

NDC Case Study

Flybe uses NDC to connect with corporate customers

FEBRUARY 2017

New Distribution Capability (NDC)

New Distribution Capability (NDC) is a travel industry-supported program launched by IATA for the development and market adoption of an 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 is transforming 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.

At the 72nd IATA Annual General Meeting in Dublin, IATA announced the launch of the [NDC Certification Registry](#) to recognize those companies that have implemented part or all of the NDC technical standard.

Full information can be found at: www.iata.org/ndc

Flybe

Flybe is Europe's largest regional airline, flying 216 routes serving 10 countries from 75 departure points. It operates more UK domestic flights than any other airline.



Flybe's latest financial results show a return to profit for the first time since its market flotation in 2010 and after five intervening years of financial loss.

In the last year, passenger volumes have grown approximately 6% while passenger revenue increased 8.2%. At the same time, the per seat cost has fallen 4.2%.

In 2015, Flybe established two new bases at Cardiff and Doncaster in the United Kingdom and launched 52 new routes. A further 47 routes benefitted from additional daily frequencies. Customer convenience was also boosted by new codeshare agreements with Emirates and Virgin Atlantic and a punctuality record of 85.4%.

Full information can be found at: <http://www.flybe.com>

Flybe uses NDC to connect with corporate customers (1)

The NDC pilot

Sales on Flybe's website account for 80% of all passengers, the remaining 20% provided by global distribution systems, group bookings, codeshare and interline partnerships.

The primary motivation for Flybe to implement NDC was to provide an industry-level application programming interface (API) for corporate buyers. This would enable such practical advances as letting corporate customers purchase baggage add-ons.

It was also the airline's desire to ensure a cohesive distribution strategy, enabling the same look, feel and sale of products to be achieved across all channels and devices.

Early on, it was decided that the airline's implementation strategy should adopt a two-phase approach. The first phase included the implementation of order management, and payment/ticketing while the second phase dealt with the capability to handle ancillary sales.

NDC Schema 1.1.3 was chosen as the latest available schema at the commencement of the project.

The Objectives

The airline decided to provide a full gamut of services through NDC to achieve Level 3 certification. This involves priced offers from Flybe to specified itineraries as well as the ability to modify the order according to need.

The scope of the project therefore includes the full end-to-end sales process, taking in offer management, order management, payment and ticketing, rebooking capabilities, and ancillary sales. This ensured that standardized API software could be used to increase the airlines' sales leverage across the industry. All of the work is channeled through the airlines' distribution department.

Greater transparency and efficiency as well as better communication with corporates and travel agencies are positive side effects of the main thrust of the project to provide a consistent and improved offering to corporate customers that use a travel management company.

The Challenges

As an early adopter, Flybe's main challenge was creating the necessary awareness across all stakeholders involved in the airline's NDC implementation project.

Senior management, as well as the airline's sales and marketing team needed to understand NDC and its capabilities, notably that it is an enabling messaging standard rather than a merchandizing program.

The technical implementation was less of a challenge as all parties involved in the project were familiar with NDC. Going live with NDC was therefore relatively straightforward considering the complexity involved and implementation was completed in a short timeframe.

Flybe uses NDC to connect with corporate customers (2)

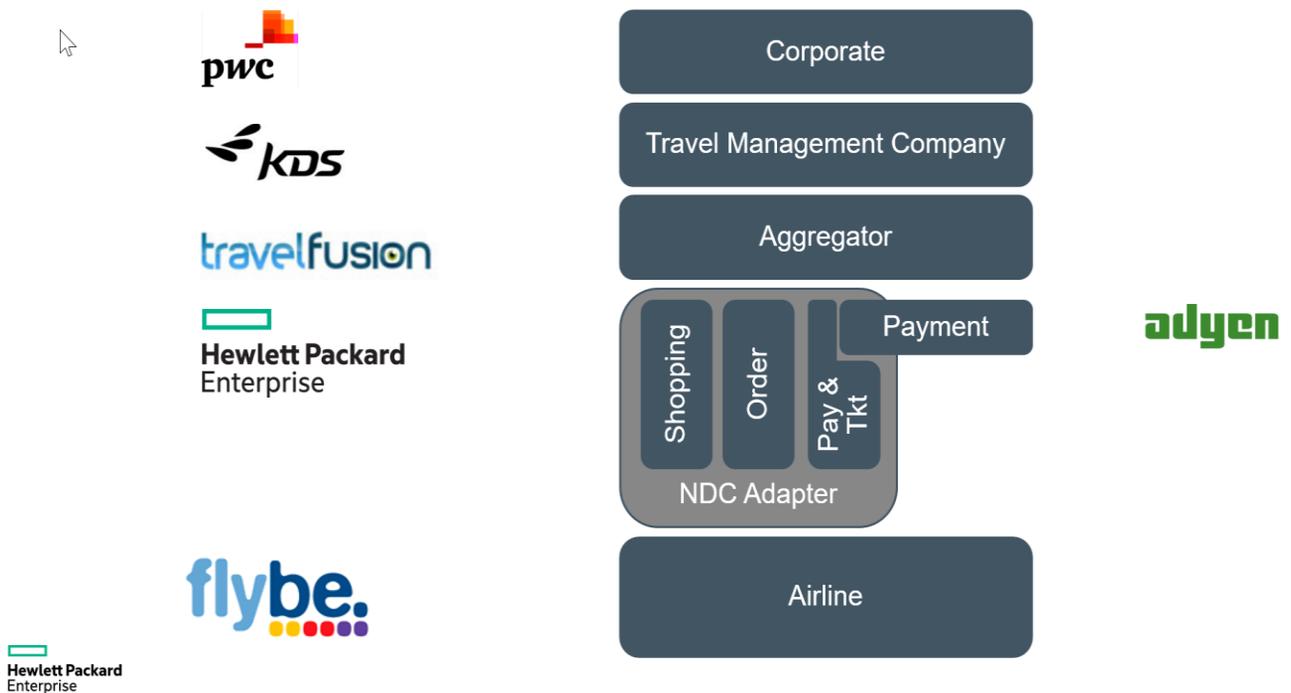
The Role of Partners

Several partners were involved in the Flybe NDC project. PwC acted as the corporate customer, KDS was the travel management company providing the corporate booking tool and Travelfusion was the aggregator. Travelfusion operates a Direct Connect distribution and payment platform.

The main partner from the technical standpoint was Hewlett Packard Enterprise (HPE), a global IT provider with a dedicated travel and transportation vertical. HPE was tasked with providing a harmonized, reusable NDC API for the airline and developed its NDC Adapter product to fulfil this obligation.

The NDC Adapter acts as the API and connects with the airlines specific configurations, including its reservation and fare systems. It also has the ability to handle rich media content. Orchestration with Flybe's passenger services system (PSS) was made easier by the fact that the PSS is also provided by HPE.

Corporate Fares – flybe business partners



The partners decided to leverage an agile project implementation approach, meaning they retained the flexibility to optimize the project structure rather than adhere to a strict timetable and premeditated allocation of resources. Constant, open communication was the key to making this approach successful.

Flybe uses NDC to connect with corporate customers (3)

The Lessons Learned

The key to the successful implementation of NDC at Flybe was HPE's API that allowed the airline to leverage IATA's NDC standard and offer its corporate customers highly improved services while reducing distribution cost significantly.

Furthermore, the NDC project allowed Flybe to improve its relationship with its corporate customers through the booking tool provider KDS and the aggregator Travelfusion. In turn, corporate customers benefit from direct access to Flybe's corporate fares and the option to book and pay for pre-paid baggage.

Alignment and synchronization between multiple vendors was another important factor. This productive collaboration, which made full use of the NDC schema, minimized the implementation time of the project significantly.

Also critical in this regard was the need for clarity at every step of the implementation process. Working with a number of partners necessitates clear understanding and transparency every step of the way.

Fortunately, part of the added value of NDC was that all data is defined in the schema, which helped to provide the clarity required during the implementation.

The Conclusion

Flybe is one of the first airlines globally to receive the NDC Level 3 certification from IATA. This is also the first example worldwide of deployments involving the entire value chain of business travel industry stakeholders.

The project has achieved its main aim to serve corporate customers using a travel management company with corporate fares. In so doing, it has bequeathed Flybe a more robust business model that is better able to deal with an increasingly dynamic aviation marketplace.

Corporate customers are now presented with the complete array of Flybe's available products through the corporate channel, allowing them to take full advantage of purchase opportunities to ensure an appropriate travel experience.