

- iii. **Excursion fares:** These fares are lower priced fares that involve restrictions like advance purchase, time of year, minimum/maximum stay, etc. They can be for either domestic or international travel
- iv. **Unrestricted, Flexible, or Full Fares** are the titles given to the most expensive tickets. You pay for a ticket that allows you to refund or change the ticket as necessary for fares that can be purchased at any time, even the same day of travel. This change is also referred to as endorsing the ticket.
- v. **Joint Fares:** These fares are offered by airlines when they share code with another airline on select routes. They essentially give passengers a price break when you are using more than one airline to get somewhere. Joint fares have their own set of restrictions, not unlike those already mentioned for excursion and discount fares.
- vi. **A Through Fare:** This is the fare to a destination reached by traveling through a gateway city. It could be combined with any of the fare types listed above, and is used to obtain a lower price when you are not simply flying from point A to point B, but are rather connecting through other points to get to the destination.
- vii. **Group Fares:** This type of fare is usually used for the groups travelling to specific destination. Minimum number of passenger in a group should not less than 10. Group fares can be offered by airline on querying about availability of seats and number of passengers. Somehow these fares are also non refundable but can be rebooked with a difference of published fare.

It is important to note here that for the sake of profits, airlines will not offer every seat on an aircraft at discounted fares, or excursion fares. As flights fill, the least expensive fares disappear regardless of how far in advance it is. Other than a passenger on a full fare ticket, one can be certain that there will be many restrictions involved with the airfare - minimum/maximum stay; time of day; weekday, weekend price differences; change fees; mileage (on through fares you may be restricted to a certain number of miles to get you to your destination), advance purchase; youth/child/senior rule differences; etc. So many fare types, even more fare rules. Considering that airline tickets are contracts between passengers and airlines it is important to know what you are looking for.

- 2. **Unpublished Fares:** Unpublished fares are also known as consolidated fares and are offered by consolidators or bucket shops. An unpublished fare works a bit differently and if you called an airline looking for the rules to an unpublished fare you will not find them. They are not offered for sale by the airline online or over the phone with the airline. may be seats that a consolidator purchased and can offer at highly discounted rates. The fare rules could literally contain anything from absolutely no changes allowed to free changes as long as availability exists. They may or may not allow for advance seat selection or the accumulation of frequent flyer miles. If

As mentioned earlier, irrespective of the particular rules of each fare type, letters are assigned by the airlines to indicate the kind of ticket and the type fare on which the ticket has been purchased. These letters are

- F, P are the letters most commonly used to indicate First Class.
- J, C are the letters most often used to represent Business, or Executive Class.
- Y is almost universally used to indicate a full fare economy ticket.
- B, H, L, M, V, etc. are just some of the letters indicating subclasses (reduced, restricted, and/or discounted fares).
- X, U, R are a few of the letters commonly used to indicate a fare purchased from a consolidator

These letters vary by airline and in value. On one airline B may be indicative of a more expensive ticket. On another airline L may represent a ticket booked on a seat sale.

8.4.1 Bereavement Fares

Bereavement Fare refers to the fare available for one to fly for a family funeral, or to see a terminally ill relative. During such time of emotional and mental stress, one is unlikely to shop around for airfares. Many airlines therefore offer a bereavement fare, or compassionate fare, that is offered only to family members traveling for a death in the family, or imminent death. Usually, these fares have the following feature-

- i. They are not always the lowest fare, but are last minute fares that can be booked right up until departure time.
- ii. They are offered for family members traveling to a funeral.
- iii. They can also be offered for family members in the case of imminent death, where a family member is gravely ill.
- iv. Bereavement fares usually entail a discount off of a full fare (unrestricted fare), and are often more expensive than the cost you would pay for a seat sale ticket.
- v. Bereavement fares tend to be very flexible, permitting free changes and stays of up to 30 days with no minimum stay requirements.
- vi. Discounts range from 10 to 75 percent off of full fare prices. The discount most often offered is 50 percent off of full fare.
- vii. In case of more than one airline to get to the destination, one will need to buy separate tickets and ask about each airline's policy.
- viii. One can secure the discount prior to travel only if all the required information is provided.
- ix. A few airlines will only refund the value of the discount after travel is completed.
- x. However, all airlines that offer bereavement fares will allow you to apply for a refund after travel is completed (usually you must apply for a refund within 90 days after completion of all flights, along with the required documentation).
- xi. Bereavement fares may not be available to all destinations offered by an airline. There are less bereavement fares offered for traveling internationally.
- xii. Where bereavement fares are offered for international travel, the value of the discount may only be given upon return with death certificate because information is harder to verify.
- xiii. Bereavement fares are offered over the phone or in person at the airline's ticket counters.
- xiv. Bereavement fares MUST be done via the Airline Directly and not via a GDS. It is better to have a travel agent who can call around and find the best options for Bereavement fare and flights.

It is pertinent to note that in recent years many airlines have been cutting their bereavement fare options.

8.4.2 Factors Impacting Airfares / Tariff

Fares and rules come together to establish an auto pricing system (identifying a fare electronically). Tariff, carrier, rule, market, and quantity are among the 13 components of a fare. Airlines set tariffs depending on a variety of factors, including the number of seats available in each fare category, reservation time periods, competitor pricing on similar flights, and the sort of passengers who will be travelling on a given aircraft. Historical demand is examined using computer-assisted revenue management systems to determine the number of seats made available for sale at various rates. To determine above given prices, certain factors are responsible:

- 1. Seasonality-** Seasonality plays a significant role in ticket pricing all across the world. The reason a round-the-world ticket price varies by season is simple: more people have time off during these months of the year to travel and visit friends and family, and airlines take advantage of this.
- 2. Distance-** Distance is the most important factor in deciding the cost of a plane ticket. The cost of an airline ticket varies depending on the distance you intend to travel. The higher the cost of a flight ticket, the greater the distance travelled and the longer the trip duration. It is said to be nearly inextricably linked to the flight ticket pricing structure.
- 3. Time of Purchase-** When you buy your tickets, it makes a difference. You'll pay a significant premium if you buy at the last minute - often within seven days before departure, as business travellers do — (which is why airlines love their road warriors). Domestic tickets are best purchased between three and a half months and two or three weeks prior to departure.
- 4. Class of Travel-** Fare pricing and availability are now regulated by a system of 'booking classes.' These are a series of letters that denote the fare level charged and are distinct from travel class (for example, economy, premium economy, and business class). Since their inception, they have changed and diversified, and different airlines utilise distinct booking classes. The common ones are: F for full-fare first class, J for full-fare business class and Y for full-fare economy.
- 5. Competition-** When it comes to fluctuating flight tariffs, competition is crucial. Because the aviation industry has no monopoly and numerous competitors have their own pricing systems to compete with one another, you'll notice that they'll come up with innovative deals and discounts to aid their business.
- 6. Flight Timing-** It also matters when you fly Tuesdays, Wednesdays, and often Saturdays are the cheapest days to fly due to low demand. Holidays such as Diwali and Christmas, as well as other must-fly periods such as summer vacations, are among the most expensive times to travel. Not just this, the departure time of the day also

affects the tariff of a particular flight. For example- Morning and late-night flights are generally more expensive than the others.

- 7. Fuel cost and other surcharges-** Fuel is a significant portion of airline expenditures, and it must be paid by fares. Airlines must analyse how prices are changing and forecast future costs because sales are typically months in advance (although they also hedge and fix prices in advance). Other surcharges and taxes of a particular country also make up a good factor in deciding airline tariffs.

While we are discussing OAG and Air fare in this Unit, let us also understand another factor that plays an important role in determining the fare – it is known as Global Indicator. Global Indicators are two letter codes used for fare construction in the aviation industry to determine the routing to which the fare applies. They give a platform for developing safety and air navigation indicators in a consistent manner. The indicators can be utilised as Safety Performance Indicators (SPI) to support the effective implementation of State Safety Programs (SSP) and Safety Management Systems (SMS) in countries and industry. Global Indicator assignment is one of the first steps in the construction of fares. Unless one is able to identify the correct global indicator for a routing, one will most probably end up choosing the wrong fare for the itinerary. Hence learning Global indicators is Vital. In the airline industry, there are nine worldwide indicators that are employed. You will read about them in details in the Unit on Fare Construction.

Check Your Progress 2

- 1) List out the types of Tariffs an airline has.

.....
.....
.....

- 2) List the factors which affect the Airline’s Tariffs.

.....
.....
.....

8.5 Let’s Sum Up

In this unit we have explained the working of OAG. OAG makes the task of the reservation agent, coordinator and as well as the air traffic controller easier by providing updated and accurate information. Reading OAG from left to right we can find flights to our destination city. IATA codes are very important for anyone wanting to use the OAG since the name of the cities, airport as well as the Airline are mentioned in OAG in the form of codes. Deciphering the OAG is all about finding the correct flight and airline based on the itinerary. Knowing how to use OAG is one of the most important things to be referred to when planning an itinerary for air travel. Minimum Connecting Time (MCT) for different sectors is important and must be considered while preparing air travel itinerary.

Air Tariff an important part of air travel was explained. Published and unpublished tariffs, as well as bereavement fare was explained, though many airlines are no longer offering bereavement air fare. Factors like seasonality, day of the week, timing and competition, among other things greatly impact the pricing of a flight ticket. This Unit covers the theoretical aspects of the topics however, when practised in real life things can be different depending on the situations, ever changing policies, and other factors.

8.6 FURTHER READINGS

- Air Fares and Ticketing by Doris S. Davidoff and Philip G. Davidoff
- Airline Operations and Management by Gerald N. Cook and Bruce G. Billig
 - The Future of Pricing by Boyd, E.
- Simply Fly: A Deccan Odyssey by G R Gopinath Captain

8.7 CLUES TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Refer 8.1
- 2) Refer 8.2
- 3) Refer 8.3

Check Your Progress 2

- 1) Refer 8.4
- 2) Refer 8.4.2

8.8 ACTIVITY

Visit a nearby Travel Agency and see if they have a printed (old) OAG for you to refer to or check out sample pages of OAG online and try to read the information on the pages using codes.