



**Travel Distribution Platform  
The Future of Airline Distribution**

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**Datalex’s Travel Distribution Platform (TDP) is designed to give airlines control over distribution and client engagement independent of the CRS.**

Datalex’s vision for the future of airline distribution is that airlines will continue to differentiate their product and service offering control costs, win market share, enhance brand and increase revenues by capitalising on multi-channel retail opportunities. Control of distribution infrastructures and solutions will be mission critical to airlines and at the heart of strategies to adapt and change quickly to meet evolving business requirements.

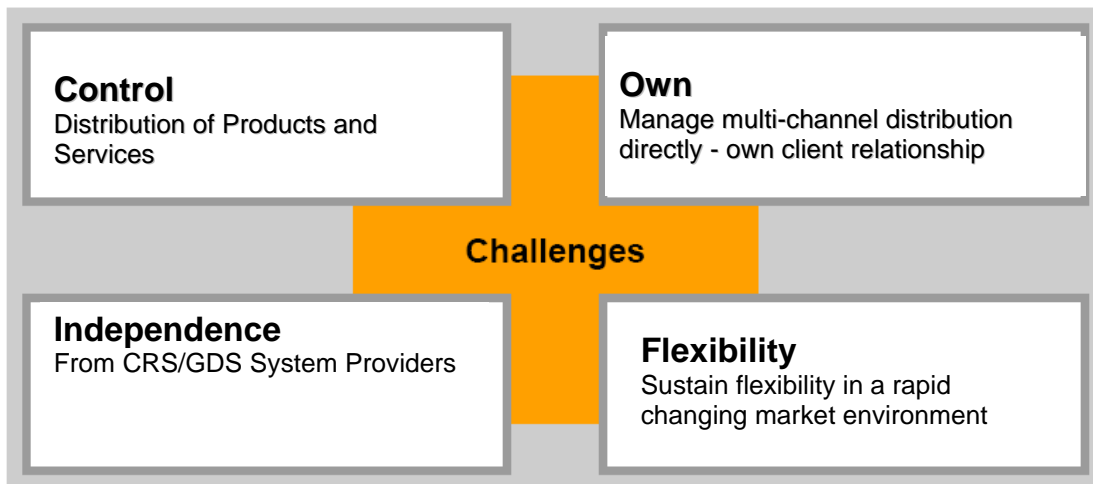
Datalex is of the view that new airline CRS systems have focused on the efficiencies of operational infrastructures but are struggling to keep up with the pace of change in distribution infrastructures for the new multi-channel reality. This pace is set to continue at an even greater rate. The emergence of fare families/merchandising and ancillary revenues and services are recent examples where the traditional CRS and GDS systems have struggled to keep pace with these new developments as they await for an industry standard to evolve – more suiting to their community model.

Airline CRS systems are designed as community systems, attempting to standardise one product offering across multiple carriers. “One size fits all” does not match the requirement of airlines to differentiate their product in the market place. Moreover, a distinct and unfair bias exists where providers must prioritise requirements of their more important user airlines.

Datalex has invested over 600 man years in developing the Datalex Travel Distribution Platform which enables abstraction from the limitations of host layer. The TDP Platform is in use with some of the most progressive airline suppliers worldwide. Not only has it been chosen as the core distribution platform for airlines that operate proprietary CRS systems, it has also been chosen over CRS provider distribution solutions of Sabre, Amadeus, EDS and Travelport.

The TDP Platform has been implemented for over 12 disparate proprietary and community host CRS environments and has also enabled a seamless transition from one host to another. For example, South African Airlines transitioned TDP from EDS to Amadeus with minimal interruption to the online distribution channel.

**Datalex’s vision for the future is that airlines must:**



## **CONTROL OVER THE DISTRIBUTION OF PRODUCTS AND SERVICES**

Surveys report over 32% of all airline tickets are booked online and 72% of which are booked via the supplier. The traditional GDS and agent landscape continues to evolve with major TMC and OTAs investing in multi-GDS/CRS infrastructures such as TDP to enable direct access to airline inventories as well as multiple GDSs and non-air CRS sources. While in its infancy, we foresee significant advancements in this area for some major carriers and LCCs. Datalex customers have mature online presence and have re-engineered their business processes and recognise that their clients are not concerned about the traditional complexity of airline systems or airline fares, the demand is to show relevant options based on the search requested and make the shopping process as simple as possible across multiple channels.

Datalex sees shopping as the key feature of distribution with the ability to present calendar options, fare families, e-interlining and ancillary services and fees. The TDP dynamic adaptor resolution offers the flexibility and independence to shop and book for any components (air, ancillary), from any source/host, for any point of sale. While independent fare and tax pricing systems offered even greater independence and less risk to business solutions (online and offline) when moving hosts. This is a key aspect of the TDP solution where fares and availability are presented independent of the CRS system. TDP has an integrated business rules engine to give airlines control over the shopping process and manipulation of availability, fares, taxes and fees independent of the CRS.

Predicting the future involves many variables, but Datalex is convinced that clients will demand more from airlines in terms of shopping options, and airlines will deliver more options, both air and non-air, to increase revenues/margins and maintain client loyalty. For this reason TDP has Super PNR management (Reservation of Record) functionality which allows airlines to sell flights with fare families/ancillary options and packaged with non-air product such as insurance, car and hotel. Airline CRS systems are not designed to support packaging or the continuous manipulation of fares/fees/fare families/complex calendar shopping and therefore a separate but CRS integrated product is required to managed this.

TDP supports packaging of air, car, hotel and insurance both in and out of the booking path. TDP supports fare families (date/route/segmentation control), complex calendar shopping and ancillary services/fees. TDP manages the reservation which may contain air and non-air components and ancillary components related to the air.

TDP provides an airline with a single repository for transactions and all of this data is available for analysis (revenue management, yield management, CRM) without having to rely on robotics to interrogate PNRs on the CRS.

## **OWN CLIENT RELATIONSHIP ACROSS MULTIPLE CHANNELS**

The ability to engage with clients across multiple channels is a paramount to the evolving travel distribution reality of all industry players. Datalex airline customers already have mature online channels and continue to drive this channel forward with pioneering new concepts such as in-path ancillary sales and fare merchandising, a trend we believe will mature at a rapid pace and continue to be pioneered by first movers in the industry. Another notable trend is that of e-interlining with partner carriers which combines availability and pricing for partner carriers in real time, offering an end-to-end booking experience for customers in just one transaction online. To be a first-mover however will demand control of the client engagement and moreover control of the distribution platforms that enable.

Industry reports a tailing off in direct distribution for some major carriers, however Datalex are convinced that this is a natural evolution in reviewing the yield of consumer base. We have noted a key requirement in enabling dynamic call centre capability to drive up higher yield consumer offerings directly to consumer. Also, while slow, we do note a growth trend in offering agency booking capability to select high yield agency partners.

These advances noted highlight the strategic importance of controlling and managing the relationship with each client channel to ensure that tailored and channel specific products and services are offered in accordance with that channels' value and costs.

## **SUSTAIN FLEXIBILITY IN A RAPIDLY CHANGING MARKET ENVIRONMENT**

One thing that is certain is that the pace of change the market will continue to accelerate and time to market will be paramount. Technology advances will also drive rapid market demands for new web, mobile services. The airline CRS roadmaps highlight this awareness yet their core function is to manage the operational side of the airline and the flexibility required to enable first to market advantage is not an option.

Scalable and flexible platforms that manage distribution are key and the technology that these systems are built on is critical. The first rule is scalability, the distribution platform has to scale to meet future demands, not only increased bookings but advanced shopping and the accuracy of this information is critical. The second rule is flexibility; the distribution platform must be designed to allow new applications and new features to be deployed rapidly. Technology must not be a barrier to market; it has to be an enabler. Datalex has invested millions of dollars to ensure that TDP is scalable and has the flexibility to meet current and more importantly future market demands. This is the key driver in their decision to deploy TDP as their distribution platform of choice.

As the business model of airlines changes and new PNR and revenue models emerge, the ability to report and analyse this information is key. As a reservation of record, TDP is ideally equipped for PNR management and analysis.

## **INDEPENDENCE FROM CRS SYSTEMS**

Separating reliance of distribution channel from the host CRS is a core proposition of TDP. Datalex believes that airlines must have the ability to select their CRS suppliers without the requirement to re-invest or re-design their distribution infrastructure across channels.

The Airline CRS market is in state of flux, with some airlines who continue to operate legacy proprietary CRS and others choosing to take a chance less mature new generation community CRS offerings from Amadeus, Sabre, EDS, SITA and Travelport. These systems provide full support for traditional airlines with functionality such as interlining. Other new generation CRS offerings include Navitaire New Skies, AirRes and ITA Software. Many of these systems are barely past their beta-customer deploy and while the move to new generation CRS has been a long, complex necessary decision process for many airlines, we believe that the airlines must limit the risk, by ensuring that they retain the ability to switch CRS if or when required. To that end, it is essential to maintain control of distribution and client engagement outside of the CRS, preserving flexibility in control and management of distribution and the ability to seamlessly decouple from a CRS environment if needed.

## **THE FUTURE OF AIRLINE DISTRIBUTION**

In summary, we believe that the airline distribution model will continue to rapidly evolve across multiple channels. To maximise benefit, airlines must control distribution of their products and services, own their client relationship across multiple channels, sustain flexibility for time to market advantage and to separate reliance of distribution channel from the host CRS.

The Travel Distribution Platform is proven and deployed delivering to this vision for leading airlines worldwide.