12th Ancillary Merchandising Conference – Edinburgh 2018
Lead Sponsor
NDC Update:
Is it delivering all it promised?

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What was it meant to do?

• The NDC is built on the principles of collaboration, transparency and innovation.
• It is an industry effort involving all partners in the travel value chain, including airlines, online travel agents and travel management companies, GDSs and other travel technology providers.
• Airlines will be able to differentiate and personalize their product and service offerings across all channels while ensuring that passengers will have full visibility of airline fares and services.
• It will facilitate new entrants into the distribution sector, resulting in increased competition. Historically competition leads to lower prices and increased choices for consumers.

*IATA Press Release October 2012*
The NDC Shopping Vision

The Customer can choose from many Sellers

Each Seller may send NDC queries to an Aggregator

The Aggregator determines which airlines may be able to make offers that meet the Customer’s needs and sends on the requests

ORAs create responses to the Shopping Requests based on their own inventory but if they need an Interline partner they send requests to one or more POAs

POAs respond to ORAs with offers of connecting flights

The Customer chooses the offer that best meets her needs

The Seller presents options to the Customer

The Aggregator combines offers from multiple POAs and sends them to the Seller

The ORA combines its own flights with those of the POA(s) and returns offers to the Aggregator
Where are we up to now?

As of April 2018:

• The majority of live NDC implementations are point to point
• Metasearch providers have led the way
  • Skyscanner
  • Kayak
  • And maybe Google
• All four major GDS companies have committed to NDC
• All three major European Airline groups have instituted penalties for GDS sales
• American Airlines has introduced an incentive payment for NDC bookings
• GDS Distribution remains above 40% of the total market
  • Total number of GDS segments has grown in line with overall market growth
• There are no reliable statistics for the market penetration of NDC bookings
  • But it is believed to be very low
What is the current state of play?

NDC Schemas

• 48 XML Messages
  • Mostly RQ/RS Pairs
  • A few NOTIFS
  • And an ACK
• 6 Full Releases since PADIS 15.2 in 2015
• Two new versions per year for the foreseeable future

PLUS

• Non-NDC Schemas
  • OTA
  • OpenAxis
  • Proprietary

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Some real-world implementations

- Probably the most advanced airline in NDC deployment.
- Working with multiple aggregators, sellers and metasearchers.
- Making NDC available as an option worldwide.

- The most aggressive airline group in the initial attempts to shift the market.
- Workable NDC solutions were not available when GDS penalties introduced.
- Now has a workable NDC Direct-Connect option.

- NDC-X program to drive industry innovation.
- Developed and deployed NDC Exchange to facilitate adoption of the standard:
  - Industry owned
  - Any to any connectivity
  - Supports multiple schema versions.
Outlook

After more than five years NDC appears to be gathering a head of steam

Many airlines believe that they need to “become retailers” and if that is the case then they need more sophisticated APIs than teletype and EDIFACT

NDC is the API with the most support across the industry

Predictions:

Within the next year all four GDSs will offer airlines the option of connecting using the NDC Schema

Top tier airlines will roll out more Direct Connect NDC links to their major Sellers

NDC adoption will continue to increase slowly with GDSs driving the most growth

The eventual arrival of ONE Order will give a boost to the take up of NDC