

Home Work: IAD-DEN, United Airlines example provided

1. For IAD-BOS, Jet Blue (B6)

- a. Find the optimum prices to segment price-demand curve into three segments
 - i. Select IAD-BOS itineraries for Jet Blue (B6)
 - ii. Sort descending for Market Fare
 - iii. Paste Data into worksheet “solver problem to pick 3 prices”
 - iv. Make sure “segmented revenue” column calculates for all rows of new data
 - v. Enter 0 in for three prices cells s2, s3, and s4.
 - vi. Open solver
 - vii. Maximize cell s7
 - viii. By changing cells \$\$2:\$4
 - ix. Subject to:
 1. $s_2 > s_3$
 2. $s_3 > s_4$
 3. $s_4 > 0$
 - x. select solve
 - xi. save results
- b. Plot single price segment vs. Segment Revenue for IAD-BOS itineraries for Jet Blue
 - i. Paste Data from 1 iii (above) into “Total Rev vs price analysis” worksheet
 - ii. Make sure columns O through BB are calculated for new rows of data
 - iii. Plot single price segment vs. Segment Revenue for IAD-BOS itineraries for Jet Blue (N1:BB2)
- c. Plot Demand vs. Price curve for IAD-BOS itineraries for Jet Blue
 - i. Update “fare 50” column for new data in “solver problem to pick 3 prices” worksheet
 - ii. Plot demand (Y axis) versus price/ fare 50 (x-axis) for IAD-BOS itineraries for Jet Blue
 - iii. Paste Data into worksheet “solver problem to pick 3 prices”

2. For IAD-BOS, Jet Blue (B6)

- a. Plot AU Booking strategy for CAP = 147 aircraft
 - i. Update worksheet “AU calculations” with new CAP
 - ii. Plot AU for STD 0 to .3 in .01 increments and NSR of 5%, 10%, 15%, 20%, 25%, 30%