

# NDC Case Study

## British Airways Prepares for the Future

SEPTEMBER 2015

### New Distribution Capability (NDC)

**New Distribution Capability (NDC)** is a travel industry-supported program launched by IATA for the development and market adoption of a new, XML-based data transmission standard.

The NDC standard enhances the capability of communications between airlines and travel agents and is open to any third party, intermediary, IT provider or non-IATA member, to implement and use.

It will transform the way airline products and services are retailed to corporations, leisure, and business travelers and will facilitate product differentiation, time-to-market, access to full and rich travel content, and a transparent shopping experience.

Full information can be found at: [www.iata.org/ndc](http://www.iata.org/ndc)

### British Airways

**British Airways** is the UK's largest international airline and one of the world's leading global premium carriers. Its principal place of business is London, the world's largest premium travel market, with significant presence at Heathrow, Gatwick and London City airports.



British Airways' main home at Heathrow is Terminal 5, which has been voted the world's Best Airport Terminal by airline travellers across the globe in the latest SkyTrax survey. Operating one of the most extensive international scheduled airline route networks, together with its joint business agreement, codeshare and franchise partners, flies to more than 70 different countries. British Airways carries almost 40 million customers a year and has a fleet of more than 280 aircraft. British Airways is a founding member of oneworld, the alliance of airlines around the globe, which together serves some 1,000 destinations across the globe.

Full information can be found at: [www.ba.com](http://www.ba.com)

# British Airways Prepares for the Future (1)

## The NDC pilot

British Airways has long employed a multi-channel distribution strategy. But as one of the airlines involved in NDC's development, it became increasingly clear that the transition to the NDC standard would allow the airline to be more effective in its product distribution through third party channels.

The scope of the project was discussed intensively to determine how best to incorporate the NDC schema into British Airways' distribution processes. Aside from the distribution team, revenue management, sales, retail specialists and IT colleagues were among those involved, as were external partners.

In addition to providing the basic platform, the decision was taken to prioritize flight ancillaries, and particularly allocated seating. British Airways wanted to enable agents to provide customers with the opportunity to select preferred seats in the same way as they could through the airline website, [www.ba.com](http://www.ba.com).

But it was also evident that more general goals would be achievable through the employment of the NDC schema. Most obviously, it would enable the airline to highlight the advantages of its premium products through the provision of additional details, as well as potentially supporting the inclusion of photos and other useful information.

The added value this bestows on a product improves transparency for the customer and breaks the "price trap" where decisions are made purely on price without reference to the quality of the goods or service being bought.

The airline also felt that NDC would promote innovation in the distribution arena. The NDC XML-based standard facilitates greater access to that arena and so, for the airline, the project represented an opportunity to interact with new partners and to explore new ways of working with existing partners.

Although British Airways did use its internal IT team to develop its NDC interfaces, major changes to existing IT systems were not required, and the fact that NDC is a standard language will make it easier going forward as the airline connects to third parties.

## The objective

British Airways expressly designed its project to achieve a balance between delivering quick wins and long-term opportunities.

The initial focus on enabling travel agents to provide flight ancillaries was an obvious way to secure quick wins for all parties, including customers, agents, and the airline.

Longer-term, the aim is to establish a flexible, innovative platform that will enable the airline to interact with partners both old and new. The airline remains open to where this platform will lead.

The wide adoption of the NDC standards from a variety of industry participants, including other airlines, travel agents, global distribution systems (GDSs) and relevant third parties, is a good measure of success from a British Airways point of view.

# British Airways Prepares for the Future (2)

## The challenges

Communication is the key to the success of the project, according to the airline. NDC is not a simple concept to explain and the airline found that many of the non-experts interpreted it as a system, rather than a standard. Even then, the notion of a standard can be difficult to grasp.

Ian Luck, British Airways Head of Distribution, advises that the best strategy is to frame the NDC reference in real terms. So, rather than detailing the technicalities of the XML language, it is “easier to explain that NDC will enable travel agents to display and sell more of our products.”

Communicating in an effective manner internally allows all players to precisely understand the aims of the project and to be able to prioritize the many steps necessary for the successful completion of the project.

## The role of partners

British Airways’ pilot development partner is Travelfusion, a leading player in the IATA NDC distribution initiative. Travelfusion’s focus is on enabling airlines to use XML connections to more efficiently merchandize and distribute their content to agents and users.

Plenty of other partners are involved in the project, most notably those GDSs that have an existing relationship with the airline.

Engaging with these partners is integral to ensuring the project remains on course. While the NDC pilot is clearly centered on enabling the British Airways customer to get access to the carrier’s products and services, the partners are experts in their field and can deliver solid advice. Listening and managing the ideas and innovations sparked by partner discussions can generate new paths for the project to follow and lead to greater benefits for all.

## The lessons learned

The project is still in the early stages and there are many lessons still being learned.

For example, feedback is proving to be an important component of the work the airline is doing and it is actively engaging with all players, including the GDSs and other third parties to understand how the project can be enhanced.

But for Ian Luck, the main lesson learned to date is the need to balance the short and long-term objectives of the project. Quick wins help with the buy-in to the project internally, assisting with resource allocation. Technology is such a fast-moving sector, however, that having adaptable longer-term goals is vital to keeping the project responsive to the needs of the airline. Any challenges or opportunities that may crop up in future can be handled through a flexible platform employing an open architecture.

The fact that NDC is a standard language should facilitate adoption by all the key players involved in the travel industry and enable significant benefits over the longer term.

## British Airways Prepares for the Future (3)

### The conclusion

Luck describes the NDC pilot as a fascinating experience and notes that all stakeholders have learned a lot about distribution strategy, even those who are experts in the subject.

“It is exciting because we still don’t know where this will lead,” he concludes. “We will have a platform that will allow us to collaborate with new and existing partners in ways we can’t yet anticipate. We only know that NDC has put us in a position to be open to innovation. And in turn that puts the airline in a position to serve its customers, however the market develops in the future.”

More information on the British Airways NDC pilot can be found at: [https://developer.ba.com/ndc\\_pilot](https://developer.ba.com/ndc_pilot).