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UWTSD MBA (Nov 2018 intake)
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Assignment Title:

Price Discrimination Strategy by Cathay Pacific Airways Limited: An Integrative Case Study

“I, WU Hon Kwong, student number : 1812210, certify this work is the result of my own investigations, except where otherwise stated. All references have been duly cited”

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Case Synopsis

There is a diverse need of every passenger and expected from airlines in terms of service quality, inflight amenities and entertainment and baggage allowances and these are the bases on which airlines carry out price discrimination to earn maximum seat factor, profits, and grab airline market of their local country as well as globally. This has kept the main focus of this assignment. This report aims to evaluate the effectiveness of the price discrimination strategy adopted by Cathay Pacific Airways in order to recommend measures for revenue improvements. It has been observed in the local airline industry that there is an intense need of price discrimination with respect to customer segment, seasonal demand for same types of cabin classes of an aircraft. Based on the data collected from the company's official website, annual reports, and online resources and with the aid of Statistics, research findings, the price discrimination is done on the basis of customer status, customer age, seasonality of demand, and reservation time before the departure of the flight. Therefore it is recommended to Cathay that the airline should try to become a low-cost carrier for short-haul flights. It can reduce its fares for routes from Hong Kong to other cities in China. This will increase the travel demand for short-haul travel from Cathay. Secondly, the airline can introduce non-price strategy. By applying this strategy, the company should target teenager market with the help of social networking media apart from traditional ways.

Keywords: Price discrimination, customer segment, seasonality of demand

Table of Contents

CASE SYNOPSIS.....	2
1. INTRODUCTION.....	4
2. CASE STUDY DESIGN AND PLANNING.....	5
2.1 Objectives and research questions.....	5
2.1.1 Research objectives.....	6
2.1.2 Research questions.....	6
2.2 Data collection method.....	6
2.3 Data analysis method.....	7
3. ANALYSIS AND DISCUSSION.....	8
3.1 The price discrimination technique used by the company.....	8
3.1.1 Third degree price discrimination strategy used by Cathay.....	8
3.1.2 Market structure of the airline.....	9
3.1.3 Price discrimination under several dimensions & demanding events...9	
3.1.4 Supply curve.....	12
3.1.5 Demand curve.....	12
3.1.6 Price elasticity.....	12
3.2 An evaluation of the price discrimination technique used by the Airline.....	15
4. CONCLUSION AND RECOMMENDATION.....	19
4.1 Conclusion.....	19
4.2 Recommendation.....	19
REFERENCES.....	21

1 Introduction

This report aims to evaluate the effectiveness of the price discrimination strategy adopted by Cathay Pacific Airways in order to recommend measures for revenue improvements. Cathay Airways Limited, which functions in the commercial industry of airline, and provides one of the largest global cargo airlines. Cathay has several rivals including Emirates and Singapore Airlines that function on similar routes (Hannak et al. 2014). These companies provide the same offers at the same prices, though the products differ byways like the aeroplane seat design and the facilities offered (Hannak et al. 2014). The company founded the one world alliance that is the partnership within Cathay and the main competitors including Qantas, American Airlines and British Airways. By this alliance, the company has made codeshare agreements with associate airlines. Hence consumers of main rivals can end up flying the flight of Cathay in spite of booking a ticket with the other airlines. This alliance has provided an opportunity for the company for operating globally (Liu, & Serfes, 2013).

Many airlines adopt price discrimination form for selling the air services (Liu, & Serfes, 2013). Airlines have divided the customers and demand into different segments, and they offer different prices in different seasons according to demand. There are many other factors that can create an effect on the prices of airlines that include remaining days for departure, booking time, total demand forecast by several pricing, competitors pricing; and differentiation by day of the week and by the time of departure day (Liu, & Serfes, 2013).

Cathay uses significant price discrimination within the company that needs considerable power within the market (Lazarev, 2013). The instance of this might be understood in the price differentiation within tickets with numerous restrictions. Charges for the much expensive ticket of Economy is much higher as compared to the cheapest fare, demonstrating the ability for discriminating based on numerous price demand elasticity within consumers groups. Numerous groups have diverse requirements when they want to go through flights,

and it creates an effect on the demand elasticity for the consumers. For instance, two segments of the market are leisure travellers and business travellers that have diverse objectives (Hannak et al. 2014). Business Travellers include people that want to book flights before going, people that value comfort and time over cost, people that are going for urgent meetings, and people that are usually tired of flying so they want to return quickly. Leisure Travellers include people who go mostly for a plan for holidays, and they book tickets months before, people that look for less cost over comfort and time, and they usually want to save money, and they mostly go for airlines for adventure purpose instead of necessity (Puller, & Taylor, 2012).

The problems which were faced by the airline was fluctuation in fuel prices and not charging prices that could maximise revenue in different demand seasons that could be helpful in increasing airline's cash and finances to run its daily operations South China Morning Post, (2017). Therefore this study will provide how the company managed to differentiate its prices in terms of maximising revenue. This will be beneficial for other airlines also in formulating revenue maximising strategies.

2 Case study design and planning

This section of the study is to illustrate the entire plan of this case study. The research aims and objectives, and research questions are formulated in the first sub-section and following two sub-section explain the data collection method and methods to analysis the data.

2.1 Objectives and research questions

The aim of this case study analysis is to explore the price discrimination strategies used by Cathay Airlines. The objectives and research questions are described below.

To evaluate the effectiveness of the price discrimination strategy adopted by Cathay in order to recommend measures for revenue improvements.

2.1.1 Research objectives

- To analyse whether the Cathay uses first-degree price discrimination, second-degree price discrimination or third-degree price discrimination and on what basis such as cabin classes, customer status, or seasonality of demand?
- To evaluate the successfulness of price discrimination strategy from both customers as well as airline perspective
- To explain the appropriateness of Cathy's price discrimination strategies using price elasticity of the airline services.
- To recommend the company to improve its price discrimination strategy to improve profits and revenues.

2.1.2 Research questions

- What are the price discrimination strategies used by the airlines with regards to customer segment and seasonal demand, and reservation time before the departure of flight?
- What are the benefits that arise through the use of such a price discrimination strategy?
- Is the price discrimination strategy successful from both perspectives customers and airlines?
- What company should do to improve its price discrimination strategy implementation?

2.2 Data collection method

There are two major kinds of data collection methods that include primary data collection and secondary data collection method. The method that will be applied in this case study is the secondary data collection method (Dixit & Skeath, 2015). This method has been chosen due to the availability of reliable and already reviewed data that will be helpful to

maintain the accuracy and appropriateness of the case study analysis and its findings. This method allows the analysts to obtain such data which is published by reliable secondary sources and thus secondary data is free of errors, discrepancies, and inaccuracies ensuring collection of higher quality data and information (Douglas & Tan, 2017). Therefore the secondary data is collected from Cathay's official website, recent annual reports of the last five years for company financials such as revenue, gross profit and net profit. Moreover, relevant literature is collected from research journals, research articles, and books available on reliable online libraries such as Google Scholar, EBSCO, Emerald, and Wiley. Most significantly and specifically the data will be searched related to price discrimination of the airline in terms of customer classes, seasonality, demand, student discounts, and domestic helper discount (Mann, 2018).

2.3 Data analysis method

The two most commonly applied quantitative data analysis methods are inferential statistics and descriptive statistics. Usually, descriptive statistics which is also referred to as descriptive analysis is the primary level of analysis. It allows the researchers to summarise the data and discover patterns in the data. A usually used descriptive statistics is the analysis of mean and standard deviation in values (Douglas & Tan, 2017). On the other hand, frequently, investigators collect data on a related to a sample size of their target population or corporate institution, then they generalize the findings and results to the entire population or target corporate institution. For this purpose, inferential statistics are applied in order to generalize results and make forecasts about a larger population, but this is mostly used when the researcher is intended to analyse the cause and effect relationship, the correlation among variables, or analysis of variance (Hannak et al., 2014). Therefore in this case study analysis descriptive analysis method is applied under which mean and standard deviation of revenue, gross profit and net income earned are analysed as a result of price discrimination strategies the airline applied on the basis of passenger classes such as the economy, business, first, student fares, and helper fares. Fares and prices discrimination are also analysed on the basis of the seasonality of demand.

3 Analysis and discussion

This section is aimed to illustrate the analysis and findings of the study with explanation of price discrimination strategy used by Cathay. The section also illustrates what benefits the airline is getting out of those strategies and what are the basis of selecting such strategies.

3.1 The price discrimination technique used by the company.

There are several types of passengers and tourists that includes leisure, and business passengers that have different sensitivities and traveling demand in terms of time and season. Normally, business travellers are considered as more inflexible in arranging and scheduling their trips on time while on the other hand, leisure travellers are willing to make their reservations much earlier to their specific travelling date (Douglas & Tan, 2017). Therefore, leisure passengers have a higher elasticity of demand as compared business travellers. Airlines, therefore, make use of passenger's constraints and limitations to charge them diverse airfares ranges and prices in order to maximise their revenues. This is known as price discriminations used by Airlines (Du, 2017).

3.1.1 Third degree price discrimination strategy used by Cathay

Third-degree price discrimination refers to differentiating numerous passenger groups with diverse demands in order to charge them diver prices or airfares ranges. An airline such as Cathay discriminate in between groups of passengers in terms of passengers classes such as the economy, business, first class, student, and domestic helpers (Yan et al., 2019). These classes have varying airfares in terms of seasonality demands related to weekends, Mondays, which is the start of the week and most of the business meetings held on this day, festivals such as Easter, Christmas, FIFA world cup, cricket world cup, and Olympics. These are the conditions or seasons where airlines experience higher travelling demands and thus charge higher prices on the basis of third-degree price discrimination strategy (Wong, 2018). This strategy further allows the airlines to take comprehensive advantages of the fact that these diverse passenger groups and diverse seasons have different demand functions and thus elasticity of demand differentiates. The usual example of this price strategy is a student discount that is offered by airlines specifically from January to February, April to May, and November or December because in these days, new degree sessions commence throughout the world and travelling demands of student passenger increases worldwide (Narandaran et al.,

2016).

3.1.2 Market Structure of the airline

The airline operates under Oligopoly market structure of Hong Kong where there are small numbers of large airlines such as Cathay and Air Asia. There is the significant entry to barriers, and this makes the airline a price setter of the industry which means that they determine and set the prices of different routes in the airline industry in Hong Kong (Cathay, 2019). The airline other than third-degree price discrimination strategy also uses promotional pricing techniques such as offering reduced fares or extra baggage offers in demanding seasons.

3.1.3 Price discrimination under several dimensions and demanding events

As per annual report of Cathay Airline (Cathay pacific, 2019), price discrimination of the Cathay for the economy class fares shows that for economy core seats the airline charges HK\$ 3210 from round trip from Hong Kong to Seoul, and it charges extra of HK\$ 700 if passenger changes flight date and time and the airline offers no refund if seat is cancelled after the departure in order to prevent its loss per seat. This is because it disrupts the entire revenue management operations of the airline.

Another price discrimination is done on the basis of the customer's age irrespective of cabin classes. Adults are classified as aged 12 or above and charged 75 % of the total farce. Whereas there is no classification in between adult and senior citizen fare. However, the airline recently launched its promotion for senior citizens aged 65 or above on the event of Senior Citizens Day (Douglas & Tan, 2017). At this event, the prices were brought down by 25 % for senior citizens and all cabin classes. By this price discrimination, the airline won rivalry against competitors on this event and experienced huge sales and seat factor (% of reserved seats out of total seats in aircraft) (Douglas & Tan, 2017).

Another price discrimination the company made is on the basis of the status of the passenger. For example, the airline introduced student fares for international students traveling to and from via Cathay as illustrated in below. The figure shows detailed price discrimination of Cathay as it charges normal fares from Hong Kong to Beijing at HK\$ 3900 and the student's fare is priced at the lesser rate by offering a discount of HK\$ 2000 (Mann, 2018).

Moreover, Cathay also discriminate prices on the basis of the seasonality of demand which lies under third-degree price discrimination strategy. According to the annual report 2017 (Cathaypacific, 2019), of the airline, the high business season that airlines experiences are summer vacations, winter vacations, festival holidays such as Christmas and Easter. This can be illustrated by below figure 1. Under these seasons the airline seeks to make maximum profit and therefore sets fares according to the increasing demand and increases its fares (Mann, 2018).

	Early year	Late year
High Season	June-August	December 10 - January 10
Shoulder season	April-May	September - October
Low season	January-march	November-Early December

Figure 1: Annual Report 2017

As per above figure 1, the company charges increased fares in Christmas days from 24th Dec to 27th Dec in comparison to shoulder season and lower season for return flights to Seoul from Hong Kong. There are three discriminated prices quoted for every season for the same route. This signifies the extensiveness of price discrimination at Cathay depending on seasons. In these seasons, the differentiation in pricing strategies is also done on the basis of cabin

classes (Douglas & Tan, 2017). In these high and shoulder seasons, the economy class fares are increased with the percentage greater than the increasing percentage fair for business and first class cabins because, due to higher demand and increased fares travellers prefer to travel through economy class, and thus prices rise as demand rises (Dixit & Skeath, 2015).

Moreover, the airline also offers discounted prices, another price discrimination strategy, on the basis of early bird discount offers. In the airline industry, this has been the practice that the passenger is charged with higher fares as per the booking times before the flight departure. If the flight is booked at the 11th hour before the departure, an excessive fare is charged taking benefits of the passenger constraints (Tsui et al., 2016). Similarly, According to annual report 2018 if tickets are booked before months before the flight, passengers are offered with the lowest fares. Focussing on this third-degree discrimination strategy, Cathay offers early bird discounts (Cathaypacific, 2019).

According to annual report (Cathaypacific, 2019) if passengers buy the ticket for tomorrow prices will be increased, if passengers buy tickets today for next week, then "Enjoy Early bird discount" over the same route with same inflight services. Another price discrimination strategy that airline introduced is charging lower prices for fans to travel in different destinations. Cathay in 2012 introduced a campaign recognised as "Fanfares" in which a limited number of reservations for economy class were put on sale on Cathay's website, an official page every morning on Tuesdays for flights from Hong Kong. Since early Jan-2013 the normal Fanfares offering were about 1,770 tickets, as per CAPA data (Cathay, 2019). Cathay says about 80 percent of tickets were sold. Some, majorly low-cost short-haul destinations used to get sold out within two hours. Some fares were only obtainable for a few days while others for a week. This can be declared as the biggest price discrimination campaign introduced by the airline in order to maintain its sales revenue and profitability (centreforaviation.com). Moreover, the returns seats have consisted of less than 1 % of the

complained seating capacity of Cathay and Dragon air (Cathay, 2019).

3.1.4 Supply curve

According to the law of supply, when the price of services is increased, this results in the quantity of amount of that service and the relationship is vice versa (Hannak et al., 2014). This relationship is also applicable in terms of airline perspective as in the case of Cathay, when the airline decreased the prices in last five years, the number of seats and aircraft services can be increased (economicshelp.com). By increasing the quantity, the airline experienced extensive growth in the revenue that grown from HKD 100,484 to 105,991 during 2013 to 2014. This was due to the decline in prices due to price discrimination strategies discussed above.

3.1.5 Demand curve

According to the law of demand when the producer or the service provider increases the price of a good, the demand of a product or service decreases and the relationship is vice versa (Tsui et al., 2016). This can be seen in the case of Cathay Airlines that when the airlines decreased the prices of the fares or launched promotional prices for travel from Hong Kong to Japan, it led to increasing the demand of the air travel through Cathay. This signifies that discrimination in prices on the basis of promotional fares, the airline experienced higher growth in service demand (Douglas & Tan, 2017).

3.1.6 Price elasticity

This is referred to as when the price of a product or service changes, it brings changes in customer responsiveness towards purchases and uses of particular product or service. In the case of Cathay, it can be said that the price is highly inelastic for business passengers because

they do not change their travelling dates and time because of increase in the price of airfares (Douglas & Tan, 2017). This can be illustrated by below figure 2 that when the airline brings few changes in airfare, it caused fluctuation in load factor (number of totals researched seats in aircraft). This signifies that business passengers are lesser concerned with the price ups and downs and thus Cathay can discriminate its prices on the basis of inflight services provided in business and first class cabins in order to satisfactorily service business passengers (Dixit & Skeath, 2015).

	Load Factor		
	2015	2014	Percentage change
India, Middle East, Pakistan Sri Lanka	83.7	78.2	5.5
South Africa	88.8	84.8	4
Southeast Asia	83.1	80.4	2.7
Europe	88.1	87.4	0.7
North Asia	80.6	77.9	2.7
North America	89.3	88.7	0.6
Overall	85.9	83.6	2.3

Figure 2: Annual report

3.1.7 Descriptive statistics of Financials

In HKD	Revenue	Net Income	Gross profit
2013	100,484	2,620	10,577
2014	105,991	3,150	11,469
2015	102,342	6,000	12,609
2016	92,751	-575	5,902
2017	97,284	-1,259	4,537
Mean	99,770	1,987	9,019
Std. deviation	4,500	2,644	3,198

Table 1: Self-made table

From the above table, it can be seen that the mean or average revenue of the airline is lying at 99,770 HKD which is lesser as compared to revenue earned by the company in 2013 and 2014. While on the other hand the table also illustrates that the mean value of gross profit and net income is lesser as compared to the gross profit and net income earned by the company in 2013 and 2014. The higher standard deviation also tells that the company's profitability and revenue generation capability have remained unstable in the last five years period.

While analysing the revenue, net income, and gross profit in the below graph, it can be said that the airline's price discrimination strategy was successful in the years 2013 and 2015. This can be said that in this period the company's profitability is higher and was earning, massive revenues. But later in 2015, 2016, and 2017 revenue, gross profit, and net income kept on declining (Douglas & Tan, 2017). This is because the airline increased its airfares by reducing promotional campaigns and reduced-price discrimination in the last two years. This resulted in a decline in its sales, and thus revenue was a decline with a fall in profits and

income, illustrated by figure 3. But in the second half of 2018, it reversed back with the lucrative prices from Hong Kong to New York and established a bigger market share on this route (Mann, 2018). According to the South China Morning Post, the airline is again increasing airfares, and cargo prices also in order to maintain its profitability position.

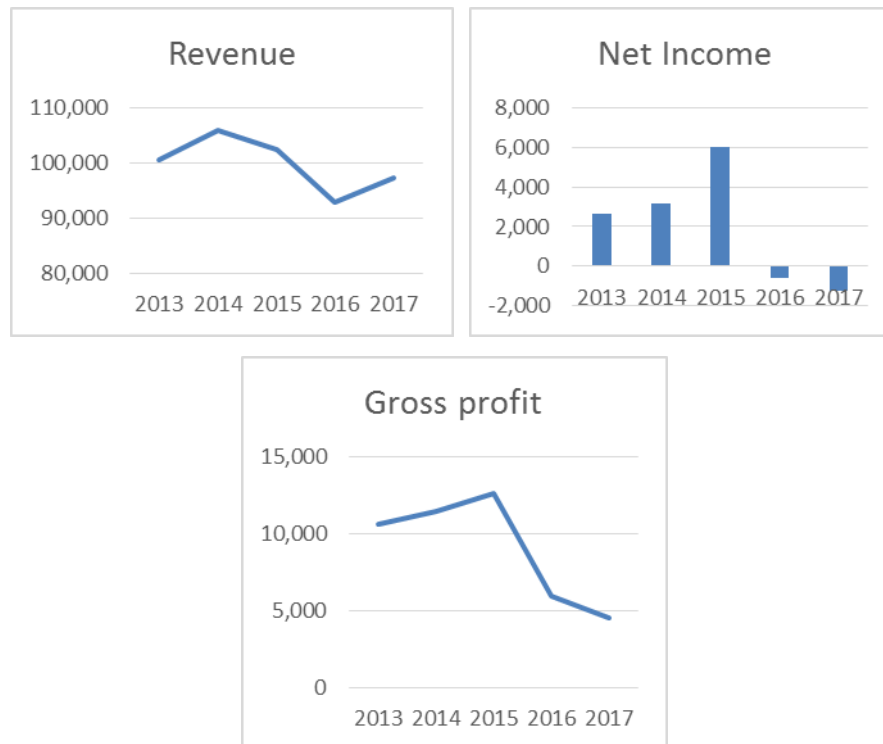


Figure 3: Self-made figures

3.2 An evaluation of the price discrimination technique used by the Airline

The airline industry is amongst one of the highest earning industries and global economy contributors. However, airlines suffer intense pressures for accurate management of its finances alongside sustainable growth. It is determined, through appropriate pricing strategies, airlines have managed to retain sustainable economic growth and desired passenger's responsiveness. Additionally, the (Yan et al., 2019) stresses on economic theory suggesting that an accurate monopolist price discriminate are a useful approach for attaining competitive advantage. Being a prominent economic partner in the airline industry, Cathay has efficiently adopted a price discrimination strategy, charging varying prices to different

consumers groups for a similar service/ good (Dixit & Skeath, 2015). By drawing interferences from business strategies of Cathay over the years, it is presumed with appropriate price discrimination strategy; the airline has managed to engage desired consumers attention. Conversely, the relative advantages for implementing price discrimination strategy is well appreciated and perceived by certain consumers groups entertained by the airline (O'Brien, 2017; Ritz, 2014).

Hendel & Nevo, (2013) explains that the third-degree price discrimination strategy is amongst one of the most frequently used price discrimination strategies by most firms, predominately airlines. The strategy typically highlights charging the consumer for diverse prices for a similar service/ product on the basis of market segmentation and consumer groups (Rayna, Darlington, & Striukova, 2015). At Cathay, the third-degree discrimination is associated with consumers' ability to pay and willingness for an offered service or good. With this it can be stated, the prices charged by Cathay might comprise of little or no relation to the cost of production. Unlike any other Airline and partners of the airline industry the market Cathay is particularly separated into two portions; geography or time.

Moreover, at its peak market, it can be stated that the profits of the firm will be produced where $MR_a = MC$, with a charge price P_a ; whereas in the off-peak market, the profits will be made where $MR_b = MC$, with a charge price P_b . Conversely, those consumers having an inelastic demand will be paying a higher price (P_a) as compared to those having an elastic demand charged with P_b . In the case of Cathay Airways, it is determined that “Two-Part Pricing Tariffs” has been explicitly implied; it is another useful pricing policy which is used to devise a two-part tariff strategy for airline consumers. Within this strategy, a specific fixed fee is usually charged along with a “supplementary variable charge” relying on the consumer units (Liu & Shuai, 2013). An example can be drawn from the other services given to consumers other than complimentary services. To maintain sustainability in the

overall business strategy, the price discrimination typically varies from fixed charge to various distributed market segments distributed in terms of marginal units consumed (for instance discrimination on the basis of time). Accordingly, there is a vast difference between the fares offered to airline customers in rush hours and other hours, if at any instance the airline would be offering equal fares there are most chances, rush hour flights would be more crowded than usual. The strategy allows the airline to distribute flights rationally and avoid concurrent issues of passengers and aircraft (Galera, Kinatader, & Mendi, 2014; Liu & Serfes, 2013).

Education Bureau. (2013) states, “airline industry contributes, airlines provide passengers with transportation and other services”; considering this it can be presumed that passengers can be charged with services other than complementaries. Additionally, it is determined that “Hong Kong International Airport” is amongst one of the best and busiest and airports globally. In addition, the airport constantly encounters more than 150 airline destinations globally, served by more than 100 airlines. According to the “2011/2012 Hong Kong International Airport Annual Report,” it has been identified that 54.9 million passenger traffic, 3.9 million tons of cargo and an overall 339 thousand air traffic movement were identified respectively. In association with this, it can be stated that airline can explicitly earn different fares from each of these 339 thousand passengers by implementing a successful price discrimination strategy, raising profitable earning for airlines (Douglas & Tan, 2017). Additionally, as Cathay is renowned Hong Kong-based airline possessing a large network of relative subsidiaries within Hong Kong airline industry, the airline is continuously engaged in offering flights facilities to its consumers, though with accurate price distribution strategy the airline has managed to earn profits. In reference to Shiller, (2014) and Hendel & Nevo, (2013) price discrimination has been favoured as a useful strategy for increasing profits.

In addition to this, there are multiple benefits of implementing a price discrimination strategy not only for Cathay but all firms generally as well. The strategy is a useful source for unprofitable business to avoid going bankrupt; also preventing them from major economic losses. A cheaper price strategy is a sustainable approach for various consumer groups, predominately disadvantaged groups (Rayna, Darlington, & Striukova, 2015). For airlines

price discrimination typically refers that firms have an open opportunity to make an incentive for cutting out prices of consumers groups consumers sensitive to prices (this emplaces elastic demand) (Douglas & Tan, 2017). As such a similar product will be offered are lower prices discriminated on different consumer groups distributed on the basis of time, age or any other factor. For instance, airlines usually offer a significant percentile reduction to senior citizens or students as these usually have lower incomes. Hence their demands can be relatively more elastic (Liu & Serfes, 2013). The example typically highlights, that consumer group is predominately benefited from lower price strategies, as these consumer groups are usually poorer as compare to the other average consumer. However, the downside of this strategy is that some consumer groups might be facing higher prices. In addition to this, the third-degree price discrimination strategy is a prominent approach to managing demand (Ritz, 2014). Considering this it can be stated that if there were no price discrimination, the rush hours of trains and flights would be more overcrowded hence offering an incentive for a few consumer groups to travel later that day. This highlights, those who have to travel at rush hour benefit from less congestion. Figure 4 offers a concise representation of price discrimination and costs.

Price Discrimination	
Benefits	Costs
Firms can offer services which could be unprofitable as well	Some groups pay higher prices
Some groups benefits from cheaper prices	Decline in consumer surplus
Spread-out demand and avoids congestion	Potentially unfair
Increased investment from extra profit	Administration cost

Figure 4: Pettinger, (2017). “Benefits of Price Discrimination”

4 Conclusion and recommendation

This section is aimed to sum up entire study with conclusion of entire findings. This section also describes recommendation for airlines to improve price discrimination.

4.1 Conclusion

The above analysis was aimed at investigating price discrimination strategies of Cathay and how they are increasing their profitability demand and supply of services in the Hong Kong aviation market. The result of the analysis signifies that the airline was doing price discrimination on the basis of cabin classes such as the economy, business, and first class. Moreover, the price discrimination was done on the basis of customer status, customer age, seasonality of demand, and reservation time before the departure of the flight. It has been found that the airline had experienced a significant increase in demand and supply of its services and further resulted in increased revenue growth, net income, and gross profit.

On the other hand, it has also been found that in last two years as the company increased its fares, it resulted in decreased and deviating revenue, illustrated by standard deviation, which can be referred as instable performance in revenue generation. Furthermore, the price elasticity of the company illustrates that leisure passenger market is highly elastic while business passengers are inelastic. This is because Cathay experienced a considerable variation in load factor resulted through a slight increment in revenues. Lastly, it can be said that price discrimination strategy that company applied, which is also known as Third-degree price discrimination has remained successful in 2013 and 2014 in increasing the company's profitability.

4.2 Recommendation

Several recommendations can be made to the airline to make price discrimination and developing other strategies. At first, it can be recommended that the company try to become a low-cost carrier for short-haul flights. It can reduce its fares for routes from Hong Kong to other cities in China. This will increase the travel demand for short-haul travel from Cathay. Secondly, the airline can introduce non-price strategy. By applying this strategy, the company

should target teenager market with the help of social networking media apart from traditional ways. This will decrease its marketing costs. With this strategy, the airline can cooperate with international student unions and offering memberships and discounted prices.

Other strategies that can be implemented is to develop new routes and charge discounted prices for initial four months to generate demand and introduction of services and then gradually increase fares. This might prove to be a successful strategy to enter new market with price discrimination. The potential market in Asia and Russia because in these regions air travel demand is on the rise and the company can offer discriminated fares to grab these markets also. These markets are being recommended because purchasing power parity of consumers is increasing and thus they prefer to travel through the air rather than rails and roads. Another strategy that can recommend is building up a better reputation. For this, the company can enter into strategic partnerships such as codeshare agreements with other big airlines such as Emirates, Qantas, and British Airways. This will enable the company to offer improved and reduced prices to customers and reducing transit times at the airports that will reduce long waits of the passenger for the next departure.

On the other hand, the company can also discriminate its prices on the basis of inflight services. For example, the airline should discriminate its prices by inflight Wi-Fi and communication services and set prices with inclusion or exclusion of these services for every passenger. It can also discriminate prices on the basis of the food menu. For example, they are offering a two-course meal or three-course meal or just snack against moderate, high, and low price for the same cabin class seat. These strategies will enable the passenger to choose among different pricing options while travelling in the same cabin class while availing different services.

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Student Self Evaluation Form			
Student name:	WU Hon Kwong	Student number:	1812210
Programme:	MBA	Year of programme	One
Assignment Title:	Price Discrimination Strategy by Cathay Pacific Airways Limited : An Integrative Case Study		

This section repeats in brief the common assessment criteria detailed on previous pages. The *extent* to which these are demonstrated by you determines your mark. Using these criteria, tick the box that best indicates the level of achievement you feel you have achieved with regard to each of them.

Common Assessment Criteria Applied	Level of Achievement						
	REFER			PASS		DISTINCTION	
	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY	GOOD to VERY GOOD	EXCELLENT	EXCEPTIONAL
1. Engagement with literature	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
2. Knowledge and Understanding	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
3. Cognitive and intellectual skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
4. Practical Skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
5. Transferable Skills for Life and Professional Practice	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐

PLEASE COMMENT ON AREAS IN WHICH YOU FEEL THAT YOU HAVE PERFORMED WELL		PLEASE COMMENT ON AREAS YOU FEEL THAT YOU NEED TO DEVELOP	
The lecturer has explained very detail and provided a lot of practice opportunities before starting this assignment. Therefore, I believe this assignment is prepared well.		This assignment would be prepared more precise if I could have more time for doing the research areas. Due to the limitation of time, I have tried my utmost effort to complete this assignment.	
Student's Name	WU Hon Kwong	Date	March 4, 2019
Student's Signature			