TAConnections

The Sky is the Limit

Continued Growth and Transformation in the Aviation Industry in 2025

2025 Aviation Market Outlook

In 2025, the aviation industry will soar into a new era.

The new era will be defined by innovation, sustainability, and digital transformation. This new paradigm is being fueled by robust and sustained demand for air travel: 9.7 billion passengers are expected to fly in 2025.

As global air passenger traffic surpasses 2019 levels, the airline industry is officially turning the page on the covid-19 pandemic.

This pivotal milestone in aviation's recovery journey is certainly something to celebrate—and presents a new opportunity to balance profitability with operational demands and evolving passenger expectations.
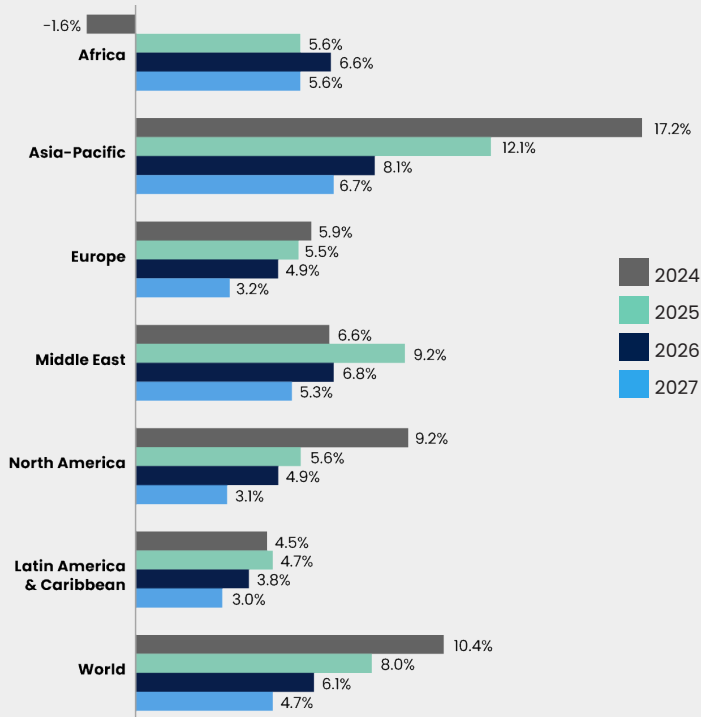
2025 Aviation Market Overview

Building on the momentum of 2024, the aviation industry is poised for another record-breaking year. Revenue Passenger Kilometers (RPKs) matched 2019 levels in early 2024, and in 2025, RPKs are expected to grow nearly 12% year over year––in addition to an increase of 10.4% in the number of global passengers. Asia-Pacific will lead global growth, accounting for more than half of the net increase in passenger numbers.

The industry's robust recovery reflects a renewed appetite for travel, underpinned by strong demand across business, leisure, and the emerging "bleisure" segments.

Total global passenger traffic is projected to reach 9.7 billion by the end of 2025, representing 106% of 2019 levels. Beyond this immediate growth, the World Airport Traffic Forecasts predict that global passenger traffic will nearly double to 19.3 billion by 2042, with domestic travel reaching 10.6 billion passengers and international traffic climbing to 8.7 billion.
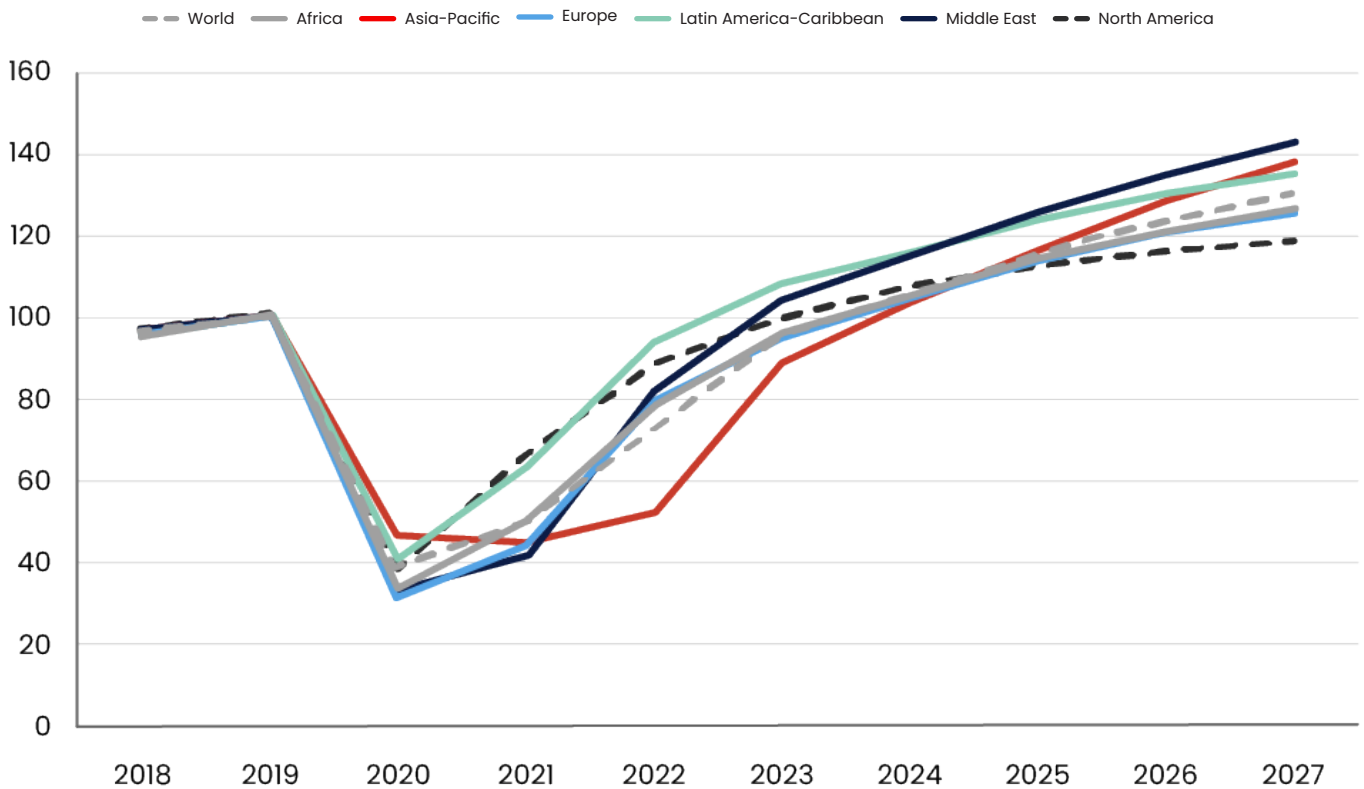
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Regional and Global Yearly Forecast Growth Rates in Total Passenger Numbers, %
Source: Air Passenger Forecasts

Africa
- 2024: −1.6%
- 2025: 5.6%
- 2026: 6.6%
- 2027: 5.6%

Asia-Pacific
- 2024: 17.2%
- 2025: 12.1%
- 2026: 8.1%
- 2027: 6.7%

Europe
- 2024: 5.9%
- 2025: 5.5%
- 2026: 4.9%
- 2027: 3.2%

Middle East
- 2024: 6.6%
- 2025: 9.2%
- 2026: 6.8%
- 2027: 5.3%

North America
- 2024: 9.2%
- 2025: 5.6%
- 2026: 4.9%
- 2027: 3.1%

Latin America & Caribbean
- 2024: 4.5%
- 2025: 4.7%
- 2026: 3.8%
- 2027: 3.0%

World
- 2024: 10.4%
- 2025: 8.0%
- 2026: 6.1%
- 2027: 4.7%

Legend: 2024, 2025, 2026, 2027

Asia-Pacific will lead this growth, accounting for more than half of the global net gain in passenger numbers by 2043. The region's rapid economic expansion and rising middle class are key drivers of this long-term trend.

While the demand outlook is strong, several challenges could temper optimism. One key variable is unemployment. Rising joblessness in major economies could dampen demand for air travel, particularly for leisure and discretionary trips. Additionally, capacity constraints in labor and aircraft availability will cap gains in the near term. The commercial fleet is poised to grow by 28% by 2034, reflecting the industry's commitment to meeting rising demand, but delays in manufacturing and workforce shortages remain potential bottlenecks.

## Medium-term passenger traffic forecast by regions (indexed, 2019 = 100)

Legend: World, Africa, Asia-Pacific, Europe, Latin America-Caribbean, Middle East, North America

Regional and Global Compound Annual Growth Rate and Net Growth in Passenger Numbers (2023-2043)

Region	Compound Annual Growth Rate (2023-2043)	Additional Passengers by 2043 (Million)
Africa	3.7%	179
Asia-Pacific	5.3%	2,750
Europe	2.3%	656
Middle East	3.9%	282
North America	2.7%	659
Latin America & Caribbean	2.9%	311
World	3.8%	4,154

Over the next 20 years, global passenger numbers are expected to grow by 3.8% annually, resulting in more than 4 billion additional journeys by 2043 compared to 2023 levels. This growth trajectory underscores the importance of proactive planning to address operational challenges while capitalizing on opportunities for innovation. By balancing demand with strategic investments, the aviation industry is positioned to sustain profitability and ensure long-term success.

As the industry looks ahead, the focus must remain on adaptability, efficiency, and passenger experience to navigate the complexities of this new chapter.

Long-term global passenger traffic forecast (2016-2052)
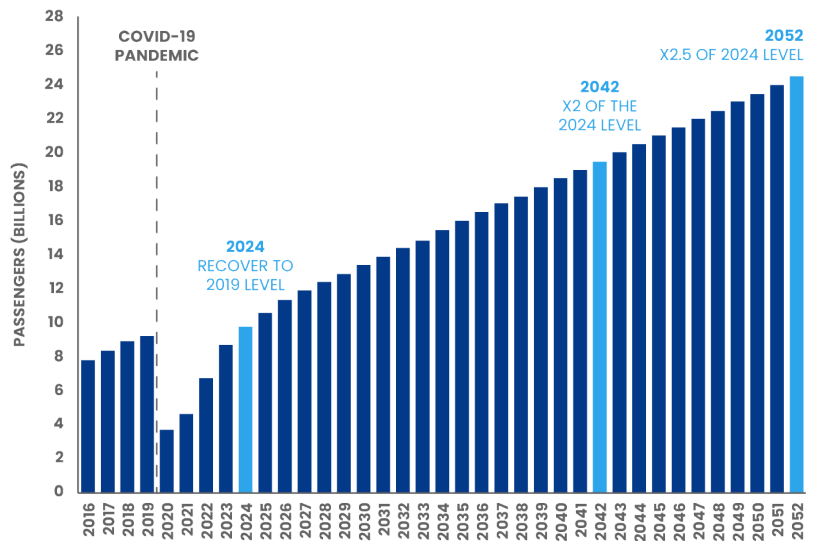
4b+ EXPECTED JOURNEYS BY 2043

2x EXPECTED TRAFFIC BY 2042

3.8% EXPECTED PASSENGER GROWTH YOY

Trends Shaping the Industry in 2025

The aviation industry is being reshaped by several key drivers, including new passenger expectations, sustainability goals, and operational efficiency innovations. From personalization to blockchain security, TA Connections identifies five key trends that are poised to change the landscape of aviation in the year ahead.

1. Offer Optimization: Meeting the Demand for Personalization

Customer expectations for seamless and personalized digital travel experiences have never been higher. The once-distinct line between business and leisure travel has blurred, with modern travelers seeking convenience, tailored options, and greater value at every stage of their journey. Whether planning a business trip, vacation, or a blend of both, travelers expect airlines to deliver a smooth, engaging, and personalized experience from booking to landing.

15% OF AIRLINE REVENUE COMES FROM ANCILLARY REVENUE, OR $102.8 BILLION

For airlines, adapting to these expectations is no longer optional—it is essential. Meeting this demand requires airlines to become strong digital retailers, leveraging technology and data to enhance the customer experience while unlocking new revenue streams. Offer optimization is a transformative solution, allowing airlines to deliver personalized, timely, and relevant offers that drive higher engagement and satisfaction. By failing to act, airlines risk losing significant incremental revenue—up to $7 per passenger.

One of the most lucrative opportunities lies in ancillary revenue. According to research from IdeaWorks Company and CarTrawler,

ancillary revenue now accounts for $102.8 billion globally, or 15% of airline revenue. Airlines that strategically boost ancillary sales through dynamic pricing, bundling, and upselling at various touchpoints can achieve significant financial gains while enhancing the customer experience. AI-driven insights are pivotal in this process, enabling airlines to predict traveler preferences and craft offers that resonate with individual needs.

When executed effectively, offer optimization delivers measurable results. Best-in-class revenue management forecasting has been shown to generate a 3-4% lift in revenue, while implementing real-time dynamic pricing can provide an additional 1-2% increase. Airlines have also achieved a 70% reduction in group sales processing times and a 45% improvement in conversion rates across metasearch platforms by maintaining consistent distribution. These results demonstrate the tangible benefits of embracing a customer-centric, data-driven retailing approach.

By adopting offer optimization strategies and enhancing their ancillary revenue capabilities, airlines can meet rising customer expectations and secure a competitive edge in a rapidly evolving market. The airlines that prioritize these innovations will not only strengthen their financial performance but also foster lasting loyalty by delivering experiences that align with the modern traveler's needs. The path forward is clear—airlines must act now to transform customer expectations into long-term value.

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TA Digitial Hub

Agile customer data at your fingertips

TA Digital Hub is a game changer for airlines looking to boost ancillary revenue while enhancing the passenger journey. Built as an agile customer data platform, TA Digital Hub collects and unifies customer interactions across touchpoints, empowering airlines to deliver seamless, personalized experiences that drive both satisfaction and revenue growth.

With TA Digital Hub, passengers can benefit from automated check-in processes that save time and reduce friction. The platform also enables real-time tracking of checked baggage, ensuring transparency and peace of mind for travelers. Additionally, TA Digital Hub provides personalized service recommendations during flights, offering travelers options tailored to their preferences and needs.

By integrating with other TA solutions, such as TA Airport, TA Inflight, and TA Ramp, the platform extends its impact across the entire journey. Airlines can leverage these tools to unlock ancillary revenue opportunities, improve efficiency, and enhance customer loyalty.

With TA Digital Hub, airlines have a powerful ally to navigate the competitive aviation landscape, offering smarter, more connected experiences that cater to modern travelers while boosting profitability. It's the future of personalized, data-driven air travel.
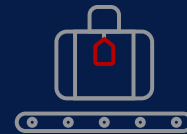
TA AIRPORT
Mobile Departure Control

TA INFLIGHT
Inflight Service at Your Fingertips

TA RAMP
Digital Baggage System

2. Green Travel and Sustainability: Meeting the Net Zero Challenge

For more than three decades, sustainability has been a critical topic across industries, and aviation is no exception. As the industry contributes approximately 2-2.4% of global carbon emissions, airlines are under increasing pressure to reduce their environmental footprint. With the ambitious goal of achieving Net Zero Emissions by 2050, aviation faces unique challenges and opportunities in this green transformation.

At the core of aviation's sustainability issue lies its reliance on jet fuel. Air travel's carbon emissions are not only growing but are also particularly hard to decarbonize.

"The heart of the decarbonization problem is that we haven't yet found a non-carbon energy source that can replicate the energy density of jet fuel at the scale, cost, safety, and reliability that global aviation needs," explains Gary Crichlow, head of commercial analysts at AviationValues. As other industries progress toward decarbonization, aviation's share of global emissions is expected to grow, making innovation in sustainable fuels and operations essential.

One promising solution is Sustainable Aviation Fuel (SAF), which can reduce carbon emissions by up to 80%. Unlike traditional jet fuel derived from fossil fuels, SAF often originates from renewable sources such as plants, algae, or waste materials like used cooking oil. These sources absorb carbon dioxide during their lifecycle, offsetting the CO_2 released during combustion. Additionally, research into hydrogen-based fuels and direct air capture of CO_2 offers long-term potential for cleaner

alternatives. While SAF remains costly and production volumes are limited, its development is crucial to aviation's decarbonization journey.

Beyond fuel, airlines are incorporating sustainability into broader operational strategies. Airport sustainability is becoming

SUSTAINABLE AVIATION FUEL CAN REDUCE CARBON EMISSIONS BY UP TO 80%

a decisive factor in network planning, with carriers prioritizing partnerships with airports committed to green initiatives. These include energy-efficient infrastructure, waste reduction programs, and the adoption of electric ground-handling vehicles. Electric vehicles not only reduce emissions but also minimize noise pollution, creating a quieter, more eco-friendly airport environment.

The shift toward greener practices is not just about meeting regulatory requirements; it's also about aligning with passenger expectations. As travelers increasingly prioritize sustainability, airlines that embrace environmentally responsible practices can gain a competitive edge. From investing in SAF and alternative fuels to adopting sustainable airport operations, the aviation industry has a vital role in shaping a cleaner, more sustainable future. The journey to Net Zero may be challenging, but with innovation and commitment, the skies are poised to become greener.

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The TA Solution

TA Crew Hub

Operational efficiency for flight planning and staffing

Airlines can take actionable steps to reduce their carbon footprint today. One effective strategy is optimizing flight planning and crew management to maximize efficiency and minimize unnecessary resource use.

TA Crew Hub is designed to help airlines streamline their operations with advanced crew lodging and logistics management tools. By enabling precise scheduling and dynamic crew assignments, TA Crew Hub ensures optimal resource utilization, reducing unnecessary flights or repositioning maneuvers that contribute to emissions. Additionally, the platform integrates seamlessly with other operational systems to provide real-time insights, helping airlines identify opportunities to cut waste and improve sustainability. And with a new mobile app, TA Crew Hub Mobile keeps crews informed of their

schedule, and lodging and transportation plans wherever they are.

With TA Crew Hub, airlines can take meaningful steps toward greener travel, balancing operational efficiency with their commitment to a sustainable future.

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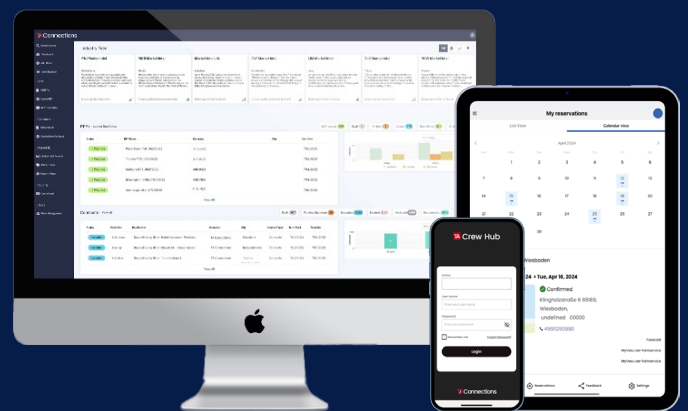
3. Blockchain: Transforming Data Security

Blockchain technology is emerging as a cornerstone of innovation, offering transformative solutions to one of the industry's most pressing priorities: security. With its core features of decentralization, immutability, and transparency, blockchain is revolutionizing how airports and airlines safeguard both passenger data and cargo integrity.

One of blockchain's most important applications in aviation is securing the cargo supply chain. By creating a tamper-proof ledger of transactions, the technology ensures that every movement, transfer, and transaction involving cargo is securely documented and immutable. This drastically reduces the risks of fraud, counterfeit goods, and unauthorized alterations. For airlines and logistics providers, this level of traceability and accountability is critical for building trust with partners and customers, particularly in the high-stakes transportation of valuable or sensitive goods.

On the passenger side, blockchain is equally transformative. The technology provides a robust framework for secure, verifiable identity management and transaction records, significantly enhancing airport security processes. With blockchain, passenger identities can be verified more accurately and efficiently, reducing wait times at security checkpoints while maintaining the highest levels of scrutiny. This streamlined process also mitigates the risks of identity theft, fraudulent activities, and data breaches, addressing growing concerns around cyber threats in aviation.

Blockchain also facilitates seamless coordination across multiple stakeholders in the aviation ecosystem. Airlines, airports, customs authorities, and security agencies can share encrypted, real-time data through a decentralized network, ensuring secure and efficient communication. This collaborative framework not only enhances operational efficiency but also improves incident response and decision-making in the face of potential security breaches or disruptions.

From protecting passengers and cargo to streamlining complex operations, blockchain will reshape how airlines and airports address modern security challenges, ensuring a safer and more resilient future for air travel.

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The **TA** Solution

TA Crew Hub

with RezID

A blockchain-inspired solution for secure operations

TA Crew Hub with RezID brings blockchain-like technology to aviation operations, enhancing data security, automation, and efficiency. By leveraging the concept of a RezID, the platform creates a secure, decentralized framework to streamline crew logistics and decision-making processes throughout the lifecycle of a booking.

The RezID acts as a unique, tamper-proof identifier that enables the automation of complex, multi-party tasks. This includes functions such as crew assignments, lodging bookings, procurement, and payments, all managed within a single application. With RezID, TA Crew Hub ensures compliance with policies, tracks changes in real-time, and provides a transparent, auditable record of every decision and transaction.

This blockchain-inspired approach eliminates the inefficiencies of manual processes, making it easier to book and modify reservations while seamlessly connecting procurement and payment systems. It also improves the flexibility of crew assignments, ensuring that airlines can adapt quickly to schedule changes or disruptions.

By integrating security, automation, and operational intelligence, TA Crew Hub delivers a solution that mirrors the transparency and immutability of blockchain. Airlines can achieve greater efficiency, reduce errors, and enhance trust across stakeholders, positioning themselves to meet the growing complexities of modern aviation with confidence and precision.
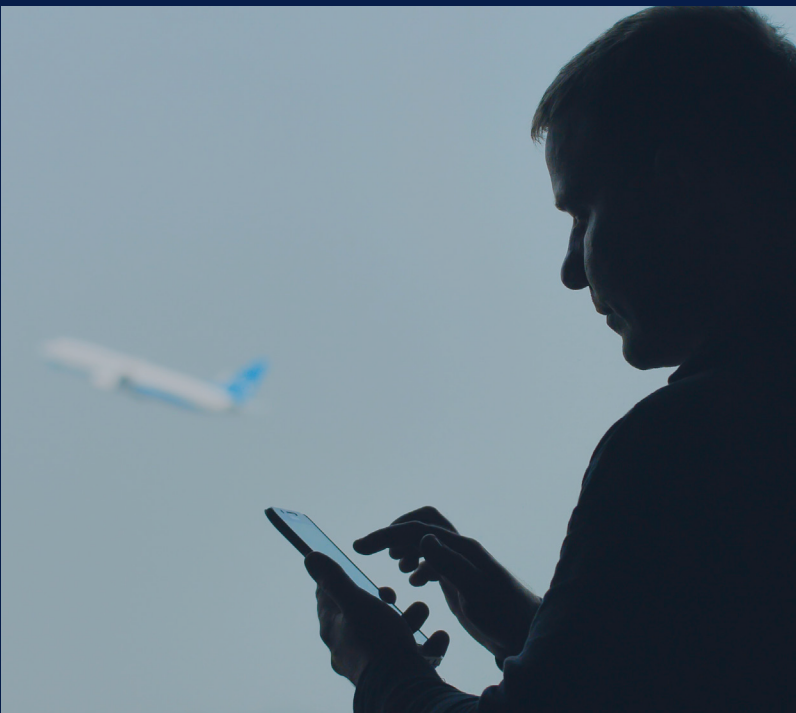
4. Digital Experiences: The Key to Customer Satisfaction

Digital experiences have become a top deciding factor in travelers' choice of airlines. Research from Travelport reveals that two-thirds of business travelers prioritize a strong digital experience when selecting a carrier, underscoring the growing importance of technology in shaping customer satisfaction and loyalty.

From researching and booking to navigating disruptions, digital tools have transformed how passengers interact with airlines. Peer-to-peer reviews now guide 81% of travelers, while 47% use voice search to plan their trips. Additionally, 70% of travelers say digital boarding passes make their journey easier, highlighting the increasing demand for seamless and efficient processes. Travelers are also heavily reliant on mobile devices, with the average passenger using 16 different apps while traveling. One-third of business travelers now book their trips on mobile devices, including 25% of those aged over 55, reflecting the universal appeal of mobile-first solutions.

77% OF TRAVELERS DEPEND ON THEIR PHONES FOR FLIGHT DISRUPTION ALERTS

Real-time information and connectivity are especially critical when disruptions occur. According to Travelport, 77% of travelers depend on their phones for flight disruption alerts. Instant access to rebooking options and updates reduces stress and enables passengers to adjust their plans efficiently, creating a smoother travel experience.

This shift toward digital-first interactions isn't just about convenience—it's about addressing the evolving needs of modern travelers. Business passengers, for instance, value productivity and

efficiency during their journeys. Employers are increasingly emphasizing tools and services that allow their employees to focus on work objectives, which means airlines must provide platforms that integrate productivity and personalization seamlessly. For leisure travelers, stress-free experiences are paramount, and a smooth digital journey—free from unnecessary complications—is now an expectation.

To meet these rising demands, airlines must prioritize investing in digital solutions that enhance every stage of the passenger journey.

In 2025, the airlines that succeed will be those that place digital experiences at the heart of their strategy. By doing so, they can improve customer satisfaction, build brand loyalty, and create a competitive edge in an increasingly tech-driven market.

The TA Solution

TA Digitial Hub   TA Disruption Hub

Two solutions for improved passenger support

TA Digital Hub and TA Disruption Hub work together to help airlines manage disruptions and enhance the passenger experience. When unexpected events such as delays or cancellations occur, TA Disruption Hub provides an automated, comprehensive resolution plan tailored to the airline's specific criteria for customer satisfaction, cost efficiency, and compliance with regional regulations.

The platform's centralized operations dashboard equips agents with a powerful tool to oversee and manage every aspect of disruption resolution. Agents can access real-time data and automated recommendations to streamline passenger rebooking, lodging arrangements, meal vouchers, and more. This not only reduces the workload on customer service teams but also ensures swift, consistent, and accurate responses to disruptions.

For passengers, TA Disruption Hub offers unparalleled convenience. They receive proactive notifications and can access a self-service platform to explore and select personalized solutions that best meet their needs. Whether rebooking a flight or arranging ground transportation, passengers are empowered to make choices in real time, alleviating stress and ensuring a seamless journey.

By combining TA Disruption Hub's disruption management capabilities with the advanced personalization and connectivity of TA Digital Hub, airlines can achieve the perfect balance of operational efficiency, cost control, and customer satisfaction. Together, these solutions define a new standard for resilient and passenger-centric airline operations.

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5. Fuller Planes, Bigger Challenges

As global demand for air travel continues to rise, a trend with staying power has emerged: fuller airplanes. High demand, coupled with steady increases in capacity, has driven record-high load factors, which measure the percentage of available seating capacity filled with paying passengers. A higher load factor signals improved profitability for airlines, as it maximizes the use of fixed costs spread across each flight.

IN 2024, THE **GLOBAL LOAD FACTOR** REACHED AN ALL-TIME HIGH OF

83.6%

In September 2024, the global load factor reached an all-time high of 83.6%. Revenue Passenger Kilometers (RPK), which tracks the total distance traveled by paying passengers, increased by 7.1% compared to the previous year, while Available Seat Kilometers (ASK), which measures seat capacity, rose by 5.8%. These figures underscore the industry's resilience and its ability to meet surging demand despite supply chain and infrastructure challenges.

"The market for air travel is hot, and airlines are doing a great job at meeting the growing demand for travel. Efficiency gains have driven load factors to record highs while the 6.5% capacity increase demonstrates resilience in the face of persistent supply chain issues and infrastructure deficiencies," highlights Willie Walsh, Director General of the International Air Transport Association (IATA).

High load factors are not just a profitability driver but also a reflection of the industry's improved efficiency. Airlines are becoming adept at optimizing flight schedules, managing routes, and utilizing fleet resources to meet increasing passenger volumes. These gains benefit airlines by improving economies of scale and reducing per-passenger costs, but they also come with challenges. Fuller planes can lead to operational complexities, particularly when disruptions occur, requiring airlines to quickly accommodate a larger number of displaced passengers.

This trend also reflects evolving passenger behavior. With business and leisure travel rebounding post-pandemic, airlines are experiencing sustained growth across all market segments. Additionally, the rise of "bleisure" travel has further contributed to fuller flights, as passengers combine work trips with leisure activities.

To manage this trend effectively, airlines must invest in tools and technologies to handle higher volumes of passengers efficiently. Solutions that automate rebooking and provide personalized disruption plans are critical to maintaining customer satisfaction. By addressing these challenges, airlines can continue to capitalize on fuller airplanes while delivering seamless experiences for their passengers.

TA Disruption Hub

Proactive management for flight disruptions

Flight disruptions can quickly escalate into complex challenges for airlines, especially when a large number of passengers are affected. The need to manage ground transportation, hotel rooms, meals, reticketing, and rebooking for passengers can overwhelm customer service teams, leading to delays and frustration. This not only strains airline resources but can also tarnish the overall customer experience and impact brand loyalty.

TA Disruption Hub addresses these challenges by automating many of these actions, enabling airlines to manage disruptions more efficiently. The platform creates customized disruption plans for each passenger, considering their preferences and needs. Passengers are promptly informed through automated communication, providing them with all necessary details, such as rebooking options and accommodation arrangements.

By automating these tasks, TA Disruption Hub frees up customer service agents to focus on more complex issues that require personal attention, such as special requests or high-touch cases. This approach ensures that passengers receive timely, accurate information while reducing the workload on agents.

In turn, airlines can turn a potentially negative experience into a positive one, improving customer satisfaction and strengthening brand loyalty. With TA Disruption Hub, airlines can manage disruptions proactively, ensuring smoother operations and a more seamless experience for passengers, even during unforeseen events.

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CREW MANAGEMENT
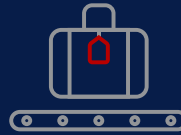
TA CREW HUB
Automated crew
layover management

DISRUPTED PASSENGERS

TA DISRUPTION HUB
A self-service passenger
disruption platform

DIGITAL HUB

TA AIRPORT
Mobile Departure
Control

TA RAMP
Digital Baggage
System

TA INFLIGHT
Inflight Service at
Your Fingertips

The Path Ahead

With the growth in air travel set to continue, airlines must adopt innovative solutions that improve efficiency, enhance customer experience, and ensure sustainability.
As the industry navigates a dynamic, digital-driven landscape in 2025, forward-thinking airlines will need to embrace new technology solutions to stay ahead of the curve.

TA Connections is here to help. Our solutions can touch every aspect of the passenger and crew experience.

Schedule a personalized demo and discover how you can transform your operations and elevate the passenger experience.

Request a Demo