

Graduate Certificate in Aviation (Asia-focus)

Applied Economics in Aviation

This course is a Core course that is part of the AviAsian Certificate.

This 3-days, 20-hours course in Advanced Aviation Economics is specifically created for aviation industry professionals to further develop their analytical and critical thinking skills to apply fundamental concepts of economics to the global airline industry, with a particular emphasis on the Asia-Pacific Region.

Upon completion of this course, students should understand the nature of air transportation demand and airline supply, the economic foundation for airline pricing and the complex methodology for managing passenger and freight fares, airline costs and methods of control, and fleet management. Economic theory will be applied to current and future predicted challenges in aviation within the context of Asia.

Learning Objectives

Upon course completion, students will be able to:

- Describe the role of economic analysis and its application within strategic and tactical management of the global airline industry.
- Assess the potential for regional air transportation growth given the nature of air travel demand including the application of factors that drive demand.
- Describe airline cost structure, the nature of fixed, variable, and controllable costs, and methods of control employed by network and low-fare carriers, and demonstrate the application of airline costs to fleet selection.
- Explain the major segments of passenger and cargo demand classify by price elasticity of demand.
- Contrast the various product and route structure alternatives, including the costs and benefits of each, and means for achieving product differentiation, and describe and give examples of various passenger and cargo business models.
- Compare and contrast competing airline products and assess potential for meeting targeted customer segments and profitability.
- Describe the economic market types and contrast the pricing and output decisions of firms.
- Explain the theory of price discrimination and its application to revenue management in the airline and other industries.
- Discuss the regulatory history of international air transportation and the evolution toward liberalization and competitive markets, and assess the effects of liberalization on air transport growth, product development and pricing.
- Compare and contrast the economics of the global air cargo market with passenger service.

Course Contents

- Introduction to Advanced Aviation Economics

Professional Education and Training

Embry-Riddle Aeronautical University – Asia

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- Global Aviation Trends and Forecasts
- Central economic concepts: Opportunity Cost, Scarcity and Maximization
- Supply, Demand and Elasticities
- Costs, revenues and profits
- Airline Business Models
- Market Structures
- Passenger and Cargo Markets
- Historical Perspectives and Future Opportunities in Aviation
- Summary of a Specific Area of Interest: Group Presentations

Who Should Attend

- Professionals in airline, airport and aircraft management, banking & finance

Method

- Face-to-Face instructions in classroom or in Virtual Reality
- Supported by practical case studies

General Information

Duration: 3 days or 20 hours

Venue: Local or Virtual Classroom

Participants: Maximum 25

Prerequisites:

- Familiarity with IT word-processing and presentation software
- Commercial awareness in aviation industry trends
- Beginner knowledge of basic economic concepts