

Price Search and Airlines

History

- Price search for airfares used to be very difficult---in many cases had to be performed by a trained professional.
- Even after computerized search and ticketing (e.g. Sabre), price search by customers had to be performed through a series of phone calls.
- The internet has transformed price search for airline tickets.

Examples of Airline Price Search Sites

- [Expedia](#)
- [Travelocity](#)
- [Orbitz](#)
- [dohop](#)
- [Kayak](#)
- [Skyscanner](#)

How would we expect airlines to respond? Low prices and obfuscation

- Flights much cheaper than 20 years ago in real terms
- Preventing price comparison sites from listing their flights (Southwest, Ryanair)
- Selling amenities as add-ons (luggage, snacks, pillows)
- Class proliferation

- Compare with
CPI increase of
47%

Consumer Price Index - All Urban Consumers

3-Month Percent Change

Series Id: CUSR0000SETG01
 Seasonally Adjusted
 Area: U.S. city average
 Item: Airline fare
 Base Period: 1982-84=100

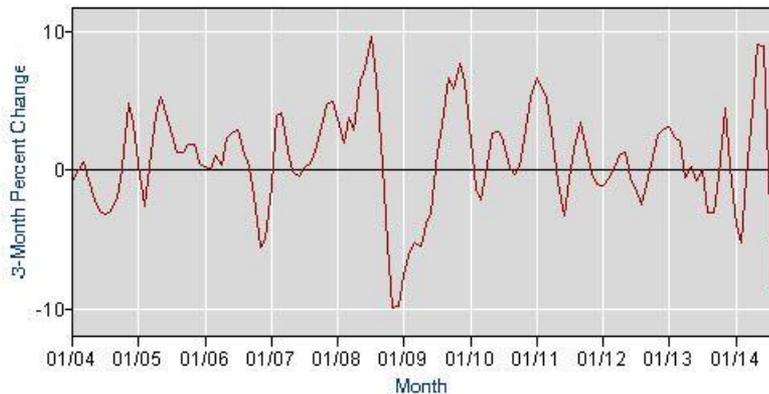


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National-Level ATPI Series

[Excel](#) | [CSV](#) | [Table Version](#)

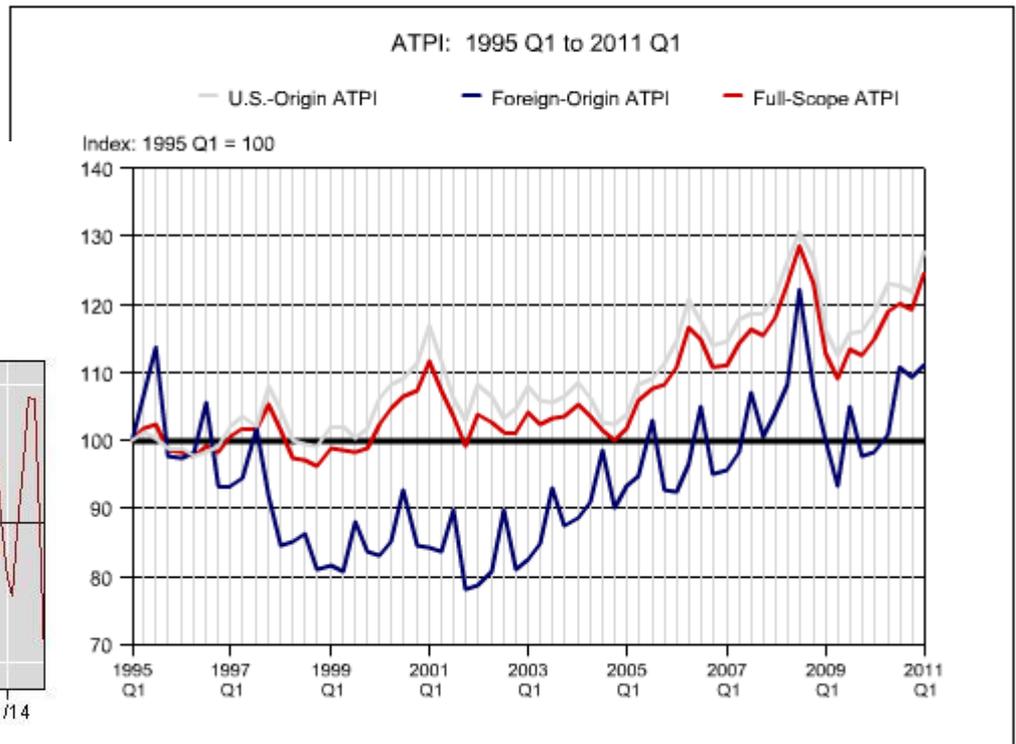


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Airlines Add-on Fees

- Lushing, Dustin. “Airlines Scored \$22.1B in Add-on Fees Last Year.” *Newser*. July 25, 2012.

Shopbots versus database systems

- Shopbots search for items for sale, scrape prices, and list all they can find
- They may have some “sponsored listings,” ad revenue, or consumer fees
- Websites can take many legal and technical steps to frustrate scraping programs and/or post misleading information
- Relatively easy to manipulate

Shopbots versus database systems

- Database systems require cooperation of listing merchant (and typically charge either listing or clickthrough fees)
- They can impose rules to try to ensure efficient price search and mitigate obfuscation
- They do not have as wide coverage as shopbots
- Movement towards database systems

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