

Offers and Orders Update

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Offers/Orders 2025

- Offer/Order/Settle/Deliver
 - Industry update
 - What do Revenue Accounting teams need to know?
 - Do you/your teams feel informed and knowledgeable about Offers/Orders and impact? Scale of 1-10?
 - Industry groups
 - How can ACH help member airlines prepare for Order/Settle/Deliver?
 - Links to sources
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Modern Airline Retailing – Optimize the guest experience, leveraging technology, including AI, while optimizing revenue, and streamlining back-office processes

- **Offer** - Airlines are working towards higher offer maturity with a focus on dynamic offers – more specifically, dynamic and continuous pricing. Lots of vendor solutions and carriers are definitely maturing in the offer space
 - **Order** – True order follows the IATA layout, and mature orders are ticketless. Order ID replaces ticket, PNR. Reissues eventually go away because the OrderID is updated with changes that today require a ticket reissue. Order Management System solutions are maturing and continue to evolve and adoption is growing.
 - **Settle** - Integration between Order Management Systems and Order Accounting solutions. A few airlines are testing the use of order accounting capabilities by not issuing EMDs for certain ancillaries. This simplification will help the Order Accounting vendors solidify their solutions and give the airlines the opportunity to learn new processes while minimizing risk in the Deliver phase.
 - **Deliver** – The execution of the order is more complex as it's closely tied to the operation and must be reliable. There are a significant number of stakeholders that will need to be considered – ground handlers, caterers, airport authorities, and governments. As Order/Settle becomes more mature, the focus will shift to how to operationalize complex orders with minimal disruption to the guest.
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Recent progress in the industry related to Modern Airline Retailing:

- Offers are live – carriers are at various stage of NDC and more evolved distribution using order standards.
 - Orders: Standards are defined and a few carriers are implementing Orders using the full standards. Expect to see this number grow substantially in the next couple of years.
 - SRSIA (Standard Retailer Supplier Interline Agreement) Version XX Published and available IATA.org/
 - Airline Billing and Settlement Working Group finalized draft business requirements related to the concept of Interline Settlement of Orders.
 - Vendor Solutions are available for Order Management Solutions, as well as Order Accounting solutions. Note: Order Accounting solutions include options to phase in “ticketless” order functionality, as well as continued legacy tickets order management.
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What do Revenue Accounting leaders need to know to be ready for Modern Airline Retailing?

- How will RA Systems be impacted?
 - Does my current system provider have a solution in place for Orders to be processed and accounted?
 - Are you involved in internal project planning for Offer/Order/Settle/Deliver within your airline?
 - There is a long lead time for systems modernization, if you don't have these answers, check with your Commercial and Distribution teams
 - Ask your system provider for an Order Management roadmap. When will they be ready? If they haven't started thinking about this, they are already behind.
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Industry Groups – Modern Airline Retailing Accounting

- Airline Billing and Settlement Working Group – ABS WG IATA Altug Meydlani meydanlia@iata.org
 - Order Accounting Working Group – IATA Mladenka Vukmirovic vukmirovim@iata.org
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- **Do you/your teams feel informed and knowledgeable about Offers/Orders and impact on Revenue Accounting? Scale of 1-10?**

- How can ACH be supporting member airlines as they prepare for these significant shifts in how we do business, including in the Revenue Accounting and Interline Settlement space?

Is there interest in forming a focus group for ACH carriers and/or vendors, related to Modern Airline Retailing?

- Revise the ACH Manual to accommodate for Order Settlement
 - Focus on settlement, unique impact on ACH member airlines
 - Is the concept mature enough, or should carriers continue to monitor impact and revisit next year?

Thank You!

<https://travelinmotion.ch/2024/12/13/whats-in-store-for-offers-and-orders-in-2025/>

https://www.iata.org/contentassets/4d183e7074f14a1abba291d68784aec6/srsia_overview-and-positioning-paper_25march2022.pdf

<https://www.iata.org/en/about/corporate-structure/passenger-standards-conference/shop-order/#tab-1>