Modern Airline Retailing

Yanik Hoyles
Director Distribution, IATA
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.
Airlines in control of their Product, Money & Data

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

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Global Distribution Systems (GDSs) are pivotal pieces of the travel ecosystem, but inequitably 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 the content on these networks have taken control of their distribution and the supply on the other side. This has real-world consequences for airlines, suppliers, and consumers alike. Many airlines are looking to launch their own direct distribution platforms as a result of this shift, with the B2B market seeing rapid growth.

Amon Cohen
May 9, 2023
Jay Campbell: February 15, 2023

Singapore Airlines Expands NDC Content Distribution

CWT, Spottail, and Mild Seven Partnerships

Jay Boehner
June 22, 2023

CWT on Thursday announced a 50/50 partnership with Mild Seven to expand their NDC (Next Generation Distribution) content delivery. Mild Seven is Japan's leading mobile game developer and will work with CWT to deliver the company's NDC content to their market, while CWT will expand their partnerships into the Japanese market. This move comes just days after Singapore Airlines announced their new NDC partnership with Mild Seven.

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.

NDC Volume Crosses 10 Percent Threshold At ARC

Jay Boehner 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 Spottail, a mature travel management company cozies up to the aspiring disruptor.

This verifies initiatives via NDC by the world’s travel management leaders to know what else consultants 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.
Data confirms what’s in the media

- There is momentum
- Distribution
- Payment
- Value Capture
- Compass
- Capabilities
- Verification
- Partnerships
- Deployment
- 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
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  
**GO7**  
PROS

**Amadeus**  
Hitit  
**Sabre**

Datalex  
ibssoftware  
**salesforce**

FLYR  
**Lufthansa Systems**  
SAP

Globant Airlines Studio  
OpenJaw  
**Unisys**
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 ecosystem.

Enjoy the Symposium! We want you all to leave empowered, with tools and ideas to move forwards.

Four takeaways.
Thank you

For more information, please go to IATA.org/ Retailing