



Airline Revenue Management and Network Planning Course: Seat Inventory and Routes



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Introduction:

Airline revenue management and network planning, covering seat inventory and routes, is a 5-day course for airline network planning, revenue management, pricing and commercial analysis teams that ends with a Route and Revenue Management Plan for a case new route. Carriers lose contribution when routes are opened on optimistic demand, schedules miss connecting banks, booking classes are protected by rule of thumb and overbooking ignores spoilage. Nominees already forecast bookings, set fares or plan schedules and work through a modelling build on route, booking curve and inventory data. CoreConcept Training Center delivers this airline revenue management course.

Course Objectives:

- Evaluate a proposed new route with market size, spill, recapture and route profit and loss estimates before it enters the schedule
- Design hub banks and point-to-point frequencies and assign fleet types to flights against demand, connection and aircraft constraints
- Forecast passenger demand by booking class with pick-up booking curves and unconstrain censored history
- Set nested booking limits and protection levels with Littlewood's rule and EMSR-b, and size overbooking against no-show and denied boarding costs
- Control origin-destination inventory with bid prices and displacement cost so that connecting itineraries are valued against local traffic
- Build a Route and Revenue Management Plan with ancillary, distribution and KPI targets for a case new route

Target Audience:

- Network planning teams responsible for route selection, frequency decisions and seasonal schedule construction
 - Revenue management analysts responsible for demand forecasts, booking class controls and overbooking levels
 - Pricing teams responsible for fare ladders, fare rules and competitive fare filing
 - Commercial planning teams responsible for route profitability reporting and new route business cases
 - Sales and distribution teams responsible for channel strategy, corporate contracts and ancillary product offers
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Course Outline:

Day 1: Airline Economics, Unit Revenue Metrics and the Commercial Planning Cycle

- Commercial Planning Cycle From Long-Range Network to Departure Control
- RASK, CASK, Yield and Load Factor Relationship Analysis
- Break-Even Load Factor Calculation by Sector Length
- Passenger Segment Map for Business, Leisure and Visiting Friends Traffic
- Current-State Revenue Management Maturity Scorecard for the Carrier

Day 2: Network Design, Route Evaluation and Schedule Construction

- Hub-and-Spoke Versus Point-to-Point Network Model Trade-Offs
- Connecting Bank Structure, Waves and Rolling Hub Depeaking Choices
- New Route Business Case With Market Size and Share Estimate
- Spill and Recapture Model for Route Profit and Loss
- Fleet Assignment Matching Aircraft Gauge to Flight Demand

Day 3: Demand Forecasting, Fare Structures and Leg-Based Seat Inventory Control

- Pick-Up Booking Curve Forecast and Censored Demand Unconstraining
- Fare Ladder Design With Fare Fences and Booking Class Mapping
- Littlewood Two-Class Rule for Protection Level Setting
- EMSR-a and EMSR-b Nested Booking Limit Calculation
- Overbooking Level Model Balancing Spoilage and Denied Boarding Cost

Day 4: Origin-Destination Revenue Management, Ancillaries and Performance Control

- Origin-Destination Bid Price Control and Displacement Cost Logic
- Connecting Versus Local Itinerary Valuation on Constrained Legs
- Ancillary Revenue Bundles, Branded Fares and Seat Product Attach Rates
- Distribution Channel Cost and Fare Filing Interface With Pricing
- Revenue Management KPI Dashboard With Revenue Opportunity Metric

Day 5: Modelling Build of a Route and Revenue Management Plan

- Case New Route Brief and Demand Forecast Build
 - Schedule, Frequency and Fleet Option Comparison for the Case Route
 - Booking Class Protection and Overbooking Settings for the Case Flights
 - Bid Price and Ancillary Revenue Scenario Testing for the Case
 - Route and Revenue Management Plan Completion and Panel Challenge
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Skills You Will Gain:

- Route Business Case Appraisal
- Hub Bank Structuring
- Fleet Assignment Analysis
- Booking Curve Forecasting
- Nested Seat Inventory Control
- Overbooking Optimisation
- Origin-Destination Bid Pricing
- Ancillary Revenue Planning

Why Attend This Course:

- Deliver a Route and Revenue Management Plan for a case new route to the commercial director or network committee as a template for future route launches
- Decide whether a route earns its place in the schedule, at what frequency and gauge, and how many seats to protect for late high-yield demand
- Avoid launching loss-making routes, selling connecting seats below their displacement cost and flying seats empty through cautious overbooking
- Share the booking curve, EMSR-b, overbooking and route profit and loss templates with network, pricing and sales colleagues

Conclusion:

Back at work, the participant gives the commercial director or network committee a Route and Revenue Management Plan that sets the demand forecast, schedule and fleet choice, booking class protection, overbooking levels, bid price logic, ancillary targets and KPI dashboard for a new route. Planners use it to approve or reject the launch and to agree inventory settings with the revenue management desk. After the first season on the route, the unit should compare forecast and actual bookings, spill, load factor, yield and revenue opportunity achieved.

Frequently Asked Questions FAQ:

What should participants know before an airline revenue management and network planning course?

Participants should already work with booking data, fares, schedules or route reporting and be comfortable with spreadsheets and basic probability. Bringing anonymised booking curves or a route profit and loss statement helps them apply the modelling exercises to their own network.

How does airline revenue management and network planning differ from a general pricing strategy or ticketing course?

It is built around the airline network: route evaluation, hub banks, fleet assignment, nested booking classes, overbooking and origin-destination bid prices. General pricing courses cover value-based pricing across sectors, and ticketing courses cover reservations and fare rules at the desk.

Why does origin-destination control matter in airline revenue management?

Origin-destination control values each itinerary across every leg it uses, so a connecting passenger is accepted only when the fare exceeds the displacement cost of the seats it consumes. Leg-based control alone can accept low connecting fares that block higher local demand.

What do participants take back from the airline revenue management and network planning course?

Participants take back a Route and Revenue Management Plan for a case new route, with a demand forecast, schedule and fleet comparison, booking class protection and overbooking settings, bid price scenarios, ancillary targets and a KPI dashboard they can adapt.
