

# The Flightpath to Modern Airline Retailing

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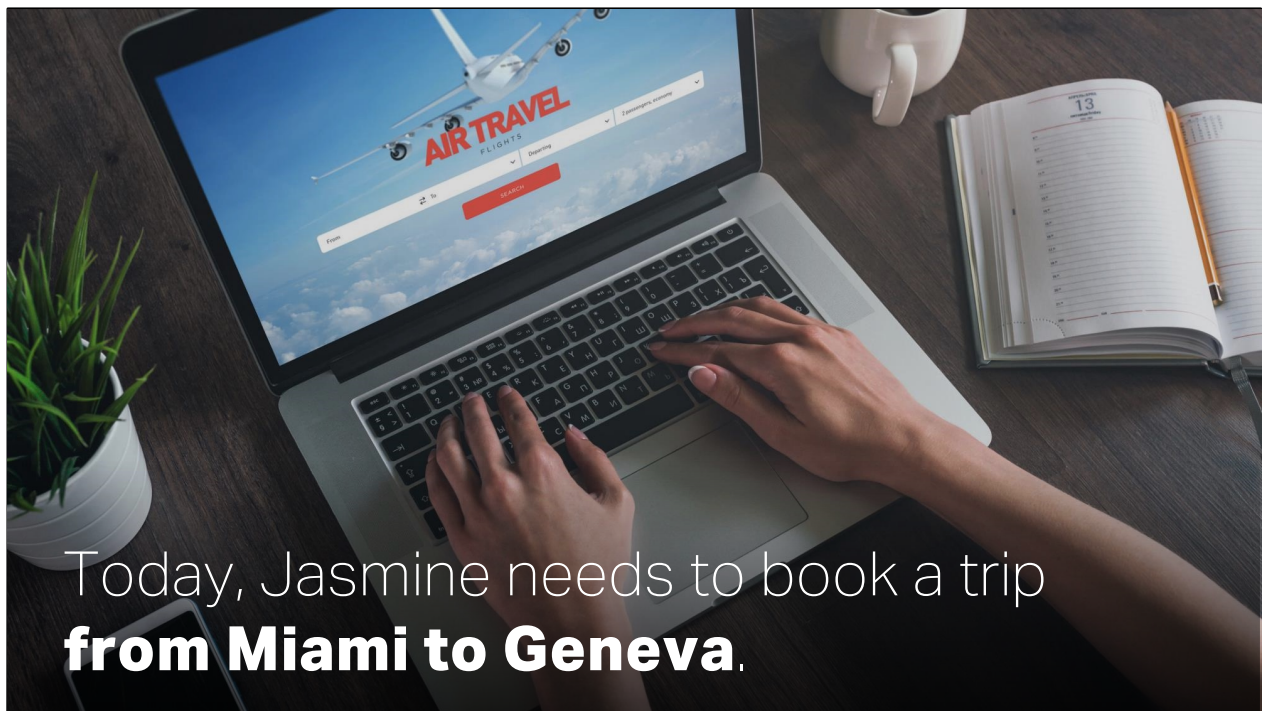


- I am delighted to share IATA's roadmap to what we call Modern Airline Retailing which will lead to greater customer centricity for our industry.
- But to better understand what we are aiming for, we need to be clear about where we're coming from and where we are today.
- I am going to tell you Jasmines' story to illustrate this. But to be honest, it's also my story. It could also be yours.

**Jasmine** is an executive in an global company and **frequently travels for business and leisure**

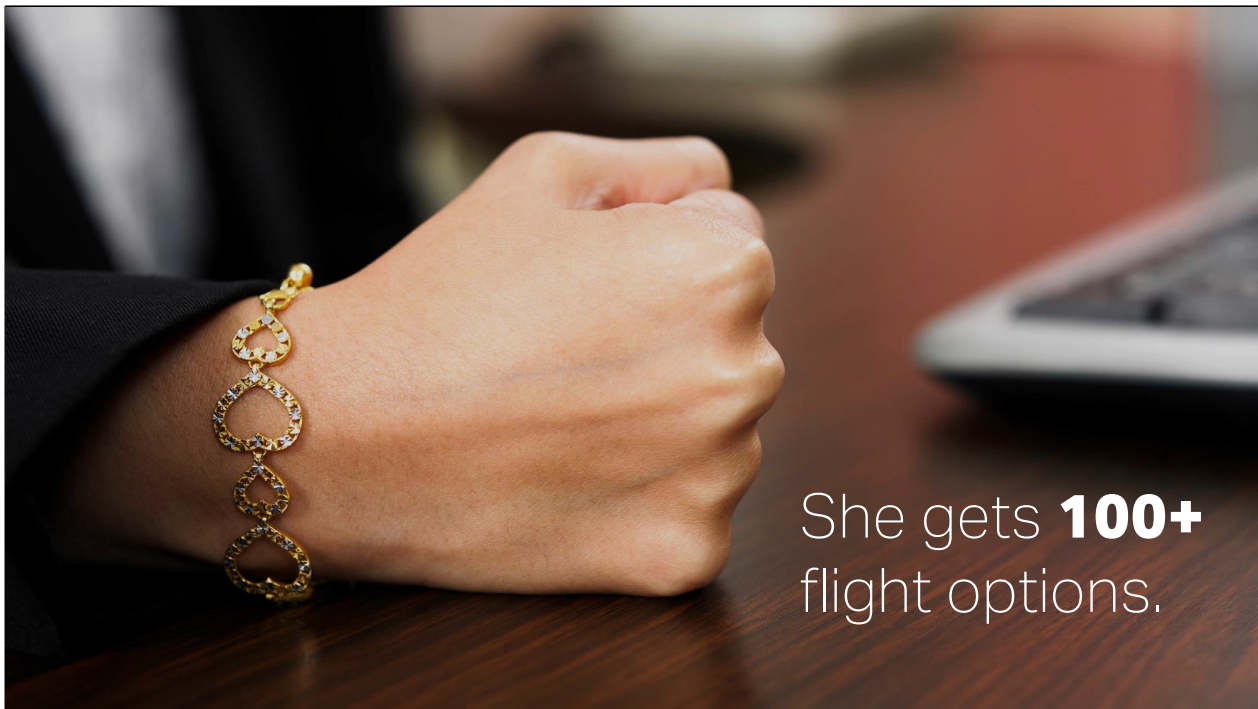


- This is **Jasmine**.
- She often travels for business...several times a month and almost always to the same destinations.
- She always flies with the same airlines, or within the same alliance if possible
- And she always goes to the same hotels or hotel chains
- So, we can say that her travel patterns are rather predictable.
- **And whenever** her schedule allows it, Jasmine likes to take her family with her so they can spend some quality time together.
- So even some of her leisure travel patterns are predictable.



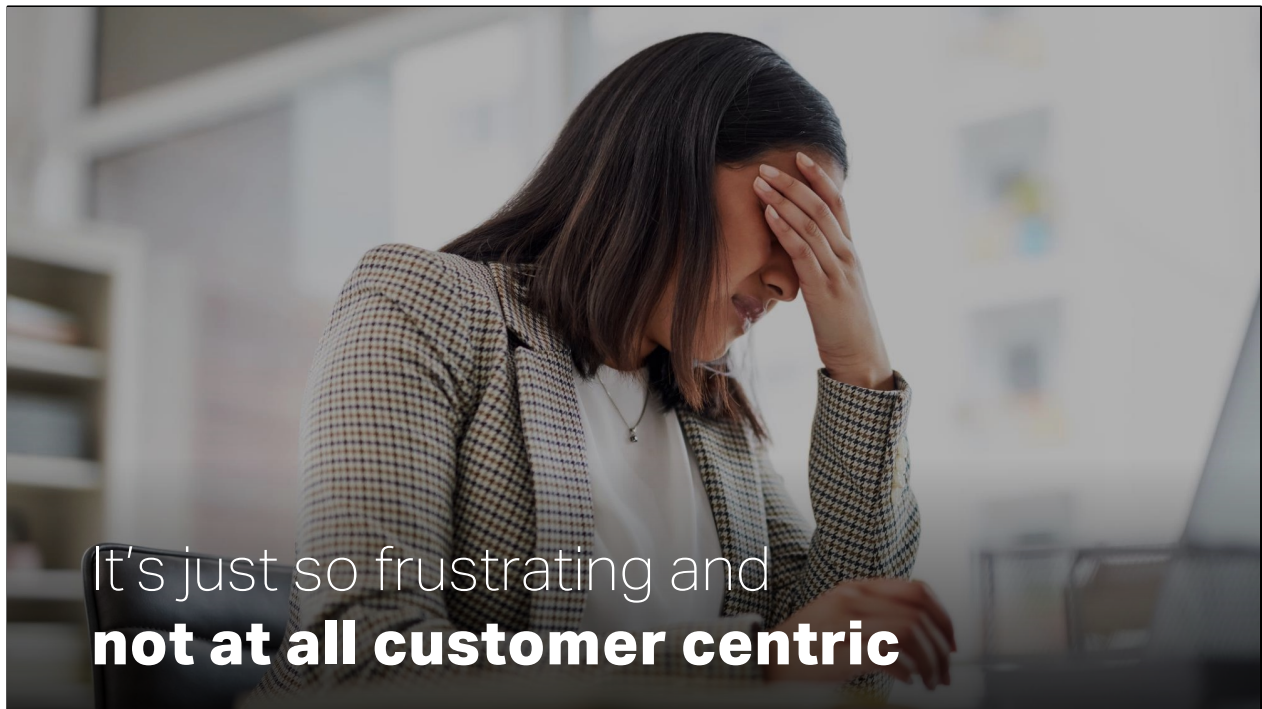
Today, Jasmine needs to book a trip  
**from Miami to Geneva.**

- Today, Jasmine needs to book a trip from Miami to Geneva.
- To search for the best option, she can opt to use a self booking tool provided by a travel agency, but also an online metasearch tool as well as some online travel agent websites to find flights for her family
- **So... What happens when Jasmine enters her travel requests?**
- This is where it becomes interesting...



- Jasmin has made this trip many times.
- Her preferences should be a matter of record
- But more than 100 options are displayed:
  - Many itineraries that she would never contemplate
  - Inconsistent offers between the different sources she uses to explore.
  - It took her **about 15mins** to find and book the flight options **that fit her usual requirements**
  - **The same thing** happened for the hotel booking and her ground transportation.
- She was of course asked to **enter her personal details for each booking**. Knowing that at the airport she will also be asked to **share her identification documents again, several times**, before boarding the plane.
- And of course, she also remembers her last flight which was **disrupted** and when she had to queue several hours to get rebooked, and of course she lost the ancillaries she had purchased!





It's just so frustrating and  
**not at all customer centric**

- It all seems so frustrating and very inefficient! – certainly not customer centric, that's for sure!



- And Jasmine's situation is not an isolated one.
- The world has changed.
- Thanks to online retailing, Air travelers today have higher expectations
- But these expectations are still yet to be met
- When you buy from Amazon, they are looking at who you are, what you have purchased the past, what you might be interested in.
- And they make it easy for you to change your mind at any point in the process.
- So, why can't our industry do the same?



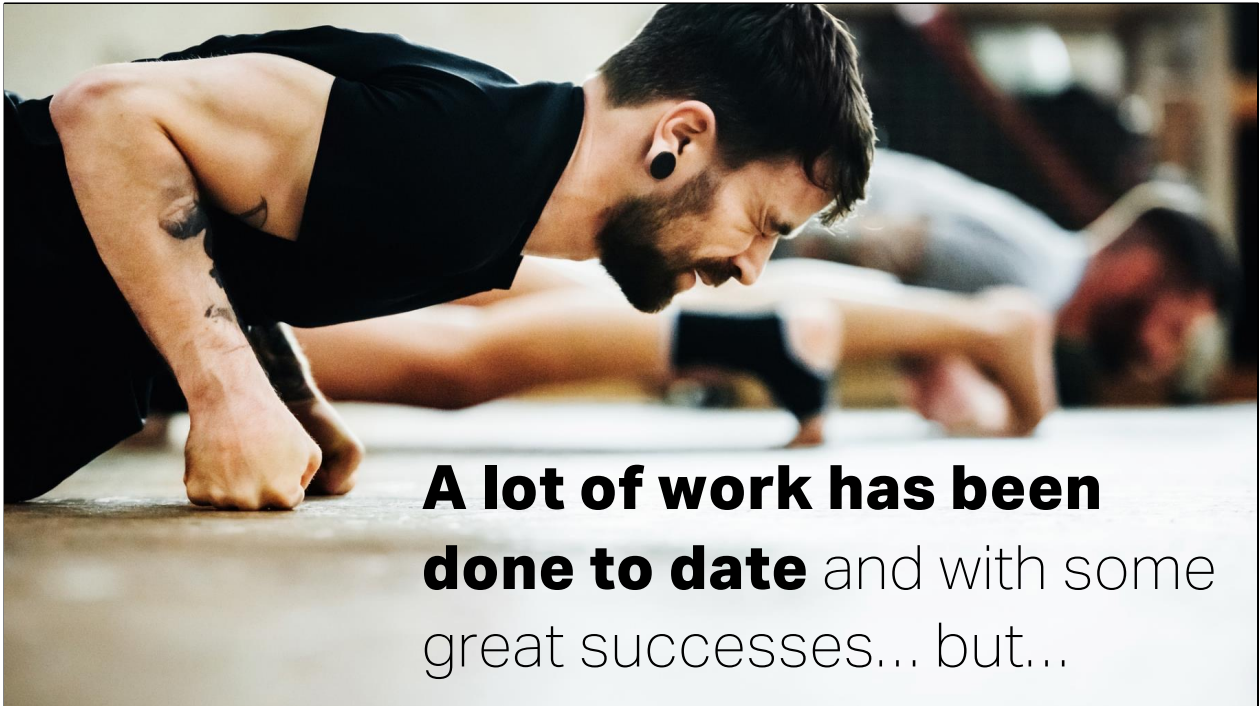
Airlines and their partners are **constrained and limited** by the legacy standards, processes & technology in place

- Because airlines **and their value chain partners** today are **constrained and limited** by the legacy standards, processes & technology that have been in place for decades – such as:
- E-tickets, PNRs or booking reference, and EMDs for tracking ancillary purchases.
- They have no **holistic view** of who their customers are and what they're asking for.
- This means that they do not have the means to be **modern retailers** with a true customer centric approach.
- So, what's the solution? What needs to be done for the airline industry to become a modern retailing industry and meet its customers expectations?



The industry needs to **review and modernize** its standards, processes and technology.

- The airline industry must adopt **modern retailing practices** that will create additional value for travelers
- We know that travelers want a seamless digital experience, and they expect consistent service, irrespective of how they purchased their travel.
- To be able to jump into the 21<sup>st</sup> century retailing world, **the airline industry needs to review and modernize its standards, processes and technology.**



- Now, we must take a moment to recognize all the work that has already been done over the past few years,
- There have been some great wins around NDC implementations **to the benefit of airlines and their customers**
- And this is thanks to some good collaboration between all players across the value chain
- However, if we want to achieve true Modern Airline Retailing and customer centricity, our industry needs to take a **GIANT** leap forward, in terms of technology, processes and the standards they rely on.
- To illustrate this part of the story, remember what happened in the telecom industry.



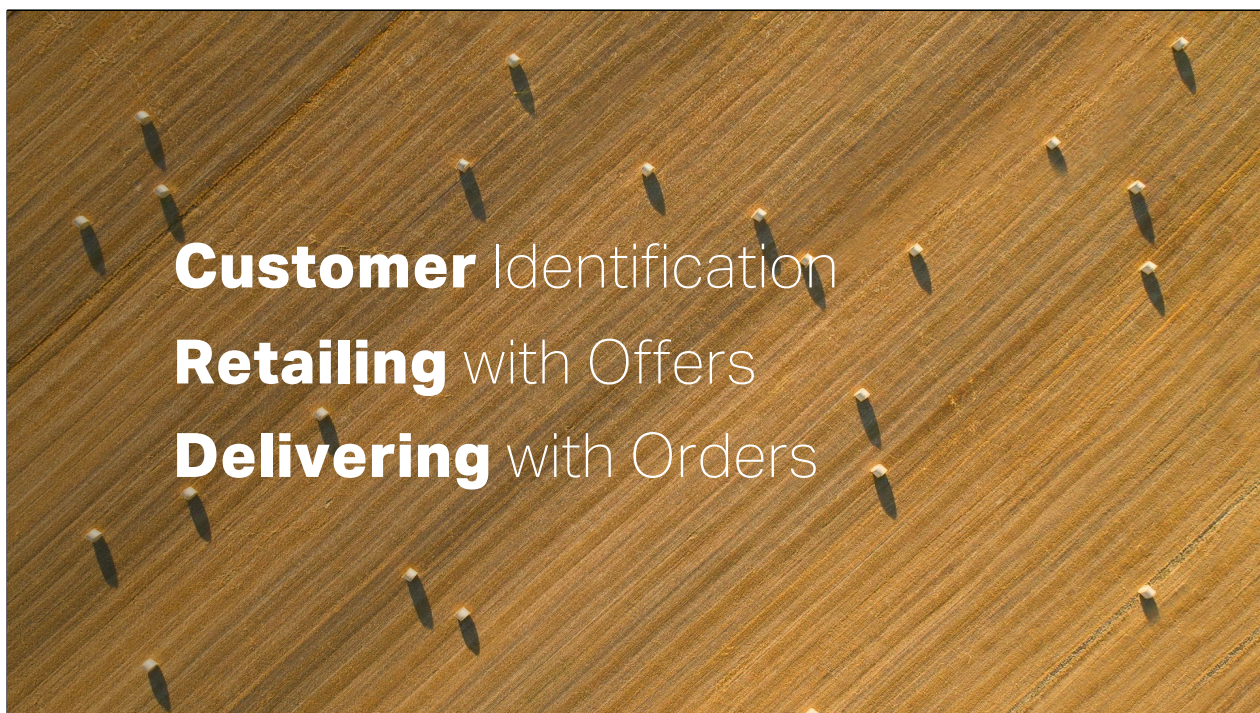


- We need to do like the move from the cell phone to the smartphone!
- And for us, this means moving to a world of modern retailing which means Offers and Orders which is the way modern retailers do it.
- It's simple, it's easy and it's customer friendly
- and progressively leaving behind these legacy artifacts such as e-tickets, PNRs and Electronic Miscellaneous Documents.
- **We need to realign our standards with modern technology capabilities so our industry can become as customer-centric as our smartphones.**
- Because as long as we're **stuck with ETs, PNRs and EMDs**, we will be stuck with the equivalent of a GSM-like industry

And we have a **cohesive program** to support this **industry transformation**

## **Modern Airline Retailing**

- To support this industry transformation, the IATA Board has highlighted the need for IATA to develop a cohesive program that brings all its relevant standard development projects under one roof
- That is why I am pleased to announce today the establishment of the **"Modern Airline Retailing" program.**
- Modern Airline Retailing will unleash an enhanced customer experience that will parallel what most other retailers are able to offer.



- The vision of this program revolves around 3 main pillars:
- **1- Customer identification → *of course if the customer chooses to be identified***
- This is about allowing passengers to streamline their journey with advance sharing of information and a contactless process at the airport based on biometric recognition. This for example if the **One ID** standard.
- **2- Retailing with Offers**
- Progress is already well underway with **NDC** and industry standards will continue to evolve in this area. Travelers will have more choice and see the full value of what is on offer, regardless of whether they are buying via the airline website or through a travel agent.
- **3- and finally, Delivering with Orders**
- With Orders, travelers will no longer need to juggle between different reference numbers and documents (PNRs, etickets, EMDs for the experts) particularly when dealing with travel disruptions or itinerary changes. This is the **ONE Order standard**.
- These pillars will be underpinned by new standards & processes supported by modern technology





- To help the program achieve its goals, I am pleased to announce the formation of a consortium of advanced airline adopters that will work together through IATA.
- The members will focus on specific areas such as the end state from a technical point of view; and the possible processes & pathways to get there.
- This consortium will speed up this journey for the benefit of the entire industry.

## Consortium members as of 1 December 2022



- Here is a sample of the Consortium members as of December 01.
- Our aim is to have a small group of highly committed airlines who will invest quality time and resources, together with IATA, for the benefit of the industry.





# **Modern Airline Retailing**

- Ladies and gentlemen, buying air travel should be as simple as customers would expect. It should mirror modern retailing experiences.
- And when a change needs to be made either because travel plans have changed or there is a disruption, that too should be seamless.
- Additionally, in a world of Offers and Orders, airlines will no longer have to rely on bespoke systems built around legacy standards and processes that are unique to air travel,
- this will therefore encourage new competitors to enter the market, which here again, will benefit the end customer.
- Thank you for your attention.