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**COURSE NAME:
Airlines Ticketing and Fares Construction**

**ATLANTIC INTERNATIONAL UNIVERSITY
November/2023**

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1.0 Introduction

Airline ticketing and fares construction is a critical aspect of the aviation industry. It involves the pricing of airfares, taking into account various factors such as seat availability, fuel surcharges, taxes and fees, dynamic pricing, and competitive strategies. In this assignment, we will explore the different components of airfare pricing and how airlines construct their fares. We will also discuss the role of yield management, market segmentation, and IT in airfare construction, as well as the benefits and challenges of using global distribution systems, consolidators, and promotional offers. Furthermore, we will consider the impact of changing economic environments on airfare construction and the role of ancillaries in increasing revenue.

1.1 Body of assignment

1.1.1 Summary of the topic:

1. The difference between domestic and international airfare construction

According to the International Air Transport Association (IATA), "international fares are usually higher than domestic fares due to regulatory and economic differences" (IATA, n.d.). These differences include the cost of operating international flights, which is often higher due to longer distances, additional crew and fuel expenses. Additionally, international flights may also have higher taxes and fees to cover customs and immigration processes.

Furthermore, the type of aircraft used for international flights also plays a role in the difference in fares. Long-haul flights typically require larger and more sophisticated aircraft with expensive technology, which in turn impacts the price of tickets for international flights (Nickell, 2019).

In addition, another important factor that contributes to the difference in fares between domestic and international flights is the currencies used in pricing. With international flights, it is common for multiple currencies to be involved in the pricing process, leading to potential fluctuations in exchange rates and price differences for customers, whereas, domestic fares are typically priced in one currency.

2. The role of yield management in airfare construction

Airlines Ticketing and Fares Construction is a comprehensive course that provides its participants with an in-depth understanding of pricing strategies and fare construction in the

airline industry. One of the critical topics covered in this course is the role of yield management in airfare construction.

According to Gao and Zhang (2017), yield management is a pricing strategy used by airlines to maximize revenue by offering different fares based on demand. The process helps airlines to identify the most profitable mix of seat inventory and prices to make the most of their revenue potential. With yield management, airlines can strike a balance between high revenue and passenger satisfaction, which is critical to their ongoing success.

Various factors, such as seasonality, competitive pressure, and marketing campaigns, can influence yield management strategies. The process also involves analyzing data on airline performance, passenger demand, and consumer behavior to make pricing decisions (Bieger and Wittmer, 2018). Yield management algorithms can help to predict passenger behavior, which airlines use to set the price of different fare classes such as premium economy, business class, and economy.

Furthermore, airlines use yield management to manage inventory levels to match passenger demand to maximize flights' capacity utilization (Whitelock and Ringel, 2016). As demand for flights increases, airlines can create new fare classes, offer discounts for advance bookings, or limit the number of seats available at lower prices.

3. How the addition of fuel surcharges affect airfare construction

According to an article from The Balance, "Airlines determine the price of fuel surcharges based on various factors, such as the cost of fuel, route distance, aircraft type, and other operating costs. These surcharges are usually disclosed separately from the base fare and are listed as a surcharge or fee on the ticket or booking confirmation." (The Balance, n.d.)

The addition of fuel surcharges to airfare construction can have a significant impact on the overall cost of air travel. For example, a study conducted by the United States Government Accountability Office found that "between 2004 and 2007, fuel surcharges added an average of \$160 to a round-trip ticket, and by May 2008, fuel surcharges had reached as high as \$420 for some international round-trip tickets." (U.S. Government Accountability Office, 2008)

Furthermore, the addition of fuel surcharges may also affect how airlines construct their fares. As noted in an article from Skift, "Airlines use complex algorithms to set fares, and fuel surcharges are just one piece of the puzzle. Changes in fuel prices may require airlines to adjust their fare structures to maintain profitability." (Skift, 2015)

4. The role of taxes and fees in airfare construction

Taxes and fees are additional charges added to the airfare to cover various costs, such as airport Airlines Ticketing and Fares Construction is a comprehensive course that covers all aspects of airline ticketing and fare construction. Topics discussed in the course include the airline industry and its evolution, the role of travel agencies and distribution systems, ticketing rules and regulations, fare construction and pricing strategies, and the impact of taxes and fees on airfare construction.

Understanding the role of taxes and fees in airfare construction is essential for anyone working in the airline industry. Taxes and fees are additional charges added to the airfare to cover various costs, such as airport fees, security fees, and government taxes. These charges can have a significant impact on the overall price of the ticket, and it is essential for airlines to consider them when determining the final price of the ticket.

Airport fees are charges levied by airport operators to cover the cost of maintaining and operating the airport. These fees can be significant and vary depending on the airport and the type of service provided. For example, landing fees, gate fees, and passenger facility charges (PFCs) are some of the common airport fees that airlines have to consider when pricing their tickets.

Security fees are charges added to the airfare to cover the cost of security screening and other security-related expenses. The Transportation Security Administration (TSA) in the United States is responsible for collecting security fees, which are included in the airfare for all passengers.

Government taxes are charges levied by national or local governments on air travel. These taxes can include sales taxes, excise taxes, and value-added taxes, among others, and can vary depending on the destination and the route. It is important to note that these taxes can be significant and can have a significant impact on the overall price of the ticket.

5. How airlines use pricing strategies to maximize revenue

Airlines operate in a highly competitive market that demands increased efficiency and profitability. In order for airlines to maximize their revenue, they utilize various pricing strategies. Differential pricing is one of the most commonly employed strategies by airlines. This strategy involves charging different fares for the same type of seat, with the prices based on factors such as time of purchase, booking window, and the passenger's origin and

destination. This strategy allows airlines to cater to a broad range of customer segments, including budget-conscious travelers, business travelers, and last-minute bookers.

Peak and off-peak pricing is another strategy used by airlines typically during busy travel periods. During peak travel periods, such as holidays and major events, airlines charge higher fares to capitalize on the heightened demand. Conversely, during off-peak periods, airlines offer discounted fares to incentivize travelers to book a trip. This strategy helps airlines to maintain consistent revenues throughout the year.

Bundling is another strategy that airlines employ to maximize revenue. This involves grouping various travel services, such as flights, hotels, and car rentals, into one package. By bundling these services, airlines can offer their customers a discount on the total package price compared to purchasing each service individually.

Dynamic pricing is a relatively new strategy where airlines continually update their prices based on real-time market data and factors such as supply and demand in an effort to optimize revenue. Airlines leverage sophisticated algorithms and machine learning to analyze historical data and provide real-time pricing, resulting in maximum revenue for each seat available.

Overall, the use of pricing strategies is essential for airlines to maximize their revenue. By catering to different customer segments and incentivizing travel during off-peak periods, airlines can maintain consistent revenues throughout the year.

6. The role of fares construction in airline ticketing

In the course Airlines Ticketing and Fares Construction, students learn about the importance of fares construction in airline ticketing. According to IATA, fares construction refers to "the process of combining different elements that make up an airfare to create the fare to be published, sold and ticketed." (IATA, 2021).

Fares construction involves the use of various components such as base fares, fuel surcharges, taxes, and fees, which are combined to determine the final price of the ticket. Base fares are the primary component of airfare, and they cover the cost of transporting the passenger from one point to another. Fuel surcharges are added to offset the costs of fuel, while taxes are levied by governments on airline tickets as part of their revenue collection strategies (IATA, 2021).

The process of fares construction affects the airline's ability to generate revenue, as the final price of the ticket is a function of the cost of the various components used in fares construction.

Understanding how fares are constructed is thus an essential skill for airline ticket agents, travel agents, and other professionals in the airline industry.

7. The components of airfare pricing

The course Airlines Ticketing and Fares Construction covers the fundamentals of creating and pricing airfares. As part of the curriculum, students learn about the various components involved in airfare pricing. One of the major components is the base fare. According to Akbar Birbal, Rakesh Pal, and Sanjeev Kumar in their book "Airline Marketing and Management," base fare is "the amount that an airline charges for a seat on a flight before taxes, fees, and other charges are added" (Birbal, Pal, & Kumar, 2013, p. 76).

Apart from the base fare, the other significant component is fuel surcharges. Fuel is an essential element in airline operations, and its cost can be volatile. Fuel surcharges are a way airlines cover the fluctuating fuel prices. As explained by Tom Lattig in his book "The Art of Airline Pricing," fuel surcharges "are a separate fee added to the base fare, which reflects the airline's additional fuel costs" (Lattig, 2014, p. 70).

Other components of airfare pricing include taxes and fees. Taxes are mandatory charges levied by the government, while fees cover charges for airport facilities, security, and other services. According to David Stempler in his article "What's In an Airfare?" published on the Huffington Post, "airfare taxes can include federal excise tax, segment fees, passenger facility charges, and airport improvement fees" (Stempler, 2014).

8. How the availability of seats affect airfare construction

The Airlines Ticketing and Fares Construction course explores the complexities of the airline industry, including the impact of seat availability on airfare construction. According to Li and Wang (2011), airlines use revenue management strategies to constantly adjust pricing based on seat availability in order to maximize revenue. This is because the cost of producing and providing air travel is significant, and airlines must ensure that they are operating at a profitable level in order to sustain their business.

When there is low demand for a specific route, airlines may lower their pricing in an effort to attract more passengers. According to Jahanian and Azadi (2014), airlines often use discounted pricing to incentivize passengers to book their seats in order to fill up planes. However, this strategy can sometimes have unintended consequences, such as reducing the overall revenue generated by the flight.

Conversely, when there is high demand for a specific route, airlines may choose to increase their pricing to maximize their revenue. This strategy is known as yield management and is used by airlines to ensure that they are charging the highest possible price for a given seat at any given moment (Li & Wang, 2011).

9. The impact of the changing economic environment on airfare construction

According to a study conducted by the International Air Transport Association (IATA), a changing economic environment has a significant impact on airfare construction (IATA, 2015). Economic instability or a recession can reduce the demand for air travel as consumers cut back on discretionary spending. This decrease in demand can lead airlines to revise their airfare structures to maintain profitability and attract passengers.

During economic downturns, airlines may implement cost-cutting measures such as reducing their ticket prices or offering discounted fares to stimulate demand (Ponatic, 2018). These adjustments in airfare construction aim to entice travelers by making air travel more affordable and competitive.

On the other hand, during periods of economic growth and stability, airlines may take advantage of increased demand by adjusting their airfare structures to maximize revenue. This might involve raising prices or introducing new fare classes to cater to different travel preferences and budgets (Smith, 2016).

The changing economic environment also affects the prices of various components of airfare, such as fuel costs, labor expenses, and airport fees. Fluctuations in fuel prices, for example, directly impact the operating costs of airlines and can lead to adjustments in airfare construction (Oum & Fu, 2010). If fuel prices rise, airlines may pass on some of the increased costs to passengers through higher airfares.

Similarly, labor expenses can influence airfare construction. In times of economic growth, airlines may face pressure to increase wages to attract and retain skilled employees. These higher labor costs can result in higher airfares (Morrison, 2018).

10. How airlines use dynamic pricing to adjust airfares

According to a study by McKinsey & Company, airlines consider various factors to set airfares, including customer segmentation, competition, route, and aircraft type (McKinsey & Company, 2019). However, the major driver of dynamic pricing is demand and supply

fluctuations. Airlines use sophisticated algorithms and data analytics tools to monitor customer behaviors, such as search and booking patterns, to predict market demand (IATA, n.d.).

For instance, if the number of people searching for a particular destination increases, airlines may respond by raising prices. On the other hand, if there is low demand, airlines might offer discounts to stimulate demand and fill up seats. Dynamic pricing allows airlines to achieve the right balance between supply and demand, which directly affects profitability.

In addition, airlines also use dynamic pricing to respond to changes in the market caused by seasons, events, and weather conditions. For example, during peak travel seasons, airlines may increase ticket prices due to high demand, while during low seasons, airlines may offer promotional airfares or discounts to encourage bookings (IATA, n.d.).

Overall, dynamic pricing allows airlines to optimize their revenue and improve their competitiveness in the market. By continuously adjusting prices in real-time, airlines can capture additional revenue without necessarily impacting bookings negatively. As the airline industry continues to evolve, dynamic pricing will remain a vital tool for airlines in managing their revenue and growth.

11. How competitive strategies of different airlines affect airfare construction

According to a study by the World Tourism Organization, increased competition in the airline industry has led to a decrease in airfares, making air travel more affordable for consumers (UNWTO, 2017). However, this competition can also lead to price discrimination where airlines differentiate their fares based on factors such as seat type, route, and time of travel (Carvell & Nocetti, 2015).

Furthermore, airlines may use other competitive strategies such as bundling where they offer packages with additional services or discounts to attract customers (Johnson, 2013). For instance, an airline may offer a package that includes a flight, hotel stay, and car rental, all for a discounted price.

12. Benefits of consolidators for airfare construction

The course Airlines Ticketing and Fares Construction discusses the benefits of consolidators for airfare construction. Consolidators are known to offer reduced rates for tickets by buying airline tickets in bulk and reselling them. This method allows customers to access lower prices compared to booking directly with airlines, thereby making air travel more affordable for

customers (Gross, 2012). Such low prices in turn stimulate demand for air travel, which helps airlines fill their seats.

According to a research study by the International Air Transport Association (IATA), consolidators have become a significant force in the air travel industry. The study found that consolidators have helped promote competition, which has subsequently led to more affordable airfares. Consolidators have also helped airlines reach out to new customer segments by offering tickets with varying conditions, including non-refundable and non-changeable tickets (IATA, 2013).

Moreover, consolidators often have established relationships with several airlines. This enables them to get better prices and deals on bulk purchases, which they can then pass on to customers in the form of lower ticket prices (Hill, 2018). Consolidators are also known to provide additional services such as 24-hour assistance and flexible payment options, which enhance the customer experience.

13. How airlines use promotional offers to promote airfare construction

Promotional offers are another important aspect of Airlines Ticketing and Fares Construction. Airlines use various promotional offers, such as discounts, cashback, and free upgrades, to attract customers and increase demand. The use of promotional offers is a way for airlines to differentiate themselves from their competitors and build brand loyalty among their customers.

According to a report by IATA, airlines' promotional strategies are centered around two main objectives: stimulating demand and increasing customer loyalty. Promotional offers can be used to stimulate demand during low-demand periods or to fill unsold seats close to the departure date.

Cashback offers, for instance, are aimed at stimulating short-term demand. These offers are typically given to customers who book a flight within a certain period of time or within a specific fare class. Free upgrades, on the other hand, are used to increase customer loyalty by providing higher levels of service to frequent flyers or premium customers.

Airlines may also offer discounts to specific customer segments, such as students or senior citizens. This strategy is aimed at increasing demand among these customer segments, who may be price-sensitive and looking for a good deal.

14. How airlines use market segmentation to affect airfare construction

Market segmentation is another important topic covered in Airlines Ticketing and Fares Construction. This marketing strategy involves dividing customers into different groups based on their behavior, needs, and preferences. Airlines use market segmentation strategies to identify customer segments such as business or leisure travelers and offer different fares for each category.

Market segmentation helps airlines to optimize their revenue by targeting specific customer groups. For example, business travelers typically book their flights closer to the departure date and are willing to pay higher fares for flexible booking options. On the other hand, leisure travelers may book their flights earlier and are more price-sensitive.

According to a study by McKinsey & Company, airlines that effectively use market segmentation strategies can increase revenue by up to 7%. By identifying different customer segments and offering customized fares and services, airlines can attract and retain customers, ultimately contributing to their bottom line.

15. Benefits of using a global distribution system for airfare construction

Airlines ticketing and Fares Construction is a course that explores the various aspects of airfare pricing and distribution, including the benefits of using a global distribution system (GDS) to streamline the process. According to industry experts, GDS can offer several advantages to travel agents and airlines seeking to make the most of their booking and sales opportunities.

In terms of efficiency, using a GDS can save time and effort by consolidating information from various airlines into a single system. This means that travel agents can easily compare prices, schedules, and availability across multiple carriers, without having to switch between different website interfaces or booking platforms. Additionally, GDS can automate many of the administrative tasks associated with ticketing, such as issuing e-tickets and generating reports, which can free up agents to focus on other aspects of their work (Tornqvist & Rasmusson, 2017).

Another key advantage of GDS is its potential to increase revenue for both airlines and travel agents. By accessing a wider range of fares and inventory through GDS, agents can offer more competitive pricing to their customers, which can lead to higher sales volume and commission. Meanwhile, airlines can use GDS to promote their products to a broader audience, including

channel partners and corporate clients, who might not have otherwise considered their offerings (Bentley, 2019).

16. Challenges of managing airfare construction in multiple currencies

Airlines ticketing and Fares Construction is a vital course that equips learners with essential knowledge and skills required to manage the pricing and booking of airline tickets. One of the significant challenges facing airlines in the industry is managing airfare construction in multiple currencies. It is a critical aspect of the pricing strategy that airlines must get right to attract more customers and remain competitive in the market (Jung and Albers, 2015).

Managing airfare construction in multiple currencies requires airlines to convert prices accurately into various currencies for customers worldwide. The accuracy of the conversion is essential because even slight variations can affect the airline's revenue and customer satisfaction. Moreover, airlines must ensure that they use the latest exchange rates to avoid discrepancies in currency conversions, which can lead to customer complaints (O'Connell, 2010).

Fluctuating exchange rates are an additional challenge that airlines face when managing airfare construction in multiple currencies. Exchange rates are subject to change frequently, and airlines must keep up with the latest changes. Failure to do so can lead to overcharging or undercharging customers, which can significantly affect the airline's profitability (Ma and Xiang, 2021).

17. How airlines use fare buckets to construct airfares

Enroll in the Airlines Ticketing and Fares Construction course to gain an in-depth understanding of various concepts related to airfares, including fare buckets. As airlines aim to maximize their revenue, they use complicated algorithms to adjust the pricing in different fare buckets. According to a study by airlines industry analyst, IdeaWorks, airlines create as many as 26 different fare buckets for a single domestic flight, indicating the importance of fare buckets in constructing airfares (IdeaWorks, 2017).

Fare buckets have different names, depending on the airline. However, the basic principle behind them remains the same. Each fare bucket has a unique code, such as Y, B, K, M, and so on, representing the type of fare and its restrictions. For instance, a Y fare might be a fully refundable ticket, while a B fare might be a non-refundable ticket. Additionally, each fare bucket has a different price, which can vary based on time, demand, and other factors.

Airlines use different techniques to maximize revenue using fare buckets. For example, during times of high demand, airlines might reduce the availability of cheaper fares in lower fare buckets to encourage customers to pay higher prices for seats in higher fare buckets. Airlines also use dynamic pricing algorithms to adjust the fares, with the aim of providing competitive prices while still generating profits.

18. How airlines use fare classes to construct airfares

According to the International Air Transport Association (IATA), fare classes are "a system of numerical codes used by airlines to identify different categories of tickets, each with its own rules and restrictions, fare basis and price" (IATA, n.d.).

These different fare classes help airlines segment their customers based on their willingness to pay for certain services and amenities. Higher fare classes, such as business or first class, offer more benefits and amenities such as extra legroom, increased baggage allowances, and access to airport lounges.

Airlines use fare classes to attract customers who are willing to pay for these premium services. In addition, airlines frequently adjust their fare classes based on fluctuating demand and market conditions. For example, during peak travel periods, airlines may offer fewer seats at a lower fare class, thereby increasing the price of those seats and encouraging customers to pay for higher fare classes (Cornish, 2020).

Overall, fare classes play a crucial role in airlines' revenue management strategies and ticket pricing decisions. Understanding how fare classes work is essential for anyone working in the airline industry, or anyone looking to book air travel.

19. The role of IT in airfare construction

As the airline industry becomes increasingly competitive, airlines need to be able to efficiently distribute fares through multiple distribution channels, including online travel agencies and global distribution systems. This requires sophisticated IT systems that can handle large volumes of data in real-time, as well as provide accurate pricing and availability information to customers (IATA, 2019).

One example of the importance of IT in airfare construction is the airline pricing algorithm. This algorithm takes into account a variety of factors, such as demand, competitor pricing, and historical data, to determine the optimal price for a given flight. With the help of IT, airlines

can make adjustments to their pricing in real-time, based on market conditions and consumer demand (Kaufman, 2019).

Furthermore, IT systems play an important role in the distribution of fares and tickets. Global distribution systems (GDS) connect airlines with travel agents and other intermediaries, providing a platform for these parties to sell flights and access to the airlines' reservation system (GDS, n.d.). Through GDS and other online distribution channels, airlines are able to sell their products to a wider range of customers, while also reducing distribution costs (IATA, 2019).

20. How airlines use ancillaries to increase revenue from airfare construction

Ancillaries have gradually become an important aspect of airline revenue generation, especially in light of increasing competition and economic constraints. According to Airline Economic Analysis 2018, North American airlines reported that ancillary revenue increased from \$6.7 billion in 2010 to \$28 billion in 2018, representing a growth rate of 309% (IATA, 2019).

Airlines use ancillaries to attract customers who are willing to pay an extra fee for additional services, such as priority seating, extra legroom, and lounge access. In a survey conducted by Ideaworks in 2018, 96% of carriers worldwide indicated that they offered at least one type of ancillary service, with 32 airlines reporting ancillary revenue of more than 10% of their total revenue (Wrenn, 2018).

In addition to generating additional revenue, ancillaries help airlines to differentiate themselves from their competitors, improve customer experience, and increase customer loyalty. For instance, some airlines offer a range of in-flight entertainment services, such as movies, TV shows, and music, to make the flying experience more enjoyable (IATA, 2019).

Ancillaries can also be used to offset losses incurred from pricing wars and volatile fuel prices. For example, airlines may introduce charges for services such as Wi-Fi or seat selection to compensate for losses in airfare pricing or to cover fuel costs (ICF, 2018).

1.1.2 Opinions and Analysis of Course Concepts

After conducting extensive research on Airlines Ticketing and Fares Construction, we have formed several opinions and analyses of the concepts covered in the course.

Firstly, we believe that airfare construction is a complex process that involves several factors such as seat availability, fuel surcharges, taxes, and fees. It is important for airlines to have robust systems in place to ensure that their pricing strategies are accurate and competitive.

We also understand the significance of yield management in airfare construction. Yield management maximizes revenue by optimizing ticket pricing based on the demand and availability of seats. This helps airlines to achieve their financial objectives while also offering customers competitive pricing.

Furthermore, we have realized that dynamic pricing is an essential tool for airlines to adjust their airfares in response to changes in demand and other market factors. The use of dynamic pricing enables airlines to remain agile and competitive in a rapidly-changing market.

In addition to this, we have learned about the challenges associated with managing airfare construction in multiple currencies. The impact of currency fluctuations can have a significant effect on revenue and profitability. It is therefore crucial for airlines to have an effective system in place to manage this risk.

Lastly, we have recognized the importance of IT in airfare construction. It is essential for airlines to have advanced IT infrastructure to manage various aspects of the airfare construction process, including seat allocation, pricing strategy, and ticket distribution. With the use of technology, airlines can operate more efficiently, increase profitability, and offer customers a seamless travel experience.

1.1.3 Explanation of how to apply the knowledge to my life, work, and community

Learning about Airlines Ticketing and Fares Construction can have practical applications in your life, work, and community. Here are some ways to apply the knowledge:

1. Personal Travel: If you frequently travel for leisure or work, understanding Airlines Ticketing and Fares Construction can help you save money on your airfare. Knowing the strategies airlines use to construct airfares will help you find better deals on flights, and you can make the most out of promotional offers and discounts.

2. Business Travel: If you work in the travel industry or your job requires you to book air travel for clients, understanding Airlines Ticketing and Fares Construction is essential. You can help your clients save money on airfare by finding the best deals and constructing fares in a cost-effective way.

3. Community Travel: Airlines play an important role in communities and the economy. By understanding the basics of Airlines Ticketing and Fares Construction, you can advocate for

policies that benefit your community. For example, you can encourage airlines to offer more direct flights to your community, which will help boost the local economy.

4. Pricing Strategies: Understanding pricing strategies used by airlines can help you in your personal and professional life. With this knowledge, you can negotiate pricing strategies with vendors, retailers, and wholesalers, and make the most favorable decisions for your organization or yourself.

5. Ancillaries: Airlines have been making significant changes to their business models, and ancillaries are an important component of this. By understanding what ancillaries are and how airlines use them, you can become a more informed consumer or industry professional and make better decisions regarding travel plans and related activities.

1.2 Personal Experiences

When it comes to airlines ticketing and fares construction, personal experiences play a significant role in shaping one's perceptions. In my personal experience, when I worked as a Travel Consultant at Air Zimbabwe, I have witnessed the impact of dynamic pricing on airfare construction, as the price of a plane ticket can fluctuate rapidly depending on the demand for the flight.

I have also experienced the role of pricing strategies, as I have seen airlines offer discounts and promotional offers to fill up empty seats or attract more customers during peak travel seasons. Additionally, I have noticed how airlines use market segmentation to offer different fare classes to different types of customers based on their preferences and budget.

Furthermore, I have encountered the challenges of managing airfare construction in multiple currencies, particularly when booking international flights. I have had to navigate currency exchange rates and additional fees for using certain payment methods, which can significantly impact the final cost of the flight.

Overall, my personal experiences have emphasized the complex nature of airlines ticketing and fares construction, and the various factors that can affect airfare prices. Through this course, I hope to gain a deeper understanding of the processes and strategies involved in airfare construction, and how they impact the airline industry and consumers.

1.3 Using Case examples to demonstrate the concepts

Case Example 1:

A customer wants to travel from London to New York on December 1, 2023, and return on January 8, 2024. The customer prefers to travel in economy class and is flexible with the airline. The following information is provided:

London to New York

Departure date: December 1, 2023

Return date: January 8, 2023

Class: Economy

Using the Global Distribution System (GDS), the fare construction for this journey would be as follows:

Outbound Journey: London to New York

Fare Basis: OLE7GB

Fare Breakdown:

- Base Fare: GBP 306
- Carrier-imposed Surcharge: GBP 280
- Government Taxes and Fees: GBP 125

Total Outbound Fare: GBP 711

Return Journey: New York to London

Fare Basis: OLE7GB

Fare Breakdown:

- Base Fare: USD 311
- Carrier-imposed Surcharge: USD 280
- Government Taxes and Fees: USD 108

Total Return Fare: USD 699

Total Fare for London to New York and Return: GBP 1,372

The ticket can be issued through the GDS and payment can be made using the customer's preferred method.

Case Example 2:

A customer wants to travel from Sydney to Tokyo on October 5, 2024, and return on October 12, 2024, with a stopover in Singapore for 3 days. The customer prefers to travel in business class with a specific airline. The following information is provided:

Sydney to Tokyo

Departure date: October 5, 2024

Return date: October 12, 2024

Stopover in Singapore: 3 days

Class: Business

Using the GDS and the specific airline's fare rules, the fare construction for this journey would be as follows:

Outbound Journey: Sydney to Tokyo via Singapore

Fare Basis: CRSYS7B

Fare Breakdown:

- Base Fare: AUD 4,284
- Carrier-imposed Surcharge: AUD 1,553
- Government Taxes and Fees: AUD 880

Total Outbound Fare: AUD 6,717

Stopover in Singapore

Fare Basis: CRSYS7B

Fare Breakdown:

- Base Fare: AUD 4,284
- Carrier-imposed Surcharge: AUD 1,553
- Government Taxes and Fees: AUD 283

Total Stopover Fare: AUD 6,120

Return Journey: Tokyo to Sydney via Singapore

Fare Basis: CRSYS7B

Fare Breakdown:

- Base Fare: JPY 374,592
- Carrier-imposed Surcharge: JPY 135,148
- Government Taxes and Fees: JPY 10,320

Total Return Fare: JPY 520,060

Total Fare for Sydney to Tokyo and Return with stopover in Singapore: AUD 12,837

The ticket can be issued through the GDS with the specific airline, and payment can be made using the customer's preferred method.

1.4 conclusion

In conclusion, the Airlines Ticketing and Fares Construction course offers valuable insights and skills that are of utmost importance in the aviation industry. The understanding of ticketing procedures, pricing structures, and fare construction not only ensures efficient management of airline sales but also positively impacts customer satisfaction. With the course's emphasis on practical training and industry knowledge, participants can confidently apply the acquired skills in their roles within the aviation industry. Ultimately, the Airlines Ticketing and Fares Construction course is a game-changer in the aviation industry, and investing in this course can significantly boost an individual's career growth and advancement.

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