



**Fear and Loathing in Airline Distribution (aka NDC Phobia) – Message by Aleks Popovich,
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Providing customers with more information and choice, enabling agents to sell a wider range of products and opening up a new realm of services more closely tailored to customers' needs.

This should be a welcome development in the travel industry.

However, IATA is well aware that many in the travel agency community are concerned about IATA's Resolution 787, the foundation document for the New Distribution Capability (NDC) project.

Yet despite the filing of 400+ comments and motions for or against Resolution 787 with the US Department of Transportation, there has been almost no attention paid to what is really driving travel agent angst over the NDC project: fear of the unknown.

Travel agents are concerned over what NDC could mean for the existing GDS-supported agency business model.

The sooner we acknowledge that this is at the heart of "NDC phobia" the more likely we will be able to engage in a fruitful discussion on the future of airline distribution and the role existing distribution partners will play in that system.

Travel agents and travel agent associations have indicated that they would value what we believe NDC can deliver:

- One-stop access to more content (ancillaries, low cost carrier fares)
- Increased availability of detailed product descriptions (rich content) to customers
- Greater ability to personalize offers to their clients based on preferences
- Real time fare quotes

At the same time, agents do not want these attributes coming at the expense of losing the financial and back-office support they currently receive from their GDS.

Before embracing NDC, agents naturally want answers to such critical questions as:

- How will I be compensated in an NDC world?
- How much is it going to cost me to change my systems to accommodate this new XML data transmission standard?

- Will enough airlines adopt this new standard and sell their ancillary services through the agent channel to make my investment worth it?
- Who keeps the customer relationship in an NDC environment?

These are all legitimate questions that IATA recognizes must be answered if NDC is going to become a reality. But it is the market, not IATA, which must provide those answers.

Those who assume that IATA seeks to or can direct the market have a misunderstanding of the role of a trade association and a lack of appreciation for competition laws.

To be clear: today's airline distribution network is changing with or without NDC.

The internet, modern data processing capabilities, traveler expectations and airline ancillaries are already moving the market in new directions not envisioned when today's network was developed more than 40 years ago.

We are convinced a common data transmission standard will facilitate an efficient market that meets the needs of customers, agents and airlines. We are committed to engage with industry players in a meaningful, transparent way, with open and honest discussions on the challenges and opportunities presented by the changing marketplace.

Let's get the posturing behind us and work together to address the heart of the matter.