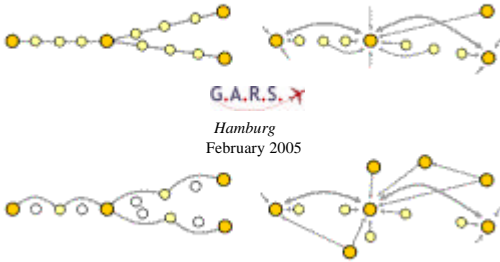


Institutions and competitive dynamics in air travel markets

William G. Morrison*



Hamburg
February 2005

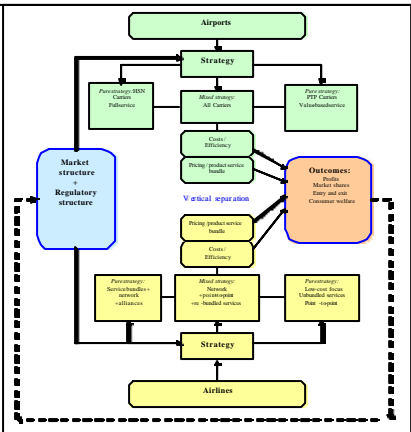
*Wilfrid Laurier University, Waterloo, Canada • Groupe École Supérieure de Commerce, Toulouse, France.

Agenda

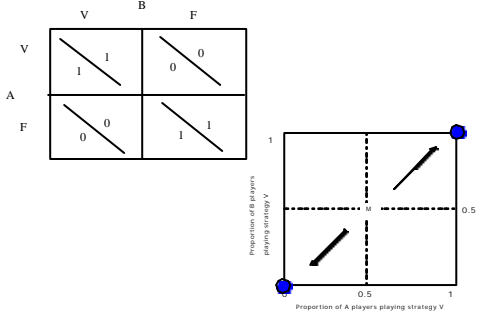
- Dynamic competition in air travel markets
- Evolutionary dynamics and stability in simple games
- Separating (pure) strategies for airports and airlines
- Airports with a mixed strategy
- Implications for competition policy and for slot allocation proposals in particular
- Concluding remarks

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Dynamic competition in air travel markets

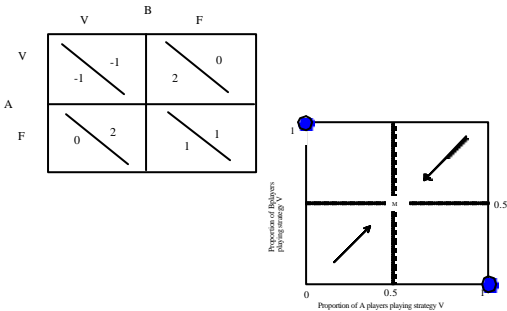


Evolutionary dynamics and stability



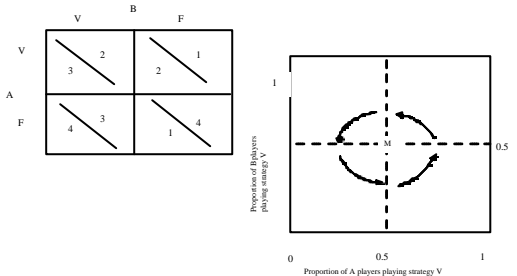
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Evolutionary dynamics and stability



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Evolutionary dynamics and stability



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REMOTE PARKING
REMOTE CHANCE
OF MAKING FLIGHT
NEXT 5 EXITS

WRONG
TERMINAL
EXIT
NOW

OVERPRICED
PARKING
NEXT 10 EXITS

FULL
LOTS
ALL
EXITS

PARKING
LABYRINTH
EXIT
REJECT

LATE
FLIGHTS
ALL EXITS
NEXT 10 EXITS

DEPARTING
ARRIVALS

DISGUISED
U-TURN
LANE

ALL AIRLINES
EXCEPT YOURS

ALL CANCELED
FLIGHTS
NEXT EXITS

LOST LUGGAGE
CORRECTOR CHECK IN

AIRPORT
SHUTTLE

YOUR DRIVER
WAS A PROBABLY
MURDERER