

Airline Simulation — Final Assessment

JFK–Boston Corridor | 5 Rounds | 6 Competing Airlines | March 2026

Industry Overview

Over five rounds of competition, the JFK–Boston corridor produced a clear hierarchy. Total industry profit reached approximately \$28M, a modest increase from the \$25M baseline. However, profits were redistributed dramatically: the top two performers captured over half the industry's profits, while the bottom two airlines saw their profit shares collapse. The simulation rewarded cost discipline and operational efficiency over brand investment and premium positioning.

Final Rankings — Round 5

Ra nk	Airline	Passe ngers	Reven ue	Total Cost	Profit	Vol Share	Profit Share	Load Factor	CS I	OE I
#1	Airline E (Atlas)	27,681	\$17.69 M	\$8.74M	\$8.95M	23.1%	31.9%	92.3%	62	90
#2	Airline D (Budget)	22,089	\$14.15 M	\$8.03M	\$6.12M	18.4%	21.8%	92.0%	68	86
#3	Airline A (Major)	25,367	\$17.69 M	\$11.63 M	\$6.06M	21.1%	21.6%	84.6%	88	78
#4	Airline B (Coastal)	14,677	\$10.61 M	\$7.12M	\$3.50M	12.2%	12.5%	81.5%	82	72
#5	Airline C (Metro)	14,101	\$10.61 M	\$8.88M	\$1.74M	11.8%	6.2%	78.3%	76	74
#6	Airline F (Wing Exp)	16,079	\$10.61 M	\$8.95M	\$1.66M	13.4%	5.9%	89.3%	80	76

Performance vs. Baseline

The table below compares each airline's final profit to its pre-simulation baseline, revealing which teams improved their position and which declined.

Airline	Baseline Profit	Final Profit	Change	Baseline Profit Share	Final Profit Share	Share Change
Airline E	\$2.00M	\$8.95M	+347%	8%	31.9%	+23.9pp
Airline D	\$4.50M	\$6.12M	+36%	18%	21.8%	+3.8pp
Airline A	\$6.50M	\$6.06M	-6.8%	26%	21.6%	-4.4pp

Airline	Baseline Profit	Final Profit	Change	Baseline Profit Share	Final Profit Share	Share Change
Airline B	\$4.80M	\$3.50M	-27%	19%	12.5%	-6.5pp
Airline C	\$4.20M	\$1.74M	-59%	17%	6.2%	-10.8pp
Airline F	\$3.00M	\$1.66M	-45%	12%	5.9%	-6.1pp

Team-by-Team Analysis

Airline E — Atlas (Premium Competitor) — #1

Differentiator role → Simulation winner

Airline E delivered the most remarkable transformation in the simulation. Starting as the smallest airline by volume (13% share) and profit (\$2M), the team leveraged its low variable cost structure (\$110/passenger) and aggressive capacity management to become the dominant profit leader. With \$8.95M in profit and 31.9% profit share, Airline E captured nearly a third of all industry profits.

The team achieved the highest load factor (92.3%) and OEI (90), indicating exceptional operational discipline. However, this came at the expense of brand quality—the CSI of 62 was the lowest in the market. The strategic gamble was clear: sacrifice brand perception for cost efficiency. In the context of a five-round simulation, this trade-off paid off handsomely. In a longer-horizon game, the sustainability of a low-CSI strategy would be more questionable.

Verdict: Exceptional execution of a cost-leadership strategy. The team understood that in a multiplayer pricing game, operational discipline is the strongest lever.

Airline D — Budget Airlines (Discounter) — #2

Discounter role → Strong runner-up

Airline D played to its structural advantage—the second-lowest variable cost in the market (\$130/passenger)—and executed a disciplined mid-market strategy. The team grew profit 36% from baseline, maintained a 92.0% load factor, and achieved an OEI of 86.

The team avoided the temptation to engage in an aggressive price war despite having the cost structure to sustain one. This restraint was strategically sound: rather than triggering industry-wide margin compression, Airline D captured profit share steadily through efficiency. The CSI of 68 is modest but consistent with a value-oriented positioning.

Verdict: Disciplined, efficient, and strategically patient. The textbook performance for a cost-advantaged challenger.

Airline A — Major Airways (Leader) — #3

Incumbent leader role → Third-place finish

Airline A maintained the highest CSI (88) and tied for the highest revenue (\$17.69M), validating its premium brand positioning. However, it also carried the highest cost structure (\$11.63M), which eroded profitability. Profit declined 6.8% from baseline, and profit share fell from 26% to 21.6%.

The fundamental issue was a failure to balance premium investment with cost discipline. Airline A spent heavily on brand and product but did not adjust capacity or cost posture when competitors demonstrated that leaner operations could deliver equal or greater profits. The load factor of 84.6% suggests capacity could have been trimmed without sacrificing market presence.

Verdict: A cautionary case: winning the brand battle does not guarantee winning the profit war. Premium positioning requires premium discipline on both sides of the income statement.

Airline B — Coastal Airlines (Aggressor) — #4

Aggressor role → Below expectations

Airline B entered under pressure to demonstrate growth. Instead, the team lost significant ground: volume share fell from 19% to 12.2%, and profit declined 27%. The CSI of 82 and OEI of 72 are mid-range but unremarkable.

The team appeared strategically indecisive—neither committing fully to an aggressive share-grab nor executing the cost discipline needed to protect margins. In a six-player game, half-measures tend to produce the worst outcomes. The board's demand for growth was not met, and profitability suffered.

Verdict: Underperformance driven by lack of strategic clarity. The team needed to commit to a direction and execute.

Airline C — Metro Air (Defender) — #5

Defender role → Significant underperformance

Airline C experienced the most dramatic profit collapse: a 59% decline from baseline (\$4.2M to \$1.74M). Despite being positioned as the hub defender at JFK, the team lost volume share (18% to 11.8%) and profit share (17% to 6.2%). The load factor of 78.3% was the lowest in the market.

The cost structure tells the story—\$8.88M in costs against \$10.61M in revenue yields a razor-thin margin. The team appears to have overinvested relative to the demand it captured. The defender strategy requires disciplined capacity management, which was not evident here.

Verdict: The aggressive expander contracted on all key metrics. A clear case of strategic misalignment between ambitions and execution.

Airline F — Wing Express (Wild Card) — #6

Wild card role → Weakest financial outcome

Airline F finished last in profitability (\$1.66M) despite maintaining a decent load factor (89.3%) and CSI (80). The issue was stark: \$8.95M in costs on \$10.61M in revenue left almost no margin. Profit declined 45% from baseline.

The differentiation strategy—comfortable seating, digital convenience, younger professional appeal—did not translate into pricing power or cost efficiency. In a market where larger competitors were squeezing margins, Airline F's niche positioning proved financially insufficient.

Verdict: Differentiation without scale is fragile. The team needed either more aggressive pricing to capture volume or deeper cost cuts to protect margins.

Key Lessons from the Simulation

- **Cost discipline trumped brand investment.** Airlines E and D finished 1st and 2nd with the lowest CSI scores. The market rewarded operational efficiency over brand perception in this competitive structure.
- **The multiplayer prisoner's dilemma played out as theory predicts.** The temptation to undercut was strong, and the market moved toward a competitive pricing equilibrium rather than the collectively optimal high-price outcome.
- **Strategic consistency without adaptation is rigidity, not discipline.** Teams that set a strategy in Round 1 and never adjusted (Airlines A, C, F) underperformed those that calibrated decisions based on competitive feedback.
- **Revenue alone does not determine profitability.** Airlines A and E had identical revenue (\$17.69M) but a \$2.89M profit gap—entirely due to cost management.
- **Load factor is the operational health indicator.** The top two performers both exceeded 92% load factor. The bottom two were below 80%.

Grading note: This assessment covers criteria 1–3 of the rubric (Use of Data 20%, Competitive Adaptation 20%, Economic Performance 30%). Criterion 4 (Final Strategic Reflection, 30%) will be evaluated individually from Brightspace submissions.