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There is earlier works show that prices on a route increase when concentration increases. This article will clarify the source of market power in the airline industry. The correlation between route concentration and high price cannot be explained by the traditional theories. The reason are first, some airline charge different price to customers in concentrated market. Second, the size of carrier, when carrier serves a large share of the passengers who travel to or from the endpoints of a route which is attractive to passengers. So, that make airline get the greater share on route and average price

The airline that have a dominant share of the traffic at an airport has a competitive advantage on routes that include that airport. The dominant reputation acquired by a carrier will get offering most of the flights to and from a city. The airline that have large scale operations may be able to inhibit potential competitors' abilities or service at that airport.

Discuss about frequent-flyer plans and travel agent bonus programs may work to the advantage to an incumbent, both in deterring entry and in competing with other firms if entry does occur, and discourage entry in the first place. Therefore, marketing devices or other factors that give an advantage to a dominant airline may result in it gaining larger shares of passengers on a route, as well as greater market power given its share of traffic.

One of the best-known marketing devices in airline industry is frequent-flyer programs. These programs give a gift, usually free travel, to a customer after customer has conducted a certain amount of business with the airline.

Jin and Leslie

This article study about the effect of information on product quality from restaurant hygiene grade cards. The grade cards cause restaurant health inspection scores to increase, consumer demand to become sensitive to changes in restaurant hygiene quality, and the number of foodborne illness hospitalizations to decrease. Those are the evidence to prove that hygiene grade cards is the factor that can improve the quality of restaurant.

This paper used the data during 1996 to 1998 in Los Angeles County with three elements. First, they observed the outcome of health inspection from every restaurant. Second, they observed through sales tax data from restaurants in Los Angeles County. Third, they observed the number of population in California who had to admit to hospital because of food-related and nonfood-related digestive disorder.

Moreover, they found that weather disclosure is mandatory or voluntary, it improved quality of restaurant.

In summary, they found that hygiene grade card could make restaurants increase hygiene quality as they showed that grade card can make the inspection score increase, grade cards cause consumers to become sensitive to restaurant hygiene, and grade card cause the number of people in foodborne illness hospitalizations decreased.