

October 2026

Modern Airline Retailing

Offers & Orders Transformation

Best Practices

Edition 1: Insights on Product Catalog, Stock Keeper and coexistence with PSS



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Executive Summary

This white paper captures the experiences of airlines starting implementation of Offers & Orders (O&O) as per IATA RP1786a and highlights practical lessons learned as the industry begins its transition away from traditional Passenger Service System (PSS). It focuses on two foundational capabilities—Product Catalog and Stock Keeper—while providing guidance on managing coexistence with legacy systems and maintaining interline partnerships during the transition.

The industry is converging on a broader definition of “Native Orders” that extends beyond simply creating Orders in an Order Management System. Establishing a legacy-free Order record is the foundation of Order Management implementation, but airlines can only be considered live with “Native Orders” when the Order serves as the master record for sales. From that point, the Order progressively replaces legacy PNRs, e-tickets, and EMDs as the single source of truth for servicing, delivery, accounting, settlement and any downstream processes. In fact, “Order as Master Record” may be a more accurate description than “Native Order”, as it highlights the Order’s role as the authoritative source of truth that gradually supersedes legacy records while enabling end-to-end business processes and interoperability across the airline ecosystem.

The paper clarifies the distinct roles of some core O&O components:

- Product Catalog should act as the authoritative source of product definitions, eligibility rules, and policies, while remaining independent from pricing and optimization logic.
- Stock Keeper should focus on managing and tracking real-time physical stock counts, leaving commercial availability decisions to Offer Management.
- Together, these capabilities enable a scalable and modular retailing architecture, with Order Management serving as the system of record for purchased services, servicing, delivery, accounting and fulfillment.

Hybrid coexistence with legacy PSS platforms is now the industry’s operational reality. PSS Bridge and external translation layers play a critical role during this transition, enabling continuity with legacy processes and partners, while business logic is gradually moved out of the PSS. As interoperability is essential, emerging frameworks such as SRSIA Order-based interlining between retailers and suppliers must coexist with legacy interline processes during the transition. This paper establishes seven coexistence principles to enable a seamless transition from legacy interlining to Offers & Orders while ensuring operational continuity, compatibility, consistency, and interoperability across the ecosystem.

The Offers & Orders implementation is not simply a technology replacement program but a fundamental business transformation. Early adopters emphasize the importance of avoiding the replication of legacy PSS constructs, which can undermine the benefits of modern retailing. By sharing early implementation lessons, IATA aims to foster a common understanding and provide a foundation to support airlines in their own transformation journeys.

1. Industry Clarifications

A common issue lies in blurred responsibilities across system components, particularly those defined in IATA RP1786a. When roles between the Product Catalog, Stock Keeper, Offer Management, and Order Management are not clearly documented, it can lead to overlaps, inconsistencies, and unnecessary complexity in implementation. Establishing clear ownership boundaries is therefore critical to avoid inefficiencies and rework.

Another challenge is the lack of a shared and precise understanding of what constitutes a 'Native Order'. Without this clarity, airlines risk designing solutions that replicate legacy PSS constructs rather than leveraging the full potential of O&O.

1.1 Key Capability Shifts From PSS to Legacy-Free O&O System

The table below is a recap of high-level capability change towards end state Implementation of O&O as per [IATA RP1786a](#). It serves as guiding principles to frame the transformation going forward.

Capability	PSS World (PNR & E-Ticket)	Legacy-Free O&O World	Summary of Change
Schedule Management	PSS Inventory (schedule loaded into PSS)	Independent module or Product Catalog	Schedule creation remains upstream; for offer construction, schedules may be integrated into the Product Catalog and/or consumed by Offer Management.
Product Management	Pre-defined filed fares & ancillaries	Product Catalog	Products are defined at an atomic level, without pricing, or availability data.
Revenue Management	RBD optimization linked to PSS inventory for distribution	Optimization within Offer Management (or external)	Shift from fare buckets/RBD control to class-less pricing and willingness-to-pay models, enabling optimization of total offers (any products).
Pricing/Offer Management	Filed fares, fare rules, and RBDs	Offer Management combining product & priced-availability with Terms & Conditions	Transition from pre-filed fares to dynamically generated, context-based pricing per offer.
Availability	PSS availability engine (sometimes external)	Offer Management + Stock Keeper	No static fare buckets; availability becomes part of real-time dynamic offer creation.
Inventory Management	PSS Inventory	Stock Keeper + other functions	Stock Keeper manages capacity and quantities available for sale; availability logic is no longer embedded here.
Customer Booking/Order	PNR in PSS (including customer data)	Order creation in OMS	PNR is replaced by a unified Order record containing customer, services, entitlements, and payment information.
Ticketing	PSS ticketing (e-ticket & EMDs)	Order Management (no ticket issuance)	Tickets and EMDs disappear; entitlements are stored directly within the Order.
Servicing	Combination of PSS modules (reservation, inventory, ticketing)	Order change via OMS with Offer Management	All commercial changes are handled through new offers. Servicing also includes non-commercial changes or any updates to the Order based on T&Cs where the OMS orchestrates the lifecycle.
Delivery	DCS (often part of PSS)	Delivery Management/OMS	Many delivery functions can be driven directly from OMS, reducing reliance on traditional DCS structures.
Revenue Accounting	Revenue Accounting systems	Order Accounting/OMS	Revenue allocation is embedded within the Order; some models post directly from OMS to ERP systems.
Interline Settlement	Revenue accounting with proration (SPA/SRP)	Order Accounting/OMS	Settlement values are included in the interline offer itself, reducing or eliminating the need for proration.
Disruption Management	PSS and Ticketing	OMS interaction	Reprotection agreements continue to follow industry guidance (still under industry discussions).

1.2 Rethinking Fares & Availability in the O&O world

In the Legacy-Free O&O world, traditional notions of availability—such as booking classes and seat inventory controls—are no longer exposed in the same way. Availability as a standalone concept is replaced by the ability to generate offers dynamically, based on current context, business rules, and constraints.

There is a key distinction between:

- Products available for sale: what can theoretically be offered, based on eligibility, business rules, and stock constraints.
- Priced offers: what is actually returned to the customer after applying pricing, bundling, and optimization logic.

This separation allows greater flexibility but requires a clear understanding of where decisions are made across the architecture.

Moving to O&O requires a significant mindset shift. Rather than asking “is there availability in this booking class?”, airlines must think in terms of “what offers can be constructed and sold under current conditions?”.

This shift impacts not only system design but also business processes, revenue management practices, and organizational thinking. Early adopters emphasize that embracing this change is essential to fully realize the benefits of modern airline retailing.

A frequent pitfall is the tendency to recreate ATPCO fare category logic within new Product and Offer creation processes. While moving to a new paradigm encourages redesign, early adopters have learned that re-implementing these legacy constructs often adds unnecessary complexity without delivering additional value.

Instead, best practice is to abstract and simplify rules where possible, focusing on outcome-driven logic rather than replicating historical structures. This allows airlines to benefit from the flexibility of O&O while avoiding the burden of legacy design patterns.

1.3 Tracking Maturity of the “Order as Master Record”

The notion of “Native Order” has been quite often used by early adopters. A “Native Order” means that it is created first within the airline Order Management System but then needs to be synchronized in the PSS to fulfill various business functions during the transition when all downstream systems are not yet Order compatible.

In this context, it can be better defined as the foundation of a “Order as Master Record” that not only consolidates legacy PNRs, e-tickets, and EMDs, into a legacy-free Order modern data structure (i.e. with Order items, services items) but will also gradually serve as the single source of truth for servicing, accounting, delivery. Then it enables airlines to deliver purchased services and handle changes without reliance on PNR-based constructs. Similarly, it supports accounting and settlement, removing the need for traditional ticketing artifacts both internally and in external processes. Finally, it ensures interoperability with third parties, providing a consistent and modern data structure that can be shared across partners, enabling seamless collaboration within the broader airline ecosystem. From a customer’s perspective, as Orders are exchanged across the value chain, other parties may maintain their own related Orders. For example, participating airlines may create and manage Supplier Orders representing the services they are responsible for delivering.

Setting up this legacy-free Order record is the foundation of Order Management Systems implementation but only when the Order serves “as master record” for sales, airlines may claim to be live with “Native Orders”. Then various maturity levels of this Order should be considered such as:

- Orders as master for all types of servicing.
- Orders as master for Accounting & Settlement.
- Orders as master for Delivery.
- Orders using new Product Language (i.e no longer relying on filed fares but Product Catalog).
- Orders used for any downstream processes (i.e business intelligence, internal reporting, CRM, etc.).

Based on each airline’s individual decision, the implementation sequence of those maturity levels may differ.

2. Best Practices of Product Catalog and Stock Keeper in Offers & Orders

The interaction between Product Catalog, Stock Keeper, Offer Management, and Order Management must be clearly defined to avoid overlaps and ensure efficiency.

The Product Catalog provides the foundational definitions of products, including their characteristics, eligibility, and usage policies. The Stock Keeper complements this by providing real-time information on remaining physical stock. These two components are consumed by Offer Management, which uses them as inputs to construct, price, and optimize offers presented to customers.

Once an offer is accepted, the Order is created in the Order Management System and becomes the system of record. It stores the purchased services and associated entitlements, and it orchestrates servicing, fulfillment, and delivery handling. In doing so, it continues to rely on both Product Catalog definitions and Stock Keeper updates to ensure consistency, operational accuracy and end-to-end Order integrity. This clear separation of responsibilities ensures that each component fulfills a specific role, avoiding duplication and supporting scalability.

2.1 Product Catalog

The Product Catalog is the authoritative airline repository of product definitions in an O&O architecture. Its function is to answer the question: “What is the product and under what fundamental conditions does it exist?”. Its purpose is to provide stable, deterministic product content to downstream processes, independently of price, availability, or optimization logic.

2.1.1 What Belongs in the Product Catalog

Product Definitions

Atomic Products

- Smallest independently sellable product units (own, partner, or third party).
- Product content may vary between partner, third party offerings and the airline’s own products.
- Clearly defined from a business and customer perspective.
- Examples: checked baggage, lounge access, priority boarding, seat types.

Predefined (Static) Bundles—if airlines chose to do so

- Optional products composed of atomic items.
- Commercially stable and reusable without contextual adaptation.
- Examples: “Comfort Pack”, “Corporate Flex”.

Predefined Bundles in Product Catalog describe what is included, not when or why they should be offered. Those products are associated with product attributes describing the characteristics of that product.

Product Eligibility

Eligibility defines whether a product may exist for a given context, not whether it should be optimally offered. Typical eligibility criteria include:

- Customer or persona type (e.g. Adults/Child, Corporate).
- Loyalty tier.

Eligibility rules must be hard deterministic rules and act as filters, not scorers. It remains an individual implementation discussion to define the level of filtering granularity.

Product Policy

The Product Catalog may define usage conditions such as:

- Hard combinability constraints.
- Validity window.
- Lounge Location.

These policies describe how a product can be consumed.

Both product eligibility and policy should define static rules to avoid overloading the Catalog with non-essential logic.

Note that Terms & Conditions define the legal and contractual framework associated with a product sold to a customer. In the Offers & Orders architecture, there is no strict requirement on which business domain should host them; they may reside in the Product Management or within Offer Management depending on implementation choices. However, they should be maintained in a single authoritative source to ensure consistency. Further discussions on Terms and Conditions are needed at industry level.

2.1.2 What Does Not Belong in the Product Catalog

Product Catalog defines what the product is and who may be eligible when Offer Management decides which products to offer, how to bundle them, and at what price. This separation is a deliberate architectural choice as per IATA RP1786a (Business Reference Architecture) & RP1730 (Product Management) to enable scalable modern airline retailing.

Pricing and Price Logic

The Product Catalog should not contain:

- Prices or price tables.
- Discount or promotion logic.
- Personalized or contextual pricing rules.

All pricing activities belong to Offer Management.

Dynamic Bundling and Optimization

The Product Catalog should not contain:

- Dynamic or context-based bundle construction.
- AI- or science-based optimization.
- Merchandising logic.
- Demand- or revenue-based availability logic.

Dynamic bundling and optimization are Offer Management responsibilities, using Product Catalog content as input.

Schedule Management

Flight schedules are an essential component to create itinerary (O&Ds) and build offers at time of shopping: it is a core capability of Offer Management as per IATA RP1786a. Similarly, Products need to be cognizant of schedule information at flight leg level to ensure the product characteristics are compatible.

As such, both Product Management and Offer Management are consuming schedules (SSIM standard).

2.1.3 How the Product Catalog Differs from ATPCO Fares Rules & Categories Today

The Product Catalog in an O&O architecture must deliberately avoid replicating legacy ATPCO fare rule structures, which were designed for a fare-centric and availability-driven model.

In particular, the Product Catalog should not replicate ATPCO category structures, as they embed commercial and pricing conditions that do not belong in a neutral product definition layer. Strong dependencies between products and prices limit flexibility in offer creation and restrict downstream optimization.

By avoiding these patterns, the Product Catalog enables dynamic pricing, bundling, and optimization to be handled independently within Offer Management.

2.1.4 A growing alignment among IT providers on the Product Catalog capability framework

The following [document](#) (Product Catalog – A Shared IT Providers Perspective on Capabilities, Dependencies, and Transition Considerations) summarizes the outcomes of an IATA-led IT Providers Group focused on Product Catalog conducted between March and May 2026. It builds a shared understanding of Product Catalog capabilities in O&O world to encourage adoption of Product Management practices across Offer and Order stakeholders, enabling consistent product terminology and smoother end-to-end processing of airline offers.

Focusing on observed implementations of several IT Providers, the document outlines common capabilities, data structures, dependencies, and interfaces with related systems like Offer and Stock Management. It is deliberately non-prescriptive, highlighting industry convergence and variation without defining standards or target architectures.

It shows that there is a growing alignment among IT providers on the Product Management capability framework, in particular Product Catalog conceptual models currently being developed by vendors in the context of IATA RP 1730 (Product Management Information Standards). As airlines progress toward Offers and Orders, interoperability will depend less on adopting identical solutions and more on establishing common foundations.

2.2 Stock Keeper

Disclaimer

The role and scope of the Stock Keeper in relation to Offers and Orders remain under industry review. Early adopters of RP1786a have identified a few ambiguities, particularly concerning interactions flows between the Stock Keeper and Offer – Order – Delivery Management components. As industry alignment is still in progress, the content presented in this section should be considered preliminary and subject to updates in a future version of this document once further industry guidance and consensus are available.

2.2.1 What the Stock Keeper Manages

The Stock Keeper is responsible for tracking and managing remaining physical stock of sellable products in an O&O architecture. Its function is to answer the question: “How much physical stock remains for a given product instance?”. The Stock Keeper operates as a high-accuracy, real-time counter, referenced by Offer Management and downstream operational processes.

Product-based stock counting

- Stock is managed by product, at the level of atomic products.
- Stock is linked to Flight schedule, Aircraft configuration and Product Catalog definitions.

Physical capacity tracking

- Incrementing and decrementing remaining stock, reflecting status updates like Bookings, Cancellations, Changes or disruptions.
- Examples: Seats by seat type, Meal units. Paid baggage allowance units.

Stock Keeper supplies accurate stock signals used by Offer Management, Offer Optimization, and Offer authorization decisions. It is also critical to downstream operational systems (delivery, servicing, disruption, etc.), requiring strong consistency, scalability and real-time access.

2.2.2 What the Stock Keeper Does Not Manage

Availability calculation

Stock Keeper does not calculate availability and does not define what is Sellable.

Availability determination belongs to Offer Management, where pricing and authorization logic converge. The Stock Keeper provides factual stock state, not commercial interpretation.

2.2.3 How the Stock Keeper Differs from Inventory in Today's PSS?

In current PSS architectures, Inventory systems are deeply integrated and multifunctional, typically covering:

- Flight schedule and capacity.
- Availability computation.
- Seatmap management.
- Authorization levels and overbooking.
- Groups, waitlists, code-share handling.
- IRROPS and operational controls.

PSS Inventory is a highly coupled, monolithic domain combining stock, availability, and commercial logic.

In O&O, the Stock Keeper represents a more specialized capability:

- Focused solely on counting physical stock.
- Decoupled from pricing and availability decisioning.
- Referenced by Offer Management instead of driving offers directly.

Stock Keeper plays a critical role in the implementation of O&O solutions but does not replace PSS Inventory functions. It extracts and isolates the stock-counting responsibility from legacy inventory constructs which enables greater retailing flexibility. Overall, Stock Keeper may be considered as smaller than legacy inventory, but operationally critical.

3. A Hybrid PSS transition is the new normal

3.1 The Hybrid Reality of PSS Coexistence

In practice, most airlines begin their Offers & Orders journey in a hybrid environment where new systems coexist with legacy PSS platforms. This approach is driven by the reality that airlines evolve at different speeds and that a full, simultaneous migration is not yet feasible. The challenge is therefore to transition progressively while delivering early value, protecting revenue, and ensuring continuity in critical processes such as settlement and delivery.

Internally, airlines typically introduce PSS Bridge to enable coexistence between modern Offer and Order Management systems and legacy PSS environments. The bridge is mainly used for Order-to-PNR (including EMD and ticket) synchronization, which is important for downstream systems, and PNR-to-Order synchronization, which is important for Stock Keeper accuracy and Order Record handling.

Externally some adapters translate Order-based constructs into traditional PNR, eTicket, and EMD formats to enable compatibility between different systems. The adapters would be needed to allow for translation between legacy availability & sell messaging vis-a-vis external world (legacy airline traditional interlining partners and EDIFACT Distribution) while the airline transforms internally.

Hybrid architecture generally involves a gradual shift of capabilities from the PSS to the new environment. Offer construction, servicing, and accounting capabilities are progressively migrated, while legacy systems continue to support parts of the operational flow during the transition.

3.2 A few insights to keep in mind during this transition

Early adopters consistently emphasize that the transition to Offers & Orders is not a PSS replacement project, but a business transformation. The objective is not to recreate legacy PSS capabilities within new systems, but to adopt a new operating model centered on Offers and Orders. Airlines should therefore challenge existing processes and assumptions, avoiding the temptation to replicate legacy constructs that add complexity without delivering value.

The transition should also be approached incrementally rather than through a “big bang” migration. As soon as a critical mass of transactions can be managed through Orders as the master record, airlines should progressively move the remaining dependent functions into the Order Management environment. During this coexistence phase, PSS bridges and translators play an essential role but should remain communication layers only. Business logic and decision-making capabilities should be progressively extracted from the PSS to reduce dual systems usage and accelerate the path toward the target architecture.

3.3 A Phased approach to implement Product Catalog & Stock Keeper

Early adopters have identified a phased approach to implementation as the most effective strategy. Typically, airlines begin with any new types of services, which offer a favorable balance between value and complexity. These initial use cases allow airlines to validate new components such as the Product Catalog and Stock Keeper without deeply impacting core processes.

As the transformation progresses, more complex capabilities are introduced, including the right to fly and bundled products. Each phase requires increasing levels of coordination, integration, and maturity across systems.

A key challenge during this transition is the coexistence of multiple sources of business rules. Pricing rules may remain in legacy systems, while product definitions are moved to the Product Catalog and offer logic is implemented in Offer Management. To manage this complexity, airlines must clearly define ownership of rules and avoid duplication across systems.

The transition can be broadly structured into multiple phases, starting with a limited set of products and capabilities, and progressively expanding to encompass a wider range of offerings, more advanced fulfillment models, and ultimately a fully optimized Offers & Orders environment. Throughout this journey, supporting functions such as accounting, settlement, and delivery capabilities must evolve in parallel to enable and sustain the target operating model.

4. Maintaining Interlining in a hybrid environment

Interlining in a hybrid environment introduces additional complexity, as airlines may operate under different paradigms. Some may rely on Orders, while others continue to use PNR-based & E-Tkt systems. This creates challenges in areas such as settlement, servicing, and delivery.

To address these challenges, early adopters rely on adapter mechanisms that enable interoperability between airlines systems. These adapters ensure that data required for legacy processes is captured upfront, enabling smooth transitions between systems and avoiding inconsistencies later in the lifecycle.

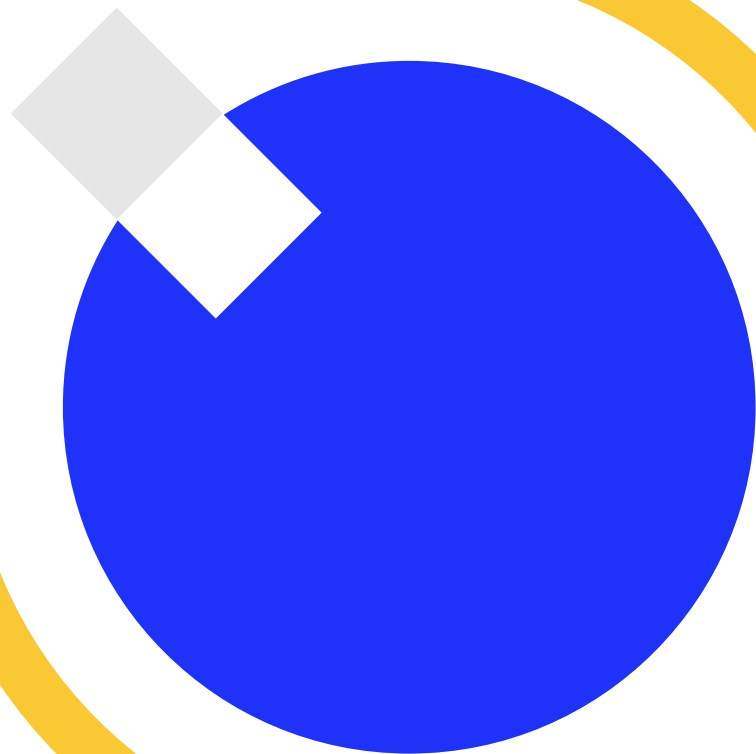
Industry discussions have led to a set of coexistence principles designed to guide the transition.

4.1 Problem Statement: Managing a Non-Synchronous Industry Transition

The transition to an Offers & Orders environment introduces a structural challenge for the airline industry: airlines will not migrate at the same speed, and a complete “big-bang” transition is not realistic. As a result, the industry must operate in a prolonged coexistence phase between legacy PSS-based processes and SRSIA-enabled retailing. SRSIA (Standard Retailer and Supplier Interline Agreement) provides a common framework that enables airlines using modern Offers & Orders models to interoperate and exchange retailing capabilities with partners still relying on traditional systems.

The core problem is therefore not only technological, but structural. Airlines must find a way to transition interline partnerships while simultaneously delivering early commercial value, protecting existing revenue streams, and maintaining continuity in settlement and operational delivery.

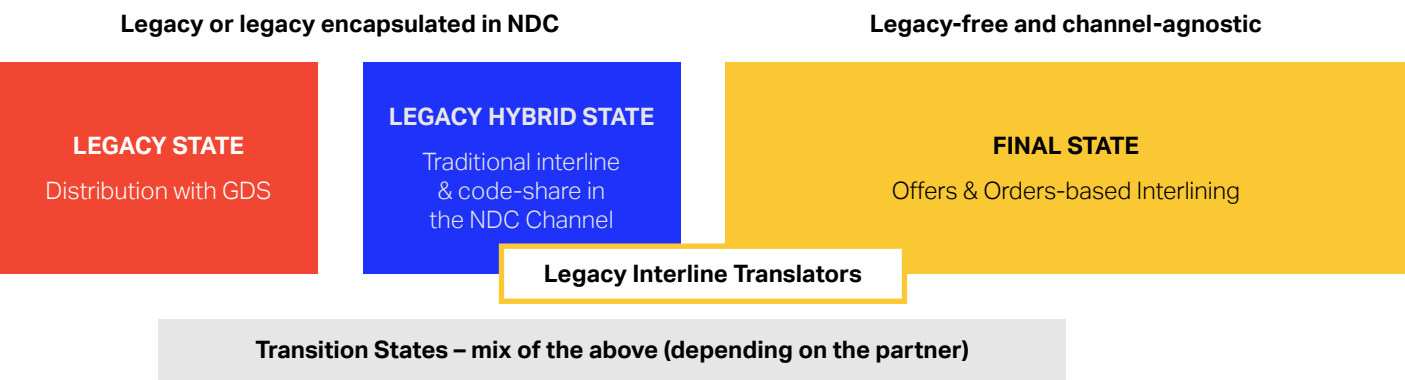
This coexistence requirement introduces complexity across distribution, accounting, servicing, and operations, and requires a structured framework to ensure stability throughout the transition.



4.2 Interline Transformation: From Legacy to Offers & Orders (SRSIA)

Critical transformations from legacy interlining to Offers & Orders-based partnerships have been described in this [document](#) and summarized below.

Partnerships: Interim and future states (States for one airline)



Basis for commercial agreements and technical interfaces between airlines:

- Based on **Multilateral** Interline Traffic Agreement (MITA).
 - EDIFACT and Teletype, fare filing, reservations/AIRIMP, ticketing standards.
- Bilateral **Retailer-Supplier** framework (SRSIA*).
 - Beyond air – also intermodal.

* Standard Retailer Supplier Interline Agreement (Recommended Practice 1780s).

Dimension	Current/Legacy	Future (Offers & Orders)
Technical Framework	Interline Electronic Ticketing (IET) based on EDIFACT and TTY (Teletype) messaging	Offer- and Order-driven architecture (ONE Order/SRSIA)
Legal Framework	IATA MITA/BITA agreements	IATA SRSIA agreement
Commercial Framework	IATA MPA/SPA/CSA agreements	IATA SRSIA (integrated commercial and legal framework)
Settlement	Pre-agreed proration (fixed or apportionment-based)	Dynamic settlement, with value defined by the supplier at offer creation
Partner Content	Flight participation only, based on filed schedules and availability	Dynamic provision of priced products at item level (flights and ancillaries)
Control/Ownership	Split ownership: ticketing carrier, operating carrier, fare-owning carrier	Retailer owns the customer relationship and overall offer construction—with input from suppliers
Servicing & Disruption	Managed by issuing agent or carrier; ticket ownership may change	Suppliers act on behalf of the retailer within a unified order framework

SRSIA	Standard Retailer and Supplier Interline Agreement	MPA	Multilateral Proration Agreement
MITA	Multilateral Interline Traffic Agreement	SPA	Special Proration Agreement
BITA	Bilateral Interline Traffic Agreement	CSA	Codeshare Agreement

4.3 The Seven Coexistence Principles Governing a Hybrid Interlining Ecosystem

To manage this transition, a set of guiding principles is proposed to structure interactions between legacy and Offers & Orders environments:

1. Transition-Enabled Interline Framework

The SRSIA framework shall support both target-state and transitional interline operating models, including dynamic role allocation between Retailer and Supplier, to ensure continuity of interline partnerships during the progressive adoption of Offers and Orders, including coexistence with non-SRSIA partners.

2. Single Operating Model per Journey

For any given Origin—Destination and travel date (O&D), all processes shall be executed within a single operating model—either PSS-based (legacy) or Offers and Orders -based—in accordance with the principle of end-to-end consistency of the Order or PNR record, ensuring that no itinerary spans both paradigms (“no hybrid booking”).

3. Retailer Adjustment Separation

Retailer-specific value elements (e.g. margin or service level adjustments) shall be managed as distinct “adjustments” derived from Retailer Offer Optimization. Their treatment in post-booking servicing and change events shall follow pre-agreed rules to ensure transparency and consistency across partners.

4. Legacy-Compatible Customer Contract Representation

During the coexistence phase, the customer contract and associated Terms & Conditions shall remain representable in a legacy-compatible format (e.g. ticket-based constructs), ensuring alignment with existing industry frameworks (such as ATPCO fare rules and CAT31/33 processes) until the full itinerary is managed under an Order-based model.

5. Dual Settlement Capability (Parallel Settlement)

Airlines shall support both legacy settlement mechanisms (e.g. proration-based revenue accounting) and Order-based settlement models in parallel. SRSIA-capable carriers must maintain compatibility with traditional revenue accounting for partners not yet transitioned, ensuring uninterrupted financial reconciliation and interline billing.

6. Progressive Transition of Delivery and Fulfillment

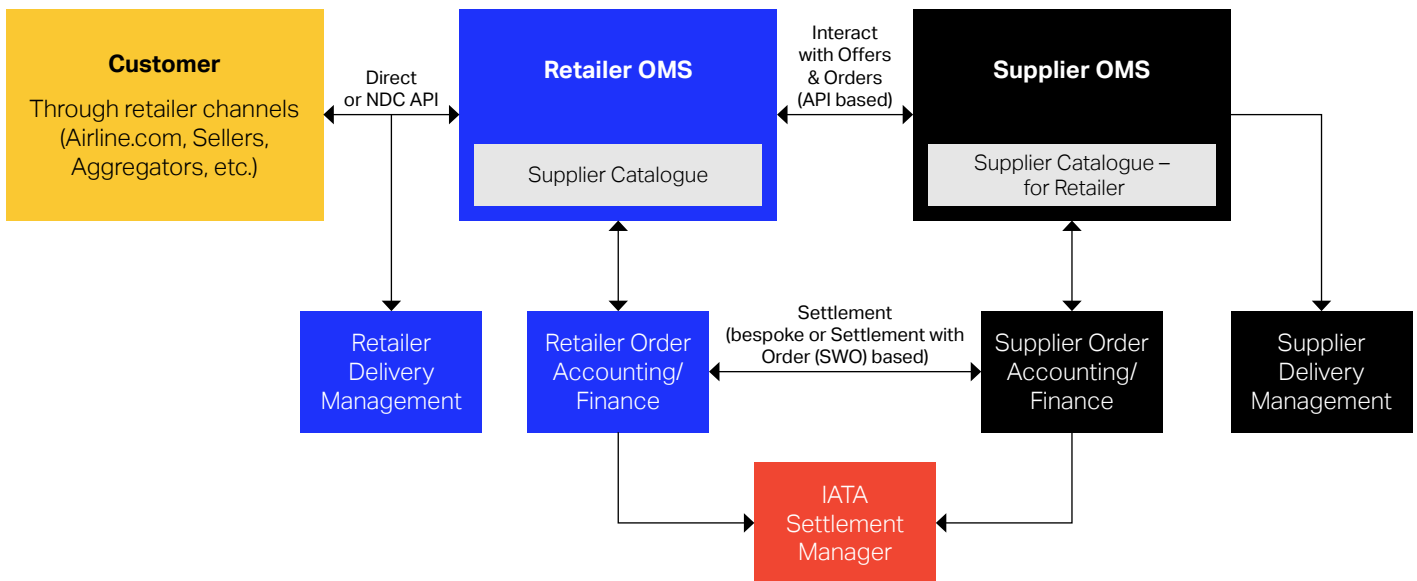
Delivery and fulfillment capabilities shall transition incrementally from legacy artifact-driven processes (e.g. tickets, coupons) to Order-based servicing. During this transition, legacy product and coupon statuses shall be mapped to more granular Order-based statuses, while early phases may continue to rely on legacy DCS capabilities.

7. Separation of Concerns Across Functional Domains

In alignment with RP1786a, clear functional boundaries shall be maintained between Product Management, Offer Management, Order Management, and Settlement, ensuring interoperability, avoiding overlap of responsibilities, and supporting modular evolution during coexistence.

4.4 Interline with O&O: End State vs. Transition State

4.4.1 How will SRSIA work when two airlines are O&O ready?



A. Retailer Owns the Customer Relationship

The retailer Order serves as the single source of truth. Suppliers fulfill orders based on this reference.

B. Dynamic Settlement

Suppliers incorporate settlement values directly into their offers, eliminating the need for pre-agreed proration.

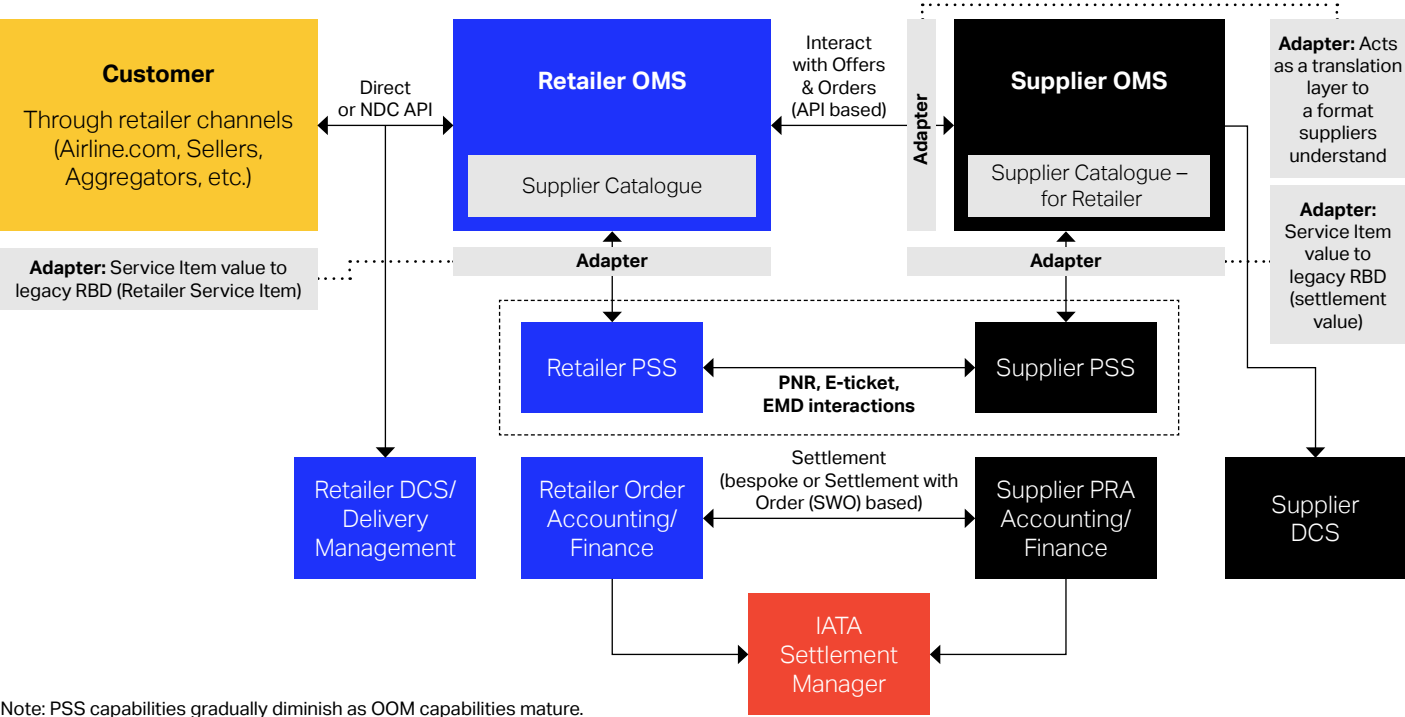
C. Ancillaries & Bundles Interlining

Seats, baggage, and services are sold and settled seamlessly across carriers using Order as master record.

D. Disruption Management

Any customer touchpoint can service the journey. Suppliers may act on behalf of the retailer to manage disruptions (subject to further industry clarifications).

4.4.2 How to manage interline during the transition where two airlines are at different states?



- A. Legal Framework & Coexistence**

SRSIA governs Order-to-Order (O&O) interactions, while MITA/BITA continues to apply for legacy interline partnerships, ensuring contractual continuity during the transition.
- B. Hybrid Settlement Model**

Settlement operates via a dual approach—Order-based (SWO) for O&O interactions and coupon-based for legacy interline—enabling coexistence without disrupting financial flows.
- C. Seamless Coexistence Across Models**

Modern Order-based and traditional booking/coupon-based processes must interoperate seamlessly, preserving end-to-end consistency.
- D. Disruption & Operations Management**

All operational systems, including DCS, must support both O&O (Order-based) and non-O&O (PNR-based) scenarios, ensuring consistent servicing regardless of transaction model.

4.5 A Possible SRSIA Retailing Roadmap



The transition to an Offers and Orders-based retailing model can be structured as a progressive, multi-stage roadmap balancing commercial value, implementation complexity, and organizational maturity. The initial stage focuses on the standalone sale of ancillaries, representing a low-risk entry point that enables airlines to capture untapped revenue with limited impact on existing messaging, delivery, and accounting processes. Building on this foundation, the second stage—often considered the critical inflection point—centers on enabling the core “Right to Fly” capability. This stage delivers the highest commercial value but introduces significant complexity, requiring enhanced interoperability between legacy and new systems, as well as advances in messaging, accounting, delivery, and entitlement management.

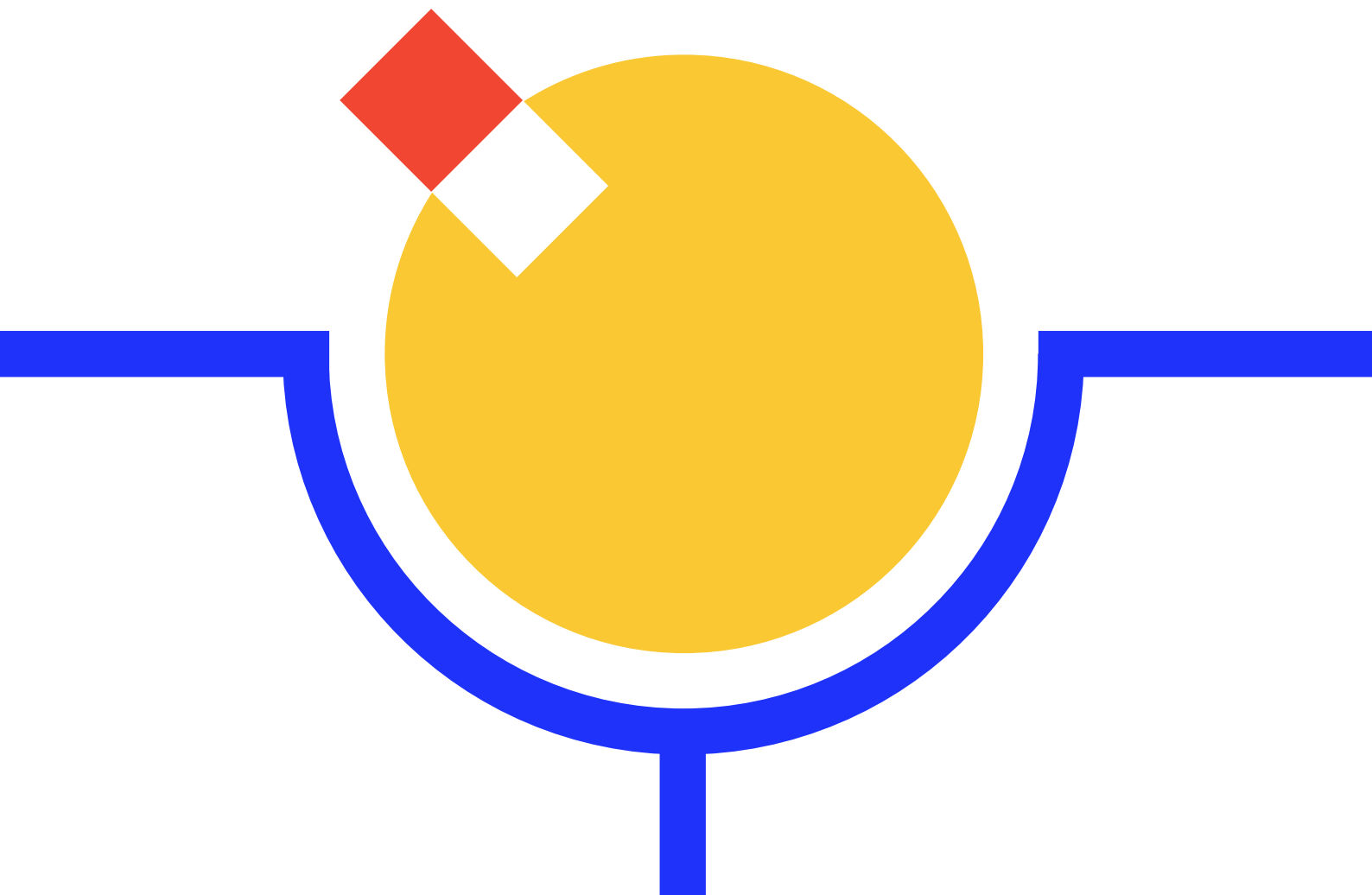
Once this foundational capability is in place, the third stage expands into the creation and interlining of product bundles, which demands greater industry alignment, more sophisticated offer construction, and the ability to support re-shopping and cross-airline coordination. The final stage moves toward innovation, where airlines can explore new commercial models and revenue-sharing mechanisms enabled by Offers and Orders, going beyond the constraints of legacy frameworks. Throughout this progression, delivery and settlement capabilities evolve continuously, ensuring that operational and financial processes remain aligned with increasing levels of retailing sophistication.

Conclusion

The early experience of airlines demonstrates that adopting Offers & Orders is not only a technical transformation but also a fundamental shift in industry thinking. Success depends on maintaining strict architectural discipline, with a clear separation between product definition, stock management, and commercial decision-making.

The Product Catalog must remain a stable and deterministic foundation, while the Stock Keeper provides accurate and real-time stock information. Offer Management becomes the central point where commercial logic is applied, and Order Management serves as the single source of truth for servicing and fulfillment.

At the same time, the transition must be managed pragmatically through hybrid architectures that ensure continuity with legacy systems. By following these principles, airlines can progressively move toward a scalable and interoperable retailing model aligned with the long-term industry vision.



Acknowledgements

IATA would like to thank the Airline Retailing Consortium airlines that contributed to this white paper:

AIRFRANCE
KLM
GROUP

BRITISH AIRWAYS

FINNAIR

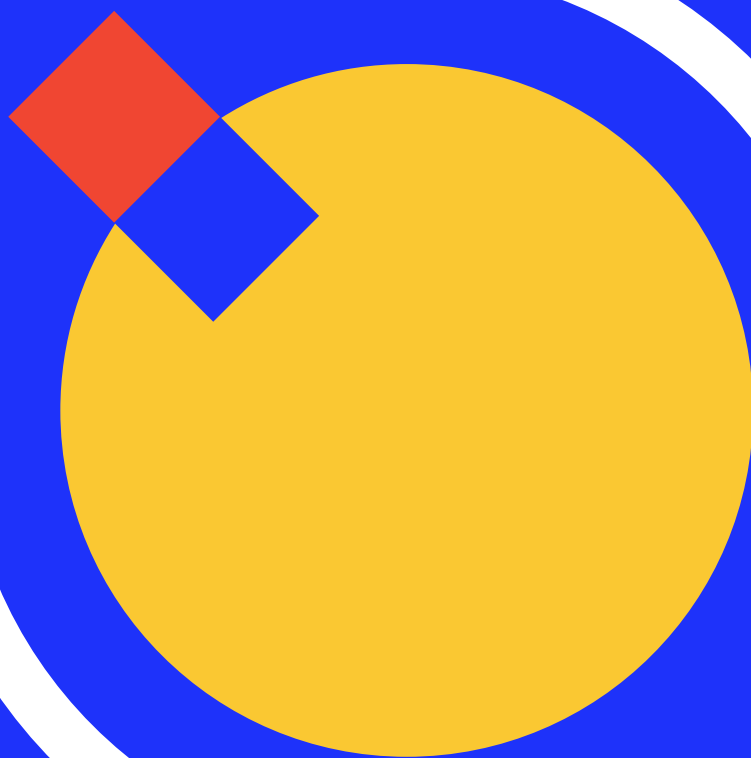
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