5th World Financial Symposium
17 – 20 September 2018
Madrid Marriott Auditorium Hotel & Conference Center
7th SIS General Meeting

18th September 2018
Madrid Marriott Auditorium Hotel & Conference Center
ATPCO UPDATE

Tom Gregorson
VP of Products & Solutions
Our collective challenge
All content.
All routes to market.
All relevant offers*.

* That change all the time.
It’s complicated.
ATPCO is proud of how it has helped the industry navigate this complexity.
OUR MISSION

ATPCO is the industry’s trusted partner in driving innovation, reducing complexity, and delivering network economics to the entire distribution ecosystem through standards, technology, and effective governance.
Our vision

To fuel the future of air travel, leading the industry into the next generation of distribution, by enabling smart connections of all content through all channels.
Our solutions

CONTENT
- Pricing
- Retailing
- Taxes and fees
- Contract solutions
- Revenue accounting

TECHNOLOGY
- NDC connectivity
- Monitoring & analysis
- Data platform services
- Open systems / APIs
- Developer portal

INDUSTRY LEADERSHIP
- Innovation
- Standards
- Consulting and training
We are now leading the industry through a landscape that is changing faster than ever before.
Four initiatives to help the industry

- NDC Exchange
- Dynamic Pricing
- Taxes
- Next Generation Storefront
Four initiatives to help the industry

1. NDC Exchange
2. Dynamic Pricing
3. Taxes
4. Next Generation Storefront
NDC Community Marketplace
NDC Exchange Customer Pipeline

Pipeline specifics

- In production June 2018 – AC and 5 sellers
- 131 suppliers and sellers (also aggregators and tech providers)
- 71 active companies
  - 28 airlines
  - 43 Sellers
- Engaged with three primary GDS
- 49 Non-Disclosures executed
ARC Joins NDC Exchange

BY MIKE PREMO • APRIL 16, 2018

As airline distribution evolves toward a more customized environment, it’s important that the global air travel community create processes that increase efficiency and reduce complexity for all involved.

While New Distribution Capability (NDC) represents immense opportunity, it can also mean increased complexity, especially on a large scale like the U.S. travel industry. ARC is committed to creating a clear, flexible environment that enables our travel industry partners to efficiently do business together — whether through traditional distribution channels, NDC and other means — or even new distribution methods that have yet to emerge. That’s why we are proud to announce that we’ve joined ATPCO and SITA’s NDC Exchange.
Four initiatives to help the industry

- NDC Exchange
- Dynamic Pricing
- Taxes
- Next Generation Storefront
2018 Study on the development towards more tailored offers and pricing

- Stages are not mutually exclusive but rather represent different RM approaches used by different airlines based on their scale, business model, proportion of in-house legacy IT systems and other factors.
- Stages with extreme misalignment between pricing approach and offer personalization are deemed unrealistic.

<table>
<thead>
<tr>
<th>Level of tailored offer</th>
<th>Pricing approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully personalized offers</td>
<td></td>
</tr>
<tr>
<td>(Customizable) offer bundles</td>
<td></td>
</tr>
<tr>
<td>Limited pre-determined offers</td>
<td></td>
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</tbody>
</table>

- Dynamic price adjustment/dynamic offer availability
- Dynamic/continuous pricing
- Assortment optimization

- Static bundled offers
- Dynamically-adjusted bundled offers
- Separate static seat and ancillary offers
- Fully-tailored and dynamic offers

Unlikely combinations
Assortment Optimization
Two-Character & Dual RBD Validation

Exists Today

• Two-Character (YN)
  Internal to airline systems

• Dual Validation (C if M is available)
  All channels
  • Instant upgrade fares
  • Limited use within cabin for fare brands
Dual RBD Validation: Implementation

Distribution of Fares and Rule Data

- Fare Class Application (Record 1) Prime booking code
- Booking Code Exception (Table 999) - Prime permitted when secondary is available
Dual RBD Validation: Implementation

Revenue Accounting and Audit

- Ticket reflects the prime RBD
- Fare amount and fare basis are the lowest available
- Same process as current “upgrade” fares that are booked in a single premium RBD based on economy class availability
Dynamic Price Adjustment

PRICING SYSTEM (SABRE)
- Request
- Availability
- Pricing
- Response

CONTENTS
- Availability
- Schedules
- Fares/Rules
- Ancillaries

AIRLINE

ATPCO
- Data Collection and Distribution
- DPE

Price Adj RQ/RS

CRM
FARE AND RULE DISTRIBUTION

• ATPCO distributes public fares
• ATPCO distributes DPE fares to the DPE and airline internal systems
  • (Two-Character or Dual RBD based)
• Eligible fares/Itineraries will be identified by the Airline Profile
• Ticket will reflect DPE tariff and fare
• GDS and public tariffs will not reflect DPE fares
CONTINUOUS PRICING

Stay Tuned
Four initiatives to help the industry

NDC Exchange  Dynamic Pricing  Taxes  Next Generation Storefront
Continue the move to Industry Single Source of Tax Data and Automation

- Closes the gap between distribution and revenue accounting
- Reduces rejection in the back office environment
- Supports NDC Initiative
Tax Concept

Q2 2018

Today

End of 2018

Phase 1

Industry Interline

Tax Calculator

Phase 2

Industry Tax

Reference

Phase 3

Real Time Tax

Engine

IATA Industry
Resolution New RATD

3-6 years

Tax Concept
Four initiatives to assist the industry in this NDC & traditional distribution world

NDC Exchange  Dynamic Pricing  Taxes  Next Generation Storefront
The industry standard for airline rich content
ATPCO has acquired Routehappy. Read about it
Routehappy offers multiple types of rich content

UPA UNIVERSAL PRODUCT ATTRIBUTES

A premium seat in our brand new A350

AMENITIES

- Better Wi-Fi
- On demand entertainment
- Power & USB outlets

SCORES

Pan Am Airlines
12.20a – 7.35a
HKG BCN
$899

UTA UNIVERSAL TICKET ATTRIBUTES

PLUS: ✓ 1st bag free ✓ Priority boarding ✓ Priority check-in
STATER: ✓ 1st bag $29 ✓ Standard boarding ✓ Standard check-in

Try our signature Chinese dishes
Upgrade to Business class