NDC Case Study

TravelSky plans long-term support of the airlines

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New Distribution Capability (NDC)

New Distribution Capability (NDC) is a travel industry-supported program launched by IATA for the development and market adoption of an XML-based data transmission standard.

The NDC standard enhances the capability of communications between airlines and travel agents and is open to any third party, intermediary, IT provider or non-IATA member, to implement and use.

It is transforming the way airline products and services are retailed to corporations, leisure, and business travelers and will facilitate product differentiation, time-to-market, access to full and rich travel content, and a transparent shopping experience.

At the 72nd IATA Annual General Meeting in Dublin, IATA announced the launch of the NDC Certification Registry to recognize those companies that have implemented part or all of the NDC technical standard.

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

TravelSky

TravelSky is a leading provider of information technology and commercial services to China's air travel and tourism industry. Its suite of products includes solutions for global airlines, airports, ticket sales agents, travel enterprises, hotels, and relevant civil aviation institutions and international organizations.

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TravelSky

TravelSky's business interests also cover air freight logistics, public sectors, final settlement and liquidation services, distribution services for tourism products, and augmented information and technology services related to the above areas.

The company is headquartered in Beijing and employs approximately 5,000 people around the world. There are a further 60 subsidiaries and shareholding companies not directly controlled by TravelSky. The company is the fourth largest global distribution system in the world, and has the world's largest Billing and Settlement Plan (BSP) data processing center.   **Full information can be found at : www.travelsky.net**

TravelSky plans long-term support of the airlines (1)

The NDC pilot

As a key aviation supplier in China, TravelSky is committed to helping airlines realize their goals and objectives and so has supported the NDC initiative from the outset. It was specifically interested in how the NDC standard can help airlines connect with different channels more effectively, facilitating product display and boosting sales.

In recent years, airlines have developed e-commerce and personalized products through their own websites, but this needs to be aligned with changes on the distribution side. Emerging distribution models and channels must be combined with rich content and differentiated product features, including unbundling, to allow passengers to tailor their journey according to their value preferences.

The Objectives

TravelSky sees NDC as a long-term solution as well as an innovative concept. As such, it is keen to assess NDC's adaptability to Chinese market needs. It will look to validate and test the NDC standard across a variety of fields, including domestic and international air ticket sales, ancillary product sales, and prepaid baggage.

Once TravelSky has successfully proved NDC's suitability for the Chinese market, the ultimate goal is to roll out the end-to-end NDC total solution, known as the Carrier Direct Platform (CDP). This will allow airlines to connect directly with travel agents, corporate buyers, and online travel companies.

The Challenges

A main challenge for TravelSky is managing the different versions of the NDC schema. After the initial release, updates of the NDC schema have been coming out twice a year.

While the frequent revision of NDC's technical details is inevitable, and a positive development for the industry at large, it can nevertheless be a challenging issue for an individual company. TravelSky notes the situation is particularly acute for those companies that adopted early versions of the schema. The differences between early and recent versions are noticeable and so downward compatibility can be difficult to achieve. This means the cost of migration for early adopters can be more than expected.

TravelSky recommends any migration to a later version of the NDC schema is cautiously planned to minimize the impact on information and processes already in production.

The Role of Partners

TravelSky has been collaborating with Air China and Shandong Airlines to test the standard in a business-to-business environment.

Air China's route network covers 176 destinations in 40 countries and regions. It offers about 1.47 million seats or more than 7,700 flights per week. In 2015, Air China carried 89.8 million passengers. Shandong Airlines, headquartered in Jinan, operates more than 90 aircraft, mainly Boeing 737. In 2015, it carried more than 15 million passengers.

TravelSky plans long-term support of the airlines (2)

The Role of Partners (2)

The two deployments were based on the same NDC solution (CDP) with different scopes and goals, enabling Air China to merchandize air-related ancillary sales, such as seat selection and prepaid baggage and Shandong Airlines to merchandize both air and non-air related ancillaries, including seat selection, prepaid baggage, air insurance and chauffer services.

TravelSky worked with its three airlines partners on a full sales process. Goals were set early in the project, and monthly meetings reviewed achievements and discussed existing and potential problems. Collaboration was naturally more intensive at the beginning of the project and during key phases.

The Lessons Learned

Attention to detail is an important consideration, according toTravelSky. Comprehensive testing at an early stage will ensure the NDC standard adapts well to regional specifics and is fit for purpose.

A communication plan is also vital. Multiple-party involvement is commonplace in NDC projects and every participant must have the same understanding of the standard, the project objectives, and the task assignments. Any lack of integration in this regard might only be revealed at a later stage when the cost to reverse the project to get it back on track can be huge.

NDC adopters should also ensure an orderly implementation schedule. The impact on airlines' distribution and legacy systems should not be underestimated. A step-by-step approach will facilitate a smooth transition toward deeper functionality

The Conclusion

The deployment of NDC passenger information in the CDP has enabled a configurable B2B sales approach for our customers, and has proven to benefit airlines by putting differentiated products on-shelf to the indirect channel, in a much simpler way. This satisfies airlines' faster time-to-market demands and manages their sales channels more conveniently and efficiently.

TravelSky's commitment to boosting airline revenues and supporting airline functions necessitated its involvement in NDC. Testing and implementing in an orderly, cautious manner has proven a successful methodology, growing from a narrow scope and simple business scenarios to a more complex environment