

The Revenue Management Implementation and Its Complexity in the Airline Industry: An Empirical Study on the Egyptian Airline Industry

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Abstract : The airline industry nowadays is becoming a more growing industry facing a severe competition. It is an influential issue in this context to utilize revenue management (RM) concept and practice in order to develop the pricing strategy. There is an unfathomable necessity for RM to assist the airlines and their associates to disperse the cost and recuperate their revenue, which in turn will boost the airline industry performance. The complexity of RM imposes enormous challenges on the airline industry. Several studies have been proposed on the RM adaptation in airlines industry while there is a limited availability of implementing RM and its complexity in the developing countries such as Egypt. This research represents a research schema about the implementation of the RM to the Egyptian airline industry. The research aims at investigating and demonstrating the complexities face implementing RM in the airline industry, up on which the research provides a comprehensive understanding of how to overcome these complexities while adapting RM in the Egyptian airline industry. An empirical study was conducted on the Egyptian airline sector based on a sample of four airlines (Egyptair, Britishair, KLM, and Lufthansa). The empirical study was conducted using a mix of qualitative and quantitative approaches. First, in-depth interviews were carried out to analyze the Egyptian airline sector status and the main challenges faced by the airlines. Then, a structured survey on the three different parties of airline industry; airlines, airfreight forwarders, and passengers were conducted in order to investigate the main complexity factors from different parties' points of view. Finally, a focus group was conducted to develop a best practice framework to overcome the complexities faced the RM adaptation in the Egyptian airline industry. The research provides an original contribution to knowledge by creating a framework to overcome the complexities and challenges in adapting RM in the airline industry generally and the Egyptian airline industry particularly. The framework can be used as a RM tool to increase the effectiveness and efficiency of the Egyptian airline industry performance.

Keywords : revenue management, airline industry, revenue management complexity, Egyptian airline industry

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