

May 2019

ONE

ORDER:

CASE STUDY

LH: NDC meets **ONE Order**

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ONE Order



ONE Order

ONE Order aims to modernize the order management process in the airline industry. This industry initiative led by IATA intends to replace the multiple and rigid booking, ticketing, delivery and accounting methods.

The ONE Order standard enhances the capability of communications between airlines, delivery providers and accounting systems and is open to any third party, intermediary, IT provider or non-IATA member, to implement and use.

It introduces concepts such as delivery status and internal values in order to replace current paper based mechanisms used for delivery tracking and accounting purposes. ONE Order eliminates the current booking and ticketing records and combines the content of those into a single retail and customer focused order.

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

Lufthansa Group

The Lufthansa Group is a globally operating aviation group with a total of more than 550 subsidiaries and affiliated companies. The company portfolio consists of network airlines, point-to-point airlines and aviation service companies.

The multi-hub strategy offers passengers a comprehensive route network along with the greatest possible flexibility for their journey. In the 2018/19 winter flight timetable, the route network comprised 244 destinations in 81 countries, served via the international hubs in Frankfurt, Munich, Zurich and Vienna.

As a leading European airline group, the aim of the Lufthansa Group is to take on a key role in shaping the global aviation market and to remain the first choice for shareholders, customers and employees in the future.

The airlines form the core of the Lufthansa Group. The differentiated portfolio of Network Airlines and Eurowings, which offers direct connections, makes it possible to serve all relevant market segments, representing an attractive offering on relevant geographic markets both for premium customers and for more price-sensitive travelers.

Full information can be found at: www.lufthansa.com

The ONE Order pilot

For Lufthansa the opportunity to make practical use of ONE order is a turning point on its way to modern airline retailing and delivery. The pilot represents the shift from legacy-based processing, i.e. reservation, booking and ticketing towards ONE Order-based order management for leveraging NDC-based enhanced offering capabilities, enabling a true end-to-end processing of customized products including 3rd party ancillary services. By means of the order record, the Lufthansa Hub Airlines are able to capture all offer components and pass them through fulfilment, delivery and accounting processes.

In the pilot Lufthansa achieved with support of Lufthansa Systems and JR Technologies the successful linking of state-of-the-art NDC-based offer technology with novel ONE order-based technology not relying on legacy fulfilment and accounting processes. In addition to that, the developed solution was designed to operate within regular operations of Lufthansa scheduled flights offering over 30 dedicated destinations within Europe – having been able to transport over 230 real passengers who could access the special flight offers via a dedicated website.

The objectives

There were four major objectives guiding the set-up and solution development of the pilot:

1. Establish a seamless end-to-end ONE Order-based processing and fulfilment of NDC offers including Wi-Fi voucher as a third party ancillary service.
2. Demonstrate the ability to act within a legacy independent system environment: creating and fulfilling dynamically priced offers and still connect to regular operations of scheduled flights to comply with the needs of today's related system landscape.
3. Improve customer experience: creating tangible added value of ONE Order using the Order ID as single customer reference comprising all order components.
4. Gain insights and identify challenges in order to prepare for a future transition phase towards ONE Order standard application at large scale.

The challenges

In order to achieve the greatest possible independency and freedom from legacy processes and solutions the required system environment had to be developed and set up from scratch having an independent order management system (OMS) as core of the architecture accompanied by four major development streams for pricing, payment, revenue accounting and web application.

The integration of third party ancillary service delivery and serving existing departure control processes to ensure seamless travel for the passengers required particular effort and unique solutions. In this context, an automated check-in functionality was applied in order to comply with departure control system-related requirements (DCS).

The role of partners

Two partners participated in the development and implementation of the pilot set-up:

- Lufthansa Systems provided services and solutions for pricing, payment, revenue accounting and web application together with the overall system integration and operation.
- JR Technologies provided the Offer-Order management system solution and adherent services enabling connectivity of all components.

The lesson learned

The development of industry standards is at a substantial speed and offers airlines already today a broad variety of opportunities to make use of them, explore and exploit their benefits and ideally turning them into enhanced offering capabilities, higher process efficiency and competitive advantages.

However, full leverage of the standards at large scale does require a strong modernization approach of airline Offer and Order system landscape. Importantly, to scale, leverage and benefit from cross-selling of ancillary services a sustainable engagement of various travel industry partners is essential. This is particularly true for joint offers between ticket-based and ticketless airlines.

Beside the mentioned partners, a large number of different internal departments were involved making the pilot a truly cross-functional success story.

The close cooperation of a multitude of disciplines clearly shows that there are touchpoints with ONE Order technology in basically all areas of airline business.

The conclusion

Having achieved all objectives of the pilot shows that constant investment into innovative technologies brings benefits both short-term and long-term. This has also demonstrated the possibility to bring the NDC and ONE Order standards together in an end-to-end process into daily operations.

The lessons learned and experiences taken from the pilot are highly valuable for further evaluation and assessment of new opportunities within the Lufthansa Group to pave the way towards sustainable integration of ONE Order into future delivery of digital retailing experience.