

# PASSENGER REJECTION REDUCTION INITIATIVE

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24<sup>th</sup> April 2018



# WHAT IS THIS PROJECT ABOUT?

Well we are not going into that again this year!

Nearly everyone in this room knows about the project and the benefits.

# However I have another question?

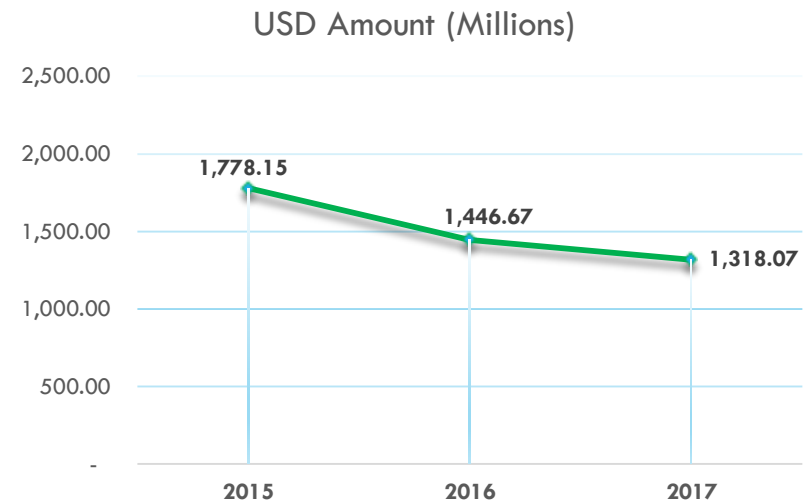
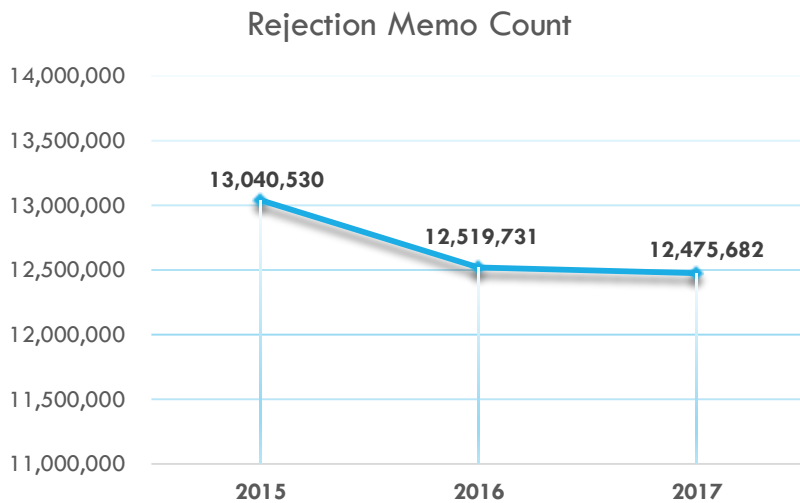
# DO YOU HAVE AN INTERNAL TARGET IN YOUR AIRLINE TO REDUCE REJECTIONS?

How do you monitor your rejection volumes?

Are there any best practices that you would like to share?

# OUR PROGRESS SO FAR

# GLOBAL NON-SAMPLING ANALYSIS (2015 - 2017)

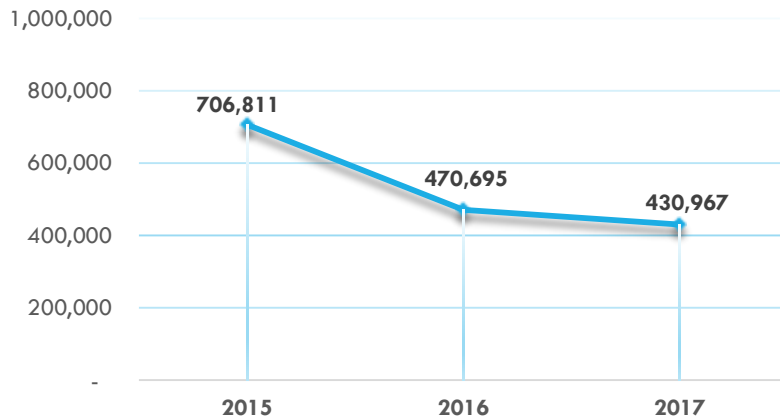


↗ The total rejection memo count decreased by **4%** in 2017, in comparison to 2015.

↗ The total rejection memo USD value decreased by **26%** in 2017, in comparison to 2015.

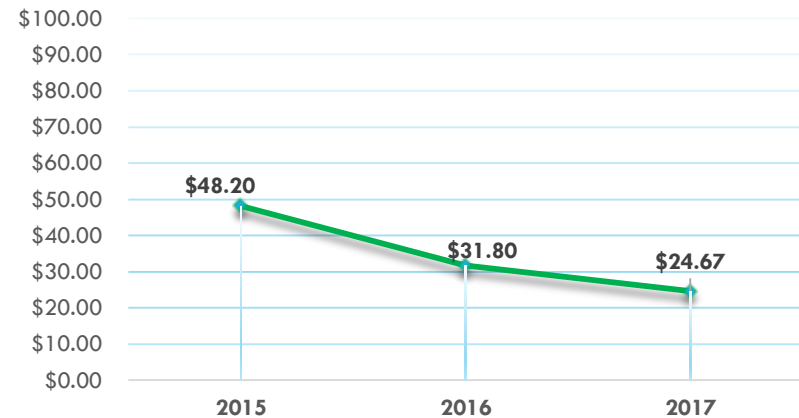
# ACH NON-SAMPLING ANALYSIS (2015 - 2017)

Rejection Memo Count



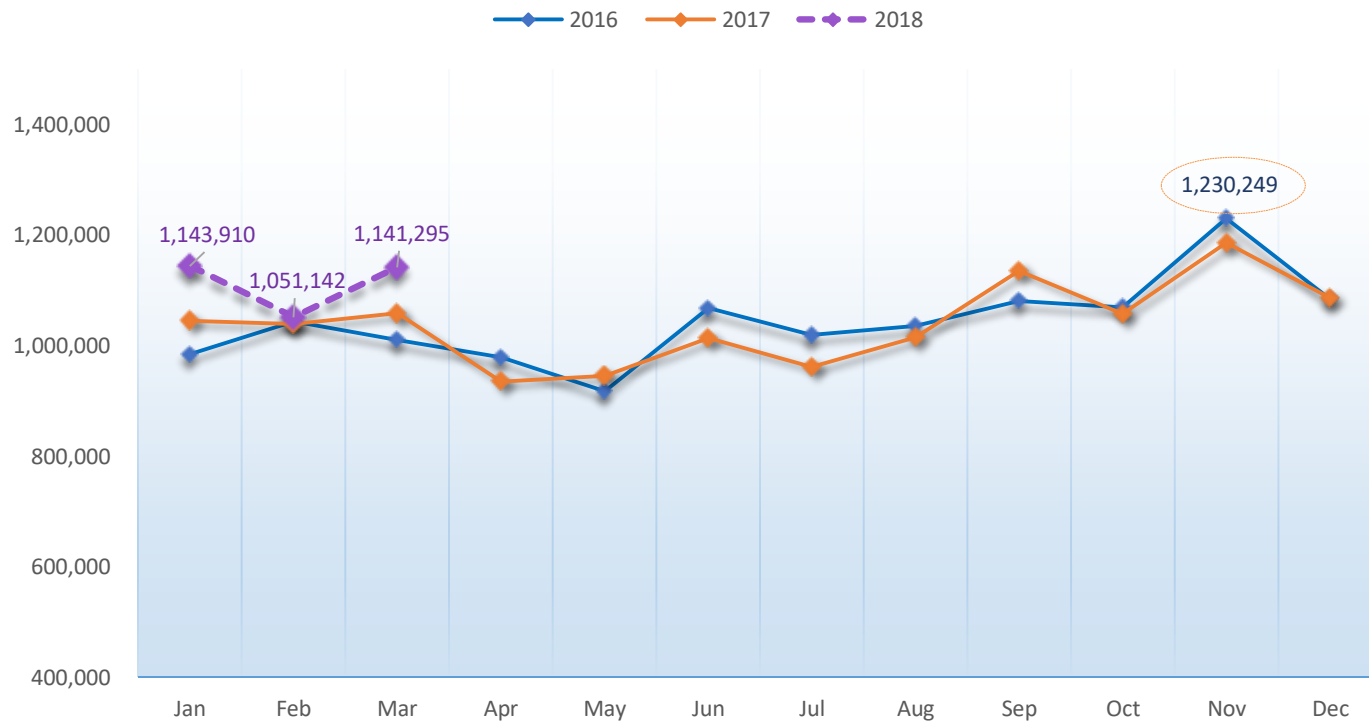
↗ The total rejection memo count decreased by **39%** in 2017, in comparison to 2015.

USD Amount (Millions)

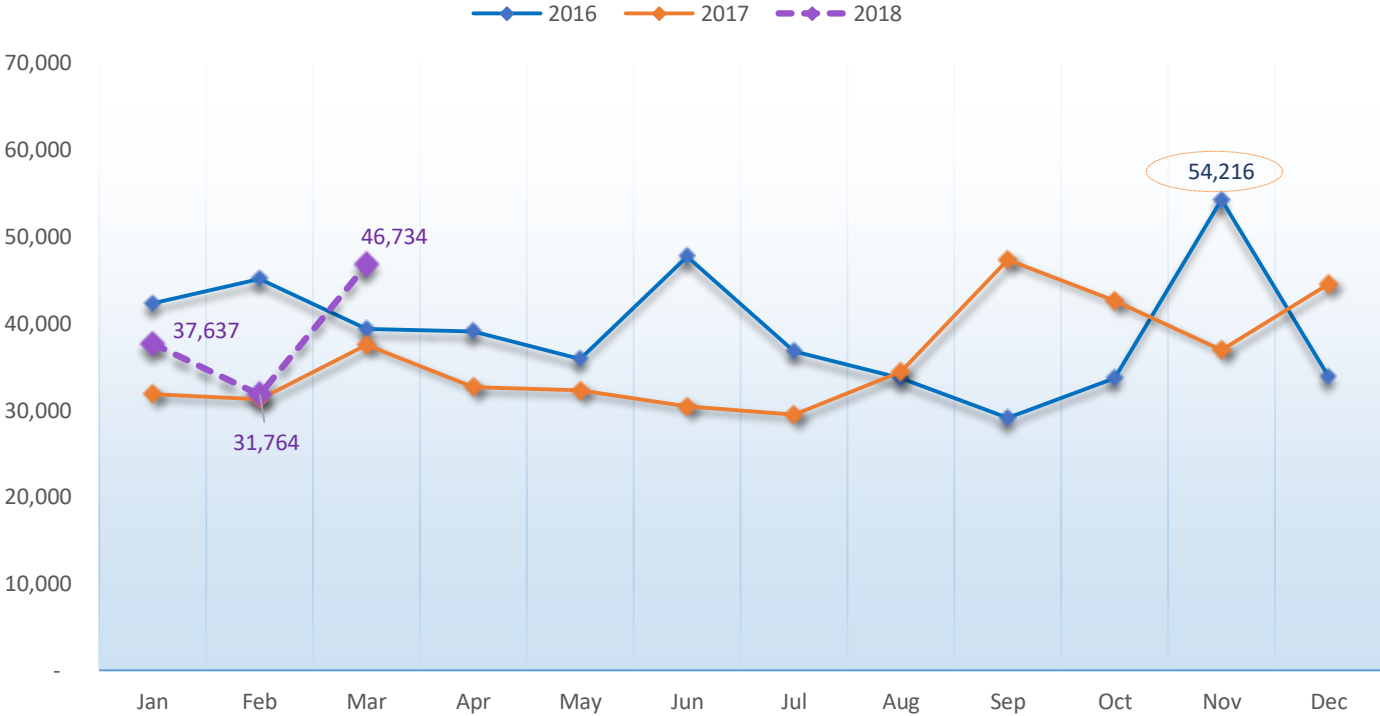


↗ The total rejection memo USD value decreased by **49%** in 2017, in comparison to 2015.

# GLOBAL REJECTION MEMO COUNT 2016 - 2018

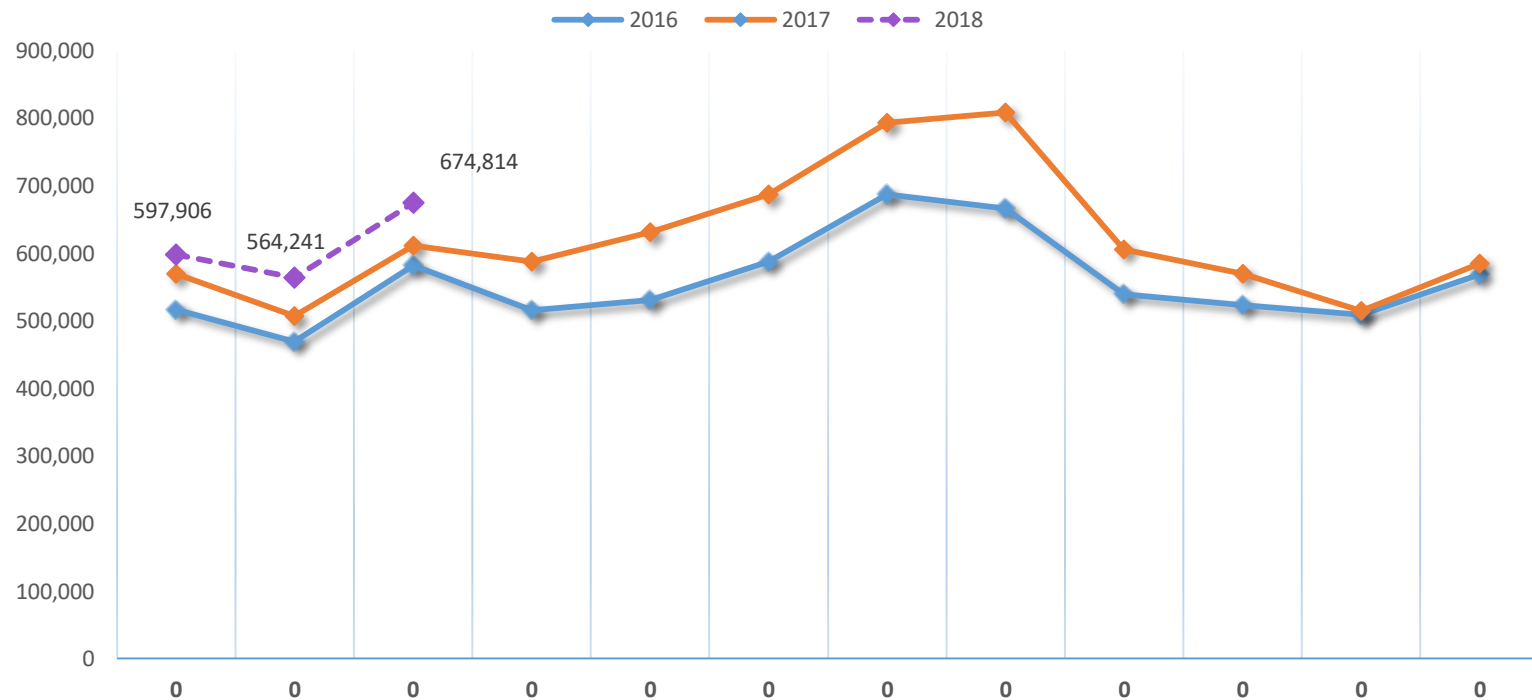


# ACH TOTAL REJECTION MEMO COUNT 2016 - 2018



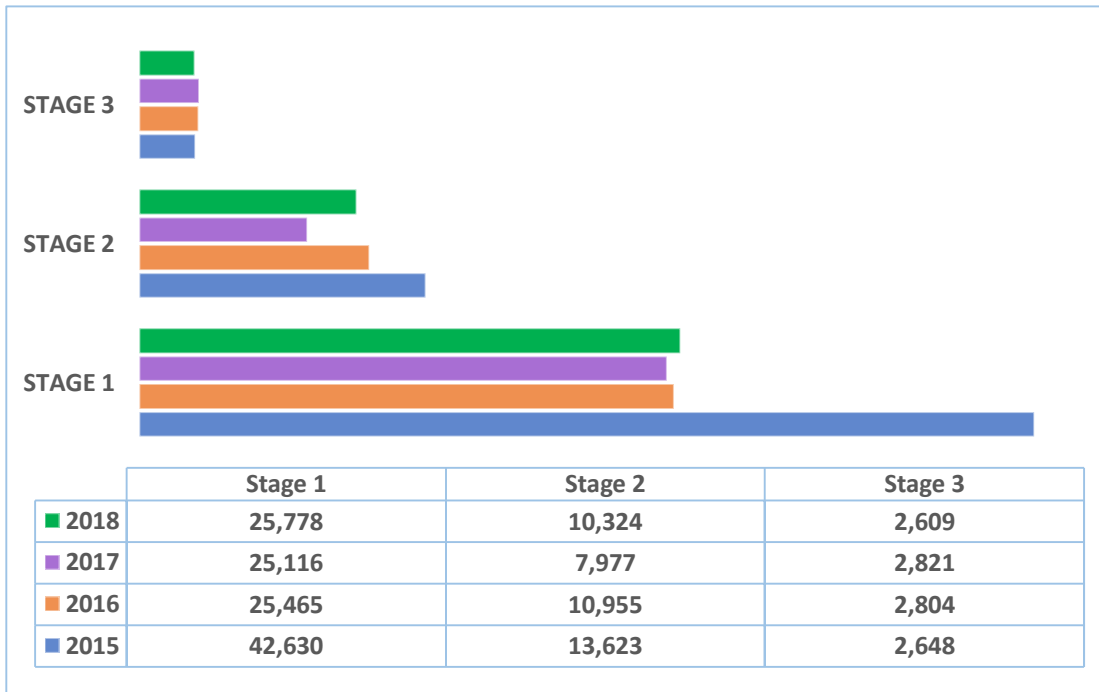


# ACH NON-SAMPLING PRIME BILLING COUNT (2016 - 2018)



➤ In 2018, the total prime billings count has increased by 16% in comparison to 2015.

# ACH - AVERAGE REJECTIONS SPLIT BY STAGE (2015 - 2018)



In comparison to the base year 2015:

- ↗ Stage 1 counts have decreased by **40%** ↓
- ↗ Stage 2 counts have decreased by **24%** ↓
- ↗ Stage 3 counts have decreased by **1%** ↓

# MEASURING PROGRESS - ACH



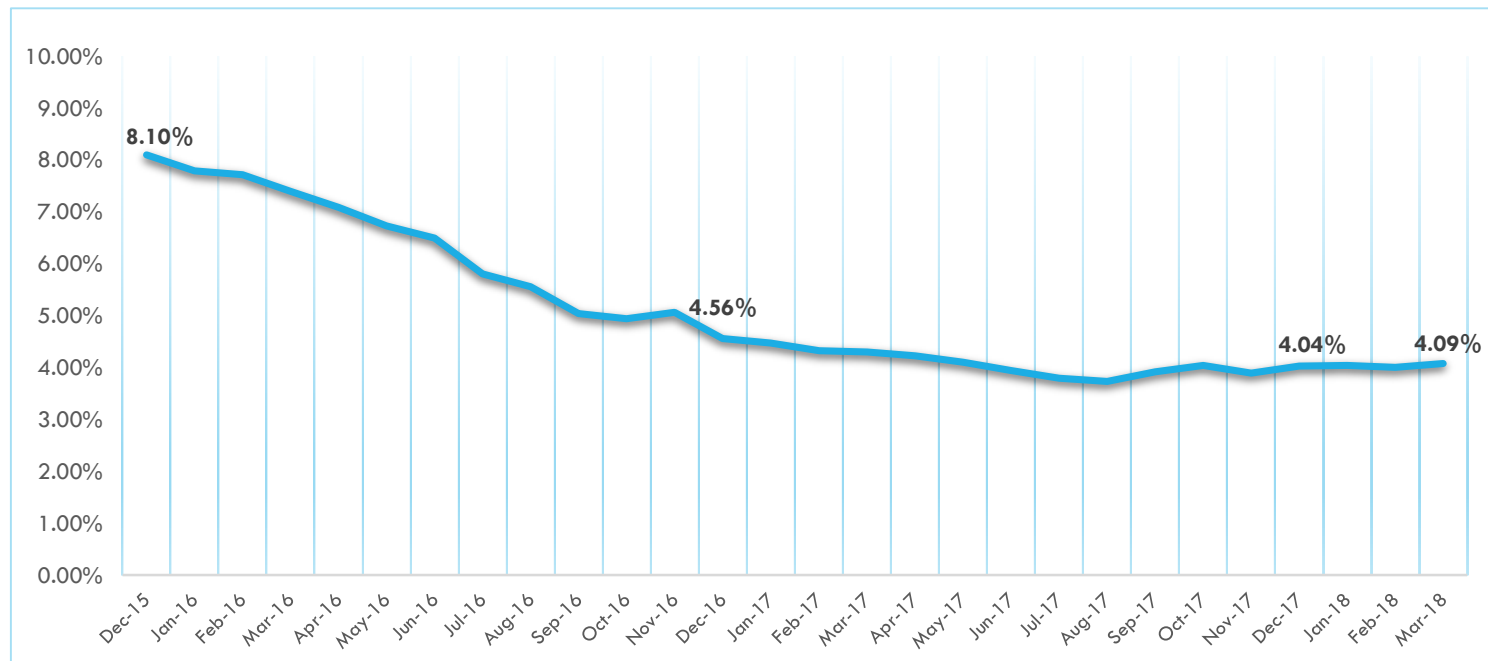
$$\text{Rejection Rate} = \frac{\text{Sum of Rejection Memos of Past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%$$

	2015	2016	2017	Mar -2018	% change Mar-2018 vs 2015
Rejection Rate	11.20%	7.03%	5.77%	5.82%	-48%

By March 2018 there was a 48% decrease in comparison to the base year 2015.

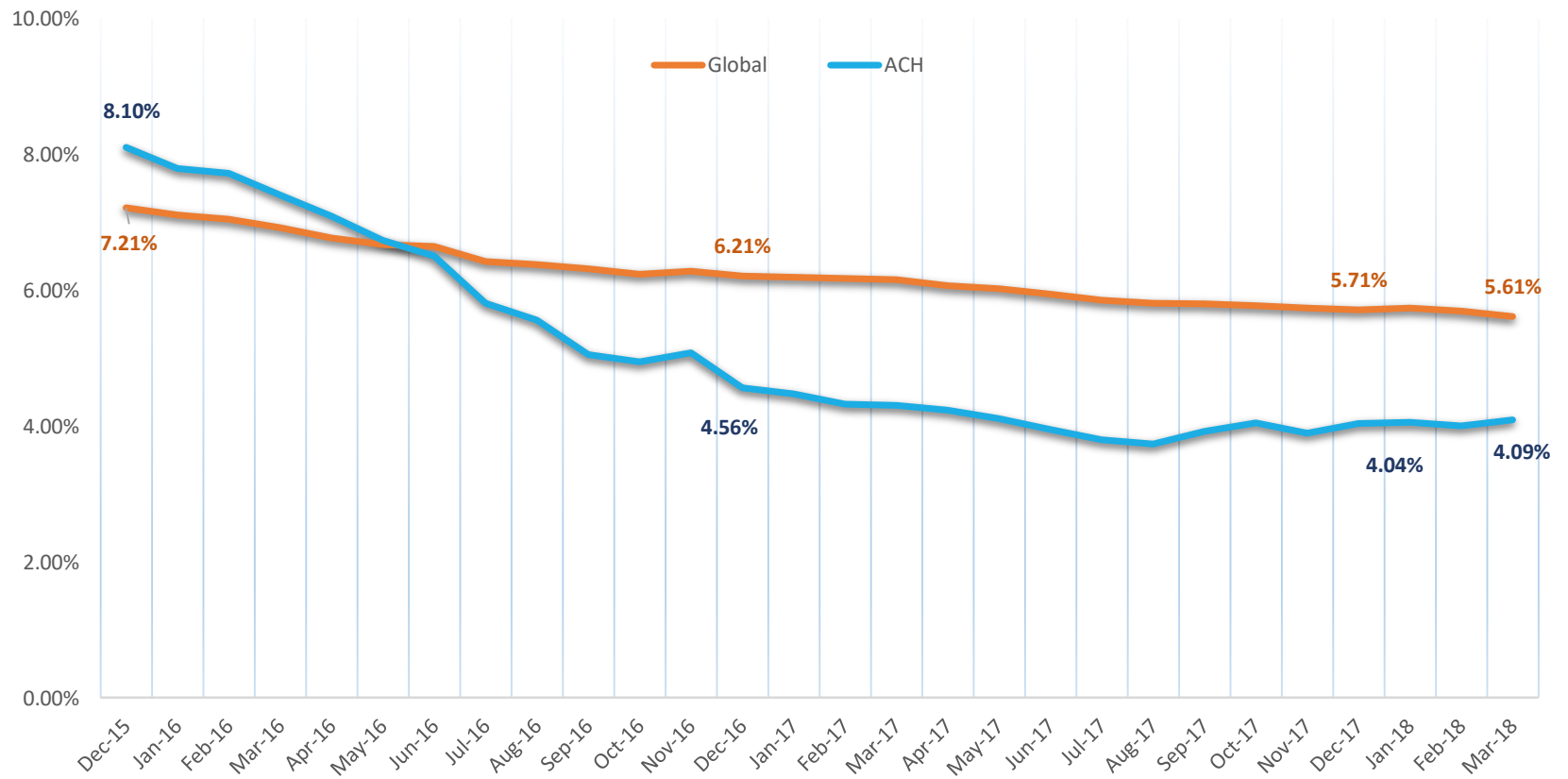
# ACH STAGE 1 ANALYSIS

## ESTIMATED PERCENTAGE OF REJECTED PRIME BILLINGS



$$\text{Estimated \% of rejected prime billings} = \frac{\text{Sum of Stage 1 RMs of past 12 months}}{\text{Sum of Prime Billings of past 12 months}} \times 100\%$$

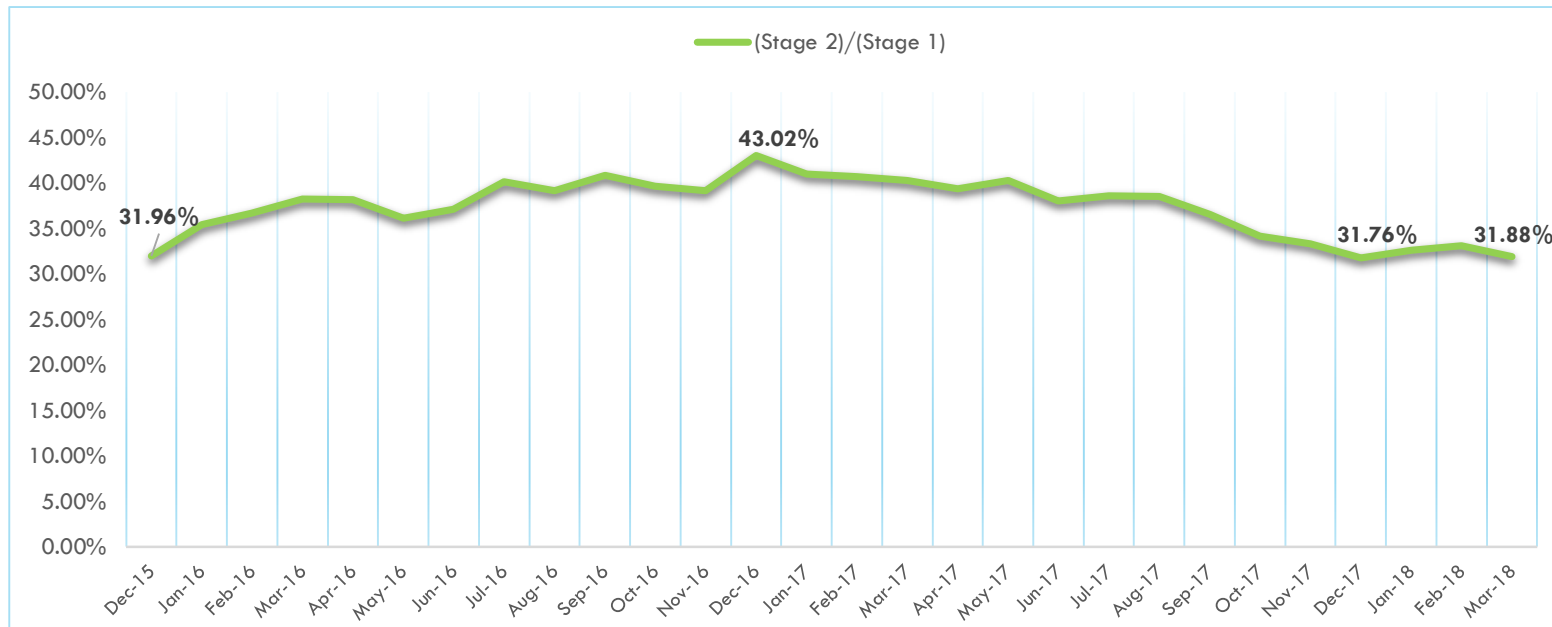
# STAGE 1 ANALYSIS - ACH VS GLOBAL



# ACH STAGE 2 ANALYSIS

## ESTIMATED PERCENTAGE OF REJECTED 1ST STAGE RMS

➤ Approximately 31.88% of the Stage 1 rejections in in the past year were rejected back 2<sup>nd</sup> stage.

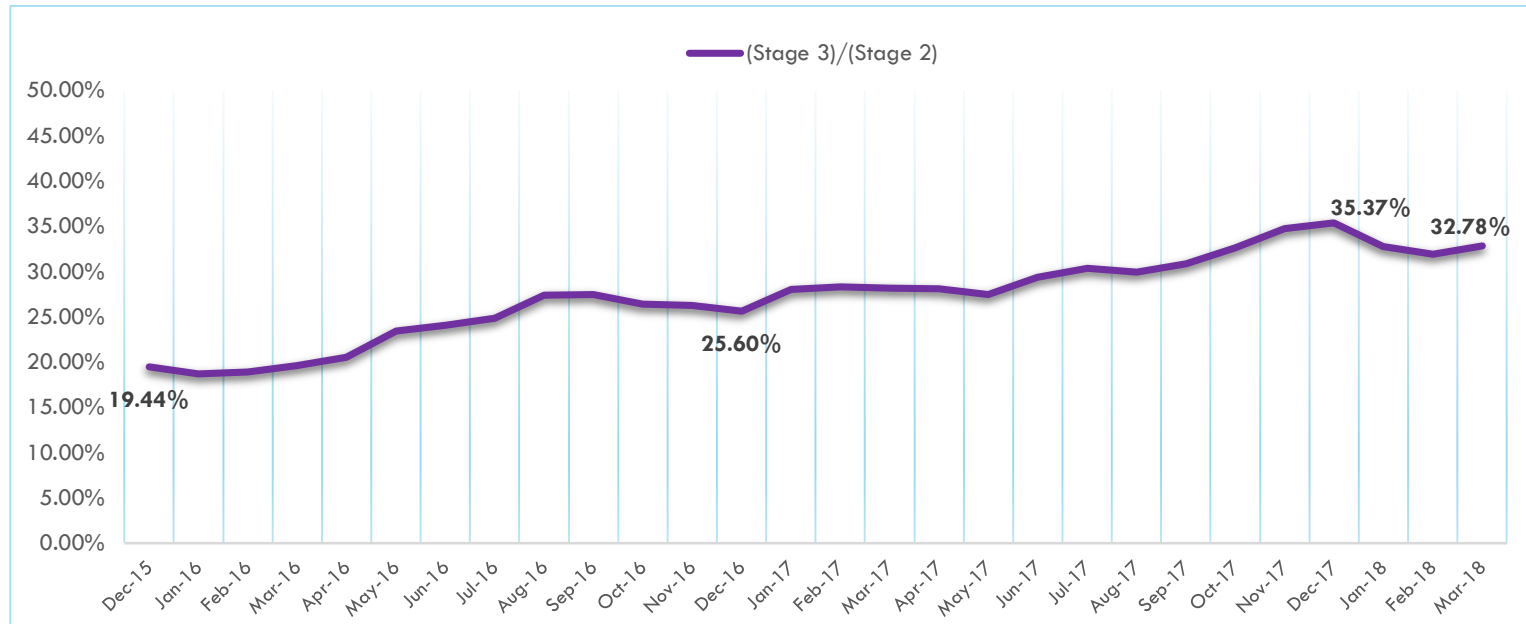


$$\text{Estimated \% of rejected Stage 1 RMS} = \frac{\text{Sum of Stage 2 RMS of past 12 months}}{\text{Sum of Stage 1 RMS of past 12 months}} \times 100\%$$

# ACH STAGE 3 ANALYSIS

## ESTIMATED PERCENTAGE OF REJECTED 2<sup>ND</sup> STAGE RMS

➤ Approximately 32.78% of the 2<sup>nd</sup> stage rejections in the past year were rejected back 3<sup>rd</sup> stage.



$$\text{Estimated \% of rejected Stage 2 RMS} = \frac{\text{Sum of Stage 3 RMS of past 12 months}}{\text{Sum of Stage 2 RMS of past 12 months}} \times 100\%$$

# ACH 2017 - REJECTION REASONS

Top 5 rejection reason codes sorted as per stage 1

Reason Code*	Reason Description	Stage 1 Count	Stage 1 %	Stage 2 Count	Stage 2 %	Stage 3 Count	Stage 3 %	Total
1B	Fare Reclaim	180,437	60%	75,635	79%	24,744	73%	280,816
1G	Tax Reclaim	74,519	25%	9,423	10%	2,997	9%	86,939
1A	Fare/Tax/ISC	20,507	7%	2,982	3%	1,267	4%	24,756
1C	ISC Reclaim	17,879	6%	6,738	7%	4,496	13%	29,113
2B	Duplicate Billing	3,183	1%	246	0%	108	0%	3,537



# MANY UNANSWERED QUESTIONS

- **Fare Rejections:**
  - SPA Coding?
- **Tax rejections:**
  - Tax rule interpretations / coding?
- **Involuntary Reroutes**
- **We needed more information**

# PILOT CARRIERS

Work closely with 7 airlines in order to:

- Identify the reasons of rejection
- Estimate the global cost of rejection
- Best practices

# WHO ARE THE AIRLINES ASSISTING US?

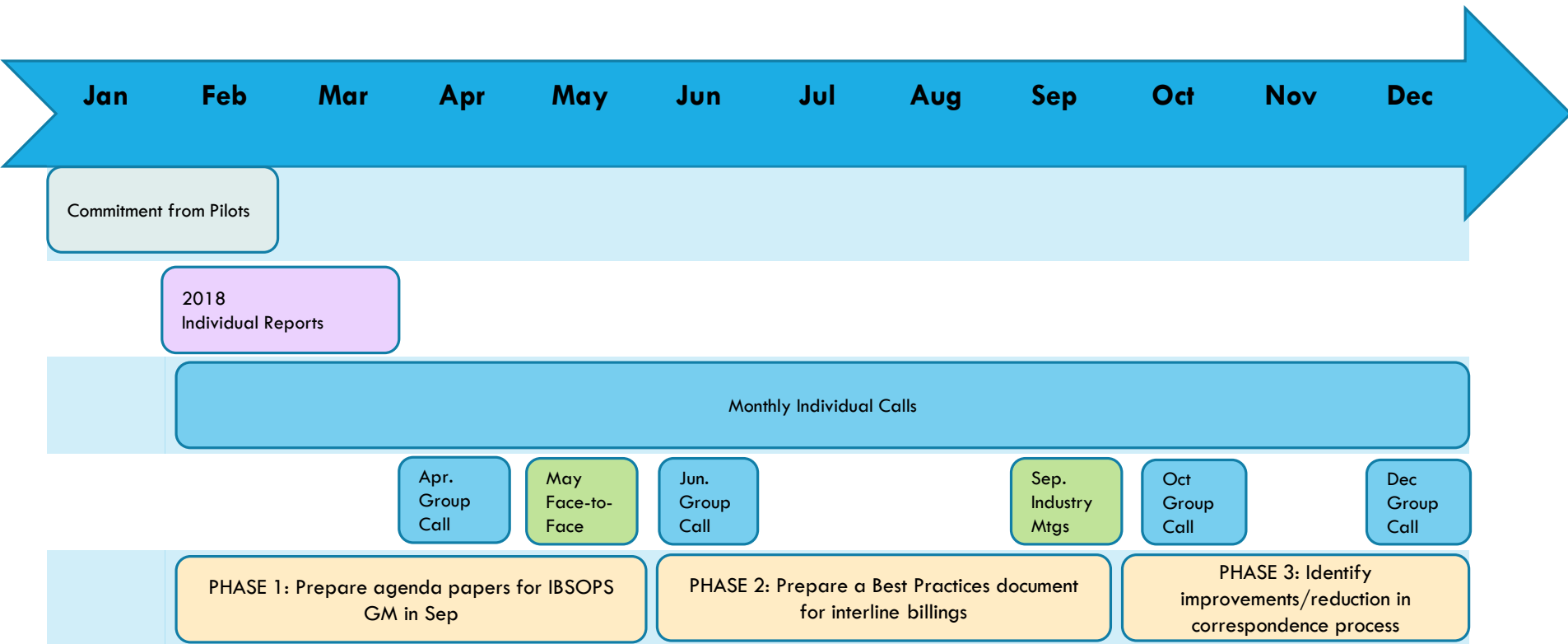


# PILOT CARRIERS

## Deliverables:

- Identify rejection reasons
- Best practices
- Estimate global cost of rejections
- Contribute to the target of 32% reduction by 2020

# PILOT CARRIERS - 1 YEAR TIMELINE - 2018



# IN CONCLUSION

- We are halfway there
- The road forward will only get tougher
- Its only by working together that we will succeed

Contact us at [rejectionreduction@iata.org](mailto:rejectionreduction@iata.org)

# QUESTIONS?

