



# New Distribution Capability (NDC)

*Together, Let's Build Airline Retailing*

**NDC Leaderboard Information Pack**

**Version 2.0**

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# 1. Description of the NDC Leaderboard

## 1. Background to the NDC Leaderboard

The NDC registry is now comprised of more than 100 companies, including 58 airlines. Until the end of 2017, the strategy supported by the IATA Board of Governors has been to drive airline capability (i.e. at least one live transaction), validated by IATA certification. But in order for NDC to deliver maximum benefits to airlines and consumers, it now needs to target a critical mass of volume of transactions. Therefore, the focus of the NDC program will move from capability to promoting critical mass adoption and this will cover the period from 1 Jan 2018 to 31 Dec 2020. The longer term vision is for mass adoption in 2025.

## 2. The NDC Leaderboard description

The proposed approach to reach critical mass is as follows: IATA will invite airlines which want to grow their NDC volumes rapidly to join a group called the **Leaderboard**. These airlines will each have an individual goal that will consist of having at least 20% of their sales powered by an NDC API<sup>1</sup>. This group will be comprised of large and small airlines, and is aimed to cover at least 20% of total IATA passengers carried. IATA envisions the **Leaderboard** to be composed of 15 to 25 airlines that are level 3 certified.

## 3. Why the NDC Leaderboard

The aim is to drive a critical mass of NDC transactions that, in turn, will encourage more airlines to realize the benefits of NDC and drive further adoption. The NDC governance group (PDMG) believes that if by 2020, the Leaderboard drives an average of at least 20% of sales powered by an NDC API, this will have tackled many of the obstacles to mass adoption, and the value chain will be mature enough for “followers” to benefit from a much easier, faster and more efficient access to the market.

## 4. The importance of the role of the GDSs

On 25 Oct. 2017, during the IATA World Passenger Symposium, the three major GDSs announced they would be certified as level 3 aggregators in 2018. The CEOs of each of the three GDSs also confirmed these engagements during their earnings calls or to the press, during October and November 2017. In fact Travelport obtained the certification as early as December 2017.

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<sup>1</sup> IATA defines NDC sales as any sales that result from a reseller (agent, metasearch, SBT, OTA and even airline) connecting directly to the airline API or accessing NDC content via an aggregator who connects to the airline API.



The two main reasons for this positive turn is the number of airlines now actively engaging in NDC and also the quality of the latest version of the NDC standard. Version 17.2 is live since September 2017 and has been cited by GDSs and IT providers as providing the stability they require in a baseline standard in order to move forward with industrialization. Many IT providers have waited for 17.2 and 18.1 to begin to invest.

It has always been clear that to achieve critical mass of NDC, the industry needs the GDSs to become true aggregators. An airline's ability to deliver its individual target as well as IATA's overall goal for 2020 are intrinsically dependent on the above GDSs' commitments. Should the GDSs not deliver by early 2019 at the latest, then the target would be at risk. In the meantime IATA will be engaging with the GDSs to offer support. It will also, of course, continue to promote new entrants and other players in this area.

## 5. Communications around the Leaderboard

IATA communicated in April 2018 the names of the 20 NDC Leaderboard airlines. This information is publicly available on the IATA website [www.iata.org/ndc](http://www.iata.org/ndc) under the Leaderboard tab. Since then one more airline has joined the group.

No further communication regarding any individual airline will take place without their prior consent.

## 6. How IATA will support the Leaderboard

IATA will support the Leaderboard airlines in three areas:

- **Engagement and Adoption:** The IATA NDC team will intensify its engagement activities with all value chain players (airlines, travel agents, corporate buyers, IT providers), to help unlock blockers to adoption, focusing particularly in the regions of Leaderboard players.
- **Implementation Support:** The IATA NDC team will facilitate implementers' forums, provide input to the standard change management forums based on implementation feedback, and share best practice workflows. It will engage in priority with the Leaderboard members as well as their top partners.
- **Data and reporting:** The IATA NDC team will provide data to benchmark airlines on their NDC penetration performance versus the group and the top performers.



The IATA NDC team will also engage individually with the airlines in order to support specific needs.

## 7. What the Leaderboard airlines need to do

- **Set themselves an individual target of NDC sales powered by an NDC API which will be at least 20%.** Their NDC target will be shared with IATA on a confidential basis.
- **Have dedicated resources and a defined strategy** to reach this NDC volume target.
- **Provide** data of their NDC transactions, in order for IATA to build a comprehensive tracking. In the short term this will be manual but IATA is working towards using DDS (Direct Data Solutions).



## 2. NDC Leaderboard value proposition

IATA will provide ...

### 1. Support through a 3-step process to critical mass

1. Set up
2. Opportunity check
3. Tracking and Monitoring

A **Set up phase** in which Leaderboard airlines will

- Assign a dedicated NDC project delivery owner
- Define a roadmap to 20% volumes in 2020
- Set up volume measurement process with IATA

An **Opportunity Check phase** that will consist of an analysis of Leaderboard airlines' NDC implementation and strategy around the following topics (see appendix 3):

- Architecture and Technical
- Airline Value Proposition
- Channel strategy
- Blockers
- Internal Engagement

A **Tracking and Monitoring phase** that will consist of

- Feedback of 2020 roadmap
- Identifying potential risks toward achieving 20% volumes in 2020
- Scheduled follow up on roadmap implementation
- Sharing success along the way

### 2. Dedicated NDC account manager for delivery support

IATA will provide a single point of contact in the NDC team that will

- **Coordinate** questions, calls and meetings
- **Facilitate** sessions to conduct opportunity analysis
- Keep Leaderboard airlines informed of **relevant upcoming events**
- Provide **project management support** including follow up on Roadmap implementation
- Provide **insights on airline strategies and readiness of players across the value chain**



### 3. Promotion of main achievements to the industry

IATA will support Leaderboard airlines in sharing key successes with the rest of the industry through the elaboration and publication of case studies. The goal is to show case tangible value and how obstacles to mass adoption were tackled for “followers.” This ensures that they benefit from a much easier, faster and more efficient access to the market.

### 4. A Leaderboard information pack regularly updated

The NDC Leaderboard information pack will be composed of key documents (e.g. official presentations, workshop templates, etc...) and will be regularly updated and made available to all Leaderboard airlines.

**and Leaderboard airlines will benefit from ...**

### 5. Benchmarking data on NDC transactions volumes (subject to safeguards)

IATA will provide support in setting up the volume measurement process with Leaderboard airlines. As a result, IATA will provide data to benchmark airlines on their NDC penetration performance versus the group. Leaderboard airlines will only be able to see their own data and aggregated data from the rest of the group.

### 6. Topics addressed as a priority in implementation forum

IATA will facilitate [implementation forums](#) with the value chain. While all NDC airlines are welcome to participate actively at these meetings, Leaderboard airlines get to demonstrate their leadership as the driver of industry change. Additionally, you may propose items to be discussed as a priority during those meetings. Leaderboard airlines will be made aware of the conclusions resulting from the discussions.

### 7. API exposure at Hackathons and input to Hackathon challenges

IATA will facilitate [Hackathons](#) where Leaderboard airlines will be able to expose their API allowing developers to build apps and solutions around them. Leaderboard airlines will have priority in proposing specific challenges/themes to the developers at these Hackathons.

### 8. AIR BTS and AIRS speaking slots

Leaderboard airlines will be prioritized for dedicated speaking slots at two large events facilitated by IATA:



- [IATA Business Travel Summit](#)
- [Airline Industry Retailing Symposium](#)

Leaderboard airlines could also be considered in priority for other IATA events.

## 9. Exposure to travel buyers through TMAGs and other buyers events

Leaderboard airlines will have opportunities to interact with the business travel community at dedicated events such as the IBTS. They will also be able to interact with travel buyers from large corporations and may be invited to the Travel Manager Advisory Group (TMAG) Europe and NORAM which is comprised of travel managers, corporate travel buyers and procurement professionals.

## 10. Exclusive NDC training offer

Contact your account manager to know about the exclusive NDC training offer for Leaderboard airlines.

## 11. Input to strategic topics for IATA to explore

Leaderboard airlines may give inputs to IATA on strategic topics that they would like to explore further. After evaluation, IATA could facilitate the delivery of educational webinars and/or white papers around these topics.



## 3. NDC Leaderboard Q&A's

### 1. Q: Who are the Leaderboard participants?

A: Participants are airlines committing to grow NDC volumes with an ambition to reach at least 20% of their indirect business by the end of 2020. At this stage, IATA believes this group will consist of 15 to 25 airlines, both large carriers and smaller size carriers, and spread across different regions. Of course, the size is not limited to 25, this is simply an estimate based on the current market trends.

### 2. Q: Is this a new governance group, how will the group operate?

A: The intention is to keep the current governance with the PDMG. This will be a group with no dedicated governance nor voting and airlines will not be required to send any further representatives.

### 3. Q How will this group work together and provide value to the industry?

A: The existing NDC governance will be used to continue to grow overall NDC adoption. The Leaderboard members will be expected to contribute to current groups (PDMG, PDMGAF) if they find it relevant.

### 4. Q: How will IATA report the Leaderboard performance?

A: IATA will report the Leaderboard performance to the Leaderboard airlines and to the IATA Board. This reporting will never reveal an individual airline's performance to any party other than themselves.

### 5. Q: Does the airline CEO need to be briefed?

A: If the airline CEO sits on the IATA Board it is highly recommended that he/she is made aware of the existence of the Leaderboard and is involved in the decision to participate or not. For any other airline, it is highly recommended that the CEO is engaged as the Leaderboard topic will come up at IATA's Annual General Meeting (AGM) and one to one meetings with senior IATA representatives.



**6. Q: Can an airline join the Leaderboard if it only intends to be live with NDC in 2018?**

A: Yes. As long as they are ready to set themselves a target of 20% of their indirect sales powered by their NDC API by end 2020.

**7. Q: What if an airline commits to 20% but does not ultimately reach the threshold?**

A: Each airline will be able to share with IATA on a confidential basis its roadmap to 20% (or more) volumes by end of 2020 and will do its best to reach this objective. It is a non-binding objective that sets an ambition for an airline and for the industry. Therefore, it is critical the airline commits itself towards a stretched but accessible target (of at least 20%). Should it fall slightly short of its goal, the airline's efforts and results will still contribute to the industry objective.

**8. Q: Will individual airline names be made public?**

A: The list of carriers will not be disclosed and neither will any individual airline targets. IATA will communicate on the creation of the Leaderboard indicating that a number of airlines have made a commitment to individually reach a critical mass of NDC transactions by end 2020. Any further communication will be discussed with the Leaderboard and no airline name will be communicated externally without prior consent from the airline concerned.

**9. Q: What is IATA proposing to the Leaderboard that it is not doing today to the industry?**

A: IATA will provide reports of the Leaderboard performance, so that each airline can benchmark its performance versus the group (not vs. other identified carriers). IATA will also provide support to the Leaderboard on all IATA matters (payment, architecture, schemas, workflows etc.). It will also provide greater support in the areas of engagement & adoption, technology and innovation.

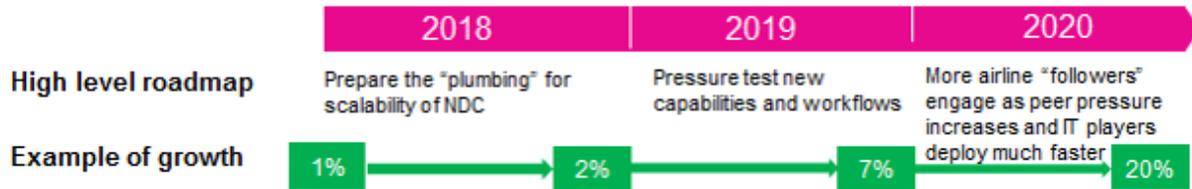
**10. Q: What about airlines that adopt NDC but choose not to join the Leaderboard?**

A: IATA will continue to support all its members which choose to adopt NDC. These "followers" will also benefit indirectly from the Leaderboard. The push for critical mass will contribute to a rapid growth of the number of travel agents, corporate buyers and end consumers using NDC. IATA will share implementation roadmaps which will help speed up subsequent deployments. And finally, the push from the members of the NDC Leaderboard will help IT players to enhance their solutions and trigger innovation from new entrants (start-ups) – which will increase competition and speed to market for the followers.



**11. Q: How does IATA see the key milestones to 2020?**

A: The table below describes a high level estimate of the growth stages from 2018 to 2020. All of these will be the result of the Leaderboard airlines demonstrating their adoption of NDC and IATA intensifying its engagement, influence and leadership across the value chain.



*Note: These are simple market assumptions based on current available information subject to change.*



## 4. Meet the NDC team and your account manager



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## 5. Your NDC events list

Here are the NDC events you should not miss in 2018:

### BTN Webinar

The Big Influencer - NDC and the Corporate Travel Buyer

**When:** July 10, 2018

Register [here](#)

### GBTA Convention 2018

Global Business Travel Association (GBTA) is the world's premier business travel and meetings organization headquartered in the Washington, D.C. area with operations on six continents.

We will be based at the IATA stand #3919 and during the conference you will hear about NDC through seven NDC educational sessions.

**When:** August 12, 2018

**Where:** San Diego

Register [here](#)

### NDC Implementation Forum

The NDC Forums are led by the IATA NDC Program and primarily targets stakeholders that have already gone down the path of their NDC implementation in order to share experiences and promote interoperability. The goal of these sessions is to provide an opportunity for you to present your NDC Implementation. It also allows you to raise questions around your implementation, encourage conversations among peers when implementing NDC, and review the technical solutions and workflows. Details of the Implementation Forums are also posted on [AIRTechZone](#).

**Value Proposition:** Leaderboard airlines' topics addressed as a priority in implementers forum. You can already propose your topics to your account manager for the next meeting.



**When:** August 28 - August 29, 2018

**Where:** IATA Office Madrid

[Request an invitation](#)

**When:** November 13 - November 15, 2018

**Where:** IATA Office Geneva

[Request an invitation](#)

**NDC Hackathons:** [Register here](#)

Hackathons are 24-48h competitions where developers build applications using the NDC standard in combination with travel partner APIs. They are a great example of how NDC, by modernizing the communication protocols between airlines and travel agents, create opportunities for new entrant developers to build innovative solutions around the NDC standard.

**Value Proposition:** API exposure at Hackathons and input to Hackathons challenges

**When:** September 14 – September 16, 2018

**Where:** Geneva

**When:** November 30 – December 2, 2018

**Where:** Lapland (Finland)

**Airline Industry Retailing Symposium** [Registration](#)

Retail is at the heart of all current industry transformation efforts and IATA is once again leading the pack by organizing the first airline industry symposium dedicated to retail.

**Value Proposition:** AIRS speaking slot

**When:** October 23 - October 25, 2018

**Where:** Rome, Italy



## NDC InFocus Webinars

NDC InFocus is a series of two-page documents and Webinars aimed at providing you with a quick overview of the NDC topics of the moment.

Watch past recordings and book your calendar for future sessions [here](#).

## AIR Business Travel Summit – June 2018 edition

The AIR Business Travel Summit is a unique opportunity to get the latest insights from the business travel value chain – airlines, IT providers, TMCs, SBTs and Corporates – while they articulate their NDC roadmaps to adoption.

See summary of events [here](#)

See presentations here:

- [Presentations Day 1 Value is demonstrated, NDC in Action! \(pdf\)](#)
- [Presentations Day 2 Strategic Roadmap, More on the Horizon! \(pdf\)](#)

**Only for Leaderboard Airlines** – see presentations of CTM and Serko in appendix 8 and 9 (Confidential – not for further distribution)



## 6. Your NDC Resources

### 1. AIRTechZone

Demonstrate your leadership - Connect to [AIR Tech Zone!](https://airtechzone.iata.org)

A platform for developers and implementers to access documentation and tools, and to stay connected to the wider implementer community forums.

- Demonstrate your leadership to the followers
- Access to Implementation Forums, API Tools, Hackathons, Online Forums
- Share about your NDC implementation with the community
- Ask and answer questions in the community forums



### 2. Documents worth reading

- Deutsche Bank Markets Research – Distributive Freedom – potentially increasing network airline EBIT by 20% - 06 Feb 2018 - See appendix 4



- Citi Research - European Airlines – Head-To-Head - 06 Mar 2018 - See appendix 5
- Wolfe Research - Between Two Phones: Director of NDC at IATA – 27 April 2018 - See appendix 6



## 7. Tracking NDC sales

### 1. Definition of NDC sales

The NDC Leaderboard airlines industry goal is to have 20% of their sales powered by an NDC API by 2020.

#### **NDC sales are:**

- any sales that result from a reseller (travel agent (IATA and non IATA), metasearch, SBT, OTA and even airline (interline)) connecting directly to the airline NDC API or accessing NDC content via an aggregator who connects to the airline NDC API.

#### **NDC sales are not:**

- Sales originating on the websites of airlines
- Sales originating at City Ticket Office (CTO)/Airport Ticket Counter (ATO) and General Sales Agency (GSA) sales

### 3. Tracking NDC sales

All transactions that fit under the agreed definition of an NDC sale will be counted for the NDC target. More specifically, this means:

- Only flown tickets (TKTT) are counted (no coupons)
- Associated services on EMDs (A) are not included
- In case of ticketless carrier Orders will be counted
- Refunds (RFND) & Cancelled (CANX) are excluded

### 4. How to report your NDC sales to IATA

IATA will be monitoring the volumes of NDC sales through the data provided to Direct Data Solutions (DDS). An NDC identification data element will be included in the current files submitted to DDS as per technical requirements listed in appendix 7 of this document.<sup>2</sup>

**Step 1:** Airline to contact their NDC account manager and verify current contribution to DDS

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<sup>2</sup> Applies for all Leaderboard Airlines except US and Canada based carriers for which the technical requirements will be provided by ARC.



**Step 2:** Airline to review the technical specifications to include the NDC identification data element in their DDS input file

**Step 3:** Airline to contact the department/person in charge of DDS at their company to review the specifications and if needed validate with supplier that the NDC identification field is available in revenue accounting database

**Step 4:** IATA to organize a call between IATA DDS technical team and the airline to explain the new field and technical specifications

**Step 5:** Airline to return the commitment letter signed (see appendix 7)

**Step 6:** Airline to submit a sample file to DDS including the new NDC identification data element to IATA

**Step 7:** Airline to confirm submission date of the 1<sup>st</sup> file including NDC identification data element to IATA

**Step 8:** Airline to receive first report of their own NDC sales



## 8. Tracking NDC sales Q&A's

### 1. Q: How will IATA calculate the final target of 20% sales powered by an NDC API?<sup>3</sup>

A: The target of 20% sales powered by an NDC API will be calculated as a percentage of the total volume of transactions as follows:

$$\left[ \frac{\text{Total of NDC sales of LB airlines}}{\text{Total of ASP/BSP}^4 \text{ sales of LB airlines} + \text{other NDC sales with resellers}} \right] * 100.$$

### 2. Q: What is the difference between DDS and NDCLink?

A: **DDS** is a platform for sharing intelligence among airlines. IATA and ARC are working in partnership to offer Direct Data Solution (DDS) product as an industry service designed to provide carriers worldwide, access to comprehensive, high quality market data.

**NDCLink** is an industry solution to allow the reporting of NDC transactions to the BSP for the purpose of remittance and settlement between IATA accredited travel agents and airlines.

### 3. Q: Will NDC transactions reported to Airlines Reporting Corporation (ARC) be counted in the target?

A: NDC transactions reported to ARC will be counted in the target provided that they are included in the DDS input file.

### 4. Q: Do NDC metasearch transactions booked on airline.com count as NDC sales?

A: NDC transactions booked on airline.com count as NDC sales provided that they result from a reseller (e.g. metasearch) connecting directly to the airline NDC API or accessing NDC content via an aggregator who connects to the airline NDC API.

### 5. Q: Do Refund and cancelled need to be flagged in the DDS file?

A: Only sales, i.e. tickets (TKTT), must be flagged in the DDS input file and will be counted in the final calculations.

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<sup>3</sup> The calculations will be for the purpose of the 2020 performance measures presented to the IATA board

<sup>4</sup> ASP = ARC Settlement Plan ; BSP = Billing and Settlement Plan



## 9. Appendix

1. March 2018 NDC Leaderboard call presentation
2. June 2018 NDC Leaderboard call presentation
3. Opportunity analysis for Leaderboard airlines agenda template
4. Deutsche Bank Report
5. Citi Bank Report
6. Wolfe Research Interview
7. Sample DDS commitment letter
8. CTM Presentation – **Exclusive for Leaderboard!**
9. Serko Presentation – **Exclusive for Leaderboard!**

