Price Search and Airlines
History

• Price search for airfares used to be very difficult---in many cases had to be performed by a trained professional.

• Even after computerized search and ticketing (e.g. Sabre), price search by customers had to be performed through a series of phone calls.

• The internet has transformed price search for airline tickets.
Examples of Airline Price Search Sites

- Expedia
- Travelocity
- Orbitz
- dohop
- Kayak
- Skyscanner
How would we expect airlines to respond? Low prices and obfuscation

- Flights much cheaper than 20 years ago in real terms
- Preventing price comparison sites from listing their flights (Southwest, Ryanair)
- Selling amenities as add-ons (luggage, snacks, pillows)
- Class proliferation
• Compare with CPI increase of 47%

Image is in the public domain. Courtesy of the United States Department of Transportation.
Airlines Add-on Fees

Shopbots versus database systems

• Shopbots search for items for sale, scrape prices, and list all they can find
• They may have some “sponsored listings,” ad revenue, or consumer fees
• Websites can take many legal and technical steps to frustrate scraping programs and/or post misleading information
• Relatively easy to manipulate
Shopbots versus database systems

• Database systems require cooperation of listing merchant (and typically charge either listing or clickthrough fees)
• They can impose rules to try to ensure efficient price search and mitigate obfuscation
• They do not have as wide coverage as shopbots
• Movement towards database systems