Together, Let’s Build Airline Retailing

NDC Program Update
January 2020
What’s the market problem?

Customer Experience
Is not consistent depending on where they search for travel and not rich when shopping through travel agents

Travel Agents
Can’t easily access many airline products that are available on the airline direct websites

Airlines
Don’t have the freedom to distribute their products across channels without being commoditized
What do airlines want?

Revenue opportunities

- Differentiation (product description)
- Merchandizing (ancillaries, fare families)
- Personalization (based on loyalty, preferences)
- Dynamic Offers (based on personalization and other features)

Cost savings

- Innovation & Competition
Why NDC?
To modernize the way air products are retailed to travel agents, corporations and travelers

What is NDC?
A travel industry-supported program for the development and market adoption of a new data transmission standard

Who can benefit from NDC?
- Full service and budget airlines
- Technology providers and travel agents
- Corporates buyers and travelers
Traditional Flight Distribution

- **Fares via 3rd party**
- **Schedule via 3rd party**
- **Availability**
  - Airline
- **e-commerce engine**

**Global Distribution Systems**

**Travel Agents**
- (TMC | OTA | Independent)

**Travelers**
- (Business | Leisure)
Airline Retailing in an NDC World

- **Airline Offer & Order Management System**
- **Content Aggregators (GDS | New Entrants)**
- **Travel Agents (TMC | OTA | Independent)**
- **Travelers (Business | Leisure)**

The diagram illustrates the relationships and flows between these entities in the context of NDC (New Distribution Capabilities) in the airline retailing landscape.
<table>
<thead>
<tr>
<th>Time</th>
<th>Flight Details</th>
<th>Price</th>
<th>Select</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:10am - 12:20pm</td>
<td>Delta, GVA - 1h 20m in AMS - SFO, Delta 9455 and 9380 operated by KLM</td>
<td>$781</td>
<td></td>
</tr>
<tr>
<td>1:40pm - 8:05pm</td>
<td>United, GVA - 2h 30m in FRA - SFO, United 9171 operated by Lufthansa</td>
<td>$781</td>
<td></td>
</tr>
<tr>
<td>8:40am - 6:20pm</td>
<td>American Airlines, GVA - 5h 30m in LHR - SFO, American Airlines 6520 and 6190 operated by British Airways</td>
<td>$787</td>
<td></td>
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</tbody>
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What is starting to look like with NDC
NDC Program Update
NDC Certification Updates

**Level 4** – Covering full Offer & Order Management & Servicing

55 companies Level 4 certified

- 35 Airlines – 10 NDC Leaderboard
- 20 IT Providers & Aggregators

**NDC@Scale for Airlines**

- 9 Airlines certified NDC@Scale
NDC Matchmaker

Featuring some 200 connections!

SEARCH | COMPARE | CONNECT

with NDC partners

www.iata.org/ndc-matchmaker
The Value chain is committed through

<table>
<thead>
<tr>
<th>Travel Management Advisory Group</th>
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<tbody>
<tr>
<td>Amazon. Allianz. AstraZeneca.</td>
</tr>
<tr>
<td>Bechtel. Gov’t. of Canada. LEO</td>
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<tr>
<td>UBS. Veritas</td>
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<td>– and many more…</td>
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<th>Global Travel Management Executive Council</th>
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<tr>
<td>American Express GBT.</td>
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<tr>
<td>ATPI/Direct Travel. BCD Travel.</td>
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<tr>
<td>Carlson Wagonlit Travel. Clarity.</td>
</tr>
<tr>
<td>Click Travel. CTM. Egencia.</td>
</tr>
<tr>
<td>FCM Travel Solutions</td>
</tr>
<tr>
<td>– and many more…</td>
</tr>
</tbody>
</table>
### Corporate Buyers

**See Opportunities with NDC**
- Content
- Cost
- Control
- Customer Experience

**Envision the future of the TMC**

TIME TO FLY

How Progressive Travel Managers See the TMC Value Proposition in a New Distribution Landscape
August 2018

The TMC Value Proposition in a New Distribution Landscape

**and advise on changes...**

To accelerate to a Future Managed Travel
Travel Agents

See NDC as an enabler and …

- Better Customer Service
- Increased Productivity
- More Competitive

…have their reference architecture
The journey to 2020: IATA NDC Leaderboard
NDC transactions powered by an NDC API

Oct 2019 data
McKinsey see airline benefits from Retailing

- up to $40bn annual value
- i.e. up to 4% revenue gain
- up to $7 per passenger
Thank you

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