

Determining Coupon Values

Pilot an industry-changing method for coupon values

What is the problem?

Revenue accounting departments spend significant resources rebuilding pricing details and using complex industry rules to come up with a coupon value for pricing itineraries. Special Prorate Agreements and industry proration methodologies should reflect market reality and help protect revenue, but they aren't updated often enough.

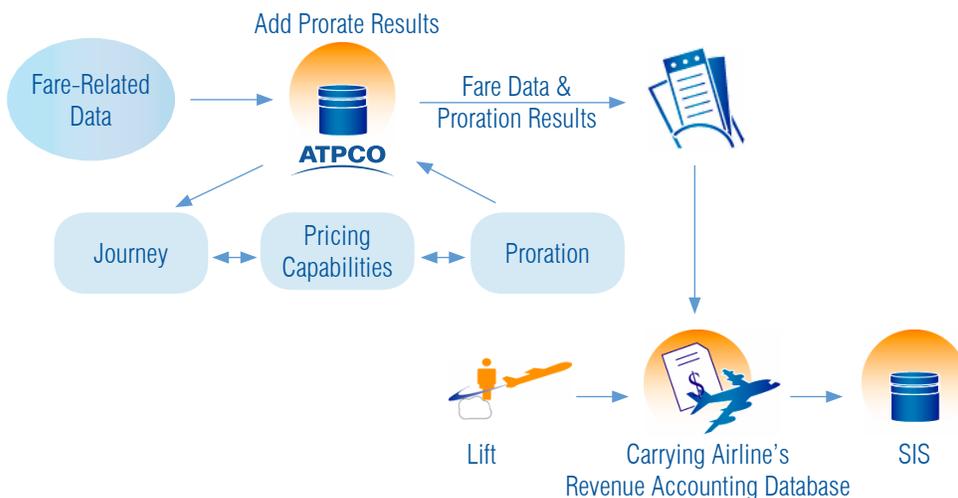
Rules for determining coupon value are set once a year and base amounts are set quarterly, yet ATPCO distributes more than 1.5 million fare changes a day. These settlement rules cannot keep up with the 10 percent of 140 million active specified fares that change each week.

Why is now the right time?

The industry is exploring new approaches to coupon value determination through the IATA Future of Revenue Accounting, a new GPM proposal to file coupon values at the RBD level, and agreeing new interline concurrence processes through IATA's New Distribution Capability project. Technology can now support these approaches by calculating all possible permutations of coupon value within a fare and market. Other processes, such as MITA (Multilateral Interline Traffic Agreements), RBD, and Carrier-Imposed (YQ/YR) Fees, have proven that concurrence works.

What is the proposed solution?

To determine and file accurate coupon values at fare filing with concurrence from your interline partners, and receive these same coupon values at the time of sale via ATPCO.



How it can help

Ask yourself:

- Are you achieving your revenue goals for interline travel?
- Would you like to know your interline settlement profitability before settling your interline fares?
- Do you want to eliminate all your fare proration interline billing rejections?

This could be your reality! Help validate this solution by documenting your interest and participating in the next step in the evolution of coupon value determination.

E-mail us at aia@iata.org or rev-accounting@atpco.net today.

