

Abstract

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THE REVENUE MANAGEMENT IMPLEMENTATION and ITS COMPLEXITY IN THE AIRLINE INDUSTRY: An Empirical Study on the Egyptian Airline Industry

The airline industry nowadays is becoming a more growing industry and it is important issues in this context is to use revenue management software and practice in order to improve the pricing strategy. There is a deep need for revenue management to help the airlines and their partners to minimize the cost and improve their revenue, which in turn will enhance the airline industry performance. The complexity of revenue management imposes enormous challenges on the airline industry even the consumers. Revenue management is the main most widely implemented software in the airline industry. Several studies have been proposed on the revenue management adaptation in airlines industry while there is a limited availability of implementing revenue management and its complexity in the Egyptian airline industry. This research represents a research schema about the implementation and complexity factors in the revenue management when applied in the Egyptian airline industry. The research aims at to investigate the complexity of implementing revenue management in the airline industry. The research demonstrated the complexities faced implementing revenue management at the Egyptian airline industry to gain a comprehensive understanding of how to overcome these complexities in the Egyptian airline industry. An empirical study was conducted on the Egyptian airline sector based on a sample of four airlines and IATA the four companies are implementing the revenue management software through a mix of qualitative and quantitative approach. 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 three different sectors airlines, airfreight forwarder, and passengers in order to know the main complexity factors from the hole sector participant's point of view. Finally, a focus group in order to develop a best practice to overcome the complexities faced by the revenue management adaptation in the Egyptian airline industry. The results showed that the implementation of revenue management faced several challenges and barriers in the Egyptian airline industry. The research highlighted those route possibilities, multi-segment Flight, stowage loss, and overbooking as the main challenges faced the adaptation of the revenue management in the Egyptian airline industry. The research provides an original contribution to knowledge by creating a framework to overcome the complexities and challenges when adopting revenue management in the airline industry. The framework can be used as a revenue management tool to increase the effectiveness and efficiency of the airlines industry performance in Egypt. Moreover, the research proposed an applied framework on overcoming the revenue management complexities in the Egyptian airline industry.