















Example 2: Airline Yield Mgmt



Tue, 4 Sep 2000

Muggle Airlines flies daily from ABE to NYC (Muggles are non-wizarding folks). There are 100 seat on the plane, and the discount fare (purchased 3 weeks in advance) for a seat is \$69. The regular coach fare is \$190.

Airline Yield Mgmt continued ...

IE221: Lecture 3



Muggle Airlines estimates that the number of full-fare passengers who will seek tickets for the flight follows a normal distribution with mean 90 and standard deviation 10. If the airline can sell as many discount seats as it wants, how many should it want to sell?

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