

Effective from A.Y: 2019-20

Learning objective: The learner will be able to understand the revenue management techniques of the airline industry.

Course Methodology:

Lectures/ tutorials/laboratory work/ field work/ outreach activities/ project work/ vocational training/viva/ seminars/ term papers/assignments/ presentations/ self-study/ Case Studies etc. or a combination of some of these. Sessions shall be interactive in nature to enable peer group learning

Syllabus:

UNIT 1:Introduction	12 Hours
Introduction to pricing and revenue optimization, Demand functions and price optimization: Price-response function; Competition, Demand drivers, Differences between full fare carriers and low cost carriers.	
UNIT 2: Managing Airline Passenger Demand	12 Hours
Deregulation in the airline industry, need for revenue management, Airline travel demand, Demand Strategies, Forecasting demand in the airline industry, Problems in RM.	
UNIT 3: Airline Pricing and Revenue Management	12 Hours
Airline Price-response estimation, Price differentiation: Volume discounts; Variable pricing, Revenue Management, Yield management Capacity Allocation, Network Management, Overbooking, Markdown Pricing, Customized Pricing: List prices vs. customized prices; Responses to competitor bids.	
UNIT 4: Scheduling and Performance Management	12 Hours
Airline scheduling process, Schedule design and fleet assignments, Schedule and capacity adjustment, Management of performance, Building a revenue management organisation.	

Suggested Readings:

1. Robert L. Phillips, 'Pricing and Revenue Optimization'. (Latest edition), Stanford University Press, UK.
2. Yeoman, I., and McMohan-Beattie, U. 'Revenue Management and Pricing: Case Studies and Applications' (Latest edition), Thomson, Australia.
3. Boyd, E. 'The Future of Pricing: How Airline Ticket Pricing Has Inspired a Revolution'. (Latest edition), Palgrave Macmillan, London.

Learning outcomes:

The learner will be able to:

1. Relate demand drivers to demands in airline industry.
2. Understand price-demand relationship.
3. Identify optimal prices and revenues for services.
4. Understand revenue management practices.