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SYMPOSIUM

# Modern Airline Retailing

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#IATAWPS

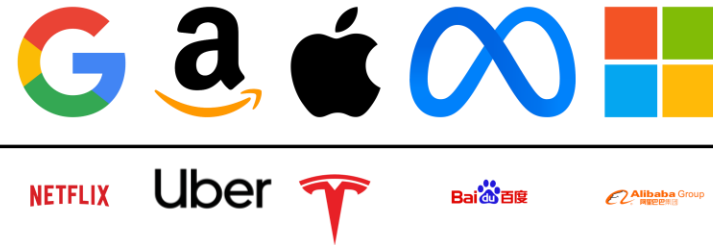


# Forces outside the airline industry shape our customers' expectations

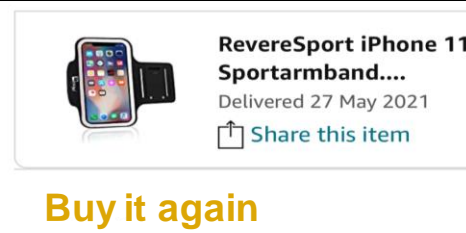
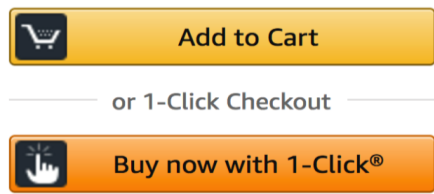
## Digital and data-native companies



## Tech giants



## World Class Digital Retailing



One-click shop and order & pay, bundling, one single customer record,





Today, our industry is **constrained and limited** by the legacy standards, processes & technology in place

The ambition is to enable true customer centricity, with ...

**Airlines in control of their  
Product, Money & Data**

# Modern Airline Retailing

Airlines in control of their products, money & data

## Digital Identity

Customer Identity in Retailing

Customer Identity in Service Delivery

Digital Identity of Value Chain Partners

## Selling with Offers

Product and Partnership Management

Offer and Channel Management

Payment Management

## Fulfilling with Orders

Order Management

Order Accounting & Financial Management

Delivery using Orders

Standards Development

Transition / Acceleration

Communication & Advocacy

# Selling with **Offers**

1. The airline takes control: it constructs the offer (not the GDS)
2. The airline has complete control and agility to manage all its channels
3. Continuous Pricing and Dynamic Bundling become possible
4. The airline has a list of products: a “product catalogue” like any retailer
5. The airline can control the payment method used and it is easy to add new methods of payment





**Selling with Offers** means **Customers** may have access to similar content available on [airline.com](https://www.airline.com), via their agents and more transparency on Offers

# There is momentum ....



**Global Air Tech**

## Global Air Tech: A primer on Global Distribution Systems - the crumbling oligopoly

**Alex Irving, CFA**  
+44 207 170 0539  
alexander.irding@berstein.com

*Global Distribution Systems (GDSs) are pivotal pieces of the travel ecosystem, but infrequently well-understood. Historically a three-player oligopoly of two-sided networks, this once-comfortable industry is undergoing rapid change. The airlines that supply the bulk of revenues are increasingly taking back control of their distribution, and the agents on the*

**Amon Cohen May 9, 2023**  
Jay Campbell • February 15, 2023

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## NDC Volume Crosses 10 Percent Threshold At ARC

**Jay Boehmer August 29, 2023**

Nearly 13 percent of airline transactions recorded through ARC in July were handled through ARC Direct Connect, the settlement and reporting company's program for New Distribution Capability and other API-based sales, according to ARC. ARC's NDC mix has grown this year, as airline participants expand adoption through various commercial levers and as new carriers join the reporting and settlement system.

With Amazon and Walmart expressing interest in Expedia, a mature travel management company cozies up to the aspiring disruptor.

des ventes indirectes via NDC »

## Singapore Airlines Expands NDC Content Di

### Key takeaways

- We attended the annual T2RL airline conference yesterday. Speakers unequivocally confirmed massive pick-up on NDC adoption.
- A big focus this year is on next-gen airline IT solutions - the first structural change since inception in 1960s.
- It remains to be seen whether this will present more a risk or an opportunity to current PSS incumbents Amadeus and Sabre.

Industry Overview  
Equity | 20 September 2023

**BofA SECURITIES**

## CWT, Spo Partnersh

**Jay Boehmer June 2**  
CWT on Thursday and the mega travel management company will go to market with "a new technology global travel solution for customers built on top of Spotnana's modern infrastruc

**Jay Boehmer April 27, 2023**

find out.

but the world's  
to know what else  
sultants at T2RL to



# And data confirms what's in the media

## Maturity Report 2023

Overview: Congratulations on getting started on your retailing journey. You may wish to have a look at the attached reports for considerations that may be helpful in planning your next steps and longer-term strategy.

Example



Capabilities

40 / 74

Capabilities published

0%

Shop

Order

Pay

Settle

Account

Setup

■ You ■ You - previous report  
■ Peer group average

## Maturity Report 2023

Overview: Congratulations on getting started on your retailing journey. You may wish to have a look at the attached reports for considerations that may be helpful in planning your next steps and longer-term strategy.

Example

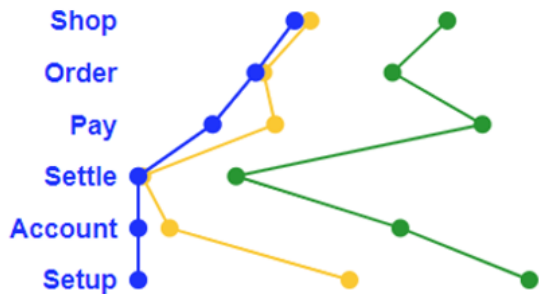


### Capabilities Verification

16 / 74

Capabilities published

0% 25% 50% 75% 100%



■ You ■ You - previous report  
■ Peer group average ■ Industry leaders



### Partnerships Deployment

0% 100%



17%

NDC-based sales (August 2023)



Partner connections

Capabilities confirmed live 16 / 16

Satisfaction score (1-5) 4.50

■ You ■ Peer group average ■ Industry leaders



### Value Capture Compass

0 70



Retailing sections score

0 30



Pay and Settle section score

- Bundling, product and content
- Pricing and revenue management
- Direct channel and customer engagement
- Indirect channels and partnerships
- Order management and servicing
- Strategy, organization and talent
- Technology and data
- Pay and Settle

● Outperforming peer group average  
● On par with peer group average ● Lagging relative to peer group average

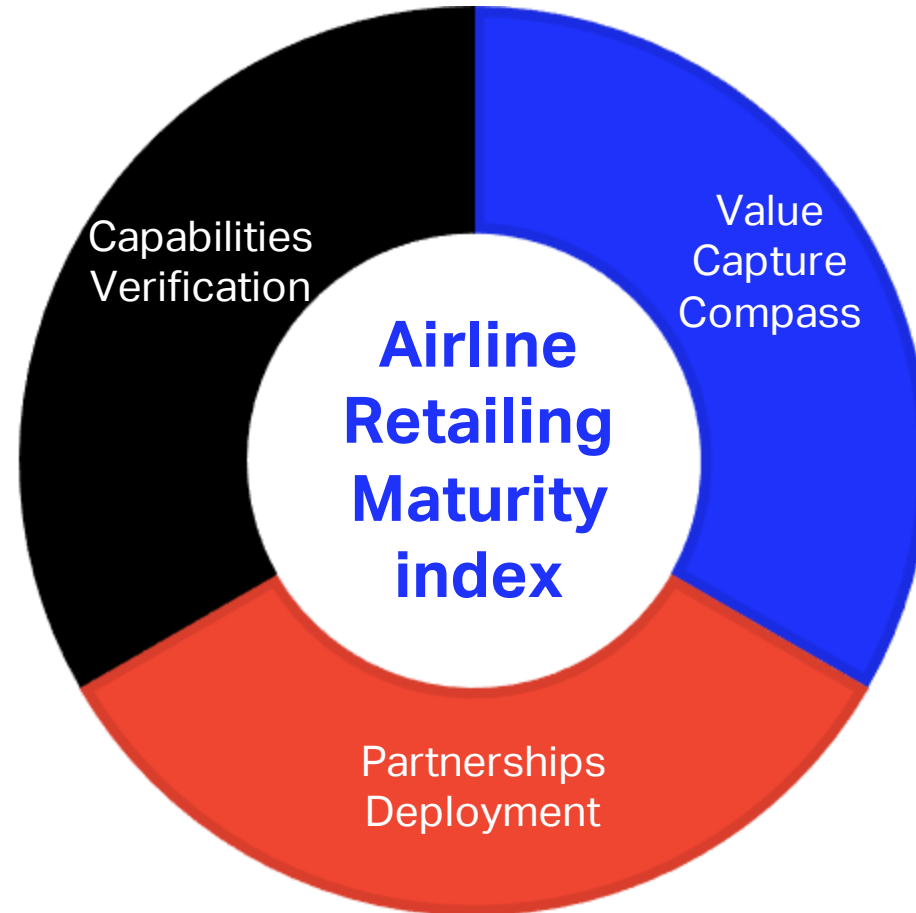
Multiple strategies work



# Data confirms what's in the media

There is  
momentum

Distribution  
❤️  
Payment



Multiple  
strategies  
work

Orders  
have  
started

Because some airlines are already realizing benefits

**100m+**

Annual savings  
in Distribution  
costs

**1.5%**

Increase in  
revenues from  
Continuous  
pricing

**600m+**

Revenue  
increase by  
2027

**50m+**

Annual value  
creation in  
payment from  
2027

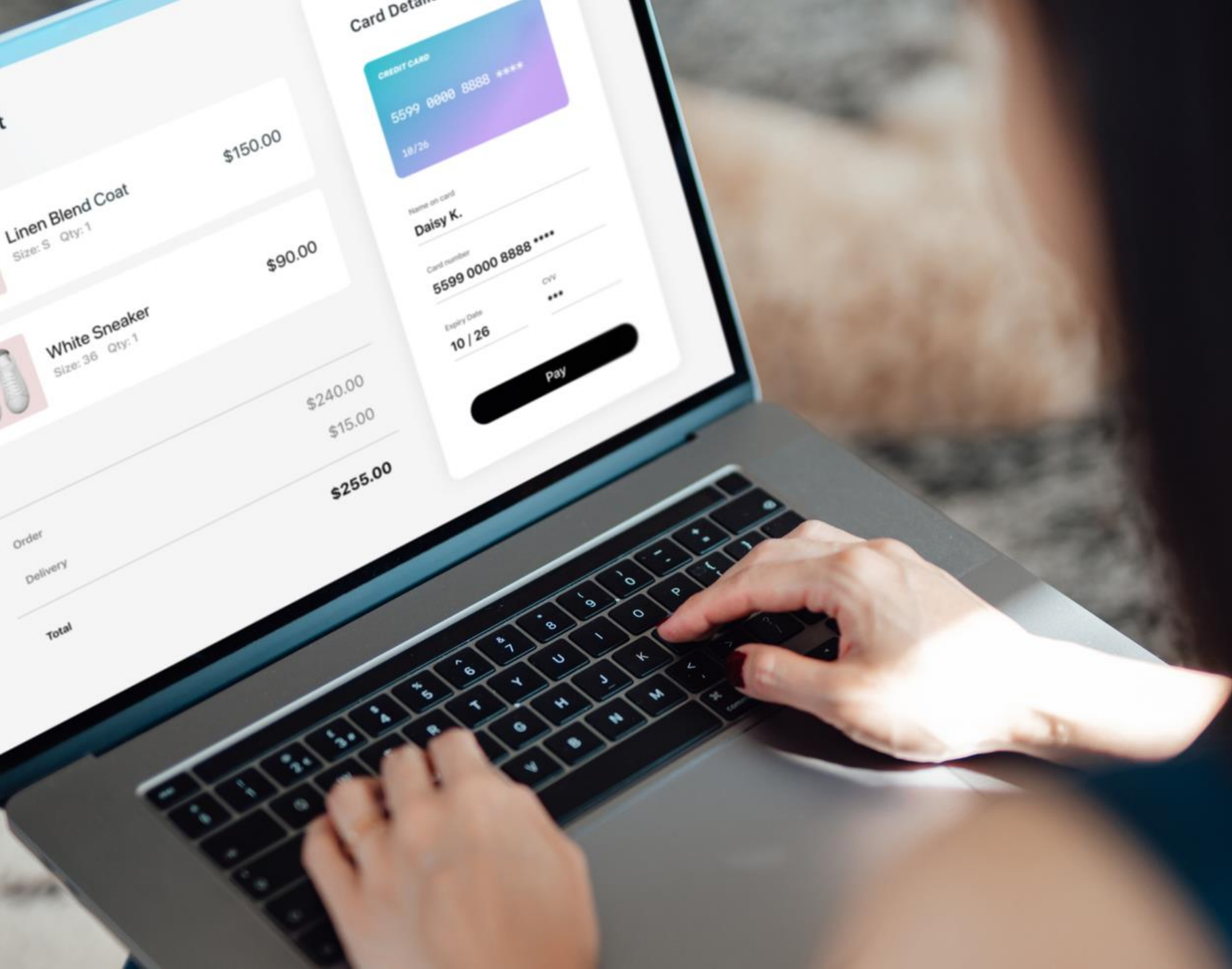
But if they want to become truly customer centric airlines need a legacy free framework with Offers & Orders only



# Fulfilling with **Orders**

1. The PSS morphs into a typical retailing platform
2. Servicing is superior, upsells are easier and disruption handling is smoother
3. New partnerships are easy to implement: LCCs, Rail etc.
4. Collection and control of data can take place real time
5. Financial controls move up-front





**One single record** makes it easy for the **Customer** to access & modify, just like with Amazon

# A Consortium is helping to accelerate the journey

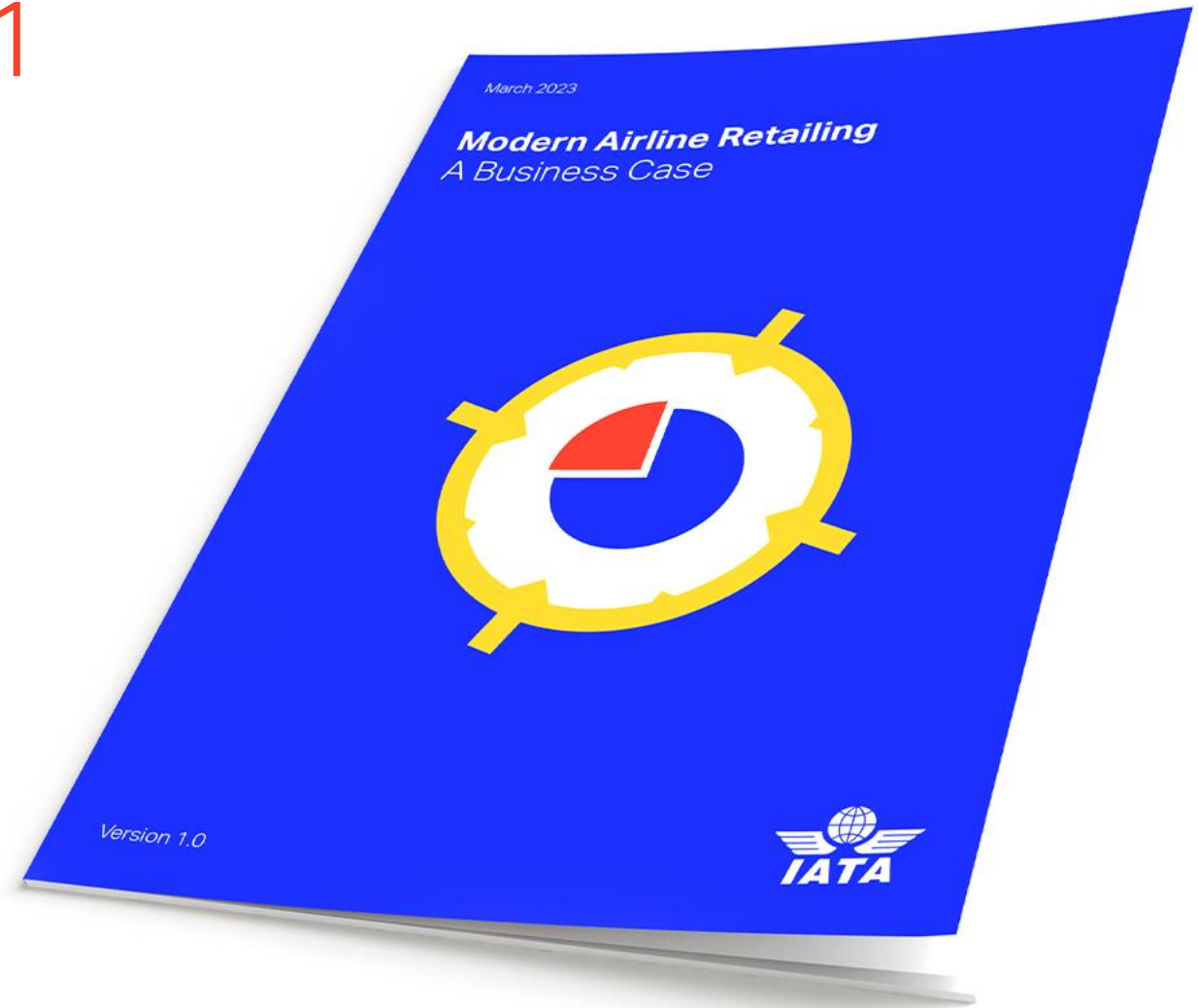


» [iata.org/retailing-consortium](https://iata.org/retailing-consortium)



# Consortium deliverable #1

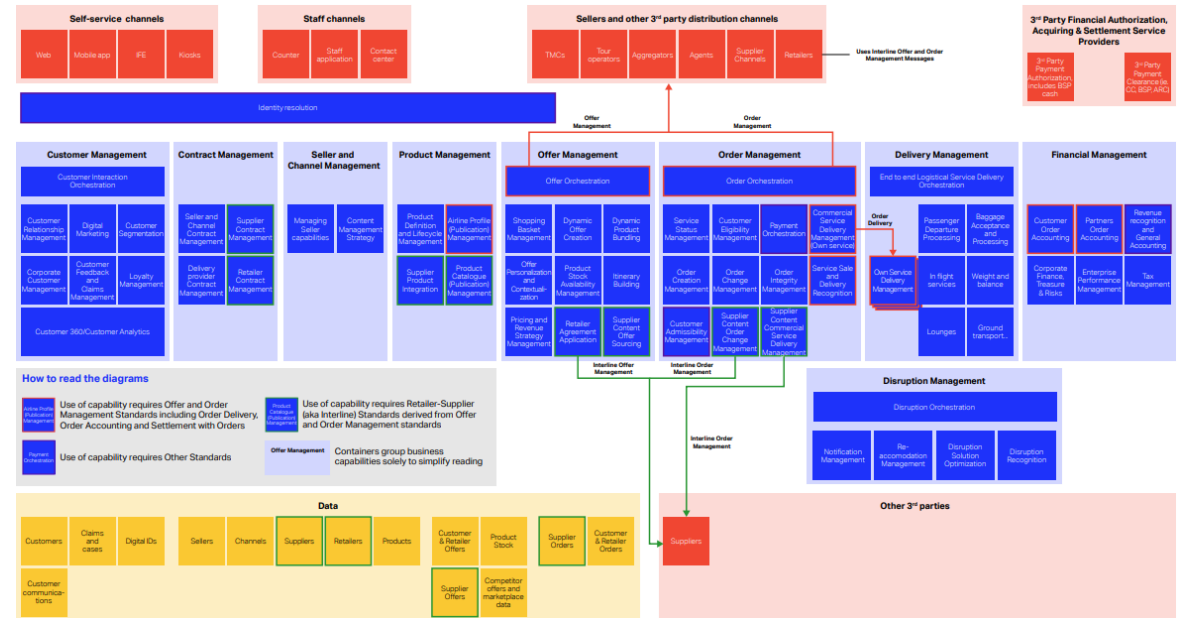
## **A Business Case** to transition to Modern Airline Retailing



# Consortium deliverable #2

## The Business Reference Architecture

supporting modern retailing in a world of 100% Offers & Orders



Consortium deliverable #3

**IT Provider Readiness**  
and Airline **Transition**  
**Pathways** to 100%  
Offers and Orders





# And technology providers are also on board

accelya



PROS

amadeus



**Sabre**

 Datalex

ibsoftware



FLYR 

 Lufthansa Systems

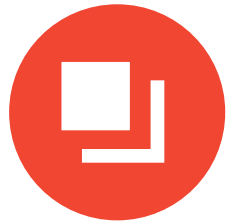


Globant  Airlines Studio

 Openjaw  
A TravelSky Company

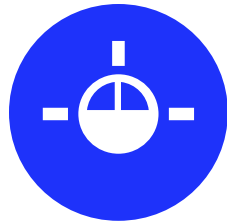
 unisys

# Four takeaways



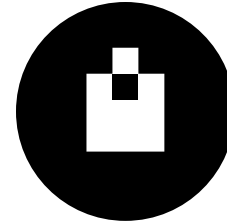
There is a  
framework and  
momentum

All 3 pillars have  
momentum - at different  
stages



There is value for  
all our members

And for other players  
across the value chain.



Collaboration is  
critical

Within each individual  
airline and across the eco-  
system



Enjoy the  
Symposium!

We want you all to leave  
empowered, with tools  
and ideas to move  
forwards

# Thank you



For more information, please go to  
[IATA.org/ Retailing](https://www.iata.org/Retailing)