Report on Bachelor Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Radka Vlčková
Advisor:	Mgr. Ing. Adam Kučera
Title of the thesis:	The Key Determinants of Plane Ticket Price Dispersion

***OVERALL ASSESSMENT** (provided in English, Czech, or Slovak):*

Contribution

The aim of this bachelor thesis is to analyze the main factors determining the plane ticket price dispersion. Its main contribution is to provide additional empirical evidence to the discussed topic. However, given the limited sample size and data quality, the study has rather limited overall relevance.

Methods

The author uses relevant methods. However, especially with regard to the small sample size a panel method would be even more appropriate. Alternatively, if the author wants to look at heterogeneous change based on weeks before the departure, it should be made clear that results serve as an event study. Additionally, the following details would make the methodology more credible:

- It is not clear why the author chose the particular routes. The author briefly addresses this but the discussion should be more specific.
- Table 6 should include a formal test.
- The assumption of the independent pricing on codeshare flights is clearly violated (based on figures provided in appendix)
- The two types of models differ only in inclusion of one different independent variable (GDP and population). One of these models could be therefore used as robustness check rather than the alternative model.
- Some of the interpretation of regression coefficients is incomplete. Specifically, for example the following sentence: "*The population is measured in millions of inhabitants so if number of the residents in NUTS3 area increases by 1 million the CV of fares during specific weeks before the departure increases.*"

Literature

The author provides a solid literature review and clearly demonstrates consistency in style of referencing. However, more effort could be put into organizing and streamlining the text. Additionally, the definition of business and leisure routes should be backed by previous research.

Manuscript form

The thesis suffers from insufficient English editing. Specifically, the following issues should be avoided:

- Absence of spellcheck. E.g. "ananswer" (page 14).
- Incorrect sentence order. E.g. One of the larger articles on this topic presents Gerardi & Shapiro (2009). (page 17)
- Figures are labeled as tables and formulas/equations as figures.
- "Table" 3 has and incorrect title.
- Regression equations do not include an error term.

Moreover, there are some terminological issues. For example, the term "free seat" is misleading as it can imply a price of zero. Instead a term "empty seat" would be clearer. Last but not least, the author uses two datasets (DataL and DataC) but their difference is explained much later than they are referred to for the first time.

Suggested questions for the defense:

- What was the reason for excluding the roundtrips? Do you think most of the customers buy a single route trip? How would you expect the results would change if they were included?

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- The prices are in CZK. How did you control for the exchange rate fluctuation (especially, given the time frame of your sample begins after the end of the central bank interventions coincides)?

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY		POINTS
Contribution	*(max. 30 points)*	12
Methods	*(max. 30 points)*	15
Literature	*(max. 20 points)*	17
Manuscript Form	*(max. 20 points)*	10
TOTAL POINTS	*(max. 100 points)*	**54**
GRADE	**(1 – 2 – 3 – 4)**	**3**

NAME OF THE REFEREE: Mgr. Kristýna Čechová

DATE OF EVALUATION: *12. 9. 2017*

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	Average	Weak
20	10	0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong	Average	Weak
30	15	0

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong	Average	Weak
30	15	0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong	Average	Weak
20	10	0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě