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 (ancilliaries, 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)

NDC
Today’s Shop Interface
Compare airlines mainly on price and schedule

7:10am - 12:20pm
Delta
Very Good Flight (8.3/10)
Details & baggage fees
Rules and restrictions apply

14h 10m (1 stop) 🤓 🤓
GVA - 1h 20m in AMS - SFO
Delta 9455 and 9380 operated by KLM
$781
Select

7:10am - 9:00am 1h 50m
Geneva to Amsterdam
Conin Intl. (GVA) to Schiphol (AMS)
Delta 9455 operated by KLM
Economy / Coach (E)
Boeing 737-700 | Snack or Brunch

1h 20m stop Amsterdam (AMS)
10:20am - 12:20pm
11h
Amsterdam to San Francisco
Schiphol (AMS) to San Francisco Int'l (SFO)
Delta 9380 operated by KLM
Economy / Coach (E)
Breakfast

Estimated bag fees
- Carry on: No fee up to 12 kg
- 1st checked bag: $60.00 up to 23 kg
- 2nd checked bag: $100.00 up to 33 kg
- Confirm bag fees, weight and size restrictions with Delta

Total distance 5,884 mi

Rules and restrictions apply

Source: Expedia December 2019
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 more than 220 connections!

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

Travel Management Advisory Group

- Amazon
- Allianz
- AstraZeneca
- Bechtel
- Gov’t. of Canada
- LEO
- Pharma
- Microsoft
- Nestle
- S&P Global
- Ingersoll Rand
- UBS
- Veritas
- and many more...

Global Travel Management Executive Council

- American Express GBT
- ATPI/Direct Travel
- BCD Travel
- Carlson Wagonlit Travel
- Clarity
- Click Travel
- CTM
- Egencia
- FCM Travel Solutions
- and many more...
Corporate Buyers

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

Envision the future of the TMC
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
The journey to 2020: IATA NDC Leaderboard
NDC transactions powered by an NDC API

Dec 2019 data

Forecast

Actuals

11%
20%
12%
10%
5%
0%
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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