

## **TEAM 4 VIRIDIS AIR**

### **PRESENTATION 8.4/10**

WS COMMENTS: Nice approach to market choice. Overriding question is: can an upstart use the ERJ145 to attack incumbent carrier hubs. Particularly when no noticeable difference in base fares being charged and an aggressive approach to charging ancillary fees. Demonstrated good understanding of how they wanted to approach maintenance and distribution costs. Introductory fares seem high as little in the way of increasing fares over time to the average was considered. A realistic view of margin from the flying chosen.

PB COMMENTS: Good selection and summary table of O-D markets. Solid schedule development logic and excellent schedule map! Reasonable market share and price elasticity assumptions, supported by a very reasonable cost estimation methodology. A little more thought required on ancillary fees and code-share questions, as well as consideration of competitive responses from the Big 3 – AA, UA, DL. Also a little more detail on airports and constraints would help.

### **FINAL REPORT 8.7/10**

WS COMMENTS: The overarching question in this case is can the ERJ145 truly compete particularly when no significant fare or fee differentials are being proposed. Team continues to believe that competing on both price and service will help mitigate the competitive backlash from strong incumbents. In the final analysis their view is that while the ERJ145 has its faults, taking advantage of very low lease rates can be beneficial and the savings can be used in other areas. There are many airport and market considerations and the team has accounted for them nicely.

PB COMMENTS: Good job on re-configuring the ERJ145 seats! Very good report overall, with some important additions/explanations based on presentation. Nice focus on economic analysis and cost details. A little less thought given to pricing and revenue issues – sample fare structure shows little innovation, but useful example of DFW-Chicago comparison with NLC competitor. Overall, I'm not sure the regional jet will work for you, but you do a very decent job in justifying a reasonable set of assumptions.