATMA JAYA YOGYAKARTA
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Letter of Statement

No. 863/J/I

Based on the Thesis Defense results that has been held on Wednesday, 7 April 2021 with the following examiners:

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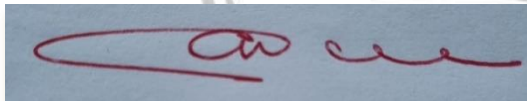
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STATEMENT OF THESIS AUTHENTICITY

I, the author of this business project, entitled:

COMPETITIVE ADVANTAGES OF AIRBUS IN THE AEROSPACE INDUSTRY

is my own writing. The part of my writing does consists of others writing that I have cited and mentioned in references. I would like to take full responsibility of losing my degree that has been given by Universitas Atma Jaya Yogyakarta, if I have done plagiarism on this research.

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Dominique Aryo Pramudito

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Abstract

Airbus was founded by the merging of numerous European aircraft manufacturers. As the competition in the aerospace industry is fierce. To understand Airbus's position in the industry, an external point of view regarding the company strategy's potential profitability needs to be assessed, by utilizing Porter's five forces. To fully grasp a thorough assessment of the company, the internal capabilities of Airbus needs to be analyzed by using VRIO analysis. Airbus's profitability should also be in accordance with its duty to contribute and be socially responsible, as a member of society. Therefore, Carroll's Pyramid of CSR needs to be implemented to assess the contribution of Airbus to the society.

Keywords: Airbus, external point of view, Porter's five forces, internal point of view, VRIO analysis, socially responsible, Carroll's Pyramid of CSR.

CHAPTER 1

INTRODUCTION

Airbus was founded in 1970 as a formation of European aviation companies to compete with McDonnell Douglas, Boeing, and Lockheed (Heppenheimer, 2009). The formation occurred due to the small sized production order from even the most successful European aviation company, despite their innovation and advanced technology (Nichols, 2001). Airbus was initially owned by Deutsche Airbus (Germany) and Aérospatiale (France), each owning 50% of the shares (Flight International, 1997). The name “Airbus” came from a term used by airlines in the 1960s to refer to a commercial aircraft of a certain size.

Currently headquartered in Leiden, Netherlands, Airbus main offices are also located in other European nations, such as in Madrid, Spain, and in Toulouse, France. Additionally, Airbus’s production lines are also located in the U.S., China, and Canada. The production systems are interconnected and Airbus’s airplane components that are made in the production line in other countries can be flown to the final production line in other countries, France (Airbus, 2016).

Not only producing civilian aircraft, but Airbus also manufactures defence aircraft under Airbus military subsidiary. For the defence sector, Airbus also a part of European Fighter Project with other companies in Europe, the project resulted in the creation of Eurofighter Typhoon aircraft, and currently, Airbus holds the majority (48%) of the ownership of the manufacturing company of the Eurofighter (Eurofighter Typhoon | The world's most advanced fighter jet, n.d.).

Since the late 1990s Airbus has succeeded in making a place for themselves in the aerospace market and became one of the largest aircraft manufacturers in the world, surpassing Boeing, in sales, a position that had been unchanged since the 1950s

(Newhouse, 2008). Leading in aircraft technology since its debut in the industry, with the introduction of fly-by-wire technology, 2-person cockpit, etc, the position of leader in the passenger aircraft industry would not likely be challenged in the near future, except by Boeing, as Airbus's only capable competitor. Therefore, to sustain its current leadership in the aerospace market, it is crucial to gain an in-depth view of the company's competitive advantages and its effort to increase social impact.

The report consisted of two parts of discussion. Part 1 is dedicated to address two questions. First, analysis on how Airbus's business activity results in gaining competitive advantages. The aim of this is to demonstrate to what extent Airbus performance in the competitive landscape. Second, to focus on what the company should consider when trying to create positive social impact. Triple bottom line and stakeholder theory was used to explain social responsibility. Part 2 discussed the strategies to enhance Airbus's business, using established literature. And the conclusion would reflect the whole analysis process.

CHAPTER II

COMPARATIVE ADVANTAGE

Airbus brands are well known in the airline industry, they brand themselves as a company that delivers quality to the customer while staying true to their core values, such as customer focus, integrity, respect, creativity, reliability, and teamwork (airbus.com, n.d.). The organisation made a devotion to create top notch products and constantly ignites innovation to continuously improve their quality. It is crucial to know the competitiveness of Airbus in the aerospace industry market.

2.1 Airbus in the Aerospace Industry

The competition in the aerospace industry is fierce between Airbus and Boeing, as they are fighting for power. Despite the ongoing competition, both Airbus and Boeing in terms of sales are already at their maximum request order. Airbus recorded 6700 orders which is the same as 9 years of production, and Boeing recently closed their order of the 737 MAX aircraft with the total value of 27 billion euros, however, Airbus's order reached above Boeing's purchase order (Aerospace Technologies, 2020).

The two competitors, Airbus and Boeing, now are seeking to focus on **Aerospace maintenance industry** (services market) which is estimated at 2,600 billion USD in value in over the next twenty years, Airbus offers FHS program package to their customers for their A350 aircraft (Flight Hour Services, n.d) , meanwhile Boeing offered a similar approach with its "GoldCare" program for their 787 aircraft (Boeing 2011).

One of the strengths that an aerospace company has is in the simplicity of the supply chain, due to its relevance to the maintenance cost that the customers need to spend after purchasing the aircraft (Sia-Partner.com, 2018). Currently Airbus is offshoring 50% of its aircraft components, meanwhile Boeing at 70%. The lower the number of offshore products

means a better and simpler supply chain, this would add more benefit in the maintenance of the aircraft, and could lead to a lower cost of production (Sia-Partner.com, 2018).

Airbus currently aims to reintegrate certain in-house activities to eliminate excessive margins and to maintain their technological leadership (Airbus, n.d.).

2.2 External Point of View in the Aerospace Industry

To gain a better understanding of Airbus's position in the aerospace industry from an external point of view, Porter's five forces could be implemented. It is a good tool to be used to identify the company strategy's potential profitability (Mind Tools, n.d.)

- **Bargaining Power of Suppliers:** Airbus relies on a large global supply chain to support their production lines. 7700 suppliers are utilised as a part of the supply chain with most of them being major companies with financial clout and heavy influence such as Siemens, Honeywell, Rolls Royce, and other industrial partners (Airbus n.d). On the overall, the bargaining powers that these companies have is **low** since Airbus is a major buyer (Notes Matic, n.d.).
- **Bargaining Power of the Customers:** In the aerospace industry, the demands that the customers have are various and they often demand aircraft that have many technological advances, such as great fuel efficiency, and safety rating (AerospaceTechnology.com, 2020). Since in the industry there are only 6 companies that can be called a major player, and Airbus is on top of the list, it can be said that airbus has no major obstacle in delivering the customer's demands (Sia-Partner.com, 2018). However, due to the high demand and the constant updates of requirements by the customer's, it can be said that the threat is **moderate** for Airbus.

- **Threat of Substitutes:** The threat of substitutes is relatively **low**, even though the demand for excellent quality aircraft has kept growing, the companies that can deliver such products and can compete with Airbus are only a handful (Sia Partner 2018).
- **Threat of New Entrants:** The standards or barriers of entering the aerospace industry are high. For any companies that are trying to enter the competition needs to possess a large financial power and skilled human resources (Porter, 2008). Even if there are new companies that can accommodate all the requirements to enter the aerospace industry, the trust that customers must major brands such as Airbus, Boeing, and Bombardier, etc, is hard to compete (Schonland, 2020). Therefore, the threat of new entrants for Airbus is **low**.
- **Level of Competitive Rivalry in the Industry:** The competition in the aerospace industry has grown fiercely. The major players in the industry are fighting over technological leadership (Notes Matic n.d.). Therefore, the level of competitiveness in the industry is **high**.

2.3 Strategic Competitive Advantage Through Inside-Out Strategy

Airbus is using an **inside-out strategy**, due its emphasis on product quality, determined by its safety rating, meticulous supply chain, and their own technological innovation.

Airbus also has an advantage of having the **MRO (Maintenance Repair Operation)** networks across the globe and partnered with many airlines to operate the maintenance facilities.

By looking at Airbus's aim to simplify their supply chain to provide more value to the customers, it is crucial for airbus to focus more on their internal values. The tools that could be used by this company to analyse their internal capabilities is the VRIO analysis.

Resource within a company could be regarded as a strategic advantage if it provides the company with a long-lasting competitive advantage. To achieve the strategic competitive advantage, some conditions must be met (Barney, 2006).

Initially the method was developed by Barney, J. B. (1991) in his work 'Firm Resources and Sustained Competitive Advantage', where the author stated that a company should possess four attributes in their resources to become the source of sustained competitive advantages. He stated that a company's resources must be valuable, rare, imperfectly imitable, and non-substitutable.

- **Value:** The conditions that could give the company the greatest value is the one that have access to reach a wider range of markets and could provide the company's product value to the customer's perspective. Currently, one of the greatest values that Airbus has is the brand image (Beaugency, 2015). Recently, in the last few years, Airbus largest competitor, Boeing, are facing a major shake on their brand image, due to Boeing "737max" accidents that occur in a short span of time, this tragedy causes Boeing to lose their customer's confidence in the brand (Derrick, 2019).

Moreover, Airbus has one of the largest chain of **MRO** facilities all over the world, currently, the largest MRO facilities was built in Thailand in cooperation with Thai Airways to serve the large airlines market in South-east Asia (Sia Partner 2018) . Another value that Airbus has is their financial power that is allocated to the innovation R&D, to ensure Airbus's leading

position in the market, currently, Airbus allocated funds more aggressively compared to Boeing in the R & D sector (Duddu, 2020)

- **Rarity :** To achieve a strategic upper hand from other competitors, the resources and capabilities that are possessed by the company should not be held by other competitors (Beaugency, 2015). Boeing is the only major competitor that could threaten Airbus in the airline market, however, as an aeroplane manufacture company, there are a lot of similarities that the two companies have in their product. First, the engine that they use came from external manufacturers, and it is not uncommon that both Airbus and Boeing share the same engine brand (Rolls Royce, General Electric, etc), even though different models are used (Duddu, 2020.). However, what is inherently different in terms of products that came from the two companies are the patents that they filed (Beaugency, 2015). As previously mentioned, Airbus has allocated more financial resources than Boeing to the company's R & D department. This resulted in the higher numbers of patents that Airbus has, compared to Boeing, giving the possibilities of Airbus's technological upper hand.
- **Inimitability:** A competitive advantage would be lost if the valuable resources are easily reproduced and imitated by other competitors. The resources could be hard to be imitated if they are complex to be replicated (Barney, 1991), In the protection of legal property rights, such as patents (Wills, 2008), and lengthy imitation processes (Wills, 2008). As

previously mentioned, patents that Airbus has, currently one of the key factors that makes Airbus's products hard to be exactly imitated, due to patents that are embedded within the aircraft that Airbus produces (Beaugency, 2015).

- **Organization** : The way firms operate their business and connect their strategic and non-strategic resources could generate a competitive advantage to the company (Pan et al., 2007), and exploit the process of the organisation to create intermediate products between primary resources and the final product of the firm (Amit, 1993). Airbus has been regarded as one of the companies in the world that has an excellent supply chain. The production of one airplane, scattered around the globe, and yet Airbus managed to connect each of the factories into one system, and be able to manufacture and finalize the product in their assembly line, Airbus also managed to produce infrastructures for the purpose of delivering the components of an aircraft, such as the Airbus Beluga airplane (Moncenco, 2015).

CHAPTER III

AIRBUS SOCIAL IMPACTS

3.1 Airbus Considerations When Planning to Create Social Impacts

The importance of being environmentally sustainable, comes from the majority demand of the market (55%) that yearns for a sustainable travel choice (booking.com, n.d.), There has never been a large amount of demand for a sustainable-travelling, and the aerospace industry has set a series of plan to react to customers demand, and the needs of the world (Matic, 2020).

The aerospace industry is currently racing towards producing the most “fuel-efficient” aircraft. Airbus and its major competitor, Boeing, recently rolled out their new aircraft line-up that are claimed to be 30% more efficient in fuel consumption, compared to their model predecessor (Dean Group, 2019). This race in efficiency and sustainability could pave the way to a fully electric aircraft and secure a 70% lifecycle carbon-saving, when compared to normal fuel (Dean Group, 2019).

In the recent era, sustainable development has become the centre attention from a business point of view. The literal definition of sustainable development is a development process that can be done and continued either for good or for a certain time period (Stoddart, 2011), explaining such a need to take three pillars of sustainability ,“environment, society and economy” , into account (Mori, 2012).

The social pillar of sustainable development is the development of creating sustainable places that foster quality of life, understanding what people expect from either the places where they live and work (ADEC, n.d.). The UN Global Compact stated that social responsibility should be an important focus in every part of business, since it has a relationship towards the quality of a business’ relationships with their stakeholders (United

Nations, n.d). Social sustainability is a constructive approach to handle and identify market impacts on customers, workers in the value chain, local communities, and employees (ADEC, n.d).

Recently, Airbus's effort in creating sustainable development and social impact is focused in helping to improve and actualize the U.N's 17 SDG goals, which includes many sectors of impacts that could be applied in the society.

It is crucial for Airbus to have a good social sustainability, since it is linked to both the image of brand and product quality, if it is done poorly, it can be a major risk to a company's image, and the customer's trust towards the company (Greenwood, 2010). Outsourcing to production facilities with dangerous or inadequate workplace conditions may affect the reputation of a global company if an accident has occurred or if the word is to hit the news and consumers. Having sustainable and safer working conditions, good wages, and job security provides a more stable and secure supply chain (ADEC, n.d).

Regarding economic sustainability, it is an integral key to sustainability which ensures that resources should be used, safeguarded, and preserved to establish long-term environmental principles by optimum utilization, recovery and recycling (Rose, 2018).

Taking the three pillars of sustainability into account, Airbus should pay extra attention and emphasize its effort in managing their social impact to obtain the customer's trust in the brand (Greenwood, 2010). **The Stakeholder theory** Explained that companies had responsibility to fix social problems and environmental concerns (Ayuso, 2007). Currently, Airbus has implemented and integrated social responsibilities into their core business strategies.

3.2 Airbus Considerations and Efforts to Create Social Impact

It is certain that by creating a positive impact to society would benefit Airbus in many crucial aspects, such as an increase in the company's images, talent attraction, and customer retention, managing a business with a social impact is quite complex. Therefore, it is crucial for Airbus to include considerations, such as the social impact's scope, and the challenges in creating the impact to society.

3.2.1 The Scope of Social Impact

Carroll (1991) through the pyramid model of CSR considered social impact to be an integral part of corporate social responsibility. The theory suggests that a business that is socially sustainable, is obliged to generate profit, while considering the legal aspect of the society (government), uphold ethics in business conduct, and giving back to the society through an act of philanthropy.



Figure 3.1. Carroll's Pyramid of CSR, Source: Carroll, Archie. (2016).

To actualize the positive social impact of business, Airbus has implemented a set of CSR objectives to help to realize the U.N's 17 SDG goals. Airbus's effort in helping UN to actualize the SDG goals is also in correlation with Carroll's pyramid of corporate social responsibilities. The positive impacts that Airbus have made can also help them to improve their competitive advantages (Tonello, 2011).

Table 3.1. Airbus's contribution in UN's 17 SDG Goals

Carroll's Pyramid	SDG Goals	Airbus's effort	Comments
Legal Responsibilities	Goal number 9: Industry, Innovation & Infrastructure	Which is the effort to help tackle aircraft CO2 emissions	The effort that Airbus have done can be clearly seen in their recent effort to minimize fuel consumption in their latest aircraft variants, e.g A350 XWB and also leading in electric aircraft research through their "E-fan X project" (Vittadini, 2020). Although during COVID-19 the promising "E-Fan X" project was cancelled due to budget reallocating, the information that has been gathered are significant for Airbus's progress of decarbonation (Excell, 2020).
Ethical Responsibility	Goal number 13: Climate Action	Implemented by Airbus by promoting decarbonization and research in low-fuel consumption aircraft	

Philanthropic Responsibility	Goal number 4: Quality Education	Airbus's effort to increase its workforce skills and capabilities, and also provides access for younger generation to achieve education	<p>Airbus developed the "Airbus Leadership University", which is a global education network that provides training and education regarding technical and soft skill development to employees (Airbus, n.d.)</p> <p>Airbus also encourages young adults through their education programs to inspire them to understand the benefit of STEM (science, technology, engineering and mathematics) related careers (Airbus n.d.).</p>
Ethical Responsibility	Goal number 5: Gender Equality	Which promotes inclusion and diversity	As a major partner for its supplier, Airbus has the leverage and financial upperhand to influence its suppliers, which consist of many industries, to support Airbus to deliver and realize their plan to actualize 17 SDG goals (Katwala, 2017). The example of Airbus effort in collaborating through its suppliers to actualize SDG
Economic Responsibility	Goal number 17: Partnerships for the Goals	Which is Airbus effort to collaborating with other organizations to help to actualize the SDG goals	
Economic Responsibility	Goal number 12: Responsible Consumption & Production	The effort to reduce manufacturing footprint, promote conservation of resources and better manage the impact of industrial operations	

Legal Responsibility	Goal number 16: Peace, Justice & Strong Institutions	Which is basically an effort by Airbus to conform with the applicable law and actualizing legal responsibilities	goals can be seen through the "Supplier Code of Conduct " which consisted of points regarding health and safety, environmental protection, legal compliance, respect human rights, employment practices, etc (Open Access Government View on Airbus, 2021). Airbus also requires its suppliers to conduct responsible mining for collecting rare minerals. (Airbus, n.d.)
Ethical Responsibility	Goal number 8: Decent Work & Economic Growth	Airbus's effort to stimulate inclusive and sustainable socio-economic development	

The effort in implementing the SDG goals indicates Airbus efforts to be responsible in all four aspects of the Carroll's pyramids. Taking Airbus' ability to finance their goal and achieving their target into consideration, the SDG goals that Airbus aim to accomplish appear to be realistic.

However, the SDG goals that Airbus should take are those that are relevant to the business that Airbus engaged in, therefore, it enables Airbus to also gain the benefit for their business activities.

3.2.2 Airbus Consideration and Potential Challenges In Creating Social Impact

Actualizing social impact is quite challenging and complicated (Baur, 2016). For example, it is complicated for a company to create social impact within the supply chain, since it is hard to enable it to be clean and transparent, if it is done by involving many third-party/external suppliers. Fortunately, the majority of Airbus supply chain involves internal production lines (Mocenco, 2015). However, In the global sense, the supply chain is incredibly complex (Christopher, 2016).

And the challenges from external suppliers still exist and could jeopardize the Airbus effort to be clean and transparent in the supply chain. These challenges are coming from the needs of risk-sharing suppliers, and in the manufacturing process.

The complexity of the global supply chain that Airbus needs to tackle has already eased up by the interconnectivity of Airbus internal supply chain that is spread across the world (Airbus, n.d.). This enables Airbus to implement sustainability in its supply chain by being clean and transparent.

Reflecting on the increasing demand of sustainable modes of transportation, and based on the principle, Airbus have been focusing on improving environmental sustainability, and the supply chain sustainability. Recently, Airbus has implemented environmental responsibility in the finished product, additionally also across the entire life cycle of the product. The effort that Airbus has put in the life cycle products can be seen in the designing process, by allocating funds to R & D, and producing a fuel-efficient aircraft. Airbus also applies ISO 14001 to manage the footprint of Airbus's industrial operations. The application of ISO 14001 enables Airbus to manage the entire lifecycle of the products and its entire industrial operations. It also enables Airbus to do End-of-life recycling processes, that ensure Airbus to dismantle their aircraft in a way that maximizes reuse and recycling, and safe disposal of non-recyclable parts (Airbus, n.d). The Implementations of sustainable footprint end aircraft lifecycle enable Airbus to be responsible in ethical and economical manner, as Carroll (1991) has suggested.



Figure 3.2. Airbus product life-cycle, So(Airbus, 2021)

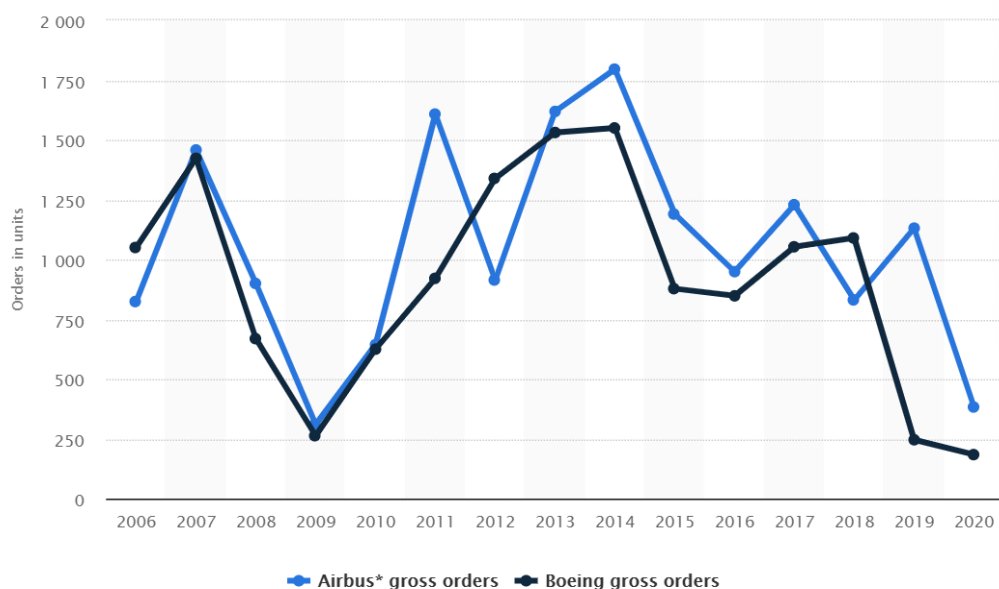
CHAPTER IV

AIRBUS'S STRATEGY

4.1 Airbus Considerations to Enhance Their Business

From Porter's five forces analysis that have been applied in part 1A, the highest threat for Airbus is in the competitive rivalry. Because the rivalry in the aerospace industry is fierce and the contestant is only a handful, Airbus needs to constantly have the technological upper hand and the market's trust in Airbus's brand (Schondland, 2020). Fortunately for Airbus, its biggest rival is only Boeing, the market is dominated by both companies. Therefore, it is crucial for Airbus to successfully compete with Boeing.

Recently, Airbus has become the leader in the aerospace industry, they have surpassed Boeing in terms of sales. From 2007 until 2016, Airbus received 9,985 aircraft orders, meanwhile Boeing at 8,978 (Morrison, 2020).

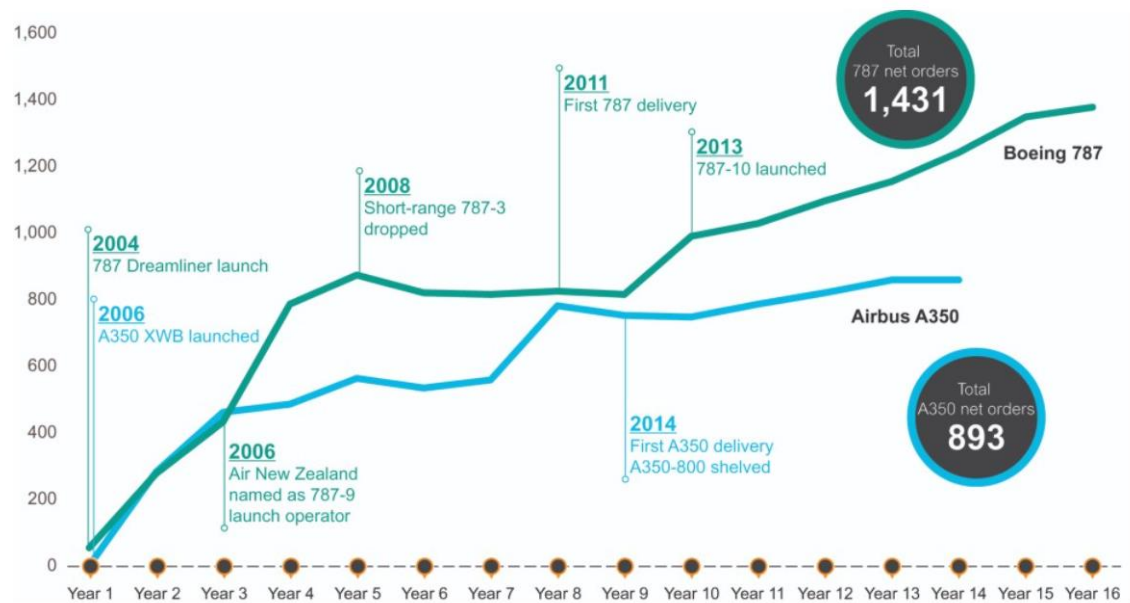


Graph 4.1. Airbus gross orders vs Boeing gross orders. Source: (statista.com, 2021)

On the other hand, the competition is tight between the two companies in the wide range aircraft market, when Boeing with their 787-10 “Dreamliners” aircraft is challenged head-on by Airbus, with the A350 XWB aircraft (Cummins, 2019).

In terms of specifications, the passenger capacity of A350XWB is much less compared to Boeing B787-10 (Cummins , 2019). This is a setback for Airbus because the market of wide body aircraft would prefer an aircraft with the most passenger capacity. This drawback was answered by Airbus by providing the A350XWB with much greater fuel capacity compared to the B787-10 aircraft. However, that does not change the fact that Boeing has the upper- hand and surpassed Airbus in the wide-body aircraft market since B787-10 is the most fuel-efficient aircraft currently produced (Cummins, 2019).

Since its release in 2006, Airbus has the trouble to passed or even match the number of B787-10 orders, which at 1,431 net orders from 2004 until 2020, meanwhile Airbus was struggling at 893 net orders since A350’s release in 2006 (Kingsley-jones, 2019)



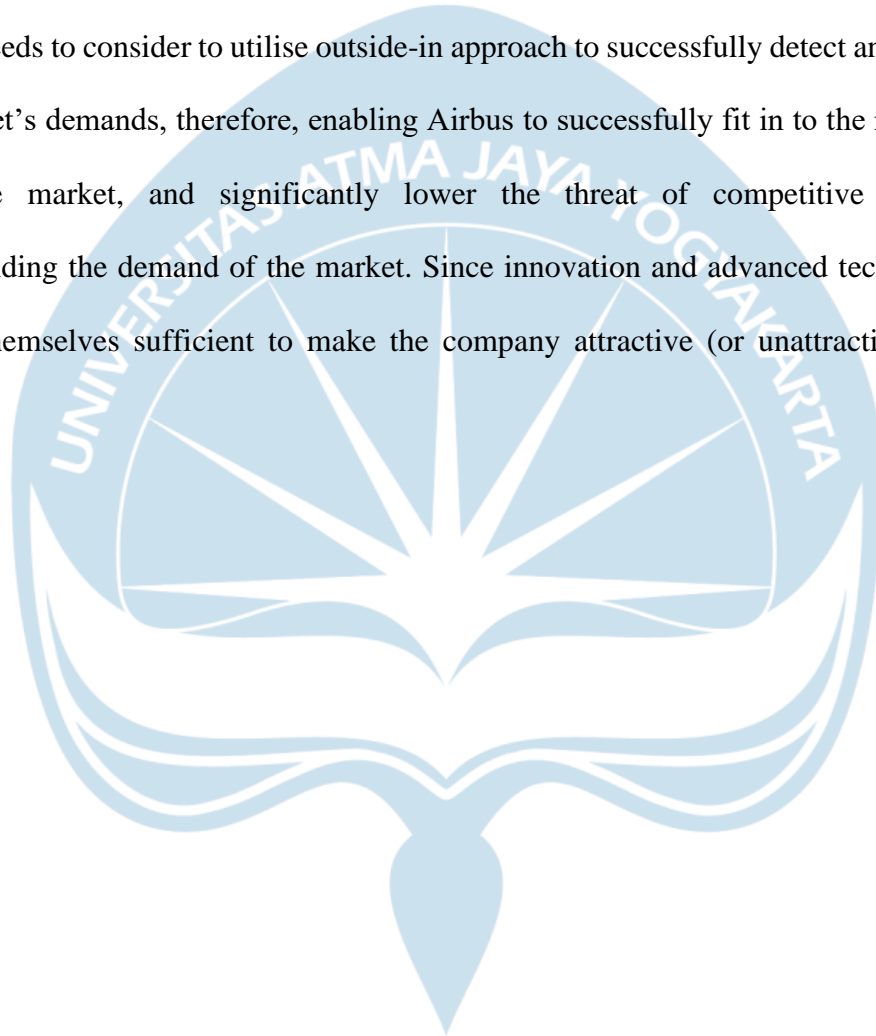
Graph 4.2. Development phase of A350XWB vs B787-10. Source: (Kingskey-Jones, 2019)

Airbus’s late response to Boeing’s strategy in the 2-engine wide-body aircraft market was due to their focus in developing the “superjumbo” plane A380, therefore Airbus funding was inadequate to accelerate the development of the A350XWB (Cummings, 2019). Airbus’s move to focus on the development of the A380 was proven to be a costly wrong move for Airbus, it is because “superjumbo-type” aircraft, like the A380, is currently to be considered as obsolete (Spaeth, 2020). The obsolescence of A380 was not caused by the technology that the aircraft possesses, in fact, the aircraft is one of the technologically most advanced aircraft currently in service. It was due to its type as a “superjumbo” aircraft, which is no longer in demand because the era of a large-airliner has passed (Hardiman, 2020).

The A380 could be the proof for Airbus to pay more attention to the market’s trends. Boeing did this correctly by developing the 787-10 early, and because of that, they could lead the 2 engine wide-body aircraft market. The Inside-out approach is great for

technology-oriented industries such as Airbus, however, it could prevent them from realizing and fill-in the needs that the airline industry currently needs, and what they need is a fuel-efficient aircraft that is large enough to carry a lot of passengers and cargo (Hardiman, 2020)

Alongside having the technological upper hand as a major competitive advantage, Airbus needs to consider to utilise outside-in approach to successfully detect and anticipate the market's demands, therefore, enabling Airbus to successfully fit in to the needs of the aerospace market, and significantly lower the threat of competitive rivalry by understanding the demand of the market. Since innovation and advanced technology are not by themselves sufficient to make the company attractive (or unattractive) (Porter, 2008).



CHAPTER V

CONCLUSION

Currently Airbus is the leader of the aerospace industry in general, however, the difference between other competitors, especially Boeing, is only small in margin, not significant enough for Airbus to feel untouchable by Boeing, as its main competitor in the industry. As fierce as the competition between the two giants can be, the reality is that their production line is full for the next decade. Therefore, it is only reasonable for them to seek for other sources of income, such as the MRO (aircraft maintenance) business (Sia Partner, 2018). To create a competitive advantage in this sector, an aerospace industry needs to lessen their outsource materials in the aircraft and simplify their supply chain (Airbus, n.d.). Airbus has the upper hand compared to Boeing in terms of the level of outsource material since Airbus has lower percentage of it compared to Boeing, and a much tidier supply chain since it has become the goal of Airbus. (AerospaceTechnology.com, 2020). The threat that Airbus should pay attention to, according to Porter's 5 Forces analysis, is the level of competitive advantage. The race in the aerospace industry dominance is ferocious, and the demand of the market is high. Luckily, Airbus is one of the major players in the industry, however, they must take deeper considerations regarding their business plan, and take a more focus on the actual demand of the market and providing what is needed by the airline market (Hardiman, 2020).

For the CSR, Airbus has been contributing to the society and have been making a positive impact to the society by helping The UN to actualize the 17 SDG goals. Alongside Airbus's contribution to the UN's program, Airbus have produced and been the leader in producing a sustainable fuel-efficient aircraft, in correlation to their commitment of decarbonation in 2035 (Airbus.com, n.d.).

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