

The Hong Kong Polytechnic University
Department of Logistics and Maritime Studies
Research Seminar

Service Competition in the Airline Industry: Schedule Robustness and Market Structure

by

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Time: 11:00am - 12:00nn

Venue: N116, N core

The Hong Kong Polytechnic University

(Conducted in English)

Abstract:

Robustness of aircraft schedules is essential for an airline to improve on-time performance and accomplish high levels of consumer satisfaction. This paper addresses the question how airlines adjust their schedule robustness when market structure changes. To answer this question, the paper first recreates each flight's ground buffer time using historical flight schedules and uses it as a measure for schedule robustness.

Examining the relationship between ground buffers and market structure shows that there exists service quality competition in the airline market. Empirical estimations reveal that carriers adopt more robust flight schedules when airport concentration at the origin airport decreases, or when route competition increases. However, such an effect is slightly reduced for hub originating flights, as competitors trade off robust schedules for shorter layover times at the hubs when competition heats up.

Bio:

Xiyan (Jamie) Wang, is a PhD student working in the Department of Economics at University at California, Irvine under the supervision of Prof. Jan Brueckner. She is also pursuing a Master's degree in Statistics.

Xiyan's fields of research are Industrial Organization, Transportation Economics and Urban Economics. Her work have revolved around understanding the process involved in determination of transportation networks and service quality, as well as quantifying the impact of these decisions on social welfare. Xiyan also have various hands-on experiences in managing and performing statistical analyses on large scale data, and translating analytic insights to drive policy decision.

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All are welcome!