

# Airline Passenger Transportation System: Structure and Dynamics

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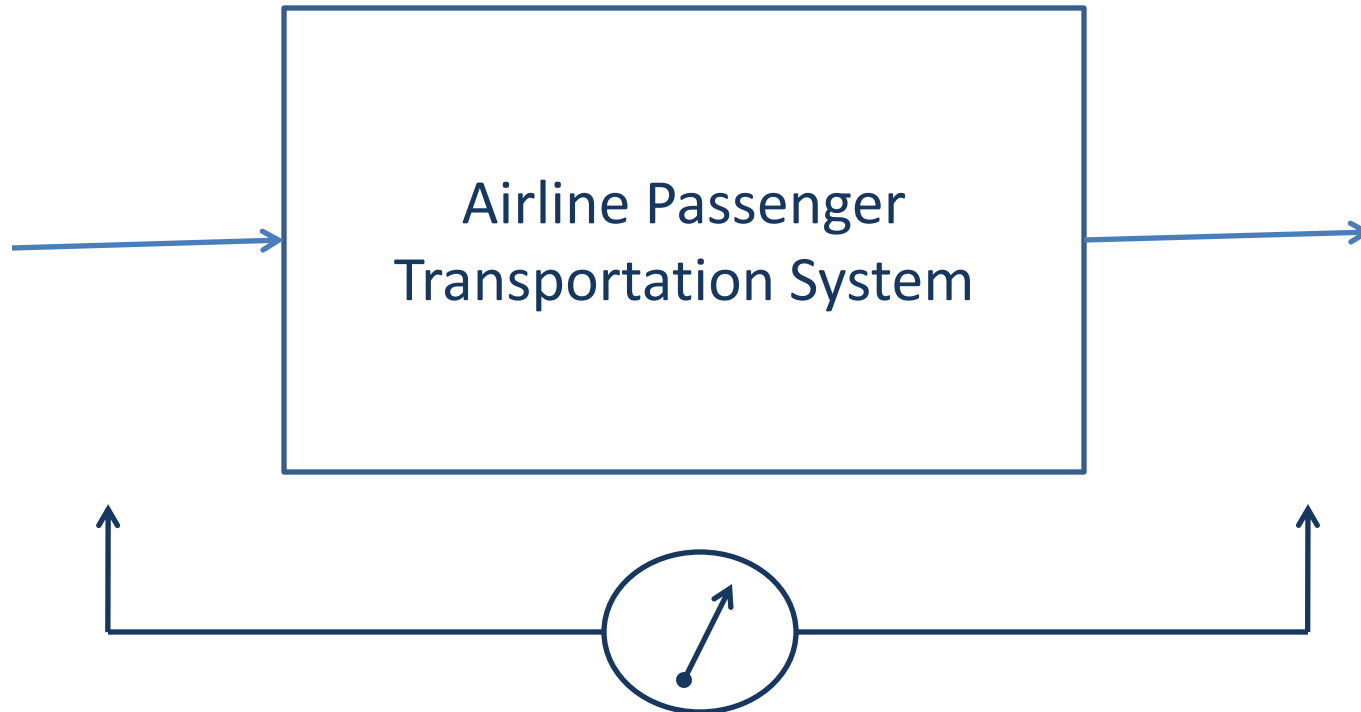
# Airline Passenger Transportation System (APTS)

- System that provides transportation of passengers:
  - Passengers that provide value at their destinations (e.g. consult, exchange technology, sales, ...)
  - Passengers that spend money at their destinations (e.g. vacation)
- This mode of transportation is characterized by:
  - Service across long geographic distances
  - Rapid
  - Affordable
  - High levels of safety

# Airline Passenger Transportation System (APTS)

- Transportation accomplished through the interaction of multiple agents:
  - Airlines
    - Ticketing
    - Check-in
    - Flights
    - Baggage
  - Airports
    - Ground transportation
    - Security
    - Terminal services
    - Airside service (e.g. de-icing, snow removal, ...)
  - Air Navigation Service Providers
    - Navigation infrastructure
    - Surveillance function
    - Flow Management, Separation, ...
  - Other supply chain enterprises (rental cars, fuel providers, concessionaires, ... equipment manufacturers)

# Airline Passenger Transportation System (APTS)



1. Quality (i.e. passenger safety)
2. Cost (i.e. airfares + other costs, externalities)
3. Time (i.e. scheduled trip time, reliability = actual trip time)

# (1) Quality of APTS

- mortality risk of passenger air travel
- a passenger chooses a (nonstop) flight completely at random, what is the probability that the passenger will be killed during the flight?

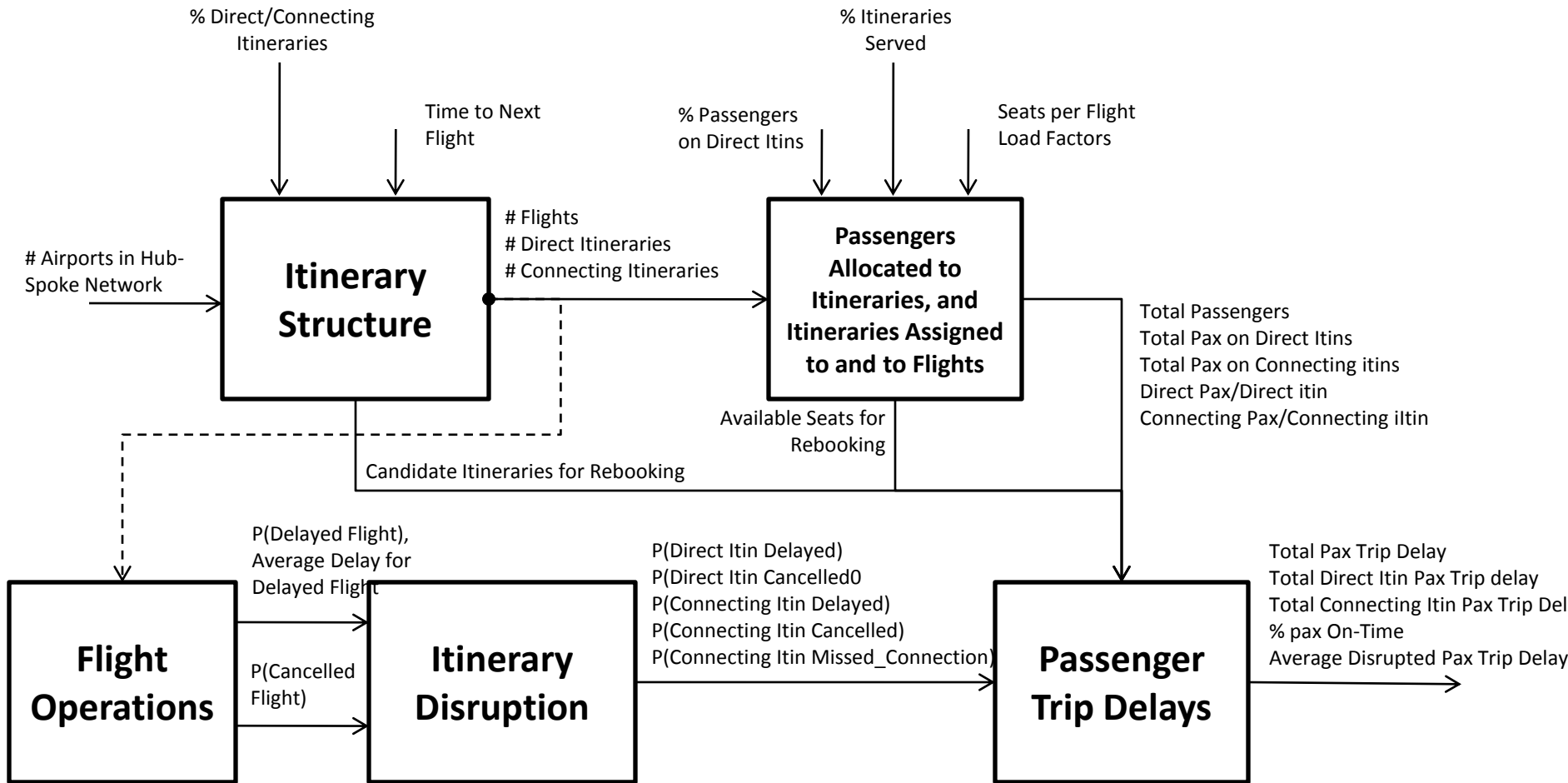
## (2) Cost of APTS

- Airfares + Other Costs of APTS determine demand for air travel
  1. Cost-based pricing
    - Direct and Indirect Operating Costs
  2. Demand-based pricing
    - Supply vs Demand
    - Competition
  3. Service-based pricing
    - Differentiation

# (3) Time & Reliability of APTS

- $T = \text{Ground access/egress} + \text{Flight time} + \text{Schedule displacement}$ 
  - Ground Access/Egress
    - Airport processing
  - Flight Time is Scheduled “block time”
    - Includes “schedule padding”
  - Schedule Displacement
    - Time between when passenger wants to depart/arrive and flight is scheduled to depart/arrive
- Reliability = Passenger Trip Delays
  - Actual arrival time – Scheduled arrival time
  - Includes: delayed flights, diverted flights, rebooking for cancelled flights, missed connections, over-booking

# APTS System Structure





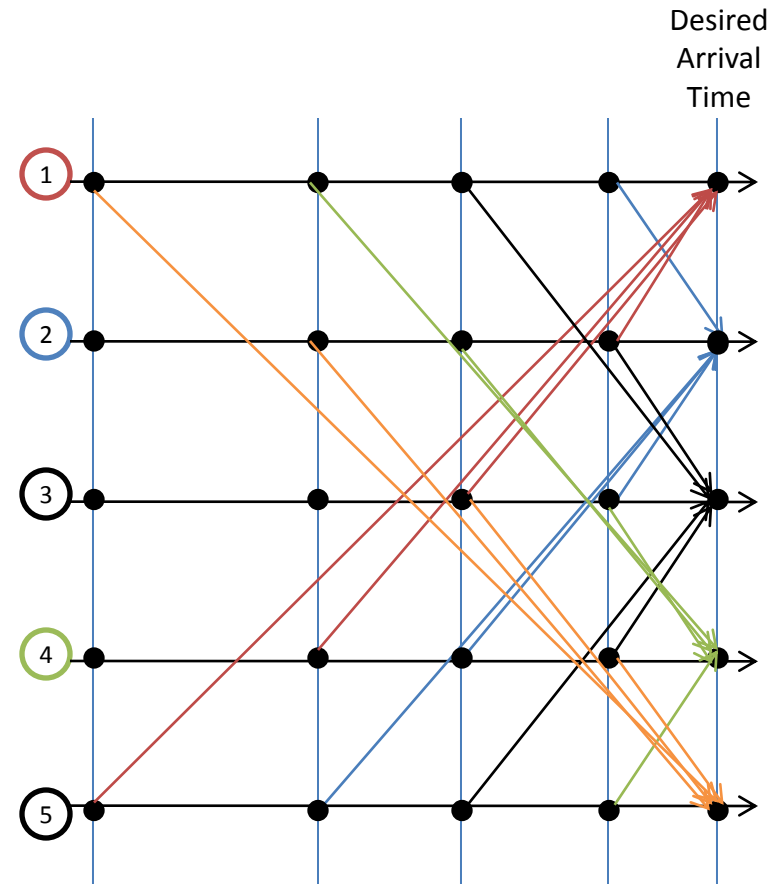
# Network

# APTS Network

- Network is the manner in which airports are connected by flights
  - Network is a space-time network
  - Network determines the itineraries
- Two distinct types of networks
  - Point-to-point
  - Hub-and-Spoke

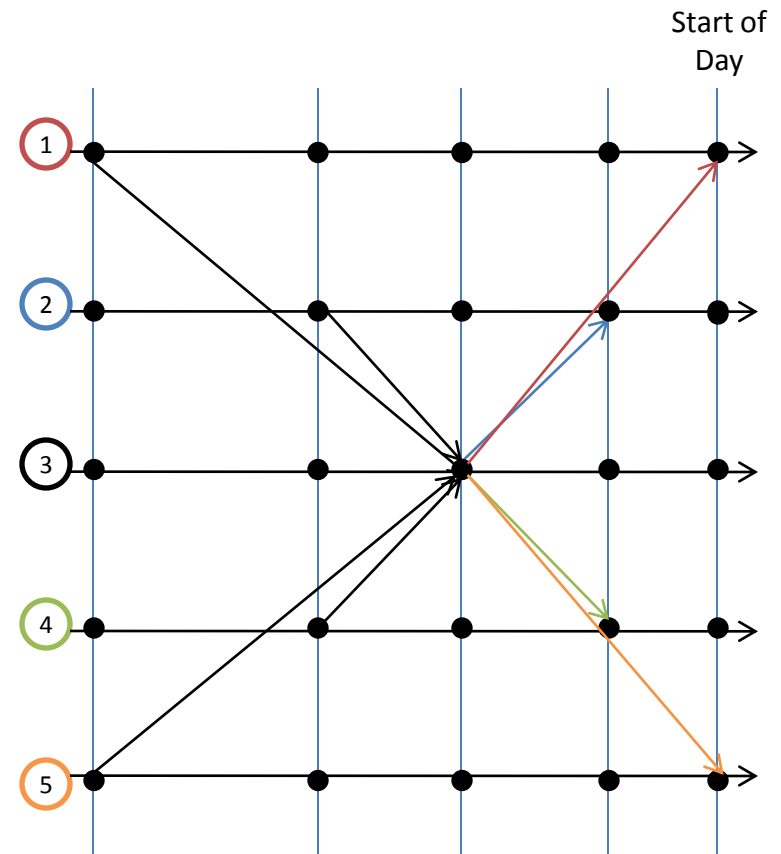
# Direct Network

- Each Origin is connected to each Destination (e.g. 1-2, 1-3, 1-4, 1-5)
- Flights depart Origin in time to reach Destination at desired time (e.g. start of business day)
- # Flights required to provide service =  $(n-1)n$ 
  - $4 * 5 = 20$
- # Aircraft = # Simultaneous Flights = 20



# Hub-and-Spoke Network

- Each Origin is connected to each Destination via a Hub (i.e. 3)
  - (e.g. 1-3-2, 1-3-4, 1-3-5)
- Flights depart Origin in time to reach Destination at desired time (e.g. start of business day)
- # Flights required to provide service =  $(n-1)2$ 
  - $4 * 2 = 8$
- # Aircraft = # Simultaneous Flights = 4



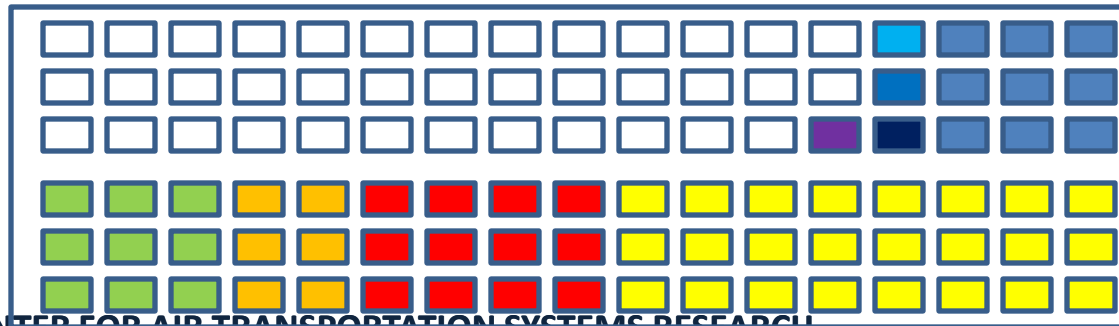
# Hub-and-Spoke

- Bank
  - Flights arrive from Origins at Hub, then depart from Hub to Destinations
- Typical hub network has 5 – 8 banks per day
  - Depends on geography/routes served
    - USAirways at CLT vs JetBlue at JFK
- Advantage of Hub – economies of scale
- Disadvantage of Hub – Flight time

# Itineraries

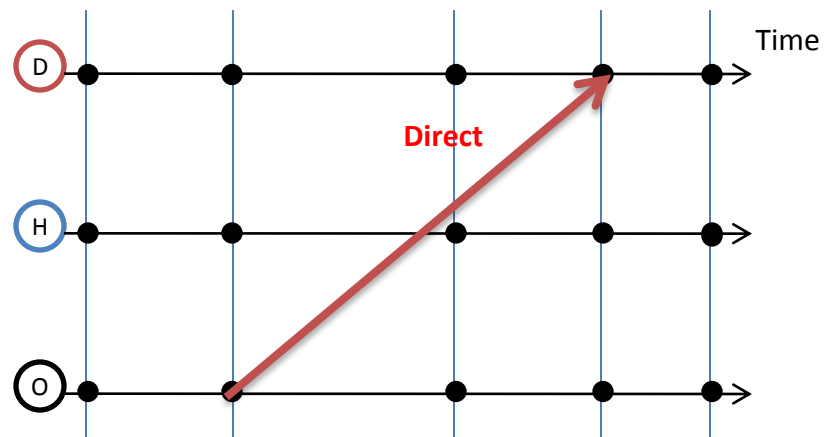
# Itineraries

- Itinerary is the sequence of flights taken by a *given passenger* from Origin to Destination
  - Direct Itinerary
  - Connecting Itinerary
- By definition a given flight (in a hub-and-spoke network) will have passengers on board different itineraries



# Direct Itinerary

- Direct Itinerary:
  - Origin
  - Destination
  - Scheduled Departure Time Origin (as ticketed)
  - Scheduled Arrival Time Destination (as ticketed)
  - Flight Number
  - Flight Seat Capacity
  - Type: Direct

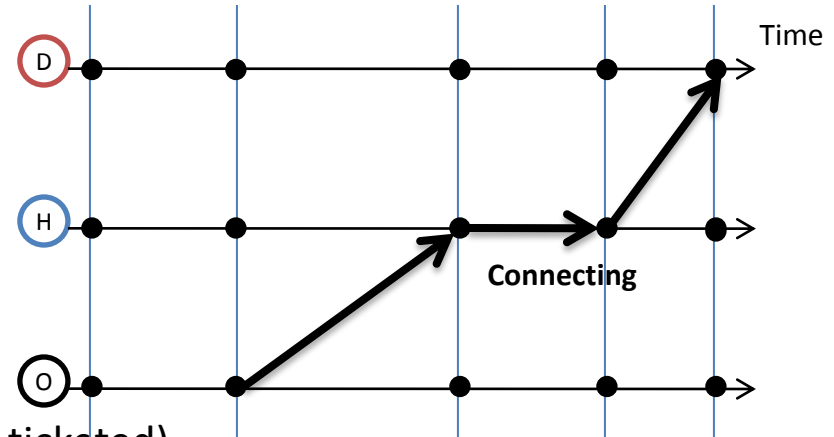




# Connecting Itinerary

- Connecting Itinerary

- Origin
  - Scheduled Departure Time – origin (as ticketed)
  - Scheduled Arrival Time - Hub (as ticketed)
  - Flight Number
  - Flight Seat Capacity
- Hub
  - Scheduled Departure Time – origin (as ticketed)
  - Scheduled Arrival Time - Hub (as ticketed)
  - Flight Number
  - Flight Seat Capacity
- Type: Direct



# Actual Itineraries (Hub ATL)

ORIGIN	DEST	HUB	AIRLINE	DB1B PAX	FL_1_NUM	Seats	T100 Load Factor	FL_2_NUM	Seats	T100 Load Factor	Pax Flight Itin Pax
DCA	ATL	NUL L	DL	63	1137	143	0.85314685 3	NULL	NULL	NULL	19
LGA	ATL	DCA	DL	18	1961	134	0.50746268 6	1137	143	0.85314685 3	10
LGA	ATL	DCA	DL	18	1963	134	0.50746268 6	1137	143	0.85314685 3	10
DCA	BHM	ATL	DL	27	1137	143	0.85314685 3	574	146	0.73972602 7	8
DCA	CHS	ATL	DL	16	1137	143	0.85314685 3	1164	142	0.86619718 3	5
DCA	TPA	ATL	DL	19	1137	143	0.85314685 3	836	201	0.81592039 8	6

# Example APTS Network

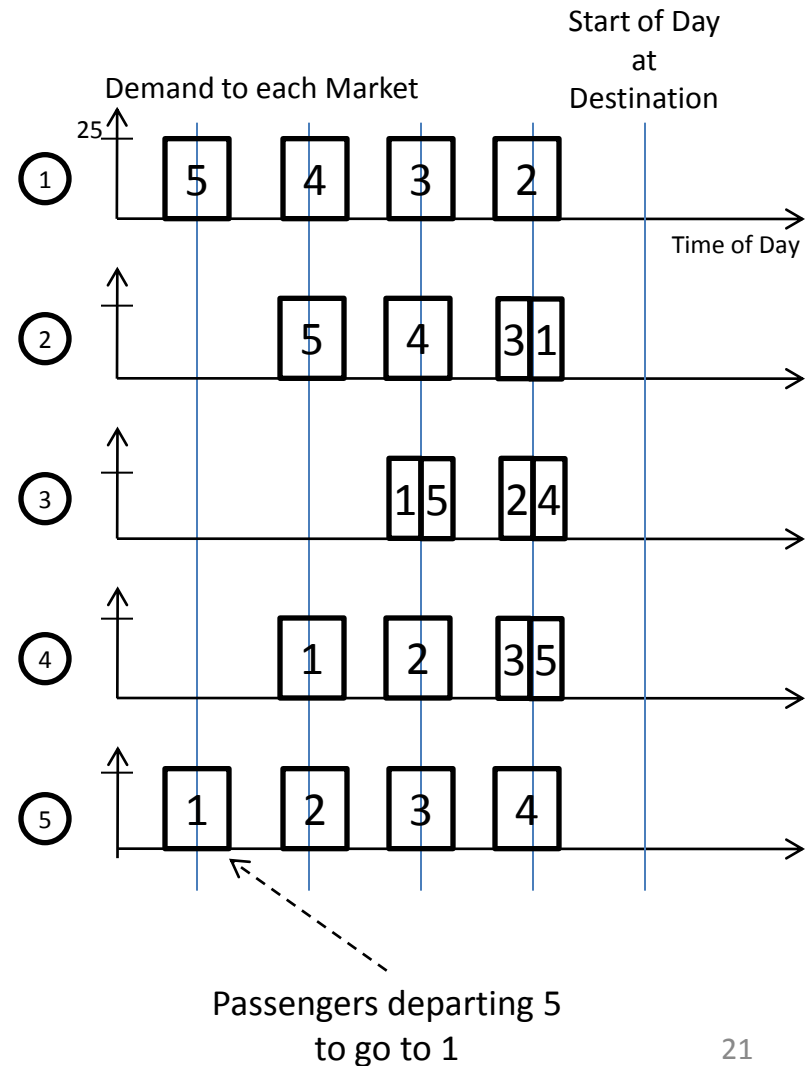
# Example APTS (5 Airport)

- Markets
  - Five
  - Located in same Time Zone
  - Equal distance apart
- Transportation Service at each Market
  - Each market has own airport
  - Travel time = 1 Unit Time between airports
  - (e.g. Travel Time 1 to 4 = 4)



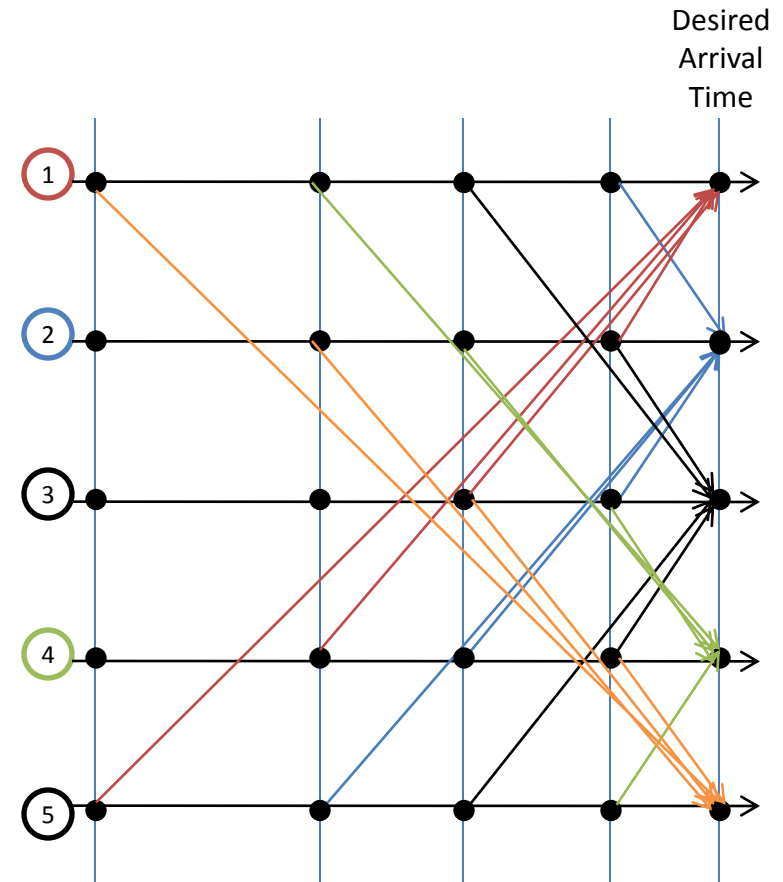
# Transportation Demand

- Transportation demand
  - Total of 500 passengers
  - 100 passengers to each Destination Market
  - 100 passenger from each Origin Market
  - 25 passenger trips from each Origin market to each Destination Market
  - Passengers are required to be at Destination for start of day, so depart with enough time
  - Demand for travel at each Origin to arrive at Destination at start of day (shown on right)
    - 100 pax leave each market
    - 100 pax arrive at each market



# Direct Flight Network

- Total Passengers = 500
- Total Itineraries = 20
- # Flights =  $4 * 5 = 20$
- Aircraft Size 25 seats
- Distance Traveled =
  - $4+3+2+1 = 10$
  - $3+2+1+1 = 7$
  - $2+1+1+2 = 6$
  - $3+2+1+1 = 7$
  - $4+3+2+1 = 10$
  - 40
- Total Trip Time = 40
- Total Arrival Displacement Time = 0 (all pax arrive at required time)
- Average Trip Time =  $40/20 = 2$
- Max Simultaneous Arrivals at each airport = 4 (at each airport)
- Max Simultaneous use of airspace = 5 (at each TRACON)

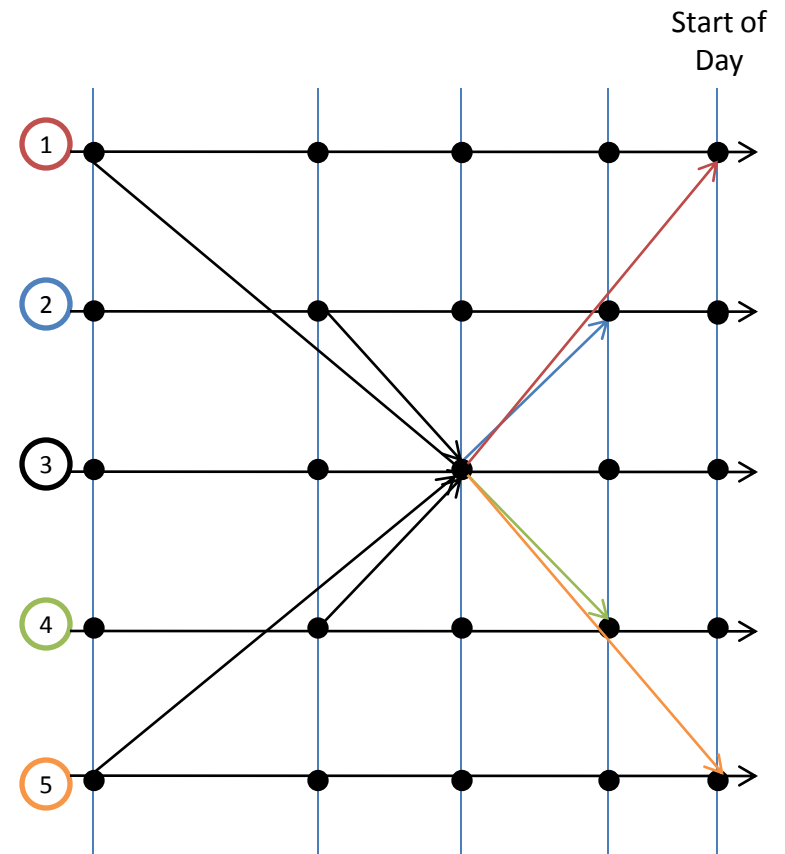


# Direct Flight Network

Origin	Originating Pax	Destination	Itinerary = Flights	Pax per Itinerary = Flight	Trip Time	Arrival Displacement
1	100	2	1-2	25	1	-
		3	1-3	25	2	-
		4	1-4	25	3	-
		5	1-5	25	4	-
2	100	1	2-1	25	1	-
		3	2-3	25	1	-
		4	2-4	25	2	-
		5	2-5	25	3	-
3	100	1	3-1	25	2	-
		2	3-2	25	1	-
		4	3-4	25	1	-
		5	3-5	25	2	-
4	100	1	4-1	25	3	-
		2	4-2	25	2	-
		3	4-3	25	1	-
		5	4-5	25	1	-
5	100	1	5-1	25	4	-
		2	5-2	25	3	-
		3	5-3	25	2	-
		4	5-4	25	1	-
TOTAL	500			500	60	0

# Hub-n-Spoke Network

- Total Passengers = 500
- Total Itineraries = 20
- # Flights = 4 + 4 = 8
- Aircraft Size = 100 seats
- Distance Traveled = 12
- Total Trip Time =
  - Flight + Turn + Flight
  - (5+3+5+6) +
  - (5+2+4+5)+
  - (3+2+2+3)+
  - (5+4+2+5)+
  - (6+5+3+5)=80
- Total Arrival Displacement Time =
  - (some pax arrive earlier than needed)
- Average Trip Time =  $80/20 = 4$
- Max Simultaneous Arrivals at each airport = 4 (at hub only)
- Max Simultaneous use of airspace = 4 (at hub TRACON only)





# Hub-n-Spoke: Itinerary Table

Origin	Originating Pax	Destination	Itinerary	Pax per Itinerary	Total Trip Time	Arrival Displacement (Early)
1	100	2	1-3-2	25	4	1
		3	1-3	25	2	2
		4	1-3-4	25	4	1
		5	1-3-5	25	5	-
2	100	1	2-3-1	25	5	-
		3	2-3	25	1	2
		4	2-3-4	25	3	1
		5	2-3-5	25	4	-
3	100	1	3-1	25	2	-
		2	3-2	25	1	1
		4	3-4	25	1	1
		5	3-5	25	2	-
4	100	1	4-3-1	25	4	-
		2	4-3-2	25	3	1
		3	4-3	25	1	2
		5	4-3-5	25	4	-
5	100	1	5-3-1	25	5	-
		2	5-3-2	25	4	1
		3	5-3	25	2	2
		4	5-3-4	25	4	1
TOTAL	500			500	57	16

# Hub-n-Spoke: Flight Table

Origin	Destination	Pax per Flight	Total Trip Time
1	3	100	2
2	3	100	1
4	3	100	1
5	3	100	2
3	1	100	2
3	2	100	1
3	4	100	1
3	5	100	2

# Load Factor

# Load Factor

- Load Factor on a flight
  - Enplaned Passengers / Available Seats
- Average Load Factor for a set of flights
  - $[\sum (\text{load factors for set of flights}) ]/\text{number of flights}$
- Network Load Factor
  - Total enplaned passengers / Total available seats
  - Alternate: RPM/ASM

# Load Factors

- Airlines control Load Factors by:
  1. Adjusting Aircraft Size
  2. Revenue Management (also known as Yield Management)
    - Computerized Reservation System (CRS)
    - Internet provides price transparency

# Itinerary Performance Reliability

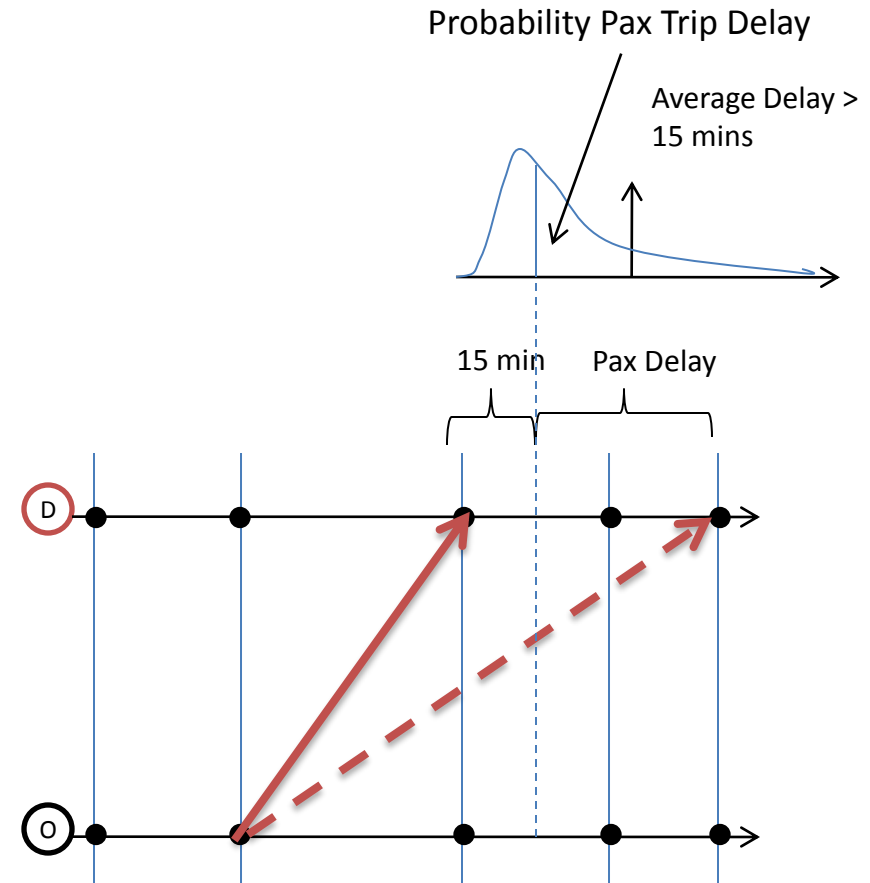
# Itinerary Performance

- Passenger Trip Delay = Actual Passenger Arrival Time – Scheduled (i.e. Ticketed) Arrival Time
- Disruptions resulting in Passenger Trip Delays
  1. Delayed flights
  2. Cancelled flights
  3. Diverted flights
  4. Denied Boarding
  5. Missed Connections

# Direct Itin Disruption

## Delayed Flight

- Pax Trip Delay
  - Ticketed Arrival Time – Actual Arrival Time – 15 min
  - $D_{\text{DelayedFlight}}$
- Probability of Pax Trip Delay
  - Probability Flight Delay > 15 minutes
  - $P_{\text{DelayedFlight}}()$

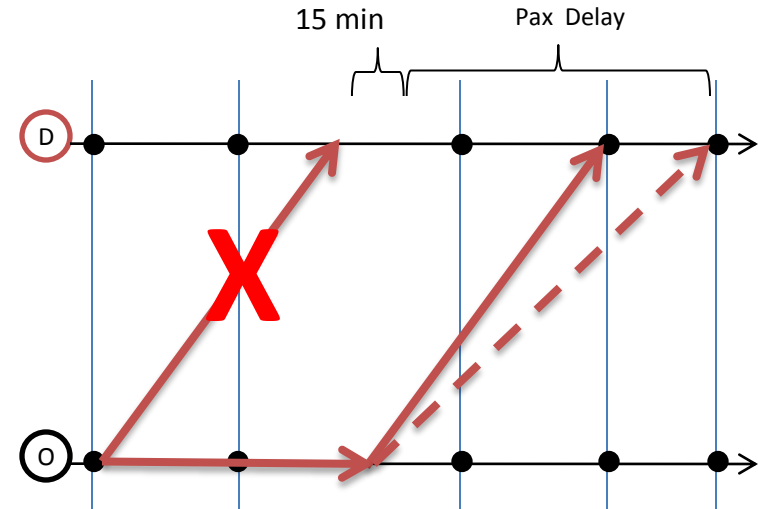




# Direct Itin Disruption

## Cancelled Flight

- Pax Trip Delay
  - Ticketed Arrival Time – Actual Arrival Time
  - $D_{\text{CancelledFlight}} = f(\text{Frequency of Service O-D})$
- Probability of Pax Trip Delay
  - Probability Flight Cancelled
  - $P_{\text{CancelledFlight}}()$

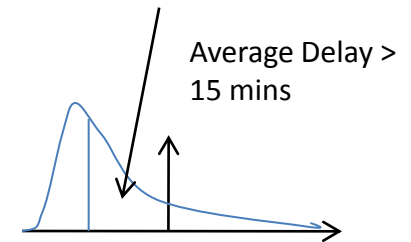


# Connected Itin Disruption

## Delayed Flight

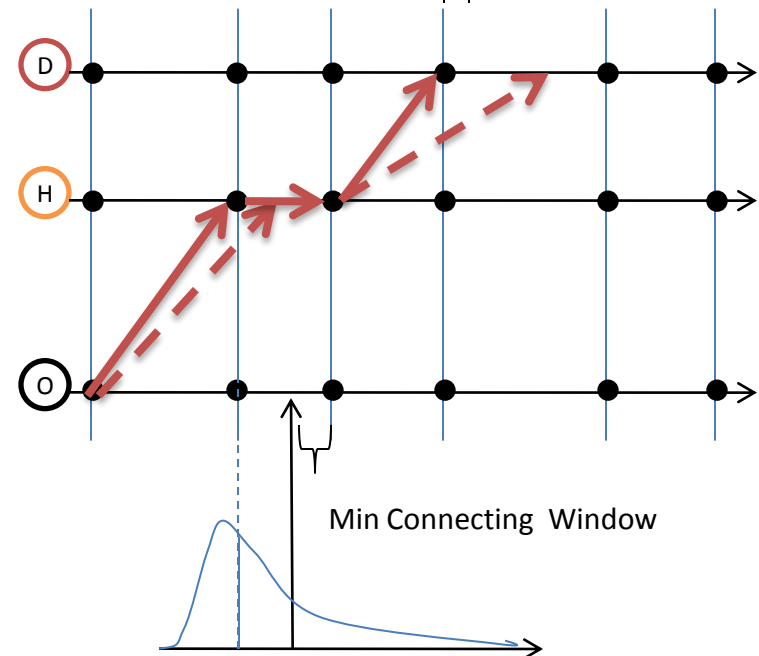
- Pax Trip Delay
  - Ticketed Arrival Time – Actual Arrival Time – 15 min
  - $D_{\text{DelayedFlight H-D}} = f$   
(Frequency of Service O-D)
- Probability of Pax Trip Delay
  - Probability H-D Flight Delay > 15 minutes
  - $P_{\text{DelayedFlight H-D}}$

Probability Pax Trip Delay



Pax Delay

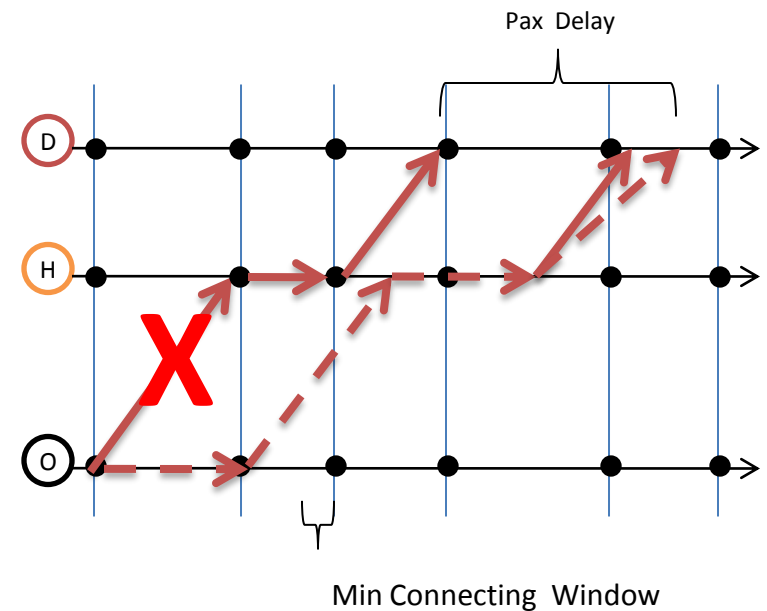
15 min



# Connected Itin Disruption

## Cancelled Flight (O-H)

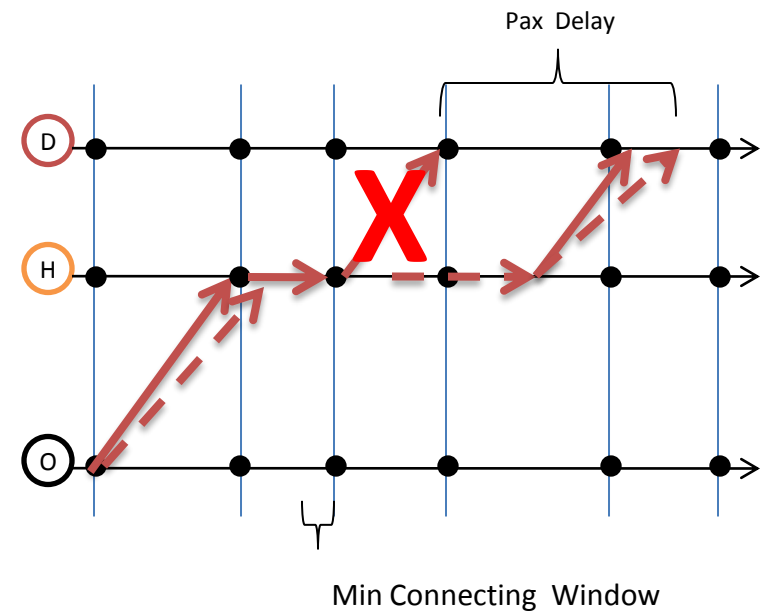
- Pax Trip Delay
  - Ticketed Arrival Time – Actual Arrival Time – 15 min
  - $D_{\text{CancelledFlight withConnection}} = f$  (Frequency of Service O-H, H-D)
- Probability of Pax Trip Delay
  - Probability O-H Cancelled
  - $P_{\text{CancelledFlightO-H}} ()$



# Connected Itin Disruption

## Cancelled Flight (H-D)

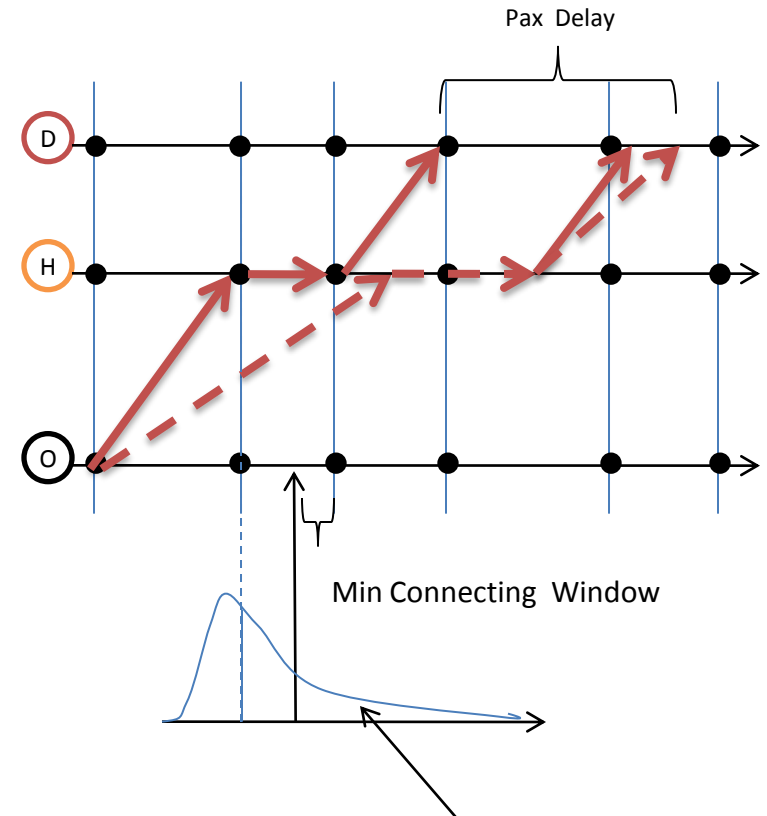
- Pax Trip Delay
  - Ticketed Arrival Time – Actual Arrival Time – 15 min
  - $D_{\text{CancelledFlight}} = f(\text{Frequency of Service H-D})$
- Probability of Pax Trip Delay
  - Probability H-D Cancelled
  - $P_{\text{cancelledFlightO-H}}()$



# Connected Itin Disruption

## Missed Connection Flight

- Pax Trip Delay
  - Ticketed Arrival Time – Actual Arrival Time – 15 min
  - $D_{\text{MissedConnectionFlight}} = f$   
(Frequency of Service O-D)
- Probability of Pax Trip Delay
  - Probability O-H Flight Delay > 15 minutes AND Probability Pax Misses Connection
  - $P_{\text{DelayedFlightO-H}}^* \cdot P_{\text{MissedConnection}}()$



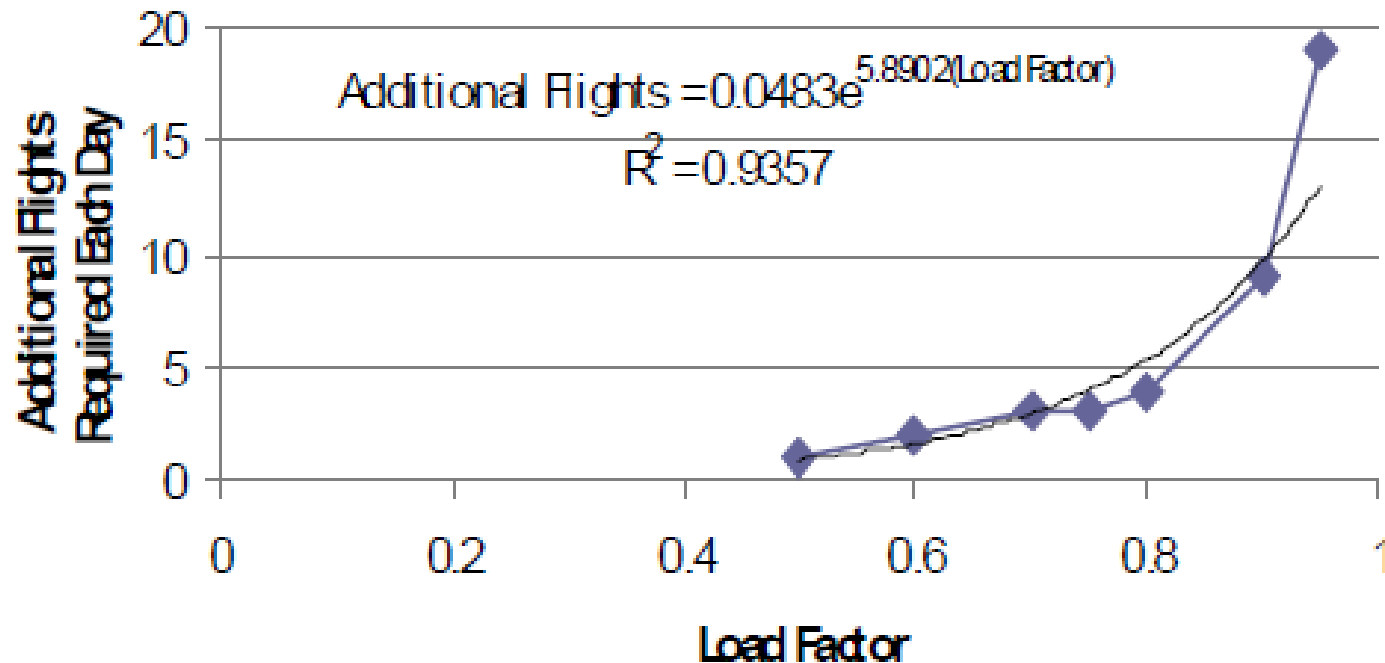
Probability Missed Connection =  
Probability O-H is Delayed beyond Min  
Connecting Window to H-D

# Probability & Magnitude of Disruption

Itinerary Type	Type of Itinerary Disruption	Probability of Itinerary Disruption	Magnitude of Disruption (Average)
Direct	Delayed	Based on Probability of Delayed Flight (typical 0.3)	$10 * e^{(Probability\ of\ Delay\ Flight * 6)}$ . (Typical 60 mins)
	Cancelled	$0.004^{(Probability\ of\ Delay\ Flight * 6.67)}$ . (Typical 0.02)	Based on Availability of Seats on subsequent flights and Time to next flight (average = 300 mins)
Connecting	Delayed	Based on Probability of Delayed Flight (typical 0.3)	$10 * e^{(Probability\ of\ Delay\ Flight * 6)}$ . (Typical 60 mins)
	Cancelled	$2 * 0.004^{(Probability\ of\ Delay\ Flight * 6.67)}$ . Twice probability of Cancelled Flight (typical $2 * 0.02$ )	$(0.0483 * e^{(5.8902 * Load\ Factor)}) * Time\ to\ Next\ Flight$ . Based on Availability of Seats on subsequent flights and Time to next flight (average = 645 mins)
	Missed Connection	$0.1 * Probability\ of\ Delayed\ Flight$ . A function of connecting times and airline policies regarding holding flights (typical 0.03)	$(0.0483 * e^{(5.8902 * Load\ Factor)}) * Time\ to\ Next\ Flight$ . Based on Availability of Seats on subsequent flights and Time to next flight (average = 645 mins)

# Rebooking Passengers

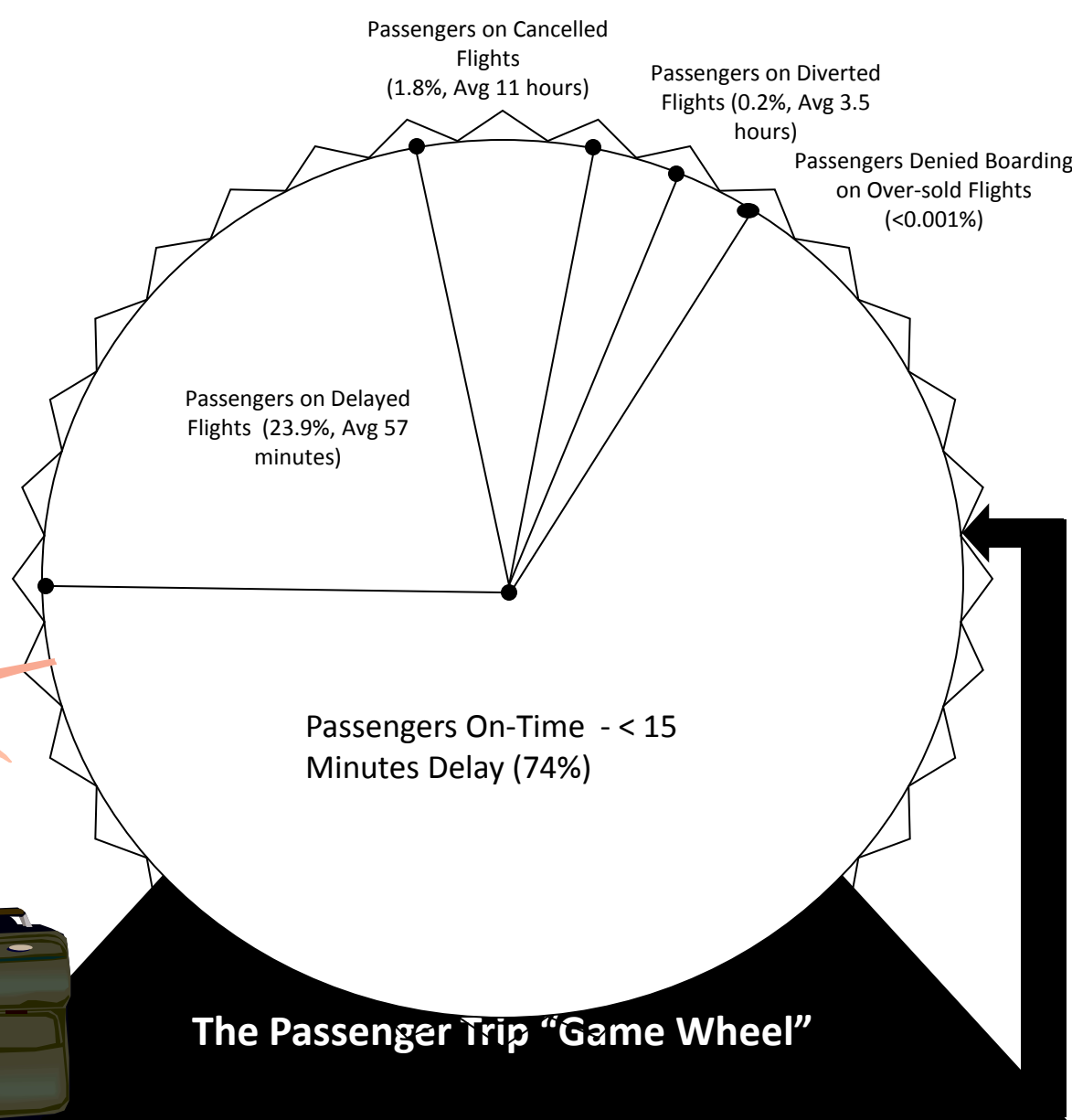
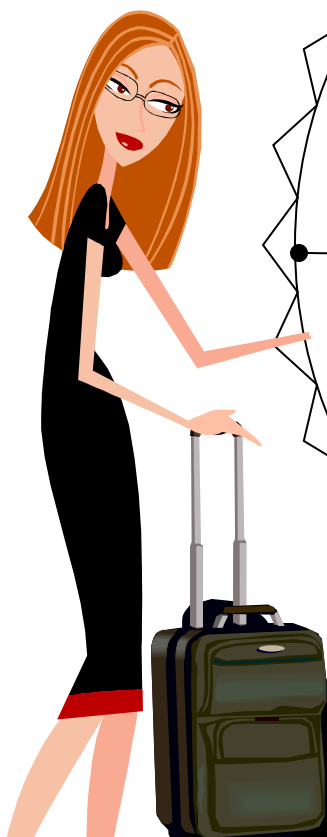
**Additional Flights Required each Day to Deal with a Cancelled Flights as Load Factor Increases**



# Calculating Passenger Trip Delay

	Scheduled Departure Time	Scheduled Arrival Time	Seats	# Pax	Flight Status	Delay	Pax Trip Delay
O-D	06:00	08:00	100	100	Delayed	20 mins	100* 20
O-D	06:10	08:20	120	100	Cancelled		<b>(20 * 130)</b> +(50 * (210 +40))+ +(30 * 460)
<b>O-H1-D</b>	06:30	10:30	120	100	On-Time		0
O-D	09:30	11:50	150	100	Delayed	40 mins	100*40
O-H2-D	13:00	15:00	120	70	On-Time		0

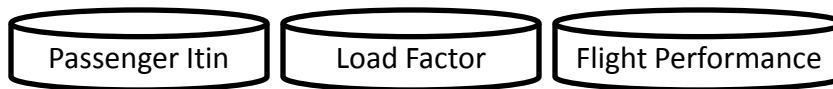




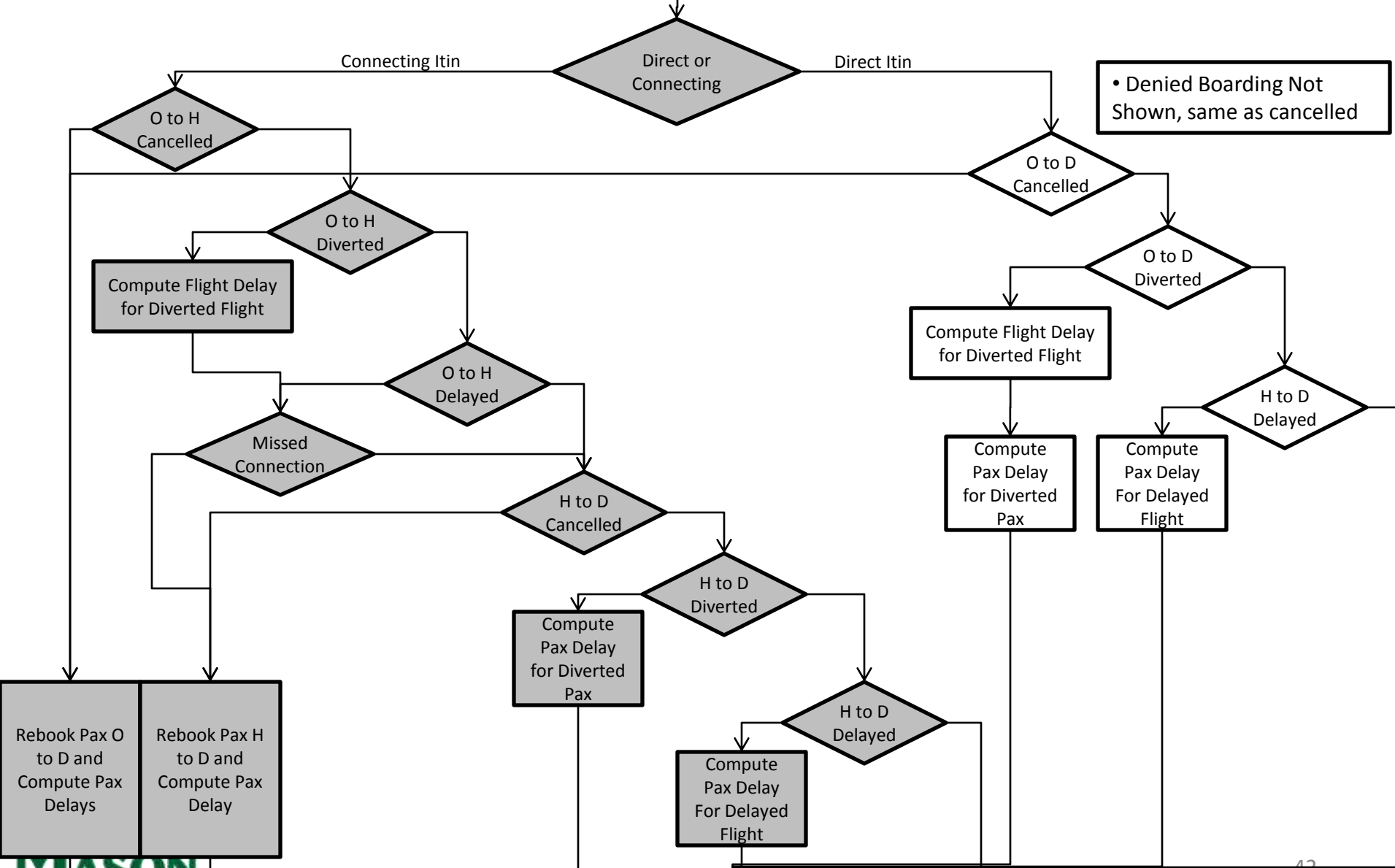
**The Passenger Trip "Game Wheel"**

Not drawn to scale

# Algorithm



For Each Passenger Itinerary

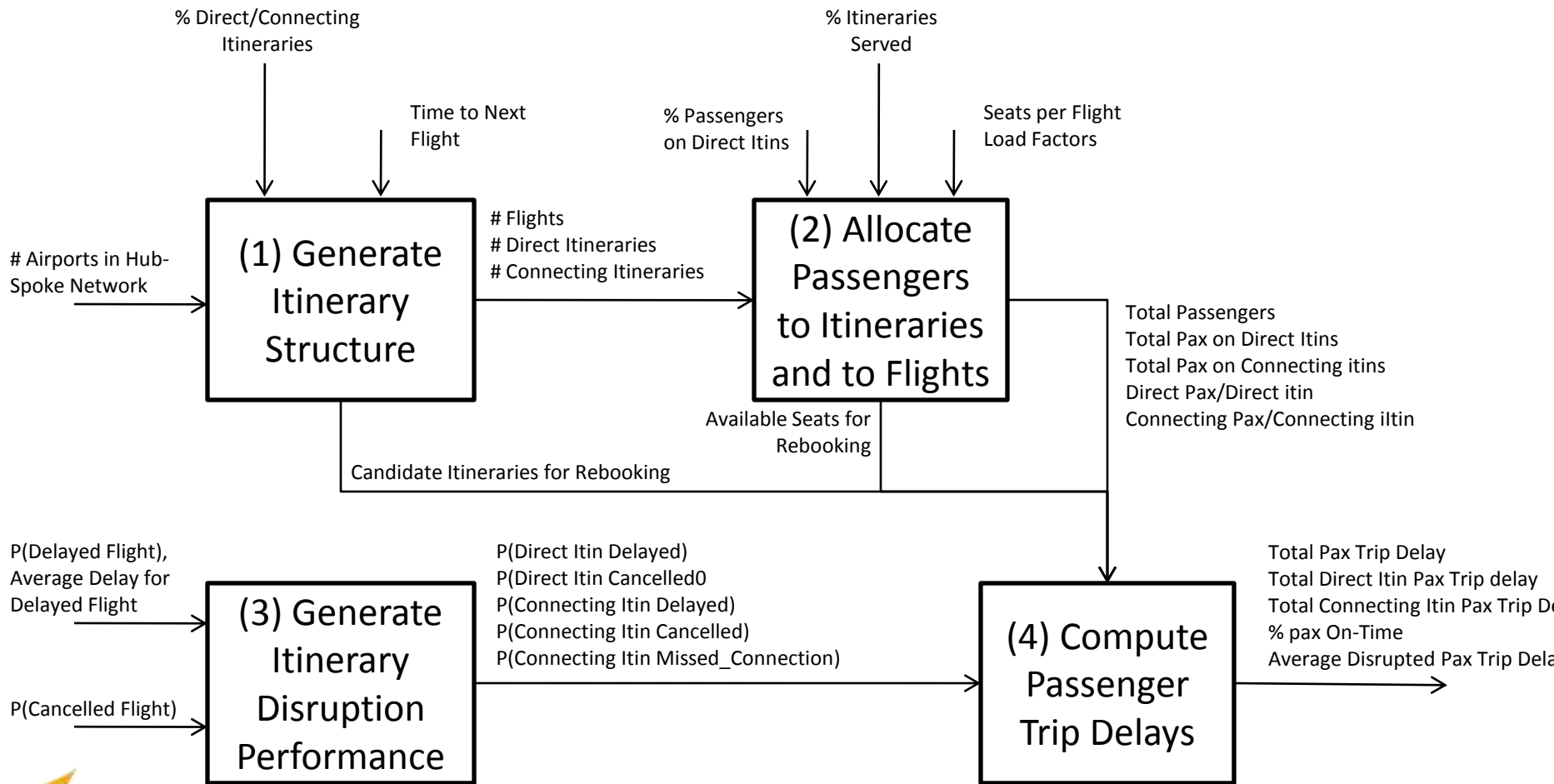


• Denied Boarding Not Shown, same as cancelled

# Data Sources

- T-100 Domestic Segments Data (U.S. Carriers) – domestic segment data aggregated by month
- DB1B Coupons Data – a 10% sample of domestic itinerary data aggregated by quarter
- Flight On-Time Performance Data (ASQP) – daily on-time arrival data for domestic flights operated by major U.S. carriers
- FAA Aircraft Registry, which includes seating capacities by carrier and aircraft type
- Other secondary sources

# Airline Passenger Transportation System



# Network Performance Characteristics

- Transportation System has:
  - 16 itineraries
  - 500 trips
- Transportation Service is provided by:
  - Network Structure
  - Direct Flights vs. Hub-n-Spoke
- Each Flight has:
  - Seat Capacity = SC
  - Seat Utilization = Load Factor = LF
  - Likelihood of experiencing delay =  $P(D)$
  - Likelihood of cancellation =  $P(C)$
- Each Trip has Average Trip Delay
  - Trip Delay due to Delayed Flight =  $DDelayedFlight$
  - Trip Delay due to Cancelled Flight =  $DCancelledFlight$
  - Trip Delay due to Missed Connection =  $DMissedConnection$

# Network Performance

- Total Passenger Trip Delays =  
Total Passenger Trip Delay from Delayed Flights +  
Total Passenger Trip Delay from Cancelled Flights
- Total Passenger Trip Delay from Delayed Flights =  

$$\sum_{i=1, n, j=1, n} LF_{Oi-Dj} * SC_{Oi-Dj} * P(D)_{Oi-Dj} * D_{DelayedFlight\ Oi-Dj}$$
- Total Passenger Trip Delay from Cancelled Flights  

$$= \sum_{i=1, n, j=1, n} LF_{Oi-Dj} * SC_{Oi-Dj} * P(C)_{Oi-Dj} * D_{CancelledFlight\ Oi-Dj}$$

# Network Performance

- Under assumption of homogeneous fleet, flight leg performance ....
  - $LF_{O1-D1} = LF_{O1-D2} = LF_{O1-D3} = \dots = LF$
  - $SC_{O1-D1} = SC_{O1-D2} = SC_{O1-D3} = \dots = SC$
  - $P(D)_{O1-D1} = P(D)_{O1-D2} = P(D)_{O1-D3} = \dots = P(D)$
  - $D_{\text{DelayedFlight } O1-D1} = D_{\text{DelayedFlight } O1-D2} = \dots = D_{\text{DelayedFlight}}$
- Total Passenger Trip Delay from Delayed Flights =
 
$$\sum_{i=1, n, j=1, n} LF_{O_i-D_j} * SC_{O_i-D_j} * P(D)_{O_i-D_j} * D_{\text{DelayedFlight } O_i-D_j}$$

$$= \#Flights * LF * SC * P(D) * D_{\text{DelayedFlight}}$$

# Performance Metrics

1. % Disrupted Passengers
  - Total Disrupted Passengers
    - Passengers on Delayed Flights
    - Passengers on Cancelled Flights
2. Total Passenger Trip Delay
3. Average Passenger Trip Delay
4. Average Disrupted Passenger Trip Delays
  - Average Passenger Trip Delays due to Delayed Flights
  - Average Passenger Trip Delays due to Cancelled Flights
  - Average Passenger Trip Delays due to Missed Connections



# Performance: Direct Network

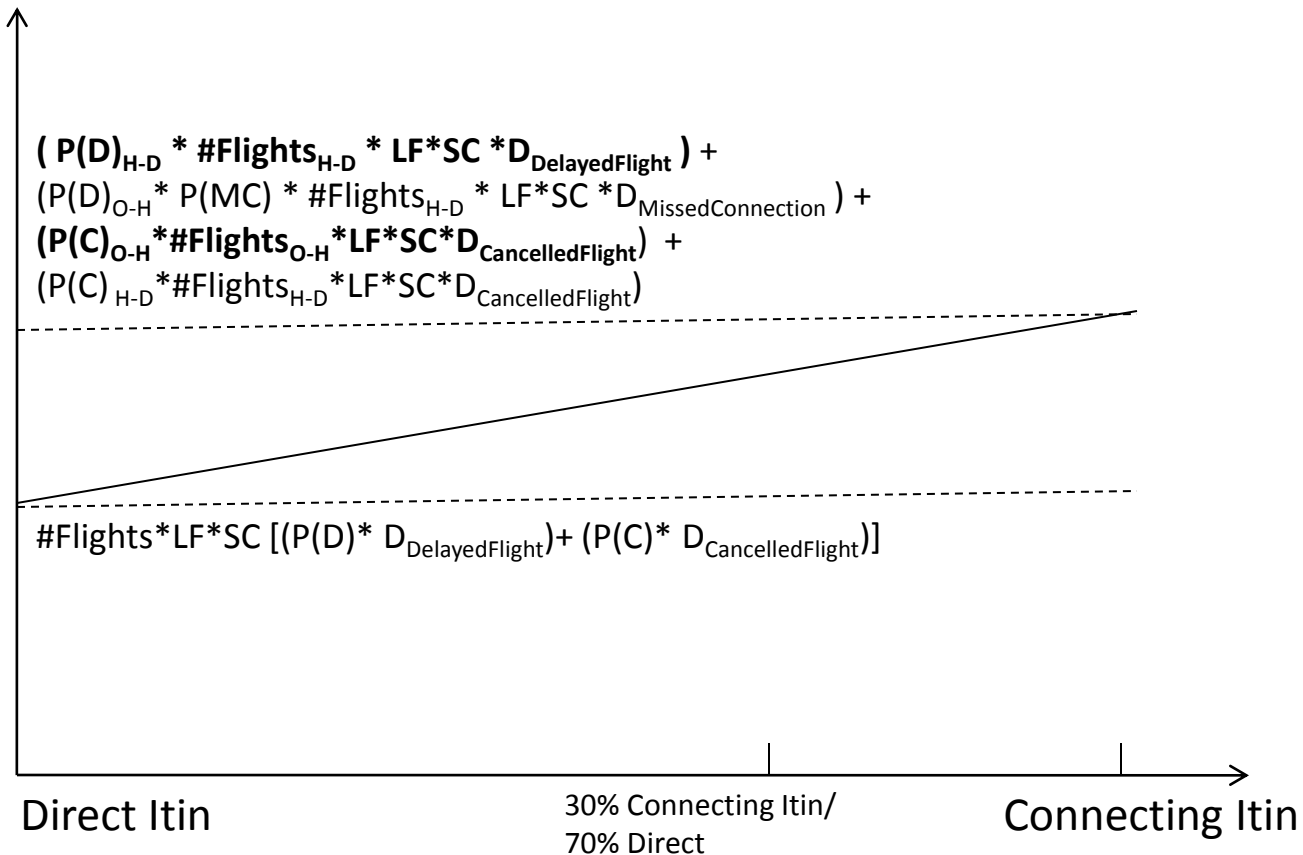
- Total Disrupted Passengers =  $[P(D) + P(C)] * (\#Flights * LF * SC)$
- % Passengers Disrupted =  $P(D) + P(C)$
- Total Passenger Trip Delay =  
 $\#Flights * LF * SC [(P(D) * D_{DelayedFlight}) + (P(C) * D_{CancelledFlight})]$
- Average Trip Delay =  $Total\ Passenger\ Trip\ Delay / \#Pax$
- Average Disrupted Passenger Trip Delays =  $Total\ Passenger\ Trip\ Delay / Total\ Disrupted\ Passengers$

# Performance: Hub-n-Spoke Network

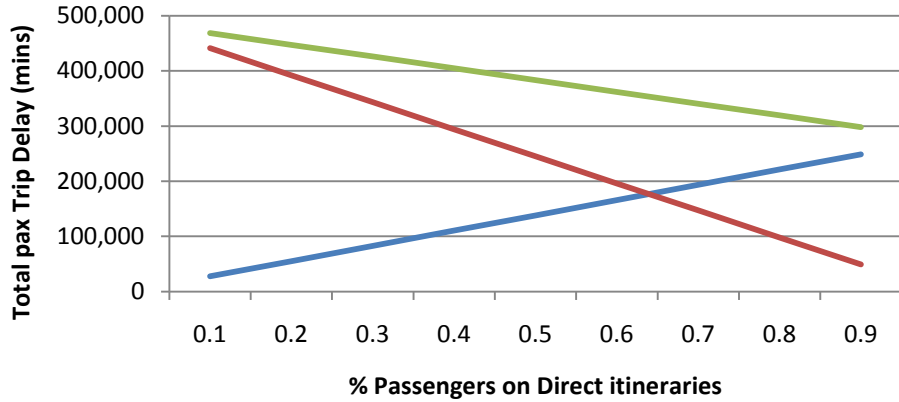
- Total Disrupted Passengers =  
 $(P(D)_{H-D} * \#Flights_{H-D} * LF * SC) +$   
 $(P(D)_{O-H} * P(MC) * \#Flights_{H-D} * LF * SC) +$   
 $(P(C)_{O-H} * \#Flights_{O-H} * LF * SC) +$   
 $(P(C)_{H-D} * \#Flights_{H-D} * LF * SC)$
- % Passengers Disrupted =  $P(D) + [P(D)*P(MC)] + 2P(C)$
- Total Passenger Trip Delay =  
 $(P(D)_{H-D} * \#Flights_{H-D} * LF * SC * D_{DelayedFlight}) +$   
 $(P(D)_{O-H} * P(MC) * \#Flights_{H-D} * LF * SC * D_{MissedConnection}) +$   
 $(P(C)_{O-H} * \#Flights_{O-H} * LF * SC * D_{CancelledFlight}) +$   
 $(P(C)_{H-D} * \#Flights_{H-D} * LF * SC * D_{CancelledFlight})$
- Average Trip Delay =  $Total\ Passenger\ Trip\ Delay / \#Pax$

# Network Performance

## Total Pax Trip Delay

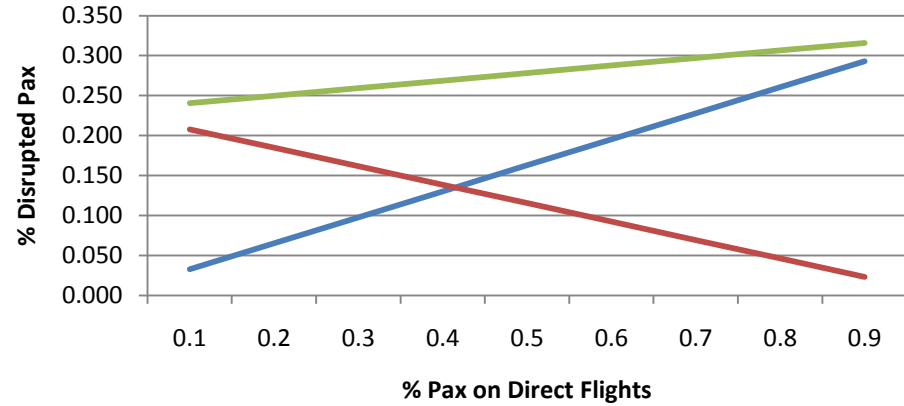


**Total Pax Trip Delay**



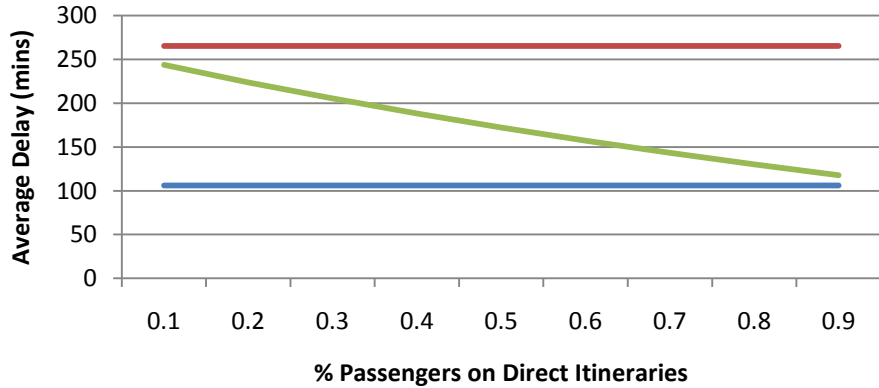
— Total Direct Delay — Total Connecting Pax — Total Pax Delay

**% Disrupted Passengers**



— % Disrupted Dir Pax — % Disrupted Conn Pax — % Total Disrupted Pax

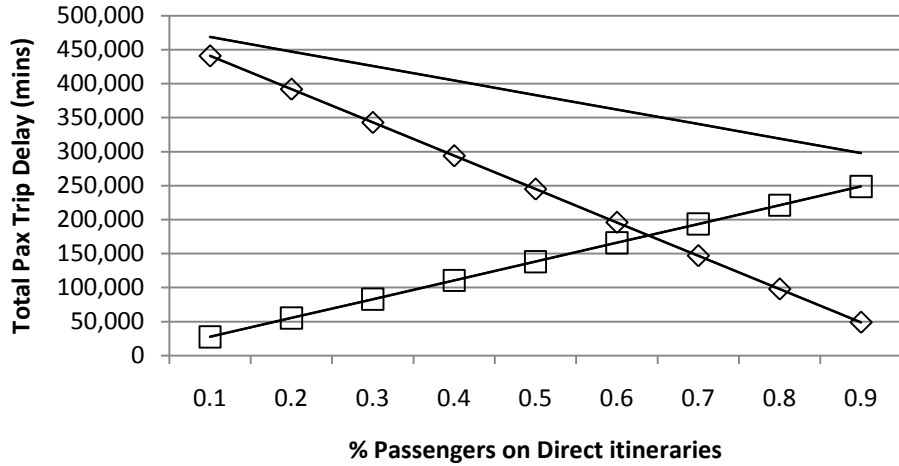
**Average Pax Delay (mins)**



— Average Delay Direct Pax — Average Delay Connecting Pax — Average Delay (Direct & Connecting) Pax

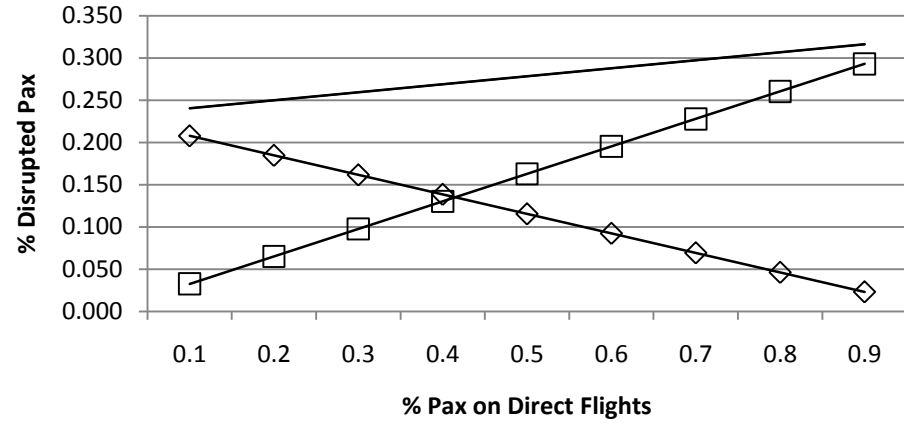
% Passengers on Direct Itineraries

**Total Pax Trip Delay**



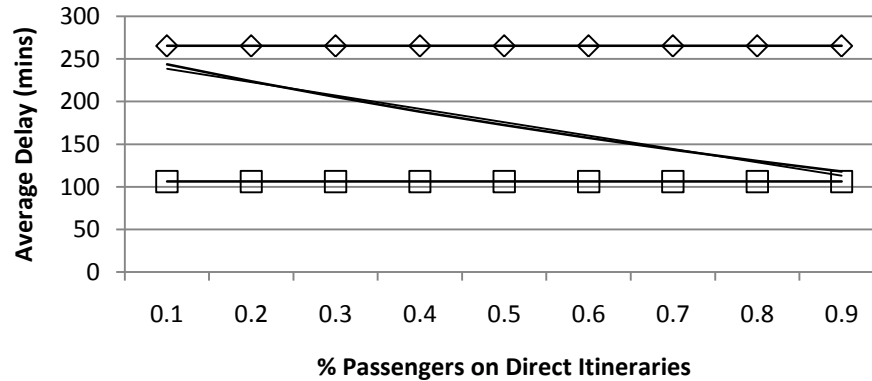
□ Total Direct Delay   
 ◇ Total Connecting Pax   
 — Total Pax Delay

**% Disrupted Passengers**



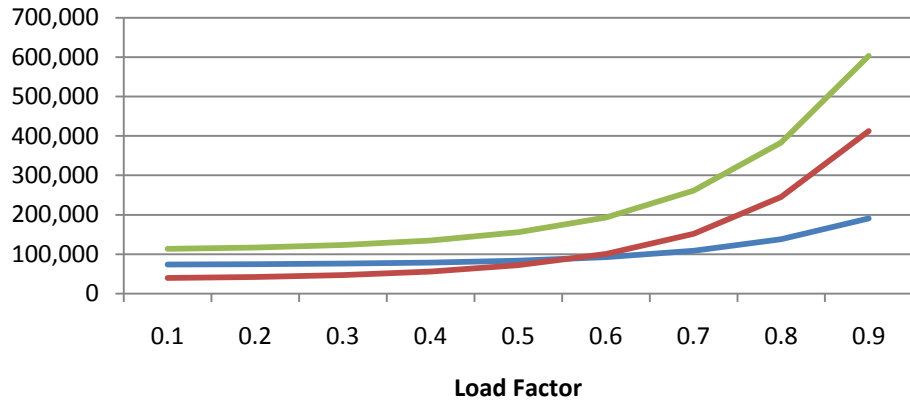
□ % Disrupted Dir Pax   
 ◇ % Disrupted Conn Pax  
 — % Total Disrupted Pax

**Average Disrupted Pax Delay (mins)**



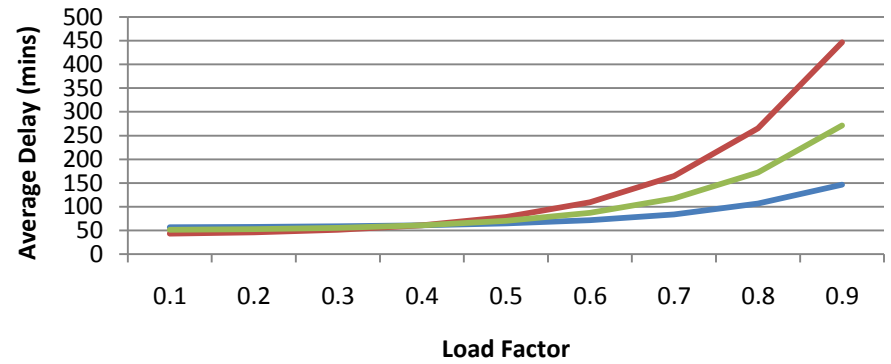
□ Average Delay Direct Pax   
 ◇ Average Delay Connecting Pax  
 — Average Delay (Direct & Connecting) Pax

**Total Pax Trip Delay**



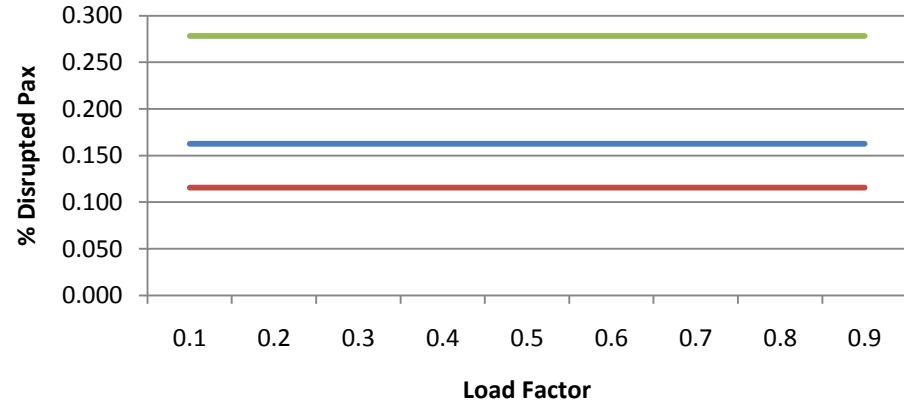
— Total Direct Delay — Total Connecting Pax — Total Pax Delay

**Average Disrupted Pax Delay (mins)**



— Average Delay Direct Pax — Average Delay Connecting Pax — Average Delay (Direct & Connecting) Pax

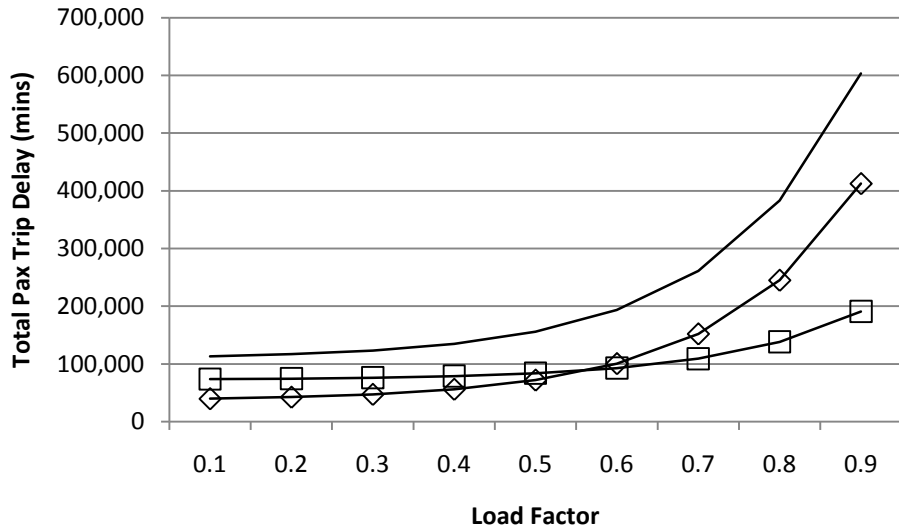
**% Disrupted Passengers**



— % Disrupted Dir Pax — % Disrupted Conn Pax — % Total Disrupted Pax

Load Factor

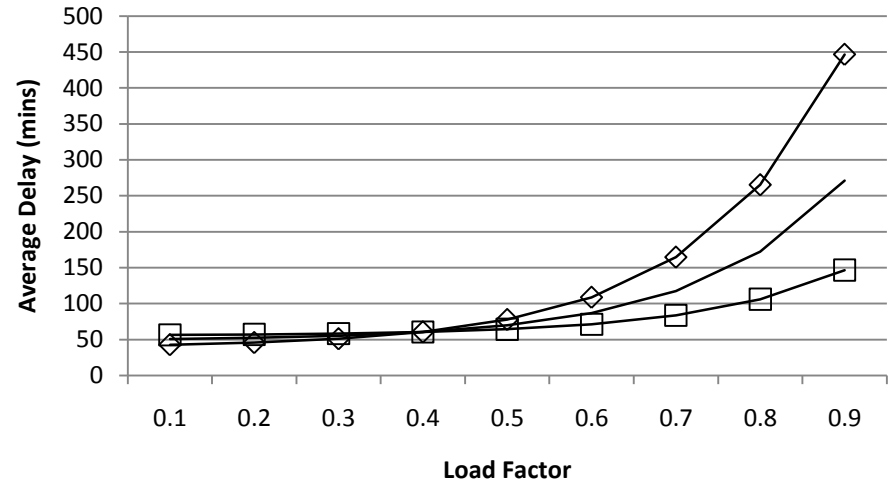
### Total Pax Trip Delay



Total Direct Delay
 
 Total Connecting Pax
 

 Total Pax Delay

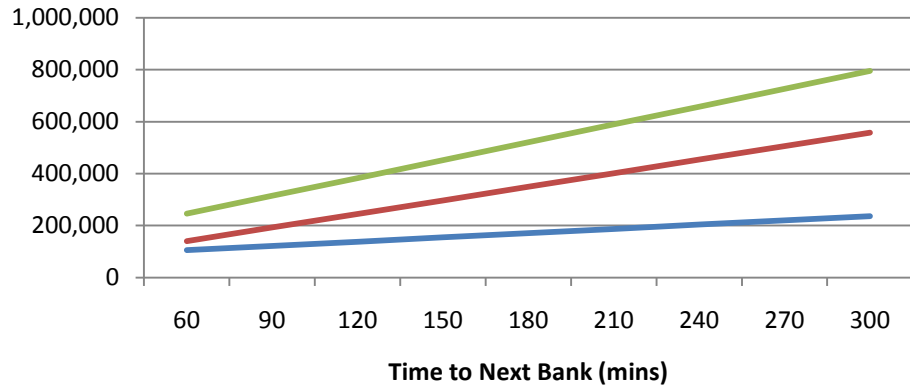
### Average Disrupted Pax Delay (mins)



Average Delay Direct Pax
 
 Average Delay Connecting Pax
 

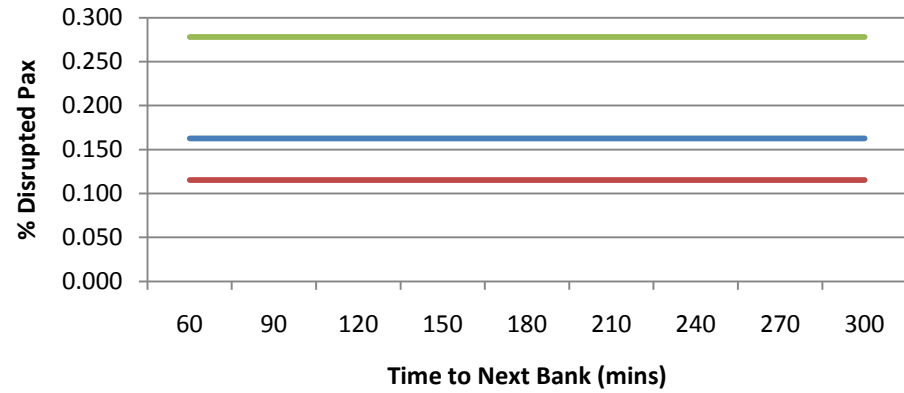
 Average Delay (Direct & Connecting) Pax

**Total Pax Trip Delay**



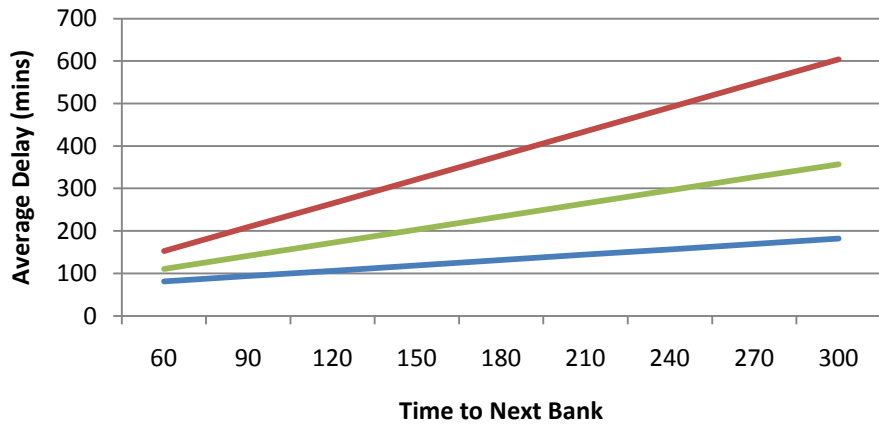
— Total Direct Delay — Total Connecting Pax — Total Pax Delay

**% Disrupted Passengers**



— % Disrupted Dir Pax — % Disrupted Conn Pax  
— % Total Disrupted Pax

**Average Disrupted Pax Delay (mins)**

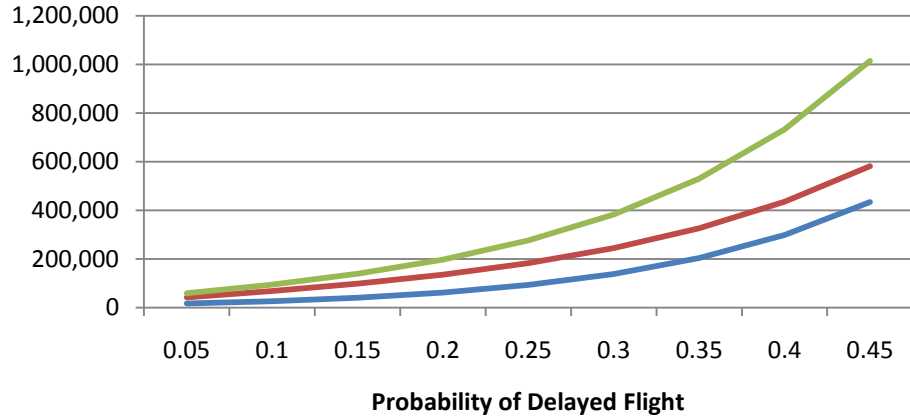


— Average Delay Direct Pax  
— Average Delay Connecting Pax  
— Average Delay (Direct & Connecting) Pax

Time to Next Bank

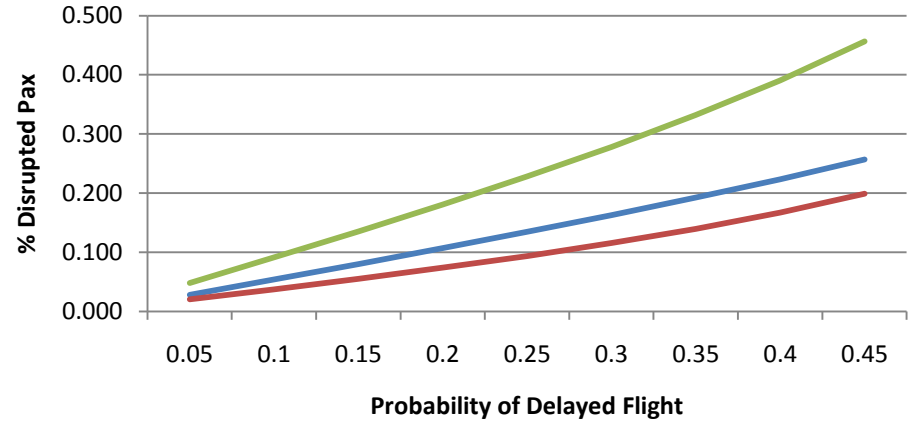


**Total Pax Trip Delay**



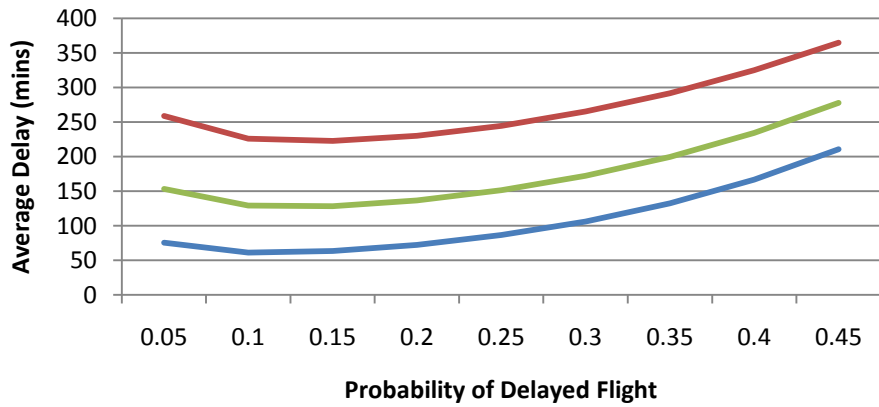
— Total Direct Delay — Total Connecting Pax — Total Pax Delay

**% Disrupted Passengers**



— % Disrupted Dir Pax — % Disrupted Conn Pax  
— % Total Disrupted Pax

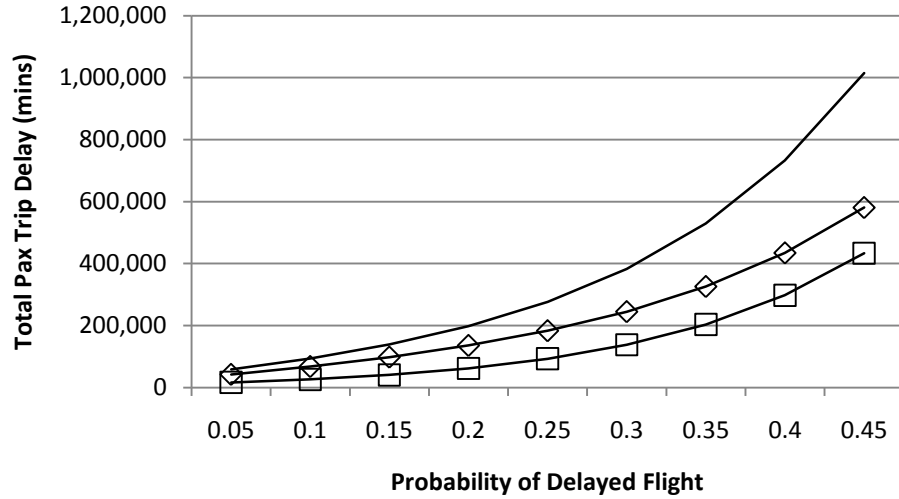
**Average Disrupted Pax Delay (mins)**



— Average Delay Direct Pax  
— Average Delay Connecting Pax  
— Average Delay (Direct & Connecting) Pax

**% On-time**

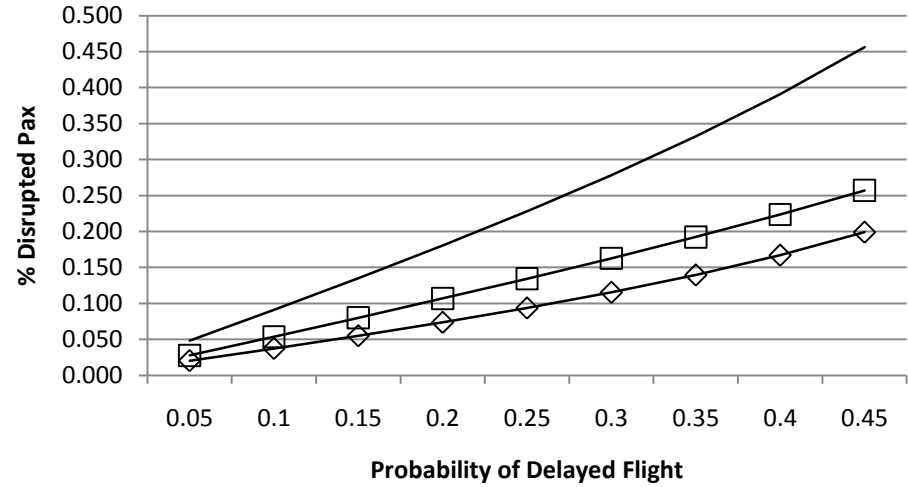
### Total Pax Trip Delay



Total Direct Delay
 
 Total Connecting Pax
 

 Total Pax Delay

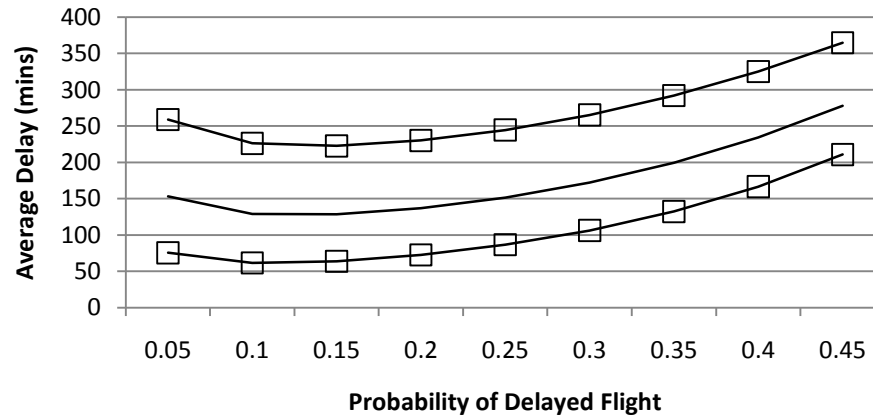
### % Disrupted Passengers



% Disrupted Dir Pax
 
 % Disrupted Conn Pax
 

 % Total Disrupted Pax

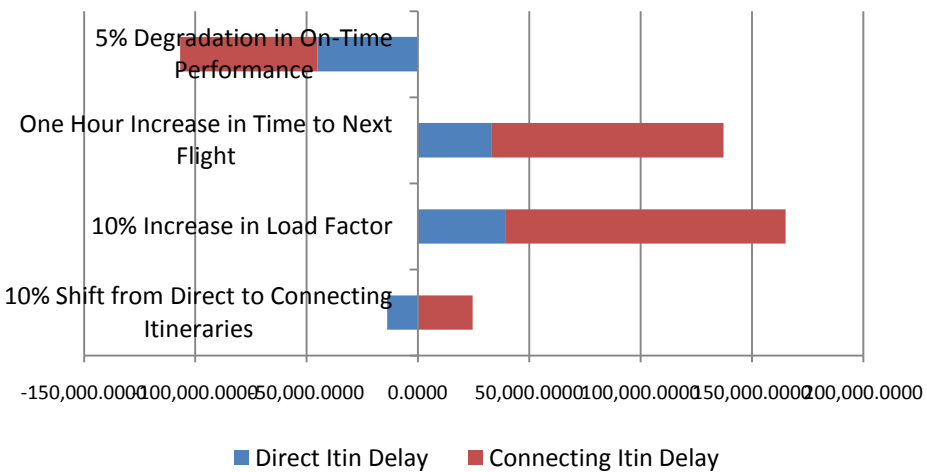
### Average Disrupted Pax Delay (mins)



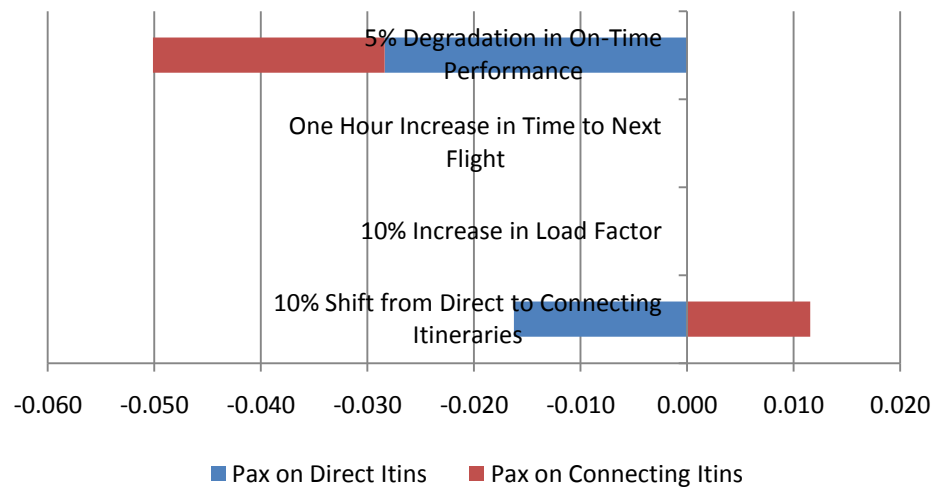
Average Delay Direct Pax
 
 Average Delay Connecting Pax
 

 Average Delay (Direct & Connecting) Pax

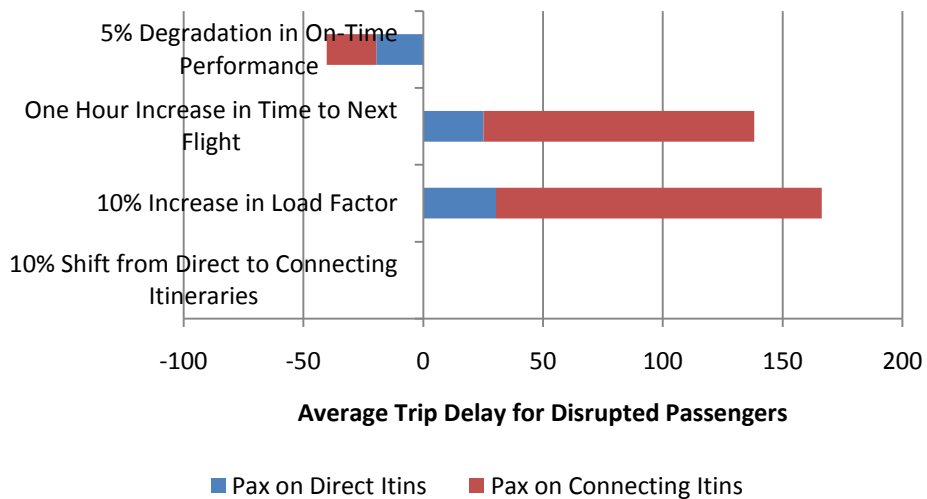
**Sensitivity Analysis - Total Passenger Trip Delay**



**Sensitivity Analysis - % Passengers Disrupted**



**Sensitivity Analysis - Average Trip Delay for Disrupted Passengers**



Sensitivity Analysis