NDC for Travel Management Companies (TMCs)
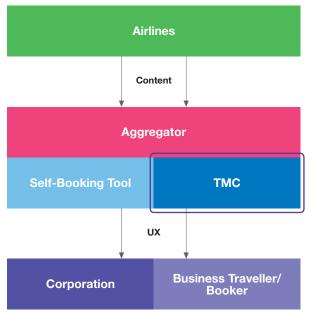
▶▶▶▶ WHY IS THIS IMPORTANT?

As airlines have evolved what they sell and how they sell it, travel agencies are increasingly required to use a diverse mix of channels to book clients' business travel needs. The travel agency community is also evolving, adapting to new consumer needs as well as opportunities brought about by modern technologies.

The potential to use IATA's New Distribution Capability (NDC) for **personalization**, and the **segmentation** of travelers by corporations to create a better business travel shopping experience, provide a variety of opportunities for the TMC community.

▶▶▶▶ ZOOM INTO THE TOPIC

Definition: NDC will enable the travel industry to transform the way air products are retailed through the development of a modern, internet-based data standard for communications between airlines and travel agents.

The needs of the TMC: TMCs are confronted with increasing complexity in sourcing content and have a growing need for intermediaries that fully aggregate content. Next to this, they need enhanced desktops that can display all content in one place using graphically rich user interfaces and effective back office processes.

I am a TMC, what does NDC enable for me?

▶ Access to more services to ensure the TMC can be more customer-focused.
▶ Increased efficiency in selling airline ancillary products.
▶ Reduction in the gap between what's available in typical booking systems used by TMCs, and content on airlines' websites, and more competitiveness.
▶ A broader role in supporting the corporate customer's chosen distribution channels and policy application.

▶▶▶▶ INDUSTRY ENGAGEMENT

All major TMCs are engaged with IATA and the implementation of NDC. However, some are further along in their plans than others. As a result, we may see:
▶ A gap between TMCs in terms of readiness.
▶ Private channels to minimize airline surcharges.
▶ A sense of urgency to adopt NDC due to content differentiation.

In partnership with a diverse group of nine TMCs, IATA recently drafted a TMC reference architecture, which provides a voluntary framework for TMCs to build a modular TMC IT infrastructure. The reference architecture highlights important components a TMC may wish to consider in implementing NDC.

As a result there are three types of TMC technology cultures emerging:
▶ GDS-based IT: TMCs that are waiting for GDS readiness (aggregation and agency desktop). This group is moving slower because of large and complex IT.
▶ Third-party based IT: TMCs that are evolving their IT using third party providers and evolving commercial models. These TMCs have more sense of urgency owing to the opportunity for content differentiation.
▶ Insourced IT – TMCs that consider themselves as IT players and have built their own platform. These TMCs are moving faster, addressing NDC back office topics.

IATA provides a platform for TMCs to engage with the NDC project and airlines at a macro level through the Global TMC Executive Council (GTEC). This is to ensure that all providers have the opportunity to help IATA understand the opportunities and challenges facing this community.

Airlines → Content → Aggregator → Self-Booking Tool / TMC → UX → Corporation / Business Traveller/Booker

Link to more detailed information

TMC IT Architecture (pdf) (June 2018) - A ten pages document. It provides a voluntary framework for TMCs to build a modular TMC IT infrastructure.

A TMC reference architecture (June 2018) - A two-pager which summarizes the TMC architecture document.

NDC Change Readiness Guide for TMCs - (pdf) (Oct 2016) A support tool for Travel Management Companies as the NDC standard is implemented.

NDC: Travel Agencies' Enabler to Success (pdf) (Oct 2015) - Insights into how travel agents see NDC impacting their business.

Learn more on www.iata.org/ndc