



REFLECTIONS ON AIRLINE BUSINESS MODELS IN PRACTICE: THE CASES OF TURKISH AIRLINES AND PEGASUS AIRLINES

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Abstract: The activity in the aviation sector is shaped around two basic business models in terms of cost structure, service level and deployed units. These are the traditional airline model and the low-cost airline model. This study examines whether Turkish Airlines and Pegasus Airlines, operating in Türkiye, operate according to these business models using document analysis. According to the results, Turkish Airlines does not apply the traditional airline model in check-in and ticketing processes. On the other hand, Pegasus Airlines does not use the low-cost airline business model in its fleet structure, ancillary revenue sources, flight network, and airport operations. However, it has been determined that Pegasus has turned to some hybrid applications in recent years, while Turkish Airlines has updated its model with cost management. These findings indicate that the business models implemented by Turkish Airlines and Pegasus Airlines do not fully meet the definitions of traditional and low-cost airlines in the literature.

Keywords: Airline business models, Full-service carrier, Low-cost carrier, Document analysis

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1. Introduction

Airline companies develop various business models to gain a competitive advantage under the influence of technological advancements, globalization, and changing economic conditions (Yavaş and Dedeoğlu, 2021). Among these models are traditional, low-cost, charter, and regional business models (Tamer et al., 2024). Dudás (2010) highlights the traditional and low-cost airline business models as the most prominent ones. Traditional airlines operate based on a differentiation strategy, serving all passenger segments, using global distribution systems, maintaining complex network structures, and engaging in partnerships with other carriers. Furthermore, traditional airlines have fleets composed of aircraft of different types and sizes (Özkan, 2019).

On the other hand, low-cost airlines conduct their operations with a focus on cost savings. Within the framework of a cost leadership strategy, these airlines typically operate a single-type fleet, offer low ticket prices, perform short-haul flights, and ensure high aircraft utilization rates (Şengür and Şengür, 2017). Although low-cost carriers generally operate on short-haul routes, there are also companies that have applied this model to long-haul services (Özkan, 2019). In this context, while Turkish Airlines, the national flag carrier, continues its operations under the traditional business model, Pegasus Airlines stands out as a leading example of the low-cost model in Türkiye (Sarılğan, 2011). The main purpose of this study is to comparatively

analyze two airline companies in Türkiye that operate under different business models: Turkish Airlines and Pegasus Airlines. Although there are several studies in the literature focusing on airline business models, few have comparatively examined traditional and low-cost models within the Turkish context using document analysis. Therefore, this research aims to fill this gap and contribute to the literature by revealing to what extent airline companies in Türkiye reflect the characteristics of their respective business models and in which aspects they differ from one another.

The remainder of this study presents the conceptual framework of airline business models and strategies, a review of related literature, the methodology applied in the analysis, the findings, and the conclusion.

2. Airline Business Models and Strategies

Airline business models represent the structures that demonstrate how airlines conduct their operations and the extent to which they create value for their stakeholders (Kuyucak and Şengür, 2011; Kuyucak-Şengür and Şengür, 2012). Although the aviation industry operates within a framework of similar business models characterized by intense competition and constant change, airlines continue to develop innovative and differentiated models to gain competitive advantage under the influence of technological advancements, globalization, and changing economic conditions (Taşçı and Yalçınkaya, 2015; Yavaş and Dedeoğlu, 2021).



Among these models are traditional, low-cost, charter, and regional business models (Tamer et al., 2024).

Traditional airlines were initially established by governments in the 1930s; however, with liberalization and increasing competition, many of these carriers have transitioned into privately owned enterprises. Flag carriers representing their respective countries are among the airlines most affected by this transformation (O'Connell, 2007). In other words, although these airlines were originally state-owned, they have adapted to liberalization by integrating elements such as core business activities, network structures, product differentiation practices, and customer relationship management into their business models (Cento, 2009). In this context, several defining characteristics of the traditional airline business model have emerged. These airlines typically operate across wide geographic areas with a hub-and-spoke network structure, offer long-haul and connecting flights, maintain a complex fleet composed of aircraft of varying types and capacities, and provide full-service operations to their passengers (Canöz, 2017).

The concept of the low-cost carrier, on the other hand, emerged in the United States in 1967 under the pioneering example of Southwest Airlines, which sought to minimize costs and transfer these savings to customers through lower ticket prices. The low-cost business model refers to an approach that enables airlines to maintain market presence and competitive advantage by offering lower fares than traditional carriers (İnce and Aslan, 2020). Several features distinguish low-cost carriers from traditional ones: they offer lower ticket prices, operate single-type fleets, focus on short-haul routes, charge for ancillary services such as seat selection, utilize secondary airports, generally lack frequent flyer programs, and provide a single passenger class. Although these characteristics broadly define low-cost carriers, national regulations and market differences lead airlines to adapt the model to their specific operational contexts (Akpur and Zengin, 2019).

Another business model is that of charter airlines. Charter operators primarily serve tour operators rather than individual passengers, offering transportation as part of comprehensive travel packages that include accommodation, transfers, and other services (Gerede, 2012). These airlines typically handle the transportation component of package tours to popular tourist destinations. Meanwhile, the regional airline business model refers to the transport of passengers, cargo, and mail between large urban centers or hub airports and smaller communities using smaller aircraft, either on scheduled or unscheduled services. Globally, such operators are known by various terms, including regional carriers, feeder carriers, and commuter airlines. Regional air transport enhances the livability of remote or geographically constrained areas, such as islands or mountainous regions, by improving their connectivity with major urban centers (Sarılıgan, 2011).

Under current market conditions, it has become increasingly difficult to categorize airlines strictly as traditional or low-cost. The highly competitive environment has given rise to so-called hybrid systems, which combine features of both models (Lohmann and Koo, 2013).

From a strategic perspective, the actors within the aviation industry adopt different strategies to achieve competitive advantage. Among these, the most widely applied framework is Michael Porter's classification of generic strategies: cost leadership, differentiation, and focus (Porter, 1996). The cost leadership strategy refers to a business model in which firms aim to offer goods and services at the lowest possible price while maximizing efficiency across all operational areas (Porter, 1997). In Türkiye, airlines such as Pegasus Airlines, SunExpress, and AJet exemplify this approach (İnce and Aslan, 2020). According to Porter (1997), the differentiation strategy involves enhancing certain aspects of a product or service to stand out from competitors. In other words, firms pursue differentiation to attract customer preference through unique offerings (Ülgen and Mirze, 2013). Within the aviation industry, airlines seeking competitive advantage often focus on differentiation through service quality, route networks, and pricing strategies. The most prominent example of this strategic approach in Türkiye is Turkish Airlines (Canöz, 2017; Özkan, 2019).

While cost leadership and differentiation aim at influencing the industry as a whole, the focus strategy involves tailoring services to meet the needs of a specific market segment (Porter, 1997). In other words, it refers to producing goods and services that address the particular demands of a targeted customer group (Ülgen and Mirze, 2013).

In the airline industry, regional carriers frequently employ the focus strategy. Regional airlines adopting this approach can gain competitive advantage by collaborating with other carriers to ensure seamless network connectivity, provide access to capacity-constrained airports, globalize hub-and-spoke structures, and bypass market entry restrictions (Gerede, 2011).

In summary, evaluating airline business models in conjunction with competitive strategies provides a significant analytical framework for understanding how airlines achieve and sustain competitive advantage within an evolving global marketplace.

The studies presented in Table 1 examine airline business models from various perspectives. Taşçı and Yalçınkaya (2015) analyzed the business models of Turkish Airlines and Pegasus Airlines by comparing their operational data. Şengür and Şengür (2017) revealed that correctly analyzing business models and their components provides a competitive advantage for airlines. Durmuş et al. (2022) determined that Turkish Airlines and Pegasus Airlines gradually evolved into hybrid structures to achieve competitive advantage.

Table 1. Studies in the literature

Author / Year	Topic	Method	Findings / Results
O'Connell & Williams (2005)	Comparison of passenger perceptions and preferences between Low-Cost Carriers (LCC) and Full-Service Carriers (FSC).	Survey-based comparative analysis conducted among LCC and FSC passengers in Europe and Asia. Variables such as passenger profile, travel purpose, ticket type, fare, and trip characteristics were analyzed.	LCC passengers were generally younger and traveled mainly for leisure, while FSC passengers were predominantly business travelers valuing comfort, service quality, and brand reliability. Price and cost efficiency were the main reasons for preferring LCCs, whereas comfort, service differentiation, and loyalty influenced FSC preferences. Overall, each model targets distinct passenger segments with clearly differentiated motivations.
Francis et al. (2006)	The paper explores the spatial and temporal development of low-cost carriers (LCCs) worldwide, identifying the driving and constraining factors behind their expansion and proposing a typology to differentiate among various LCC models.	A comparative international analysis combining literature review and empirical data. The study examines both the spatial (geographical spread, routes, market access) and temporal (growth trends over time) aspects of LCC expansion, constructing a typology based on operational and market characteristics.	The findings indicate that the LCC model has evolved beyond a regional phenomenon to become a global business model driven by liberalisation, deregulation, and cost efficiency. The study highlights that there is no single universal LCC model — instead, diverse versions exist depending on geography, regulation, and market context. Thus, a more nuanced classification system is necessary to understand global LCC diversity.
Gillen and Gados (2008)	Analysis of “airlines-within-airlines” strategy: why some legacy airlines create a low-cost airline subsidiary to respond to competition from LCCs, and why some of these attempts succeed while others fail.	Conceptual + comparative analysis: The study reviews the evolution of low-cost carrier (LCC) business models, outlines different forms of LCCs, and examines the cost-advantage sources of LCCs to assess their sustainability. Then, it analyses case studies (primarily legacy carriers in US, Canada, Europe, Australia, Germany) to identify success/failure conditions of “airline within airline” strategies.	The study finds that most “airline-within-airline” attempts have failed; success has occurred only where there is market dominance, careful network planning and coordination. Key takeaway: mixing business models under one brand carries significant vulnerability, especially if cost-structure advantages of LCC aren't preserved.
Dudás (2010)	The study examines how the network structures of European low-cost airlines (LCCs) evolved following the enlargement of the European Union. It focuses on the spatial expansion of routes, number of destinations, and the east–west and north–south flow patterns within Europe.	Route data from the 2004–2009 period were analyzed. Comparative mapping was conducted for pre-2004 and post-2009 periods to assess changes in network distribution, number of destinations, and route structures. A thematic mapping approach was used to illustrate spatial expansion.	The results show that after EU enlargement, LCC routes and destinations increased significantly the number of accessible destinations nearly doubled. The study identified three types of network configurations: north–south, west–east, and mixed structures, demonstrating that the expansion of LCCs led to a more complex and diverse European air transport network.
Daft and Albers (2013)	The study aims to develop a	A conceptual and literature-	The proposed framework

	conceptual framework for analyzing airline business models identifying their structural and strategic dimensions and to evaluate whether these models tend to converge (become more similar) over time.	based analysis combining strategic management and airline business model literature. The authors identified key dimensions for describing airline business models and conducted a pilot application of the framework using five German airlines to test its applicability.	proved effective in categorizing and comparing airlines' business models. The pilot analysis indicated potential convergence among the five German carriers, suggesting that their business structures were becoming increasingly similar. The paper thus provides a systematic and measurable foundation for future empirical studies on airline business model convergence.
Dobruszkes (2013)	The study analyzes how European low-cost airlines (LCCs) have evolved geographically and strategically over time. It examines their market coverage, destinations, airport choices, network density, and service diversity to understand spatial and structural differences across Europe.	A quantitative analysis conducted at three levels continental (Europe-wide), city, and network. Using intra-European air transport data, the study measures indicators such as LCC market share, destination distribution, flight distance, airport type, and route diversity to identify geographic and operational patterns.	LCCs account for about 31% of total seat capacity in Europe and have expanded eastward and southward, yet remain concentrated around Western Europe and major tourist destinations. Secondary airport usage remains significant, but most operations are still focused on short- and medium-haul routes. The findings confirm that there is no single "European LCC model"; instead, LCCs differ in network structure, market strategy, and airport preferences. The results show that after EU enlargement, LCC routes and destinations increased significantly the number of accessible destinations nearly doubled. The study identified three types of network configurations: north-south, west-east, and mixed structures, demonstrating that the expansion of LCCs led to a more complex and diverse European air transport network.
Pearson & Merkert (2014)	The study examines how the network structures of European low-cost airlines (LCCs) evolved following the enlargement of the European Union. It focuses on the spatial expansion of routes, number of destinations, and the east-west and north-south flow patterns within Europe.	Route data from the 2004-2009 period were analyzed. Comparative mapping was conducted for pre-2004 and post-2009 periods to assess changes in network distribution, number of destinations, and route structures. A thematic mapping approach was used to illustrate spatial expansion.	Concluded that Turkish Airlines established AnadoluJet as a rival to Pegasus Airlines. Results show that the airlines' business models became increasingly similar over time the traditional distinction between low-cost and full-service carriers blurred, as many airlines adopted hybrid characteristics. The study provides empirical evidence supporting the widespread assumption of increasing business model convergence within the European airline industry.
Taşçı and Yalçınkaya (2015)	Compared AnadoluJet, which is within Turkish Airlines, with Pegasus Airlines, a low-cost airline.	Compared and analyzed the operational data of AnadoluJet and Pegasus Airlines.	Correctly analyzing business model components is of great importance for strengthening airlines' positions in a
Daft & Albers (2015)	The study examines how the business models of European passenger airlines (low-cost, full-service, hybrid) evolved between 2004 and 2012, with a focus on whether a business model convergence trend occurred.	A quantitative analysis was conducted on 26 European airlines over the 2004-2012 period. Using various distance/similarity measures, the researchers calculated yearly differences in business model structures to assess how airlines became more or less similar over time.	
Şengür & Şengür (2017)	Examined the concepts of airline business models and their components.	Conducted a comparative analysis of the business models and components in the aviation sector.	

İnan (2018)	Examined the development of civil aviation since the liberalization period and the transformation of the low-cost airline model in the sector after the 1990s.	The analysis was carried out using the descriptive analysis method. The evolution of airline business models was evaluated in a historical context.	competitive environment and for making more effective strategic decisions. As a result, it was observed that low-cost airlines compensated for the loss of confidence in the aviation sector in the 1990s. It also shows that they laid the groundwork for different business model approaches in the 21st century.
Çetiner et al. (2019)	Examined airlines' ancillary revenue generation strategies.	Surveys were administered to 160 executives from 17 international airlines and 188 passengers from 24 countries.	Concluded that the type of business model developed by airlines directly affects ancillary revenue preferences and ways of generating revenue. Concluded that as the number of passengers increases, unit costs in airline companies decrease, which can lower prices and increase demand, and that customer loyalty can be strengthened through loyalty programs.
Macit (2020)	Aimed to develop a pricing and loyalty strategy based on cost-per-seat calculations to increase the profitability of airline companies.	Analyzed the effect on ticket prices using hypothetical cost data of a sample flight.	The results revealed not only the traditional LCC and FSC categories but also two distinct hybrid model types. This indicates that the European airline industry has evolved beyond the simple dichotomy of low-cost versus full-service, toward a more complex and diversified hybrid market structure.
Magdalena and Bouzaima (2021)	The study investigates the diversity of airline business models across Europe, aiming to classify carriers as low-cost, full-service, or hybrid, and to identify how hybridisation has shaped the market structure.	Data from 49 European airlines were analyzed using k-modes clustering, where categorical variables representing business model characteristics were compared to identify distinct model groups.	The aviation sector has been restructured by turning towards digitalization and urban air transportation together with new business models such as technological innovations, the sharing economy, and the membership economy.
Yavaş and Dedeoğlu (2021)	Examined changing business models in the aviation sector.	Data related to urban air transportation systems were compared and analyzed.	It was observed that, under the influence of competition between Turkish Airlines and Pegasus Airlines, their business models became hybrid over time.
Durmuş et al. (2022)	Examined the development of the business models of Turkish Airlines and Pegasus Airlines.	Conducted analyses using qualitative and quantitative data provided by airline companies.	
Sönmez et al. (2023)	Examined the business model change of Atlasglobal Airlines and the effects of this change on the company's financial performance together with competitive strategies.	Used the case study method within the scope of qualitative research.	After the business model change of Atlasglobal Airlines, there was a decline in its financial performance.

Overall, these studies approach airline business models from a strategic management and transformation-oriented perspective, yet they do not systematically and comparatively evaluate the components of these models. In this respect, the present study aims to fill this gap in the literature and to make an original contribution by examining business model differences through five key

elements: fleet structure, route network and airports, in-flight services, check-in and ticketing, and ancillary revenues.

Daft and Albers (2013, 2015) as well as Magdalena and Bouzaima (2021) examined the differentiation of European airline business models within a structural framework, while Çetiner et al. (2019) demonstrated the

determining effect of ancillary revenues on airline business models.

In conclusion, this research fills a conceptual gap in the literature by comparatively evaluating traditional and low-cost business models through their core operational components. The study aims to provide a strategic perspective for both the academic literature and industry managers to better understand the role of business model components in creating competitive advantage.

3. Materials and Methods

The purpose of this study is to comparatively examine the business models implemented by Turkish Airlines and Pegasus Airlines and to evaluate the compatibility of each airline’s business model with the characteristics of “full-service carrier” and “low-cost carrier” models defined in the literature. Since the document analysis method was used in the comparison and analysis of the two airlines, the research has the characteristics of a qualitative study.

Qualitative research can be defined as a research process in which methods such as observation, interview, and document analysis are used, aiming to reveal events and perceptions in a realistic and holistic manner within their own context (Yıldırım and Şimşek, 2016). In this respect, the study is descriptive in nature, as it aims to present the current situation as it is and to identify the practices of the airlines.

The data were obtained from the annual reports,

corporate websites, and passenger information pages of both airlines. During the analysis phase, the business model classifications defined in the literature were examined. The criteria determined as the fundamental elements of the traditional and low-cost business models are fleet structure, flight network and the airports used, in-flight services, check-in and ticketing services, and ancillary revenue sources.

Subsequently, information related to these criteria in the documents belonging to Turkish Airlines and Pegasus Airlines was reviewed, and how each criterion is applied by the airlines was determined. These findings were compared with the business model characteristics defined in the literature. The extent to which the practices of both airlines align with the traditional and low-cost business models defined in the literature was systematically evaluated. In this way, how the business models defined in the literature are reflected in practice was examined in a comprehensive and systematic manner.

4. Results

The data obtained in the research were evaluated through the document analysis method, and the business model practices of Turkish Airlines and Pegasus Airlines were comparatively examined. The findings were classified based on the business model components defined in the literature, and the practices of both airlines were summarized in a Table 2.

Table 2. Comparison of the business model components of Turkish Airlines and Pegasus Airlines

Business Model		Airline Companies		Literature-Practice Comparison	
Components	Type	Characteristics	Airlines	Features	
Fleet Structure	Traditional	Mixed Fleet Structure	THY	More than 450 aircraft; mixed fleet of narrow- and wide-body types	By serving different distances and passenger segments with a mixed fleet structure, Turkish Airlines implements the traditional airline business model.
	Low-Cost	Single-Type Fleet Structure	PGT	More than 120 aircraft, multi-type fleet	Although a single-type fleet is expected under the low-cost model, the existence of a multi-type fleet indicates that this approach is not fully implemented.
Flight Network and Airports	Traditional	Hub-and-Spoke System	THY	Hub-and-Spoke model	With Istanbul as its main hub, Turkish Airlines operates through a hub-and-spoke network model and supports this structure through codeshare agreements.
	Low-Cost	Point-to-Point Flights	PGT	Point-to-Point model; short- and medium-haul routes without central transfer	Although Pegasus mainly offers short- and medium-haul point-to-point flights centered at Sabiha Gökçen Airport, it also operates transfer flights, which indicates that the pure

					point-to-point model is not fully applied.
In-Flight Services	Traditional	Services provided without extra charge	THY	Complimentary in-flight services	Turkish Airlines fully applies the traditional business model in terms of in-flight service practices.
	Low-Cost	Services provided for an additional fee	PGT	In-flight services offered for a fee	Pegasus Airlines fully applies the low-cost business model in its in-flight service practices. Although check-in services are provided free of charge, charging for baggage beyond cabin allowance, seat selection, and flexible change or cancellation options indicates that the traditional model is not fully implemented.
Check-in and Ticketing Services	Traditional	Free, comprehensive, and passenger-oriented	THY	Check-in processes, baggage and seat selection, flexible change and cancellation options	Although check-in services are free of charge, charging for baggage beyond cabin allowance, seat selection, and flexible change or cancellation options demonstrates a structure consistent with the low-cost business model.
	Low-Cost	Fee-based, minimal-contact service	PGT	Check-in processes, baggage and seat selection, flexible change and cancellation options	Ancillary revenues are used as a complementary element rather than a primary source of income. This approach, which aims to create customer loyalty, service quality, and brand prestige, aligns with the traditional airline business model.
Ancillary Revenue Sources	Traditional	Passenger loyalty programs	THY	Miles&Smiles	Aims to increase customer loyalty and brand value through a loyalty program. Therefore, despite its ancillary revenue-oriented structure, it does not fully comply with the low-cost business model.
	Low-Cost	Passenger loyalty programs	PGT	Pegasus BolBol	

In Table 2, a comparative analysis was conducted regarding the business models and components used by Turkish Airlines and Pegasus Airlines. To systematically compare the data obtained from the document analysis, the evaluation was carried out under five main categories.

4.1. Fleet Structure

When the literature is examined, it is observed that airlines using the traditional business model have mixed fleet structures consisting of both wide-body and narrow-body aircraft. Airlines adopting the low-cost business model, on the other hand, include a single type of aircraft in their fleets in order to minimize costs. According to the data obtained, Turkish Airlines has a mixed fleet of more than 450 aircraft of various types.

Pegasus Airlines, on the other hand, operates with a multi-type fleet consisting of more than 120 aircraft. The fact that Pegasus Airlines has a multi type fleet leads to an increase in costs. Therefore, it can be stated that the airline has moved away from the low-cost business model. As a result, it has been observed that Pegasus Airlines demonstrates a hybrid tendency in its business model due to its fleet structure.

4.2. Flight Network and Airport Preference

Airlines using the traditional business model employ the hub-and-spoke network structure, while those adopting the low-cost business model utilize the point-to-point flight network. It has been observed that Turkish Airlines has established a strong network structure through a hub-and-spoke model centered in Istanbul. Furthermore,

it can be stated that the airline has expanded its network through codeshare agreements. The flight network and airport preference of Turkish Airlines align with the traditional business model described in the literature. Pegasus Airlines, on the other hand, has adopted a point-to-point flight network centered at Sabiha Gökçen Airport. By offering transfer services at certain destinations, the airline has also focused on medium-haul routes. It has been observed that Pegasus Airlines has moved away from the pure point-to-point network and demonstrates a hybrid tendency in its business model.

4.3. In-Flight Services

In the literature, it is stated that airlines using the traditional business model do not charge for in-flight services, whereas airlines adopting the low-cost business model charge passengers for such services. The analysis shows that Turkish Airlines offers complimentary catering and in-flight services. Therefore, it is fully consistent with the traditional business model. Pegasus Airlines, on the other hand, charges for catering and in-flight services, which aligns with the low-cost business model. The in-flight service criteria of both airlines are consistent with the characteristics defined in the literature.

4.4. Check-in and Ticketing Services

The check-in and ticketing processes of Turkish Airlines are carried out through both online and traditional channels. This situation is consistent with the traditional business model. Pegasus Airlines, on the other hand, extensively utilizes online ticketing, mobile check-in, and the purchase of additional services. Thus, Pegasus Airlines aligns with the characteristics of the low-cost business model.

4.5. Ancillary Revenue Sources

Ancillary revenue sources are among the main income sources for airlines using the low-cost business model, whereas for airlines adopting the traditional business model, they are complementary elements supporting their operations. Turkish Airlines' Miles&Smiles program and premium services support its ancillary revenue sources; however, these practices are not central to the traditional business model. When Pegasus Airlines' BolBol loyalty program and additional service sales are examined, it is observed that the airline has adopted a business model focusing on ancillary revenue sources. However, the use of the loyalty program indicates that Pegasus Airlines has moved away from the "minimum service, maximum ancillary revenue" approach. Analyzing Pegasus Airlines' ancillary revenue sources reveals that the airline employs a hybrid model within its business structure.

Based on the analysis conducted over five elements, it has been observed that neither of the two airlines fully complies with the traditional or low-cost business models defined in the literature. Turkish Airlines operates in line with the characteristics of the traditional business model; however, its ticketing and ancillary revenue sources are consistent with the features of the

low-cost business model. Pegasus Airlines generally maintains the structure of the low-cost business model; however, in criteria such as fleet structure, ancillary revenue sources, and flight networks, it deviates from the classical low-cost model and adopts a hybrid model.

5. Discussion and Conclusion

In this research, the business models of Turkish Airlines and Pegasus Airlines were comprehensively analyzed within the framework of the traditional and low-cost airline business models defined in the literature. The findings reveal that while both airlines share certain characteristics with the business model definitions in the literature, they apply these models in unique ways within their operational processes and strategic structures.

The analysis indicates that Turkish Airlines largely reflects the core characteristics of the traditional airline business model in terms of fleet structure, flight network and airport utilization, in-flight service quality, and ancillary revenue management. However, it has also been observed that the airline has adopted practices resembling the low-cost business model in areas such as digitalization in check-in processes, flexibility in ticketing channels, and cost management strategies. This situation demonstrates that Turkish Airlines has developed a hybrid business model aimed at enhancing its global competitiveness. Thus, Turkish Airlines seeks to establish a strategic balance between service quality and operational efficiency.

According to the examined data, Pegasus Airlines adopts the low-cost business model with its lean operational policy in in-flight services, cost-oriented approach in ticketing and check-in processes, and aggressive pricing strategies in ancillary revenue generation. However, it is also observed that Pegasus does not fully adhere to the simplified structure of the low-cost model in terms of fleet diversity, flight network expansion, and airport operations. While maintaining its cost advantage, Pegasus follows strategies to enhance service variety and brand value, thereby creating a unique position that can be defined as a "value-oriented low-cost" approach.

This comparative analysis demonstrates that the business models of Turkish Airlines and Pegasus Airlines have diverged from the classical approaches in the literature and have entered a "hybridization" process. Both airlines differentiate their business models in response to global competition, changing passenger expectations, and cost pressures.

As a result, both airlines have gone beyond existing business model categories and established their own unique hybrid strategic structures. This indicates that the airline industry in Türkiye not only adapts to global trends but also has the capacity to generate new business model frameworks.

According to the findings of this study, it has been observed that the hybridization approach is concretely applied in the airline industry. Furthermore, future research could examine the impact of this transformation

in the aviation sector on sustainable competitiveness with more comprehensive data. In addition, industry managers should not view business models and their components as static structures but should adopt a strategic perspective to adapt to changing market conditions.

Author Contributions

The percentages of the authors' contributions are presented below. All authors reviewed and approved the final version of the manuscript.

	B.Y.Y.	Y.Y.	S.Y.
C	40	30	30
D	40	30	30
S	40	30	30
DCP	40	30	30
DAI	40	30	30
L	40	30	30
W	40	30	30
CR	40	30	30
SR	40	30	30
PM	40	30	30
FA	40	30	30

C=Concept, D= design, S= supervision, DCP= data collection and/or processing, DAI= data analysis and/or interpretation, L= literature search, W= writing, CR= critical review, SR= submission and revision, PM= project management, FA= funding acquisition.

Conflict of Interest

The authors declared that there is no conflict of interest.

Ethical Consideration

Ethics committee approval was not required for this study because of there was no study on animals or humans.

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