

Insights and Updates on NDC

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Understanding the latest developments within the NDC is the best way to ensure travelers are making the most of their time. Tracking and comprehending the changes that occur within NDC can provide valuable insight, allowing travelers to better navigate the complexities of the travel industry while optimizing their time. By staying informed on NDC, travelers are able to make smarter decisions, enabling them to make the most of their valuable time.

What is NDC?

NDC stands for New Distribution Capability and it is an XML-based communication standard created by the International Air Transportation Association (IATA) to let airlines bring rich content and ancillaries directly to online travel agencies (OTAs), travel management companies (TMCs), and other flight resellers through a set of travel APIs.

Benefits and Impacts

Impact on the TMC

Advantages

A wider array of customizable offers is possible with NDC, which gives travel agencies access to bundles, lower fare content, and better information about flight services and amenities. As NDC matures, TMCs will develop complimentary systems to supplement the GDSs and provide even more robust content to the traveler and corporate client. The capability of intermediaries to leverage One Order will reduce the number of documents tracked (PNRs, E-tickets, EMDs) and keep the TMC in the game as other players evolve.

Disadvantages

Potential disaggregation of content could lead to disruption



as potential impacts to GDS Incentives or fees. Functional capabilities are limited and vary by GDS; further, the definition of “full content” in GDS contracts tends to be fluid. Servicing capabilities will also be impacted – at least in the short term – by requiring agent training on new products and methodologies, which will take both time and money.

Impact on the Travel Manager

Advantages

Implementing NDC (New Distribution Capability) has the potential to yield significant cost-savings, and can also enable the provision of more personalized services to the traveler, thereby leading to improved customer satisfaction. Furthermore, the use of NDC will allow for a more advanced digital merchandising system, similar to what is found in online retail markets. What’s more, NDC can enable dynamic pricing that is based on real-time data and pricing based on demand, providing customers with better fare comparison and visibility.

A plethora of visibility options are available, such as meals, baggage, Wi-Fi, lounge access, and seat allocation. These options can be tailored to fit the customer’s needs, providing unlimited price points and enabling real-time transactions. Additionally, customers can bundle deals to their preference.

Disadvantages

The Total Cost of Ownership (TCO) has increased due to the time and resources needed to comply with policy changes, such as new expense types and new reporting needs. Furthermore, the differences in airline NDC maturity means there is potentially more information to track, resulting in added complexity to airline sourcing. Lastly, there is the potential for Duty of Care issues.

Impact on the Traveler

Advantages

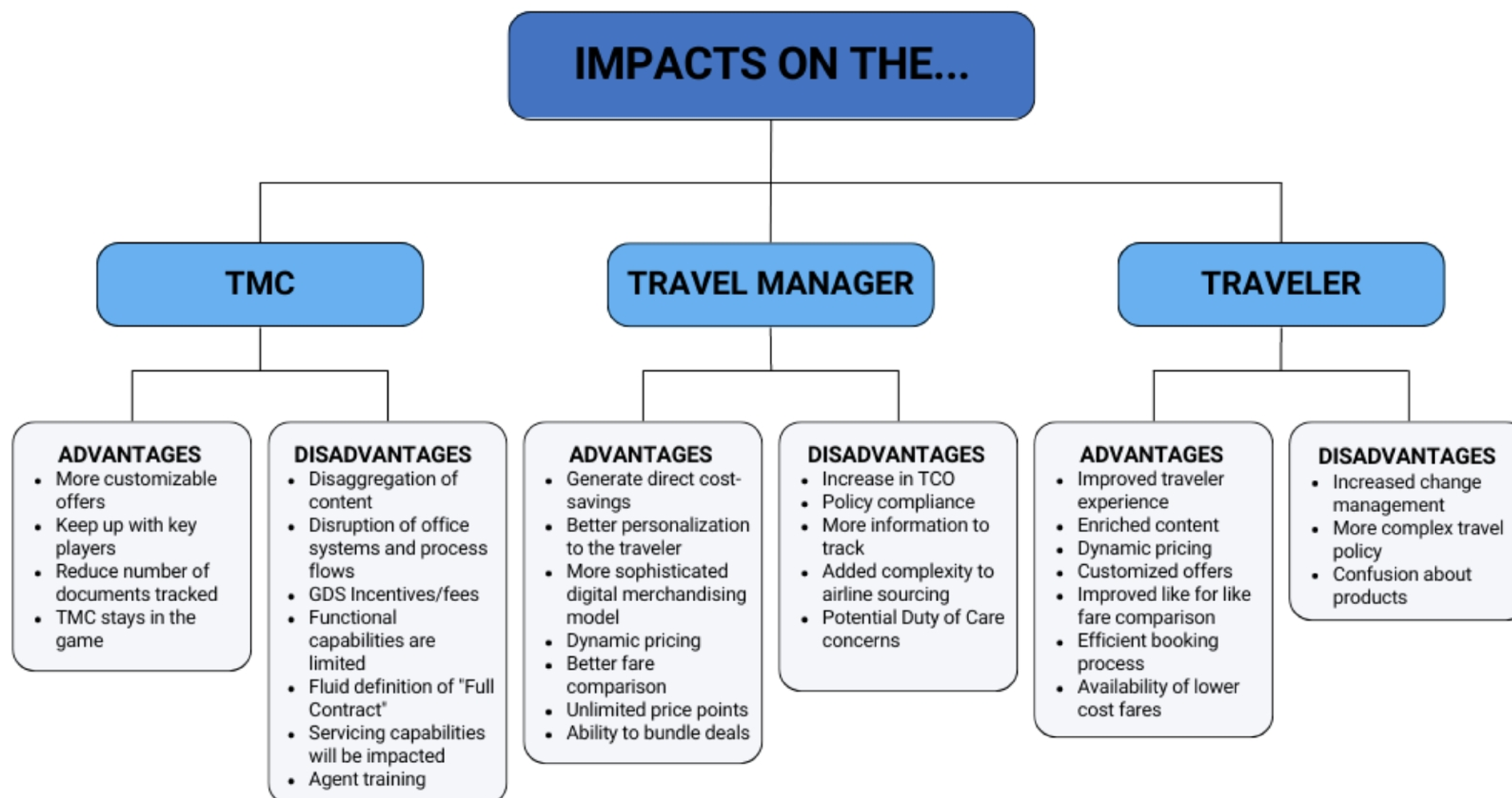
Travelers now have an improved experience with rich media, enriched content, dynamic pricing, customized offers based on frequent flier numbers, search activity, and demographic data, improved like-for-like fare comparison, and an efficient booking process for booking low-cost carriers. Additionally, they have access to lower cost fares that were previously withdrawn from the GDS.

Disadvantages

Increased change management can potentially lead to a more complex travel policy to comply with, and airlines at different levels of NDC development can cause confusion about products.

Here is a breakdown of the impact on NDC.

BENEFITS AND IMPACTS OF NDC



Airline Insights

- NDC From the Carrier Perspective
- Cost savings
- Ability to "upsell" and "cross-sell"
- Continuous pricing
- "Modern" shopping experiences
- More direct relationship to customers (marketing factors)

"We are developing NDC to modernize our experience for the customer" -Arjun Gupta

Air Carrier Strategies

Different airlines will pursue different paths, and that can be OK! Airlines could use a more direct approach such as content removal, or GDS surcharges. Or they could opt for a softer approach, encouraging but not restricting, and incentivizing are all possible paths to take.

Managing Travel in the New NDC Environment

We need to review and amend our travel policy in order to manage travel in the new NDC environment. Additionally, we need to enhance our reporting capabilities to ensure that we are optimizing for the new requirements. It is important to communicate and update everyone about the changes to ensure that all travelers are educated about the new rules.

Prepare for NDC

- Ensure alignment with Companies Strategic Imperatives
- Establish Spend-Under-Management baseline
- Quantify current TCO of your managed program
- Develop a Company centric plan to integrated TMPE
- Partner with enablers that can support your plan
- Optimize TMPE through enhance policy, workflow and technology
- Execute effective Change Management strategies
- Capture full Spend-Under-Management
- Scale with greater savings, compliance and revenue returns

Key Takeaway

The implementation of NDC is a great step forward in modernizing the travel industry. By providing more detailed and personalized information to travelers, NDC has the potential to revolutionize the way we plan our travel and make the entire experience more efficient and enjoyable. With the right steps and the right attitude, NDC can help travelers to make more informed decisions, simplify their travel processes, and ultimately save them both time and money.

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