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Bridging the Data Gap: Understanding All-In Fares in the Canadian Aviation Market

Introduction:

This research proposal outlines a project dedicated to enhancing the understanding of all-in fares in the Canadian aviation market. The goal is to address a data gap that primarily covers base fares, aiming to provide a comprehensive breakdown of all-in fares. The research findings will be presented in a final presentation within the department for TEA.

Research Objectives:

1. Analyze and present a comprehensive breakdown of all-in fares, including additional fees and surcharges beyond base fare.
2. Create backgrounder profiles for select carriers outlining their ancillary fees (legacy & ULCC).

Research Methodology:

1. **Data Collection on All-In Fare Components:** Gather data from multiple sources, including airline websites and industry reports (*list of routes provided by the supervisor*). Log fare components for each selected route by carrier, including base fare, taxes, fees, surcharges, and any ancillary charges such as baggage fees and seat selection fees.
2. **Data Analysis and Component Breakdown:** Organize the collected data into a structured format for each selected route. Calculate the proportional contribution of each fare component to the total all-in fare. Create visual representations, such as pie charts or bar graphs, to illustrate the distribution of fare components. (Excel or PowerBI).
3. **Comparative Analysis Among Carriers:** Compare the all-in fare component breakdowns among different carriers operating on the same routes. Identify similarities in fare component distribution between legacy and ULCC carriers.
4. **Qualitative Analysis of Ancillary Fees (Backgrounder/Annex):** Using ancillary fee data acquired during the data collection phase of the project; categorize and briefly summarize the types of ancillary fees charged by select carriers. Provide some insights into the purposes of ancillary fees, such as baggage fees, seat selection fees, and other optional services.
5. **Final Presentation Preparation:** Synthesize the research findings into a clear and concise presentation format using PowerPoint (*initial outline provided by supervisor*).

Expected Outcomes:

1. An in-depth understanding of the all-in fare components at the aggregate level and by carrier.

2. Insights into the range of all-in fares and add-on services offered by carriers, including those aimed at lowering operational costs.
3. Background information on ancillary fees for select carriers.

Significance:

- **Academic Contribution:** The research provides valuable insights into the pricing strategies of ULCCs and legacy carriers, contributing to the academic understanding of the impact of ULCCs on the Canadian aviation market.
- **Practical Application:** The findings will be used by policymakers to support their understanding of all-in fare components and provide better informed advice.
- **Skill Development:** Conducting this research will provide the undergraduate student with valuable research experience, enhancing their data analysis and communication skills.

Ideal Candidate

A self-motivated and detail-oriented individual with interest in transportation economics. The candidate requires Excel and PowerPoint proficiency, and ideally some knowledge of Power BI. The candidate is committed to conducting in-depth research, analyzing data, and drawing meaningful conclusions. They possess excellent communication skills, making them adept at presenting research findings internally.