

A Study on Low-Cost Carriers in Japan

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Abstract

Recently, low-cost carriers (LCCs) have attracted attention in the aviation market. Further, major domestic and international airlines have been entering the LCC market in Japan in response to deregulation and a rising demand of cheaper air travel. Although services on domestic and international routes have proliferated rapidly, several withdrawals and route cancellations have been observed, suggesting the confused state of the market. This study examines the current state of LCC business models by reviewing previous studies and discusses the future of the domestic market in the Japanese context. It categorizes the LCC business models into three groups based on their strategies; this analysis based on the characteristics of the Japanese market revealed a group with high competitive advantages. Finally, this study proposes aviation policies and discusses the growth potential of LCCs in the Japanese market.

Keywords: Low-Cost Carriers, Strategy, Management, Aviation Market, LCCs