

North America Inflight Catering - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2020 - 2029

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Report description:

The North America Inflight Catering Market size is estimated at USD 3.11 billion in 2024, and is expected to reach USD 5.70 billion by 2029, growing at a CAGR of 12.86% during the forecast period (2024-2029).

The COVID-19 pandemic has had a negative impact on the North American inflight catering market. The onset of the pandemic led to the governments of the United States as well as Canada imposing travel restrictions and lockdown measures, which affected the business travel and tourism sectors in the region. Moreover, the onset of the pandemic led to a decline in the number of orders for flights and aviation services. On the other hand, the decline in the pandemic witnessed gradual growth in the aviation sector of North America as well as an increase in the number of air passenger traffic will lead to gradual growth in the inflight catering market in the coming years.

The intense competition in the aviation sector has encouraged line operators to create their own unique brand identities. Inflight catering has emerged as a prime criterion for differentiating the quality of services provided by different airlines and helps create an attitude among the passengers toward perceiving an airline. The realization of this fact has encouraged American airlines to invest significant resources in developing a profitable inflight catering service that serves the tastes of the passengers and safeguards the market share of the airlines.

Moreover, the inflight catering business witnessed a radical transformation during the past decade. Though North American airlines are not completely encouraging BYOF (bring-your-own-food) on international flights, passengers are permitted to carry their eatables on several domestic routes in the region, especially in the US. The penetration of BYOF may pose a threat to the market in focus in the future.

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Furthermore, the lucrative nature of the inflight catering business has encouraged the entry of several global brands that are well-equipped to conform to the high quality and safety regulations of the aviation industry. The entry of new market players and the advent of e-ordering services are expected to radically transform the prevalent practice of long-term association between airlines and their catering partners and to provide both the airlines and the passengers with a plethora of choices.

North America In-Flight Catering Services Market Trends

The Hybrid and Other Flight Type Segment Is Expected To Witness Significant Growth During The Forecast Period.

The Hybrid and other flight type segment are expected to witness significant growth during the forecast period. This segment includes the catering provided in hybrid business model airlines, charter jets, and private jets. Though the revenues are currently the least from the segment, the high anticipated growth of the segment is primarily due to the increasing preference toward hybrid carriers and their increasing penetration in the region's market. These hybrid carriers blend low-cost carrier traits with full-service carriers to maximize profit. New hybrid airlines are starting operations in this region to cater to the rising passenger traffic. Hybrid airlines in the North American region include JetBlue, WestJet, and AirTran. The introduction of new airlines in this model is expected to be the driving factor for the market. Companies such as LSG SkyChefs have developed a hybrid blueprint for the aviation industry which combines high-end, complimentary services for premium guests with reasonably priced, innovative offerings for Buy-on-Board passengers. The concept reflects the airline's brand identity, is appealing to passengers, and can be used to continue to uphold high standards for operational efficiency. According to the new blueprint, the 'basic' option is applicable to the most price-conscious passengers, with no 'extras' like food, drinks, or baggage allowance included in the ticket price. By utilizing this option, passengers have the option to purchase food and beverages from either the Buy-on-Board card or the monthly menu selections. Moreover, the 'Smart' option offers the passengers a standard fare, and the ticket price also includes a number of additional services such as baggage allowance, preferred seating, and a meal box with a snack, beverage, and dessert. Thus, such initiatives will lead to growth in the market during the forecast period.

The United States is Expected to Witness Significant Growth During The Forecast Period

The United States is expected to witness significant growth during the forecast period. The diet of the people in the United States of America varies considerably with each state. Over the past few years, various airline catering companies such as Newrest and Flying Food Group are focusing on improving the food quality which is being served to passengers on board the aircraft. Newrest, in August 2021 further announced that they have started inflight catering services for two new airlines belonging to the United States of America. The Newrest team has now started providing in-flight catering services to Delta Air Lines and United Airlines. Moreover, the collaborators of the company also serve lunch and pre-arrival meals for both airlines on the full menu. On the other hand, the enhanced competition amongst the airlines in the United States has encouraged them to adopt certain strategies to elevate the customer perception of the inflight dining experience. Moreover, the market will grow rapidly as air carriers in the United States are now focusing on greater customer experience by increasing the quality of the food served onboard the flight and the diversified cuisine and dietary choices of the passengers have encouraged more and more airlines to serve different meals on special routes. For instance, Delta Airlines have partnered with different inflight catering companies so that their passengers can receive authentic regional dishes while flying to both domestic as well as international routes.

As of the current scenario, the growth in the obesity rate of the people in the United States has also led to various airlines changing their inflight catering menu in order to keep pace with the growing trend of healthy eating which is being practiced in the United States. Foods such as yogurt, poultry, sandwiches, and fresh fruits, have witnessed a spike in demand in the field of inflight catering. Besides, the United States is also a large market for chocolates, bakeries, and other confectioneries. The demand for low-calorie meals has resulted in a significant change in food offerings during flights. The onset of the COVID-19 pandemic led to various changes in terms of in-flight catering. Additional quality measures have been implemented in the kitchens to ensure zero transmission of infection via onboard food. However, some airlines, such as Southwest and American Airlines, have

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eliminated or reduced the food and drink services offered on most flights.

Furthermore, to help prevent the spread of the virus, airlines closed airport lounges, stepped up cleaning procedures in the cabins, and suspended hot towel service for first-class passengers, among other changes. Southwest Airlines stopped serving snacks and beverages on all flights, while American Airlines stopped serving food on short-haul international flights (less than 4.5 hours) and only serves an onboard meal on long-haul international flights. Delta Air Lines has reduced onboard services by eliminating alcoholic drinks and offering only bottled beverages, while Alaska Airlines will not offer food or drinks on flights shorter than 250 miles, including in first class.

Thus, the growing number of changes will lead to the inflight catering market in the United States witnessing a significant increase during the forecast period.

North America In-Flight Catering Services Industry Overview

Some of the prominent players in the airport baggage handling systems market are Flying Food Group LLC, gategroup, Lufthansa Service Holding AG, DNATA, and SATS Ltd amongst others.

The North American inflight catering market is undergoing steady consolidation, with major players procuring other significant regional players. Gate Gourmet, which started as a small inflight caterer, has acquired most of its competitors over the years, and it now holds the largest revenue share in the global inflight catering market. Its geographical presence has also expanded significantly during the past decade, solidifying its presence and customers across international regions.

Market consolidation has allowed smaller regional players to target just one competitor to survive in the market while allowing new entrants to enter with less resistance due to cheaper services.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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