GLOBAL DUOPOLY: FROM CHALLENGER TO WORLD LEADER - IS THE TWIN-DECK SUPERJUMBO A GAME CHANGER?

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ABSTRACT

Over the decades, Airbus and Boeing, the two major players in aerospace industry have been at loggerheads for aircraft orders. The newest models in production by the two world's leaders represent their competitive views of the future of the industry. Functional product differentiation is exactly what rivalry between the Superjumbo A380 and the 787 Dreamliner is all about. Two companies with fundamentally different products, based on diametrically opposite visions of the future, engaged in a Hatfields versus McCoys battle with billions of dollars at stake. It seems the two firms are accenting two niche markets with a pair of flagship products, neither of which are in direct competition with each other. This will allows for the firms to stave off price competition in the short term by differentiating product lines, which is desirable given recent increase in buyer power gained by low-cost airlines. The present paper will provide an in-depth comparison of the competition between Airbus and Boeing in a wide array of technological and market aspects. The aim of this analysis is to determine which company controls which markets and technologies, to consider each company's current state of affairs, and to arrive at a general hypothesis concerning the fate of Airbus and Boeing in the near future. The research questions are - how the two competitors differ from each other, how they affect each other's behavior and why there are only two of them. Based on the evidence presented henceforth, it seems likely that, despite Airbus's current supremacy, Boeing will in the coming years hold a larger market share and exert more market power than Airbus.

Keywords: *Airbus, Boeing, Aircraft, Wide body, Jumbo, Duopoly*