Modelling Coopetition in Aeroparts Spares Supply Chain: A Game Theoretic Approach

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Abstract

Due to the constant pressure on the bottom line, companies are forced to adopt a new relationship called 'coopetition' which refers to both 'cooperation' and 'competition'. For the airlines, a cooperative arrangement between two or more airlines for spares supply is one way of utilizing the potential. In cooperation, players forge different types of coalitions. In this paper we model the possible coalitions and examine the stable outcome using the concept of core in cooperative game theory.

Key words: Coopetition, Aeroparts supply, Cooperative Game theory, Core