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# Just the (e) Ticket

*IATA's mandate that its members conduct 40 percent of their ticketing electronically by the end of the year and 100 percent by 2007 will require airlines to further modify their operations.*

■ By Gary Millward | *Ascend* Contributor

Of the International Air Transport Association's top five "simplifying the business" priorities that were announced in June, moving to 100 percent electronic ticketing by 2007 has perhaps received the most attention. And rightfully so — the target is tangible and measurable. The initiative has a clear delivery date; IATA has even placed a clock on its simplifying the business Web site, counting down the days, minutes and seconds to 100 percent e-ticketing. In addition, many travelers are already familiar with e-ticketing and have probably used it.

However, although the initiative and the objectives are clear, achieving 100 percent e-ticketing presents varying challenges for airlines depending on their current status and long-term business targets.

The results of IATA's own survey, conducted shortly after the initiative was launched, show how airlines are divided into two camps

— those that have adopted e-ticketing to some degree and those that have not. For a number of airlines, meeting the IATA requirements would appear to be a foregone conclusion. Some carriers have implemented e-ticketing as far back as 10 years ago and many have already introduced interline e-ticketing with several partners. Other airlines that had not intended on introducing e-ticketing will need to revise their business plans. Even airlines that are not members of IATA could be affected. The IATA initiative will apply to any airline that wishes to distribute tickets to travel agents through an IATA Billing and Settlement Plan.

Although the benefits of e-ticketing are obvious, the methods to implement it are more complex than their existing business plans allow. Regardless of which camp they are in, nearly every airline, even those that have a head start on implementing e-ticketing, still have some work remaining to fully comply with the IATA mandate.

## E-Ticketing Pioneers

The reality is that "early-adopter" airlines are currently faced with as many challenges as the "late developers," but they are of a different nature. Of course, early adopters have e-ticketing in place for direct and travel agency sales, and depending on an airline's markets, more than 90 percent of its ticketing transactions may be made electronically. Yet there are barriers remaining that have to be overcome to reach 100 percent e-ticketing, such as developing interline e-ticketing with all partners and integrating with third-party ground handling operations.

Interline e-ticketing is receiving a lot of attention. Early adopters may have as many as 30 interline e-ticketing agreements in place, but according to IATA, only 64 airlines have interline e-ticketing capability. The focus for interline e-ticketing has been concentrated within alliances for business reasons and within host systems for both business and technical reasons.

## By the Numbers

*Sabre Holdings has already taken steps toward building technology that will help airlines comply with IATA's electronic ticketing mandate. Statistics show airlines are making progress toward a 100 percent e-ticketing environment.*

- Sabre Holdings has implemented 58 interline electronic ticketing connections for 34 unique carriers.
- More than 30 connections are routed through the Interline Electronic Ticket Hub, and 27 carriers are connected to the hub. This includes 15 carriers not hosted in *SabreSonic™ Res*.
- Nearly 40 airlines hosted in the *Res* component have now implemented electronic ticketing.
- As of July 20, only 64 airlines have implemented interline electronic ticketing; 19 of these have only one interline agreement activated.
- Sabre Travel Network distributes electronic ticketing for more than 70 airlines in Airline Reporting Corp. and 40 IATA Billing and Settlement Plans, operating in more than 70 countries.
- In June 2004, (the date of IATA's simplifying the business announcement), more than 60 percent of tickets issued by Sabre Travel Network were electronic. As of last June, more than 70 percent of travel agency tickets were electronic.
- The Interline Electronic Ticketing Hub enables carriers operating different EDIFACT versions to implement interline ticketing.
- This year, Sabre Airline Solutions became the first system provider to implement IATA 722h third-party ground handling. **E**

HIGHlight

To achieve 100 percent e-ticketing, an airline will need to implement one of two IATA standard methods — the interactive or control methods — for third-party ground handling.

An interline environment clearly highlights differences, such as different approaches to open segments, infant processing and revalidation, that exist between airlines and the various host reservations systems. Interline e-ticketing is heavily dependant on interaction between previously stand-alone systems. Airlines have to exchange general business requirements, or GBRs, and agree on procedures. IATA is taking steps to standardize GBRs and facilitate the process, but airlines will have to be flexible if they plan to have as many electronic ticketing agreements as they have paper agreements today.

There are a number of different EDIFACT versions in use, and some airlines still use the original 1996 version. To create a bilateral interline e-ticketing agreement, both airlines must agree on set business rules and be on the same version of EDIFACT. Sabre Airline Solutions has helped reduce the effort by implementing the Interline Electronic Ticketing Hub, a component of

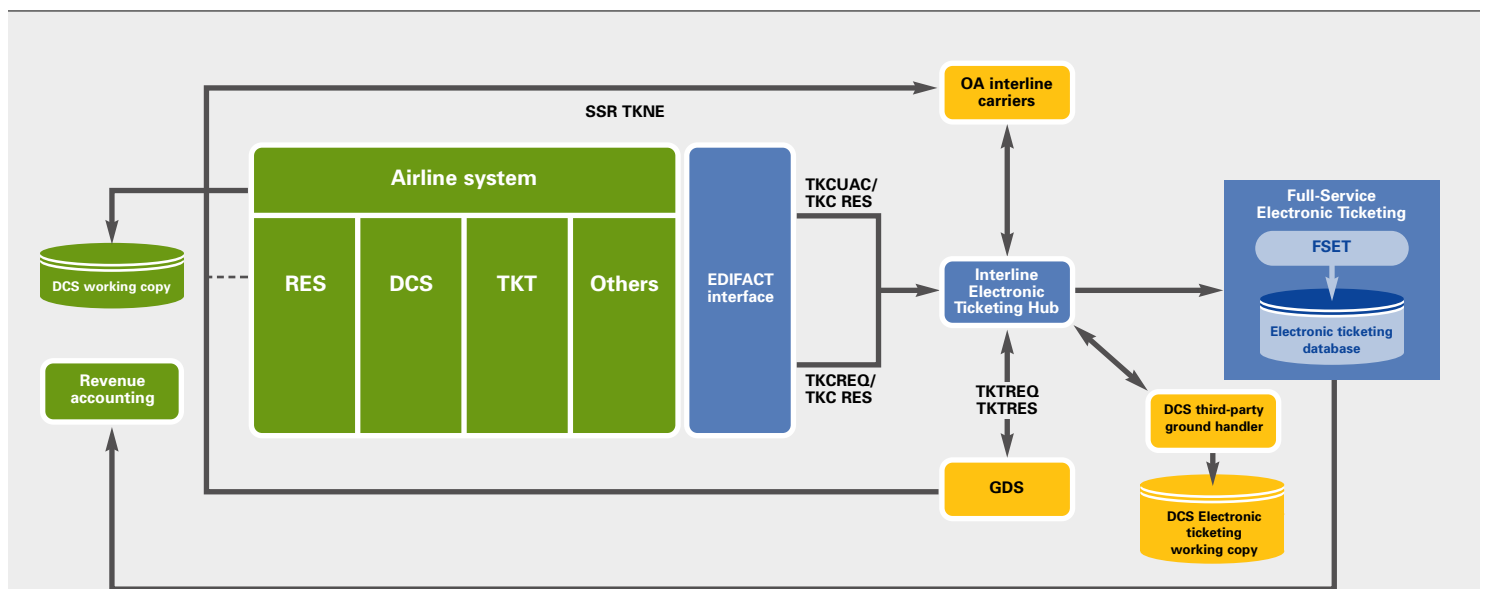
*SabreSonic™ Ticket*, which enables airlines to remain on different versions of EDIFACT while implementing interline e-ticketing. The hub achieves this by taking the EDIFACT message from one airline and translating it into the format used by another. This process enables multiple airlines using different versions of EDIFACT to interline without incurring the cost of making a version change. In addition, airlines have access to a diagnostic tool with a user-friendly interface that enables individual or groups of messages to be viewed.

Ground handling raises more issues for airlines with e-ticketing abilities that use different ground handling companies to support their airport operations. In a paper ticketing environment, a ground handler requires access to the operating carrier's reservations system to ensure the passenger has a booking, but the passenger's right to board is determined by the flight coupon

that is lifted during passenger check in. Electronic ticketing, therefore, requires access to the flight coupon details at the time of check in. For an airline with a departure control system that is integrated with its reservations and ticketing system, this is not a challenge because all data resides within the system and is easily accessible.

Today, many airlines rely on one or more third-party ground handling companies to represent them at a number of airports. To achieve 100 percent e-ticketing, an airline will need to implement one of two IATA standard methods — the interactive or control methods — for third-party ground handling. By using these methods, an airline can be sure that the flight coupon is valid for travel. As an interim approach, some ground handlers have implemented the electronic ticket list, or ETL, method whereby using the SSR TKNE (electronic ticket number notification), passengers with electronic

### Full-Service Electronic Ticketing



Sabre Airline Solutions has successfully integrated e-ticketing applications (blue) with an airline's existing reservations system (green) and then interfaced with external parties (yellow) including interline partners, global distribution systems and ground handlers, enabling an airline to implement electronic ticketing and still remain on its existing reservations system.

