

Rolling-hub operations have eliminated peak departure hours by more evenly spreading flights throughout the day, using more RJs, and ratcheting down legacy carrier operations. The effect for passengers is longer, more random connections, causing passengers longer layovers and total travel time, but allowing for lower fares. For hub-and-spoke operators, it means less expensive operations and the ability to meet consumer price demands. Low-fare airline operations, pioneered by Southwest Airlines, have focused their flight schedules on point-to-point systems. These systems fly directly between pair cities, avoiding the transfers involved in hub-and-spoke systems.

The Southwest Airlines model of operation is attracting a great deal of attention as airlines around the world, especially new entrants, attempt to mimic its success. From Ryanair in Europe and GoAir in India to WestJet serving multiple destinations in North America and AirAsia, carriers around the globe are drawn to an operating model that holds the possibility for profitability by slashing operating costs. Research has shown that these low-cost carriers can be successful in attracting customers, especially in developing markets, when they focus on generating customer satisfaction with both tangibles and responsiveness. Marketing strategies and service management policies focused on these dimension yield customer satisfaction, positive word-of-mouth communications, increased purchase intentions, and reduced complaining behaviors.²⁸

Decoding the Language of the Airline World

All participants in the tourism industry have their own particular set of terms they use to describe operating issues, but the airline industry has more than most. To understand the airline industry, it is important to be familiar with some of the more common terms.

1. Every airline has its own two-letter identification code. Examples of these codes for the largest airlines in the world are American Airlines (AA), Air Canada (AC), Air China (CA), British Airways (BA), Korean Air (KE), Lufthansa (LH), Qantas (QF), Singapore Airlines (SQ), and United Airlines (UA).
2. Every city with scheduled passenger service has its own three-letter **airport code** to identify the airport that is served. Examples of these airport codes are Seoul/Gimpo (GMP); New York/Kennedy International Airport (JFK); Orlando International, Florida (MCO); Hong Kong (HKG); Orly, Paris, France (ORY); Narita, Tokyo, Japan (NRT); and Toronto, Ontario, Canada (XYZ).
3. Every airline uses codes to identify class of service. Examples: First Class (F), Business Class Discounted (D), Business Class Premium (J), Business Class (C), Coach Economy Class (Y), Coach Economy Premium Class (W) (Q), and Advance Purchase Excursion (APEX).
4. Airline service is also classified as **nonstop**, **direct** or through, and **connecting**. Nonstop flights are from the point of origin to a destination with no intermediate stops. Direct or through flights are from the point of origin to a destination with one or more intermediate stops. Connecting flights require passengers to change planes to a connecting flight between the point of origin and final destination.
5. There are also several types of trips that passengers can book. Examples: **one-way**—a trip from origin to destination without a return to origin; **round-trip**—a trip from origin to destination with a return to origin; **circle-trip**—similar to a round-trip except that the outbound and the return trips follow different routes and possibly use different airlines; **open-jaw**—a round-trip that allows the passenger to utilize different points of origin or return.