# Contents

1 Market Research: Overcoming Incomplete, Inconsistent, or Outdated Data .................................................. 1  
1.1 A Quick Review of Fundamental Theory ......................... 1  
1.2 What is an Aviation Market? ........................................... 2  
1.3 Outbound Markets ....................................................... 4  
1.4 Inbound Markets .......................................................... 5  
1.5 O&Ds, Routes, and Flights .............................................. 6  
1.6 Accessing Essential Market Research Data ....................... 9  
1.7 Researching Local Aviation Markets ............................... 9  
1.8 Researching City-Pair Markets ....................................... 10  
1.8.1 Traffic Projections Based on Time Series .................... 11  
1.8.2 Upscaling ............................................................ 12  
1.8.3 Gravitation Models .................................................. 12  
1.8.4 Reverse Engineering ................................................ 13  
1.8.5 White Spaces and Inconsistencies ............................... 13

2 Network Structures Follow Network Strategies .................. 15  
2.1 Complying with Basic Operational Rules ....................... 16  
2.2 Sequencing Flights into Rotations ................................. 16  
2.2.1 Turnaround Time is Non-Productive Time .................... 19  
2.2.2 Building Sequences of Flights: FiFo and LiFo ............... 19  
2.3 Hub-and-Spoke: The Answer to Deregulation? .................... 20  
2.3.1 Connectivity: The Central Paradigm of Hub-and-Spoke Structures .................................................. 23  
2.3.2 Connectivity and Codeshares: Camouflage or Mimicry? .................. 27  
2.3.3 Assessing Connectivity via Connection Builders ........... 28  
2.3.4 Evaluating Schedules with QSIs and Market Share Models .......................................................... 29  
2.3.5 Spill and Recapture ................................................ 31

ix
2.4 Point-to-Point: The Answer to Hub-and-Spoke? .......................... 31
  2.4.1 Stuck in Between Hubs and Spokes? On Hublets ............... 35

3 Designing Connectivity-Driven Network and Hub Structures .... 37
  3.1 Connectivity Driver #1: Number of Inbound and Outbound Flights ......................................................... 38
  3.2 Connectivity Driver #2: Temporal Design of Individual Banks ................................................................. 38
    3.2.1 Bank Overlap ........................................................................ 41
    3.2.2 Inbound–Outbound Overlap .................................................. 41
    3.2.3 Inbound–Inbound and Outbound–Outbound Overlap ....... 46
  3.3 Special Topic: Rapid Banking .................................................... 46
  3.4 Connectivity Driver #3: Number of Banks or Waves ............... 47
  3.5 Connectivity Driver #4: Directionality ..................................... 50
  3.6 Connectivity Driver #5: Rotational Patterns ............................. 54
  3.7 Connectivity Driver #6: Airport Infrastructure ........................ 58
  3.8 Connectivity Driver #7: Random Connectivity ......................... 60
  3.9 Connectivity Driver #8: Minimum Connecting Time (MCT) .... 61
  3.10 Connectivity Driver #9: Internal Structure of Banks .............. 61
  3.11 Timing of Long-Haul and Short/Medium-Haul Flights in a Bank System ....................................................... 61
    3.11.1 Structuring Banks and Hubs by the Value of Connections ............. 63
    3.11.2 Connectivity and Operational Robustness: A Contradiction? .......... 64

4 Designing Asset-Productive Networks ........................................ 65
  4.1 Aircraft Utilization Revisited: Why Asset Productivity is Vital for Profitability ............................................ 65
    4.1.1 How to Measure Aircraft Utilization ................................... 65
    4.1.2 Bank Structures Significantly Impact Aircraft Utilization .................. 66
    4.1.3 Operational Standardization Impacts Aircraft Utilization ............. 66
    4.1.4 Infrastructure Availability Drives Aircraft Utilization Up or Down .................. 67
    4.1.5 How Bank Design, On-Time Performance, and Operational Robustness are Interdependent .............. 68
    4.1.6 Flat Hub Structures: A Revolutionary Innovation or a Surrender to Complexity? .................. 70
    4.1.7 Rolling Hubs: Combining Connectivity and Flat Structures ........ 71
  4.2 Random Hubbing: When Big Beats Complex .......................... 73
    4.2.1 Analytical Deduction .......................................................... 73
    4.2.2 Monte Carlo Simulation ...................................................... 74
8.1.1 Scale, Scope, and Network Overlap in Multi-Hub Networks ............................ 115
8.2 Self-Amplification of Growth ................................................................. 115
8.3 Synchronizing O&DS in Multi-Hub Networks ........................................... 116
8.3.1 How to Identify Insufficient Synchrony .................................................. 117

9 Assessing and Comparing the Strengths and Weaknesses of Aviation Networks ................................................................. 119
9.1 How to Benchmark Demand Volume ......................................................... 120
9.2 How to Benchmark Productivity and Capacity ............................................ 121
9.3 Why Benchmarking Connectivity is Vital to Uncovering Network Strategies .... 121
9.4 How Big is a Network? The Importance of Benchmarking Geographical Scope ......... 123
9.5 What Risks are Associated with a Network, Compared to Others? .................. 123
9.6 Some Network Strategies Cannot be Identified by Isolated KPIs—they Require Analysis Over Time .................................................. 124

10 An Overarching Concept: The Hierarchical Layers of Aviation Networks ................................. 127
10.1 Networks are Layers of Networks ........................................................... 127
10.1.1 Demand Structures are the Basis for all Networks in Aviation .................... 129
10.1.2 A Spatial Network is Superimposed on the Demand Network ...................... 130
10.1.3 The Temporal Layer is Added Next ....................................................... 132
10.2 How the Concept of Layered Networks can Lead to Better Managed Networks .... 134
10.2.1 Better Control of Network Complexity .................................................. 134
10.2.2 Network Management Key Processes Should Follow the Scope of Individual Network Layers ...... 134
10.2.3 Integrating Processes—Responsibilities, Accountabilities, Workflows, Decision Criteria, IT Systems—at the Same Layer .................. 135
10.2.4 Meta-Layers Advance the Understanding of the Aviation Value Chain .......... 135

Reference ................................................................. 137

Appendix: Market Research Checklists .................................................. 139

Index ................................................................. 143
Networks in Aviation
Strategies and Structures
Goedeking, P.
2010, XVII, 145 p., Hardcover
ISBN: 978-3-642-13763-1