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What you need to know from NDC to One Order

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Long Beach
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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 Old and The New
Shopping And Delivery Today
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.
In October 2018, Travelport announced that it had created the first live NDC Booking in a GDS. The travel agent (Meon Valley Travel) used the Travelport Smartpoint Agency interface to sell a flight from London to Milan on an unnamed airline.
Booking information is contained in a PNR. Payment, entitlement and status information contained in E-Tickets and EMDs. Databases are linked but not the same.

Booking information is now contained in an Order. Payment, entitlement and status information are still contained in E-Tickets and EMDs.

All information is now contained in a single Order.
Critical Financial Changes with NDC

• All priced Offers are created by the airline’s Offer Management System
  • No filed fares are used
• All interline Offers include a settlement value for each Service that is offered
  • This is the amount that the POA expects to receive from the ORA when the Service has been delivered
  • There are no Pro-Rates
• NDC will continue to create E-Tickets but once we move to ONE Order there will be no tickets
  • Therefore no ticket numbers
The customer Order in the ORA’s OMS remains the single source of truth throughout its lifetime. The ORA holds the Customer’s payment until Services are operated.
Where are we up to now?

As of Autumn 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 and one of them has actually delivered an NDC booking
- All three major European Airline groups have penalties for GDS sales
- American Airlines has 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
  - It is believed to be very low although one Aggregator (Travel Fusion) claims 1,000,000 annual bookings.
Updates from the IATA AIR Symposium and the ABTA Convention

IATA AIR Rome 23 October

• SITA and ATPCO announced that five major airlines have signed up for their NDC Exchange
• Lots of discussion about the need for customer-centricity and “unlearning” everything that has gone before
• Reiteration of the IATA 20-20 target for 21 major airlines to make 20% of indirect bookings using NDC by the end of 2020

ABTA Convention Seville 8 October

• “NDC Needs Critical Mass for Agency Buy-In”
• “Who is going to pay for this?”
  • Scottish Travel Agents Association
• “It’s going to be a hybrid world for 5-10 years”
• “It’s costing so much money”
  • Amadeus
• “This is about airlines trying to reduce their cost of distribution”
  • DNATA
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 arrival of ONE Order will boost the take up of NDC but large-scale adoption is likely to be several years away
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