

Airline Choice Model for Domestic Flights: The Role of Airline Flexibility

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Abstract : Operational flexibility is a fundamental aspect in the field of airlines because although demand is constantly changing, it is the duty of companies to provide a service to users that satisfies their needs in an efficient manner without sacrificing factors such as comfort, safety and other perception variables. The objective of this research is to understand the factors that describe and explain operational flexibility by implementing advanced analytical methods such as exploratory factor analysis and structural equation modeling, examining multiple levels of operational flexibility and understanding how these variable influences users' decision-making when choosing an airline and in turn how it affects the airlines themselves. The use of a hybrid model and latent variables improves the efficiency and accuracy of airline performance prediction in the unpredictable Colombian market. This pioneering study delves into traveler motivations and their impact on domestic flight demand, offering valuable insights to optimize resources and improve the overall traveler experience. Applying the methods, it was identified that low-cost airlines are not useful for flexibility, while users, especially women, found airlines with greater flexibility in terms of ticket costs and flight schedules to be more useful. All of this allows airlines to anticipate and adapt to their customers' needs efficiently: to plan flight capacity appropriately, adjust pricing strategies and improve the overall passenger experience.

Keywords : hybrid choice model, airline, business travelers, domestic flights

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