NEW STUDY SAYS PAY-AS-YOU-WEIGH AIRFARE PRICING MODEL COULD BENEFIT PASSENGERS, AIRLINES AND SOCIETY

Economist Bharat P. Bhatta investigates three workable models in the Journal of Revenue and Pricing Management

Monday 25 March 2013 – In the first study of its kind, Dr Bhatta of Sogn og Fjordane University College, Norway has proposed three models of Pay-As-You-Weigh airline pricing which could benefit passengers, airlines and society at large.

Dr Bhatta’s paper, published this month in the Journal of Revenue and Pricing Management, investigates the economic justification for airlines charging passengers according to their weight, rewarding passengers who weigh less than average and/or when they reduce weight.

It finds that as heavier passengers cause the aeroplane to weigh more, using more expensive and environmentally costly jet fuel, charging passengers according to weight could lead to health benefits for the passenger, plus financial and environmental savings for the aviation industry.

Dr Bharat P. Bhatta said: “Charging according to weight and space is a universally accepted principle, not only in transportation, but also in other services. As weight and space are far more important in aviation than other modes of transport, airlines should take this into account when pricing their tickets.”

The three workable models proposed are:

- **Fare according to actual weight**: Charging passengers according to how much they, and their belongings weigh, fixing a rate for kg per passenger so that a person weighing 60kg pays half the airfare of a 120kg person.

- **‘Base fare’ minus or plus an extra charge**: This option involves charging a fixed base rate, with an additional charge for heavier passengers to cover the extra costs. Every passenger could have a different fare according to this option.

- **Same fare if the passenger has an average weight, but discounted/extra fare for low/excess weight below/above a certain limit**. This option results in three types of fares: high fares, average fares and low fares. (Note: Here “/” stands for “or”).

Dr Bhatta believes that the third option would be most suitable for implementation, and emphasizes that any Pay-As-You-Weigh fare policy which charges heavier passengers more but does not give any discount to lighter passengers would only benefit the airlines.

Dr Ian Yeoman, Editor of the Journal of Revenue and Pricing Management, said: “For airlines, every extra kilogram means more expensive jet fuel must be burned, which leads to CO2 emissions and financial cost.

“As the airline industry is fraught with financial difficulties, marginally profitable and has seen exponential growth in the last decade, maybe they should be looking to introduce scales at the check-in.”

ENDS
Notes to editors:

*The Journal of Revenue and Pricing Management* is published by Palgrave Macmillan. It includes the best of revenue management and pricing practice and research.

Dr Bhatta’s study is published in the March issue, which can be found online [here](#).

For more information, to obtain a copy of the full article or to arrange an interview with the author, please call:

Amy Bourke  
Corporate Communications Manager  
Palgrave Macmillan  
M: +44 (0) 7703717212  
T: 020 7843 4603  
E: amy.bourke@palgrave.com

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