Cargo Revenue Management Cheat Sheet – Etihad Airways

1. Core Performance Metrics

Metric	Formula / Definition	Example
Load Factor	Actual Carried ÷ Capacity × 100%	75t / 100t = 75%
Yield	Revenue ÷ Tons Carried	$180,000 ÷ 90t = $2,000/t
Contribution Margin	Revenue - Variable Cost	$200K - $150K = $50K
Uplift Ratio	Carried ÷ Booked × 100%	85 ÷ 90 = 94%
Offload Ratio	Offloaded ÷ Booked × 100%	2 ÷ 100 = 2%

2. Forecasting & Optimization

• Forecast Accuracy = (1 - |Forecast - Actual| / Actual) × 100%
• Overbooking Level ≈ Historical No-Show %
• Demand/Capacity Ratio = Forecast Demand ÷ Available Capacity

3. Pricing & Revenue Indicators

• Revenue per Flight = Total Cargo Revenue / No. of Flights
• Average Rate per kg = Revenue ÷ Weight
• Break-even Load Factor = Total Cost ÷ (Capacity × Yield)

4. Capacity & Allocation

• Allocation Strategy – Reserve % of capacity for high-yield commodities/customers.
• Dynamic Allocation – Adjust space allocation by demand trend.
• Gateway Optimization – Use routes/trucks to maximize yield.

5. Operational & Recovery Metrics

• Rebooking Rate = % cargo re-accommodated after disruption.
• Truck Load Utilization = Weight ÷ Truck Capacity
• Delay Impact = Lost revenue due to delays/offloads.

6. Quick Route Example

Route AUH–LHR: Capacity 100t, Carried 90t, Revenue $180K, Cost $130K → Load Factor = 90%, Yield = $2,000/t, Contribution = $50K, Forecast Accuracy = 95%

7. Interview Tips

• Link metrics to decisions: 'If LF is high but yield low → adjust mix/pricing.'
• For forecasting questions: 'Use historical uplift + volatility to set overbooking buffers.'