



## Airline vs. neutral ticket stock in an NDC transaction

### ▶▶▶▶ WHY IS THIS IMPORTANT?

With NDC, airlines are able to issue their own airline tickets or may have an intermediary Ticketing System Provider issue a neutral ticket. Traditionally, 'airline stock' has been used to denote a ticket that has been issued by an airline for its own direct sales (airline.com). 'Neutral stock' has been used to denote a ticket that has been issued using an intermediary Ticket System Provider (TSP) for agency sales.

These different sources of documents represent historically two very different and distinct channels of distribution and source of sale. Airlines wanting to remain in control of their orders need to understand the difference between the two processes.

### ▶▶▶▶ ZOOM INTO THE TOPIC

#### Functions and design features of airline versus neutral ticketing

A ticket has many features designed to function irrespective of the channel of distribution but there are some fundamental differences to consider before making a decision to use airline or neutral stock.

**Airline stock** is wholly controlled by the airline issuing the ticket. It carries a unique ticket number clearly identifying the airline (Validating Carrier) and cannot be changed. The Order Responsible Carrier can only issue its own ticket. The airline is solely responsible for distributing its tickets throughout its sales outlets and importantly the issuance. The ticket is issued entirely within an airline's own IT infrastructure. The airline remains in total control of how it is issued and subsequently reported into its back office financial systems. If an airline wishes to report its agency sales to the BSP it must then separately send the sales information to IATA.

**Neutral stock** is not wholly controlled by the airline issuing the ticket. It does not carry a unique ticket number identifying the issuing airline (Validating Carrier). It only becomes assigned to an airline once the Validating Carrier has been selected from a list of carriers with whom an agent is authorized to issue tickets.

Whilst the airline will receive notification of the ticket issuance and store that data within their electronic ticketing system, it cannot create a sales record until it receives a separate sales report of its agency sales from IATA. They must wait for the TSP to report the sales to IATA, before the file to create the sales record can be produced and sent to the airline to separately create the sales record in revenue accounts.

#### What is the impact of the different ticketing models?

**Airline ticketing:** The airline remains in full control of its orders and fulfilment with its own ticket stock. Subsequent servicing remains with the airline in full control. It can create its own sales record but should an airline wish to report its agency sales to the BSP it separately has to have the capability to send the ticketing information to the BSP. Additionally, once the BSP processes the tickets and returns the sales record to the airline the airline needs to have an internal process to ensure it does not create a duplicate sales record.

**Neutral ticketing:** In theory the ticketing function could be decoupled from the order provided the airline is entirely in control, with the TSP acting purely as a "dumb" system with no agent interface to manipulate the orders. Airlines wishing to use neutral ticketing will first need to establish an interface to the Ticketing System Provider (TSP) in order to provide enough information to enable the ticket issuance. Since the airline has devolved ticketing to an intermediary TSP, the key requirement is to ensure that the Validating Carrier and the Order cannot be in any way changed or manipulated. It is essential that the airline remains in control of its orders. Messaging between the TSP and the airline's electronic ticket server is required for ticket issuance and any subsequent servicing. The TSP needs to send IATA the sales data in order to process the sale and send the airline information to create its own internal sales record.

**Interlining:** The ability to issue a ticket for travel on an interline partner should not be impacted by the choice of ticketing method provided the ticketing carrier ensures the confirmed orders from interline partners are included in the ticketing messages.



 **INDUSTRY STATE OF PLAY**

Irrespective of whether an airline chooses to issue their own tickets or outsource the function to a TSP, the most important aspect of NDC is that the airline is in control of offers, orders and forms of payment and there can be no independent manipulation of the offers or orders. As long as this can be achieved, whether an airline chooses to issue their own tickets or to out

source that function to an IT service provider to issue neutral tickets becomes purely a matter of airline preference based on their own assessment of their business requirements.

**Link to more detailed information**

More info about [Ticketing](#)

