



AIR Business Travel Summit 2018

Highlights

Context of this summit

Over **140 senior industry professionals** attended the 3rd edition of the AIR Business Travel Summit.

This annual gathering is unique as it brings together the entire value chain (airlines, TMCs, IT providers, corporate buyers) in IATA headquarters in Geneva, Switzerland.

The format of this event is informal and interactive, and gives the opportunity for all delegates to participate, either on stage or from the floor.

The four main GDS/Technology providers were present (Amadeus, Sabre, Travelport & TravelSky), together with several “Mega TMCs” (Amex GBT, CWT, Egencia – represented by Expedia) and a number of multi-national/large independent TMCs (FCM, CTM, Travel & Transport, Clarity, Click Travel, etc.).

Online Booking Tools were also present (Concur, KDS, Serko, Innfinity, etc.) or represented by their shareholders.

Finally, an important part of the discussion came from the 40+ Corporate Buyers in attendance representing companies such as PWC, Microsoft, Johnson & Johnson and many more.

NDC is the new norm and value is demonstrated

During its last Board meeting in December 2017, IATA introduced the “**LeaderBoard**” concept.

This is a group of airlines that aspire to the industry target of 20% of their indirect sales coming from their NDC API by the end of 2020. The group is open to any NDC level 3 certified airline that shares this ambition.

This 20% target was the underlying theme of the conference:

- Is the industry ready to scale?
- What is missing?
- Are the different players engaged and aligned?
- Are corporate buyers also rethinking their travel policies and considering the opportunities an NDC enabled strategy has to offer?

There was an overall positive answer to these questions. Because it is an annual gathering, the summit is an opportunity to evaluate the industry’s progress in the past 12 months. A number of live examples were shared and the industry seems either ready today or certainly committed to engage in NDC at scale during the next 24 months.

The NDC schema version that was published in October 2017 is considered the new baseline (i.e. the appropriate schema version on which to grow NDC volumes). It includes the servicing functionalities (such as change & cancel) that were previously missing.

IATA noted a rapid increase in adoption of this new version of the standard, and also informed the group that NDC certification will evolve in 2018 to include servicing, a request from the industry. Recent work facilitated by IATA to support the TMC community was presented during the event:

- **A Propathon** – led by corporate buyers – to build a vision of the possible future role of a TMC: focusing on bringing all content to their customers, in real time and in a personalized manner
- **A TMC reference architecture** – led by a group of TMCs - describing the different building blocks that would be required for a TMC to operate as true retailer, i.e. a database centric tech stack with different interoperable modules.

IATA also introduced three of the winners of its recent hackathons, in order to demonstrate the appetite of developers to build solutions for corporate travel. The developer community is definitely engaged to bring new products to the market in a fast and agile manner.

Key players across the value chain are engaged

Airlines

Currently **57 airlines** have implemented NDC and are certified. Each implementation is different, as NDC is a technical standard and not a standard way of doing business.

Some carriers have also introduced changes to their commercial model (surcharges or incentives, differentiation of content). It is important to note that these are individual airline commercial decisions. Three airlines shared their current implementation status:

- **British Airways** shared its latest NDC developments, insisting that the API is the only solution to get all content. They have started some dynamic pricing and content differentiation. Servicing is in place but will be enhanced after the summer
- **Lufthansa Group** explained its new concepts of “NDC smart offers”, further differentiating API content, with more ancillaries, and lower fares than via the legacy distribution channels
- **American Airlines** highlighted that its NDC strategy is fully focused on enhancing the customer experience. It already counts millions of transactions, and is continuously working to add more products and services, in particular for corporates

IT providers

A significant number of IT providers have built or improved their solution within the last year. Those solutions may apply to airlines (offer and order management), to sellers (user interface platforms, mid and back office solutions) or enable to connect them together (aggregation platforms). Three GDSs commented on their roadmap towards becoming NDC aggregators:

- **The first objective** is to get the highest level of certification (Level 3) – Travelport did it at the end of 2017, Amadeus and Sabre plan in 2018
- **The second objective** is to adjust their travel agency desktop to be able to combine NDC and non NDC content in one screen. GDSs will launch solutions in 2019
- Each shared they will take this digital transformation opportunity to drive even more airline retailing functionality beyond the NDC standard

A recurrent theme of the conference was the capacity

of the different players to scale towards mass adoption. There are challenges around volume of data, capacity to manage more complex transactions, etc.

Some players said NDC at scale would be difficult, whilst others demonstrated it was possible. But there is still a lot more work to be done and the industry needs to work together to find the best technical solutions.

TMCs

A TMC willing to consume NDC content has choice: they can either wait for GDS readiness, find technology off the shelf from 3rd party suppliers or build the technology in-house.

Three “live” TMCs presented their solutions: Click Travel, Travel Planet and CTM. They are each in production with several airlines, and already providing rich content and ancillaries to their customers. They have launched new user interfaces, with NDC and non NDC content, and use GDS as one of their content sources.

Other non-air content may also be collected using APIs enabling different IT environments to connect. These TMCs are demonstrating that NDC is already live in the market, and that they have addressed potential hurdles both on the technology and the commercial side. They also indicated that each implementation is becoming easier due to the maturity of the industry and the airlines’ capability and the effort to standardise workflows.

OBTs

Serko presented its user interface, and highlighted their close partnership with Qantas which enabled them to develop an enhanced solution. It consumes NDC content, and is able to shop by fare attributes and overlay policy requirements. AI is additionally helping to fine tune customers’ offers.

Corporate buyers

Bayer explained how it rebuilt its corporate policy, basing it on the company strategy. Microsoft presented its approach focused on its 80,000 travellers, to understand their needs particularly related to products and services. Several corporate buyers in the audience challenged other TMCs and SBTs on the absence of visibility of their plans.

IATA was honoured to facilitate this 3rd edition of the AIR Business Travel Summit at its executive headquarters in Geneva, and to have helped stimulate discussion among key players from across the business travel value chain.

Together, Let’s Build Airline Retailing!