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Problem 1 Q1 = 10/10

1) How many airlines can you fly with? What are they?

I searched for the flight on 11th September, 2013, three airlines was found which are Air Asia, Nokair and Bangkok Airways.

2) What would be the price charged by each airline? (inclusive of tax, VAT, and fee for 1 checked baggage)

There are 5 different flights. The detail on each flight are in attach files.

3) Are the prices that you find very similar or very different? Do you think the airlines are being anti-competitive. Discuss why or why not.

The prices are different. Nokair charges the lowest price. Air Asia charges a little bit higher and Bangkok airways charges highest price. I think the airlines are being anti-competitive because if we compare the price of each airlines, we see that the price are very different. Lowest price that Nokair charge is \$2,274.00 while Air Asia charges \$2887.20 and Bangkok Airways charges \$3450. These show that they are not competing with each other by using pricing strategies. However, the airlines are in service industry meaning that the price that they charge also depend on the quality of the service that they provide. Therefore, if we only look at the prices that each airlines charge, we will see that they are being anti-competitive but actually they compete at the quality of the service. In this sense, the airline will not to heavily pricing and put themselves into high competitive market. They differentiate themselves from each other. So, in the end they will gain profit from being anti-competitive.

This is true after they have sold some very cheap seats out (through promotions)

→ In this case, it might be more appropriate to use the term "avoid competition" than "anti-competitive"
⇒ Overall, a good attempt to apply what learned in class to explain real-life observations.