

makes in this regard is the determination of its route structure. Which cities will be served? How will the cities be linked? Airline networks are systems for moving people and goods. However, there is not one unique route system, but a wide range of alternatives which can satisfy user needs. Consumers will choose the airline routing that provides them with the best convenience or lowest price.

Passengers move from origin to destination. In doing so, they will travel along links (air routes) between nodes (airports). Often there are several alternative routings for moving passengers (or cargo). The number of alternatives increases with the distance between origin and destination. When travelling from Regina to Toronto, one can choose between a non-stop flight and a flight via Winnipeg. But, when travelling from Regina to Naples, Italy, one can choose between Regina-Calgary-London-Naples, Regina-Toronto-London-Naples, Regina-Toronto-Frankfurt-Naples, Regina-Denver-Amsterdam-Naples, etc. There can be trade-offs between nodes and links in a route system. Non-stop routes are possible, but they may not have enough volume to justify frequent service. Hub and spoke systems add a node in the passenger's journey, but their traffic pooling ability may allow more frequent service (reducing total travel time).

Business passengers are especially concerned with getting from origin to destination *on a timely basis*. Before deregulation, much of the U.S. was served by non-stop, but often infrequent, air service. Since deregulation, airlines are providing (and travellers seem to be preferring)²⁹ more frequent, but one stop routing through major

²⁹ For evidence that passengers vote with their dollars for frequent hub service over infrequent direct service, see Steven Morrison and Clifford Winston (1986), *The Economic Effects of Airline Deregulation*, the Brookings Institution, Washington, DC.