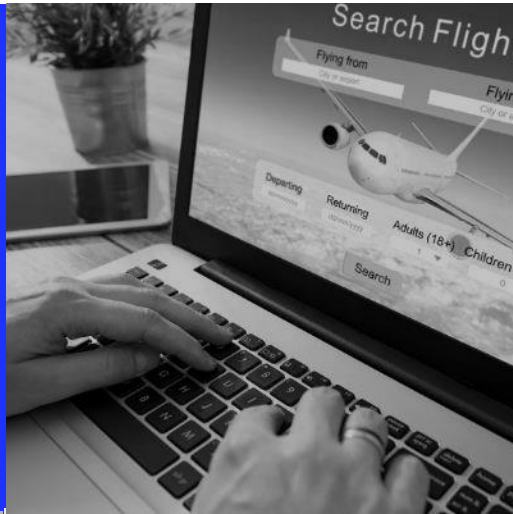


MODERN AIRLINE RETAILING

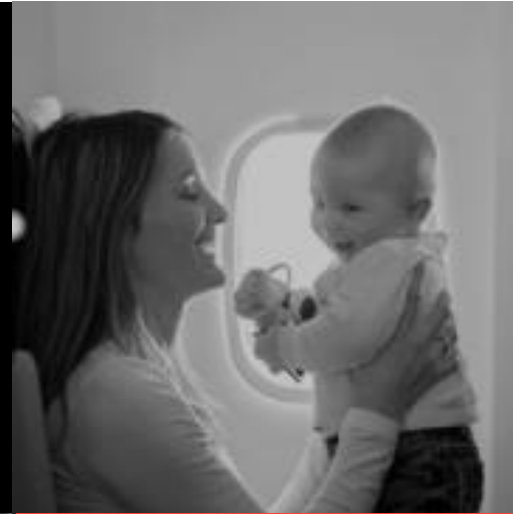


Why focusing on **retailing**?

Customer expectations are evolving... Constantly!



Starting with pre-travel & payment experience



Airlines must be closer to customers

Even though there are fewer face-to-face touch points



Products and services must be what customers want and value regardless of the channel





NDC

can help

What is NDC

XML –based , data transmission **standard**

To enhance capability of **communication** between **airlines** and **travel agents**

Open to **any intermediary**

Who can benefit from NDC?

Full service and budget airlines

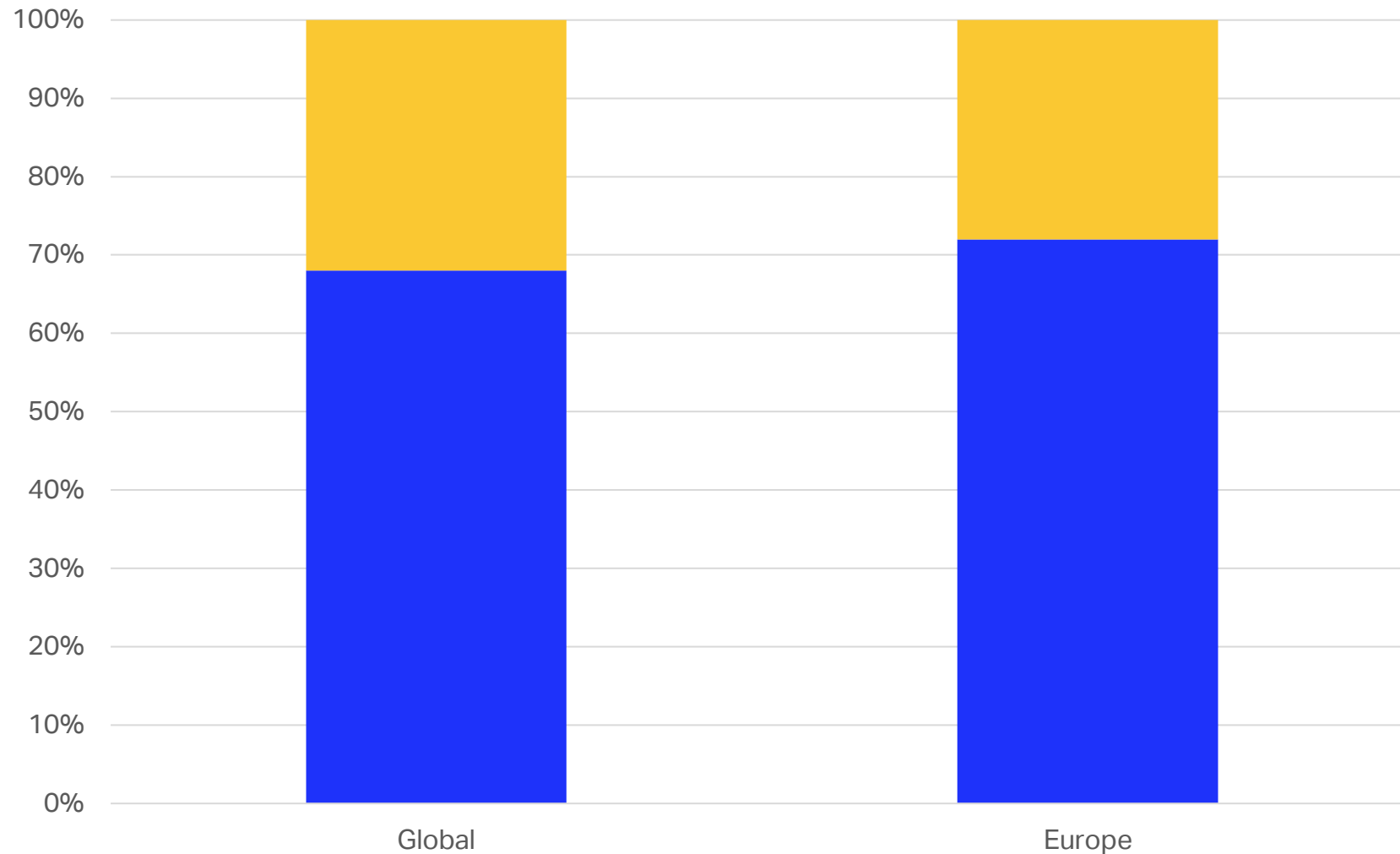
Technology providers and travel agents

Corporates buyers and travelers



Big airlines are digitalizing more and more, contributing 70% of all transactions in the BSP

BSP Volumes for ARM Index Airlines (2023)



IATA and MAR



Modern Airline Retailing

Airlines are in control

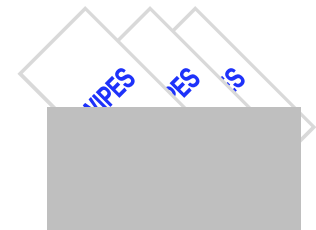
Digital Identity



Selling with Offers




Fulfilling with Orders



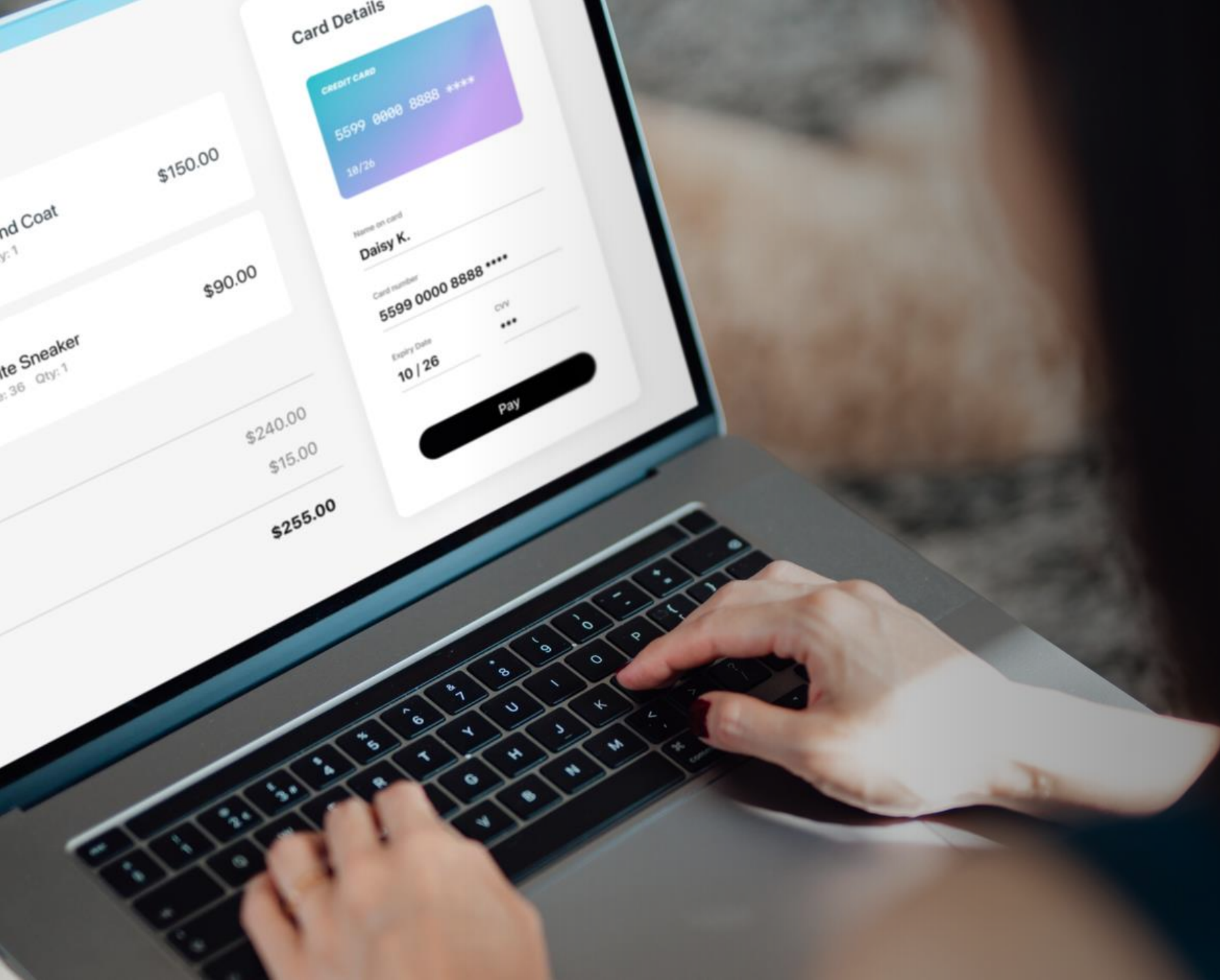
The ambition is to enable **true customer centricity**, through ...

A world of **Offers & Orders**
supported by **Digital Identification**





Selling with Offers
means **Customers**
may have access
to similar content
available on
airline.com, via their
agents and more
transparency on
Offers



One single record makes it easy for the **Customer** to access & modify, just like with Amazon



The industry today: two references

Booking

What: a 6-character code

Why: proof that a reservation was made

Electronic ticket

What: a 15-figure code

Why: proof that a payment has been made (receipt)

```
--- TST RLR TC-BIZ RLP OFR SFP ---
RP/GVAAP21IA/GVAAP21IA      AA/SU 14JAN19/1508Z TCQ2NH
1 .SAVU/OANA MS
2 BA 723 J 18FEB 1 GVALHR HKL 0730 0815 18FEB E BA/TCQ2NH
3 BA1528 R 18FEB 1 LHRMIA HKL 1035 1535 18FEB E BA/TCQ2NH
  OPERATED BY AMERICAN AIRLINES
4 BA1529 R 19FEB 2 MIALHR HKL 1930 0915 20FEB E BA/TCQ2NH
  OPERATED BY AMERICAN AIRLINES
5 BA 738 J 21FEB 4 LHRGVA HKL 1910 2150 21FEB E BA/TCQ2NH
6 AP B--41227702013-B
7 AP H--41794508197/-T-H
8 AP GVA RESA MADE BY-RN REF. 6PYA-IATA - PAX
9 AP +41 44 511 2185 AMERICAN EXPRESS GBT - OLIVIER
10 APE SAVUO@IATA.ORG./-T
11 API +33631502144/-O*OANA SAVU
12 APM +41794508197/-T
13 TK PAX OK14JAN/GVAAX2103//ETBA/S2-5
14 SSR RQST BA HKL GVALHR/02DN,P1/S2 SEE RTSTR
15 SSR NSST BA HKL LHRMIA/05J,P1/RS/S3 SEE RTSTR
16 SSR NSST BA HKL MIALHR/05J,P1/RS/S4 SEE RTSTR
17 SSR RQST BA HKL LHRGVA/02DN,P1/S5 SEE RTSTR
18 SSR DOCA BA HKL R/FRA/S2
19 SSR DOCA BA HKL R/FRA/S3
)>
```

PASSENGER TICKET AND BAGGAGE CHECK

THAI AIRWAYS INTL

DATE OF ISSUE: 27 FEB 06

FLIGHT COUPON 1 OF 3

THAI AIRWAYS INTL

7906 AA /AA

DE

23250776

SEBULKE/BUALONG MRS

SEBULKE/BUALONG MRS

FT-TG, TGR11571

O MUNICH 2

O BANGKOK 1

VLD TG OPERATED FLTS ONLY/RBKG FEE EUR100/NO REROUT

THAI AIRWAYS INTL

TG 0925 Q 30MAR2110

EUR 99.69YQ

EUR 14.92RA

EUR 7.07XT

EUR IJ

95477891936264

1 217 4851913640 3

1 217 4851913640 3

And a third reference – the EMD – is used as payment receipt for ancillaries



The industry tomorrow, with ONE Order

One single reference

Order Confirmation

OrderID: ABC12347712

Service: ABC12347712-1

Flight 123 GVA-LHR

Service: ABC12347712-2

Priority pass

Service: ABC12347712-3

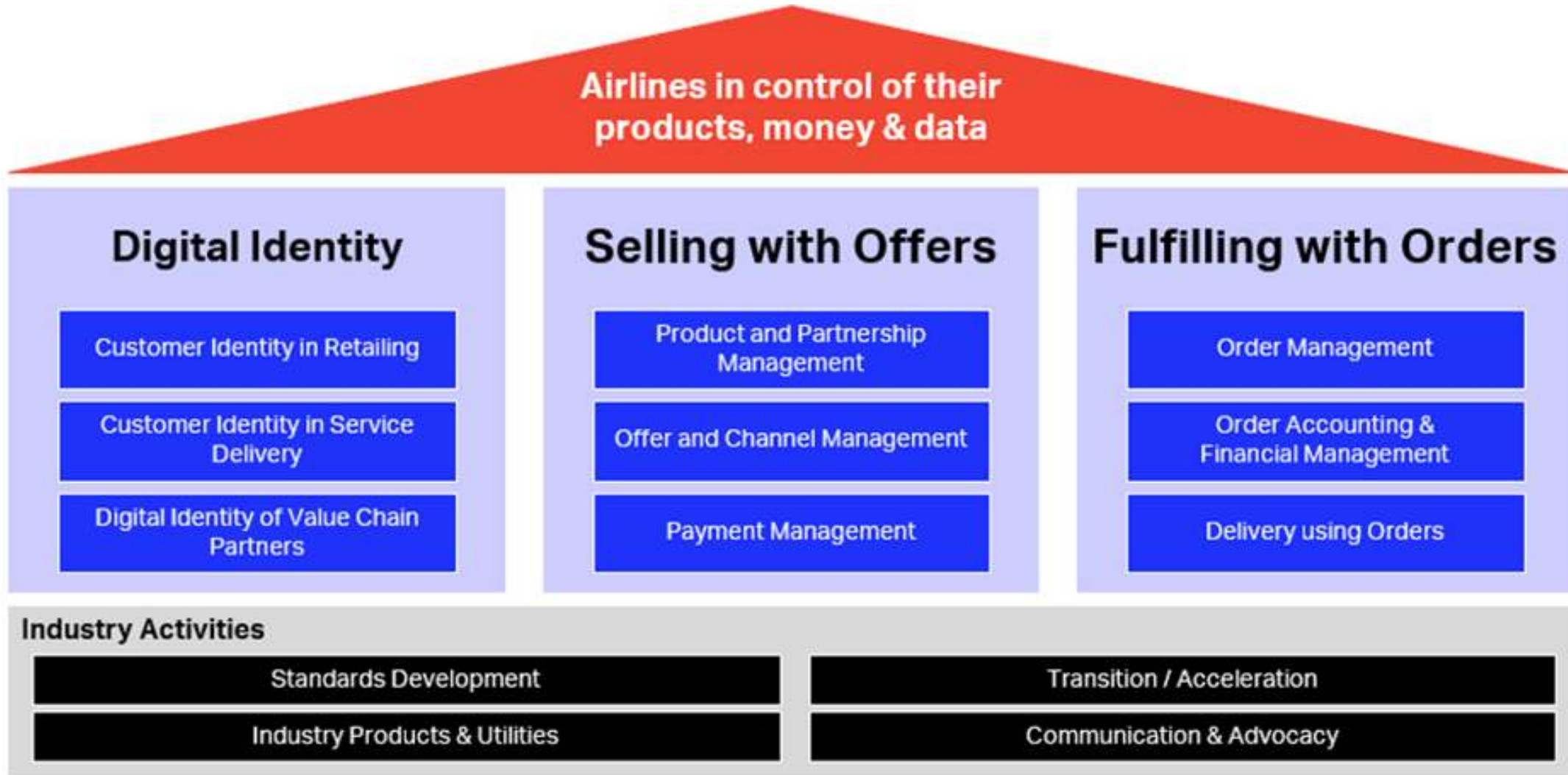
Lounge access





Digital Identity
means Airlines
will be able to
serve their
Customers
better through
more channels

Modern Airline Retailing



Industry status



The "train has left the station"



77 Airlines



100 Tech providers & Others



Strong acceleration in US



... and recent announcements in Europe

Airline Retailing Maturity index



Today, the industry retailing modernization is finding maturity and has strong momentum. Airlines are working together with value chain partners towards achieving the shared goal of modern airline retailing. The entire value chain wants to scale and drive value as quickly as possible.

IATA has equipped the industry with the Airline Retailing Maturity (ARM) Index, which provides airlines and their partners with improved visibility of their own and other organizations' retailing maturity. The ARM Index is structured around three pillars:

- Capabilities verification (publicly represented in the [ARM Index registry](#))
- Partnerships deployment
- Value capture compass

For further details on the program, read the [Airline Retailing Maturity Index \(ARM Index\) factsheet](#). Please contact us with any questions at arm@iata.org.

Airline Payment index

The IATA Airline Payment Index is a self-assessment tool for airlines that helps them determine their status in the payment & settlement transformation journey. This Index aims to assist each airline in understanding the importance of payment & settlement and optimizing their processes.

The survey is structured in four pillars, each supporting value creation:

- Strategy
- Organization
- Capabilities
- Monitoring

The confidential report generated by the Airline Payment Index is specific to each airline and highlights points for consideration enabling the airline to identify potential areas of improvement.

For further details on the program, read the [Airline Payment Index Introduction](#) and [Airline Payment Index Factsheet](#). Please contact us with any questions at arm@iata.org.



Registry

Registry of companies and their retailing capabilities



Self-Service Platform

Manage your company's information



Resources & Documentation

All the information you need for the ARM Index

*Source: the IATA Airline retailing Maturity (ARM) index



September 2024

EUROPE

- Aegean Airlines
- Aer Lingus
- Aeroflot
- Air Baltic Corporation
- Air Dolomiti
- Air France
- Air Serbia
- APG Airlines
- Austrian Airlines
- Azerbaijan Airlines (AZAL)
- Binter Canarias
- British Airways
- Brussels Airlines
- Condor Flugdienst
- Discover Airlines
- Finnair
- Hahn Air Lines
- Iberia
- KLM Royal Dutch Airlines
- Lufthansa
- Olympic Air
- Pegasus Airlines
- Polskie Linie Lotnicze LOT
- S7 Airlines
- SAS Scandinavian Airlines
- SunExpress
- Swiss International Air Lines
- TAP Air Portugal
- Turkish Airlines
- Virgin Atlantic Airways
- Vueling Airlines

AMERICAS

- Aeromexico
- Alaska Airlines
- Avianca
- Avianca Costa Rica
- Avianca Ecuador
- Air Canada
- American Airlines
- COPA Airlines
- Hawaiian Airlines
- LATAM Airlines Group
- Spirit Airlines
- TACA International Airlines
- United Airlines

NORTH ASIA

- Cathay Pacific Airways
- China Airlines
- China Eastern Airlines
- China Southern Airlines
- EVA Airways Corporation
- Hainan Airlines Holding
- Juneyao Airlines
- Shandong Airlines
- Shenzhen Airlines
- Sichuan Airlines
- Xiamen Airlines

AFRICA & MIDDLE EAST

- Air Cairo
- Air Mauritius
- EGYPTAIR
- Emirates
- Ethiopian Airlines Group
- Etihad Airways
- FlyEgypt
- Kenya Airways
- Gulf Air
- Oman Air
- Qatar Airways
- Royal Jordanian Airline

ASIA PACIFIC

- All Nippon Airways (ANA)
- Bangkok Airways
- Japan Airlines
- Jeju Air
- Malaysia Airlines Berhad
- Pakistan International Airlines
- Qantas Airways
- Scot
- Singapore Airlines
- SriLankan Airlines



There is momentum ...

Finnair Continues To Chip Away

Jay Boehmer January

Air France-KLM Hikes GDS d Time This

DISTRIBUTION SAS unveils NDC strategy with Amadeus partnership

America © 23 March 2023

Set ... Air France-KLM for the second time this year is increasing its surcharge on global way.

Today In Distribution Cost Shifting: Latam To Turn On GDS Surcharge

Ama Jay Boehmer April 28, 2023
Booking Critical Mass

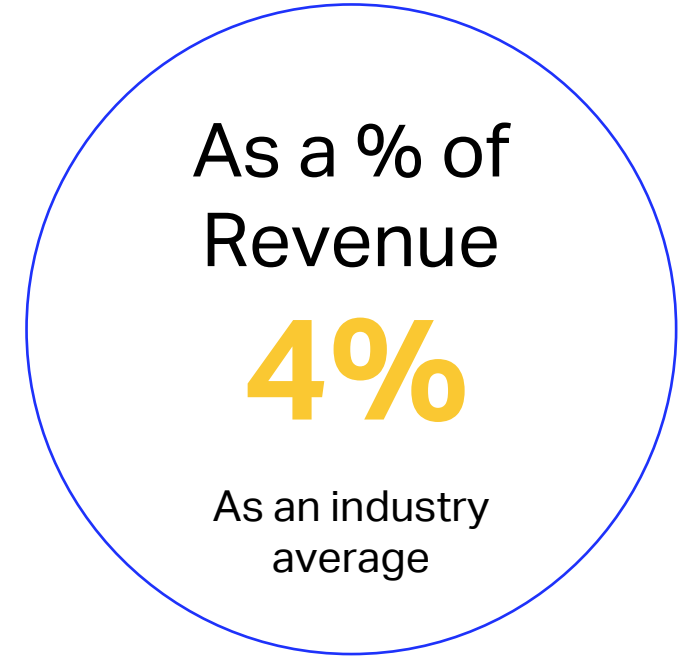
Amon Cohen May 9, 2023

Jay Boehmer June 14, 2023

Expands NDC
ion



The **benefits** can be significant:



Source: McKinsey study – November 2019



And some airlines are already realizing benefits

100m+

Annual savings
in Distribution
costs

1.5%

Increase in
revenues from
Continuous
pricing

600m+

Revenue
increase by
2027

50m+

Annual value
creation in
payment from
2027

A close-up photograph of a person's hands. One hand is typing on a laptop keyboard, while the other is holding a white credit card. The person is wearing a light-colored blouse and several gold rings. The background is a soft-focus office desk with a laptop and papers.

But if they want to become **truly customer centric** airlines need a **legacy-free** framework with **Offers & Orders only**

And so, a Consortium is helping to accelerate the journey to modern airline retailing

Consortium Members



iata.org/Retailing-Consortium



MEMBERS | **WORKSTREAMS & RELEASES** | IN THE NEWS | AIRLINE TANGIBLES

1. Business Case V.1.0

- Modern Airline Retailing - A Business Case V.1.0: this document focuses on the next phase of the journey to Modern Airline Retailing, which entails a significant transformation of the IT infrastructure and underlying processes, in order to enable airlines to fully retail their products without constraints.
 - A Business Case (Chinese translation)
- Business Case and Decision Drivers: Lessons from the Leaders - to be released in Q2 - [get notified](#)

2. Business Reference Architecture

- The first version of the Business Reference Architecture was developed by the Airline Retailing Consortium, supported by IATA's industry architects, with the objective to support the move to a world of 100% Offers and Orders.

3. Airline Transition

- IT Provider Readiness and Airline Transition Pathways: the latest output of the Consortium's work presents the findings of extensive research with 15 IT Providers, assessing their commitment and readiness to roll out a new generation of solutions, as well as timeframes to transition to 100% Offers and Orders.
 - IT Provider Readiness and Airline Transition Pathways (Chinese translation)

4. Industry Transition

- Successful Airline Retailing Requires Industry Partnerships: developed by BCG in collaboration with the Airline Retailing Consortium and IATA, the study capitalizes on inputs from over 20 senior executives across the broader travel ecosystem and outlines the most important action points that the ecosystem players should focus on, as they engage in the journey to Offers and Orders.

5. Procurement Considerations (RFI framework)

- MAR - Retailing Platform Procurement Considerations: serves as a guide for airlines in the procurement process of a modern and modular platform for airline retailing, based on 100% Offers and Orders. It outlines key principles, considerations, and business requirements to be taken into account by airlines when evaluating vendors and their solutions.

6. Delivering with Orders

- To be released in the second half of 2024 - [get notified](#)



What are the airlines saying about modern airline retailing?

“
Last year, we were about
1%.
**Today, we're above
30%.”**

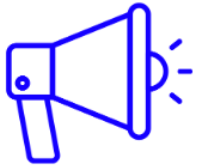
United Airlines, Feb 24

“
We have one direction,
and our direction is
**forward towards modern
retailing.**

American Airlines

“
We remain **wholly
committed to our NDC
journey** and continue to
aim for significant growth
in the NDC channel in the
coming years.

Lufthansa



Recent announcements on modern airline retailing

France banned the sale of airline tickets between French cities with a train journey of 2.5 hours or less, and Spain proposed a similar restriction.

Air France-KLM Discloses GDS-Based NDC Fee

Wizz Air offers all-you-can-fly subscription

Turkish Airlines will begin charging \$24 or its equivalent in local currency per ticket for EDIFACT bookings.

Delta to collaborate with Sabre on launch of NDC fares




Servicing

Solving servicing implies **two dimensions**

The standard

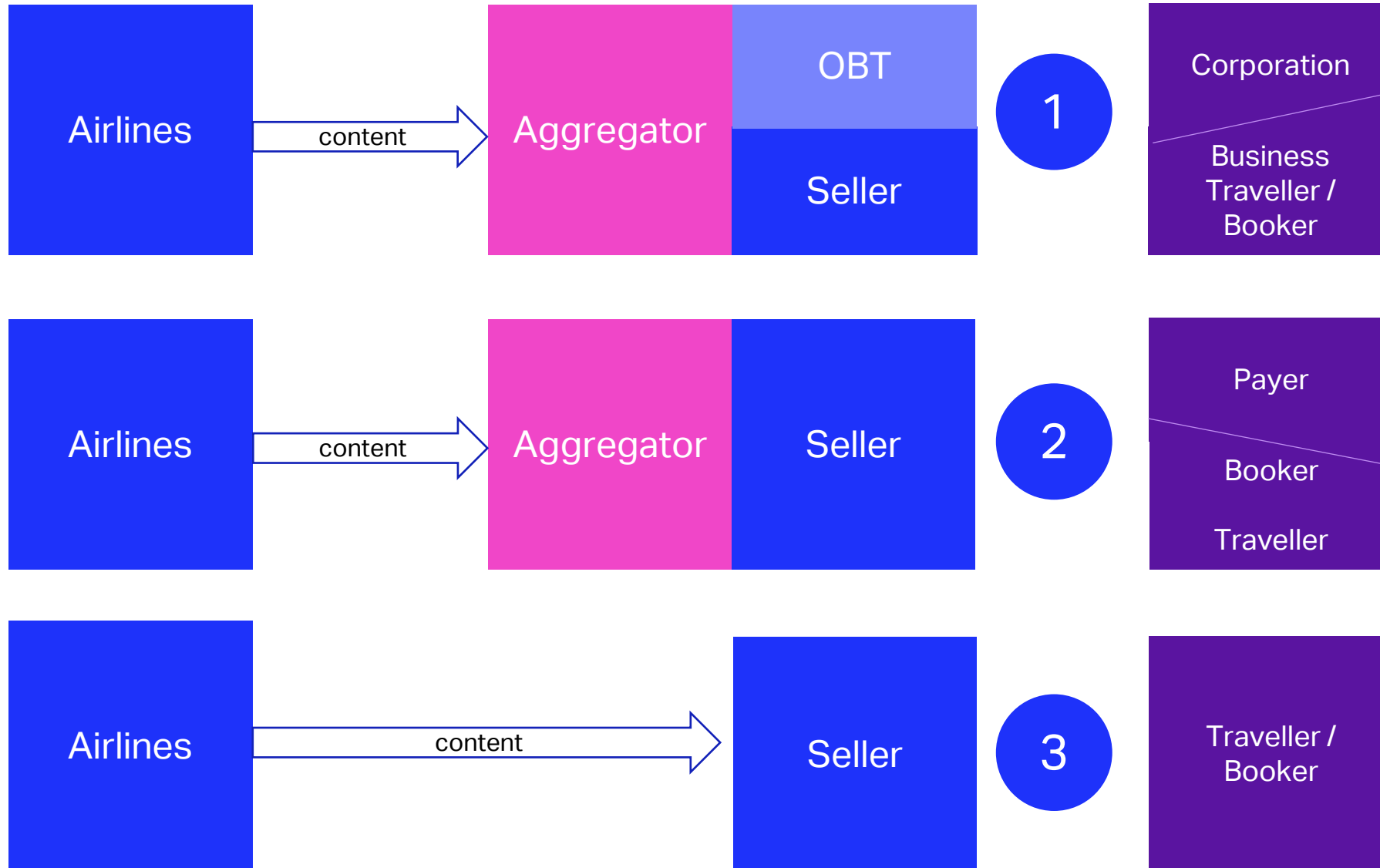
**The
implementation**

Are there servicing gaps in NDC?

An overhead view of a meeting around a long wooden table. Five people are visible, some looking at tablets and laptops. The scene is brightly lit with a clean, modern aesthetic.

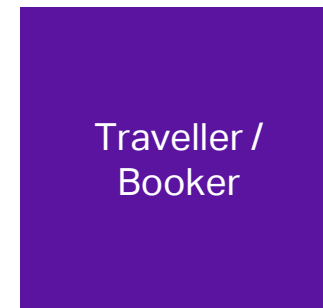
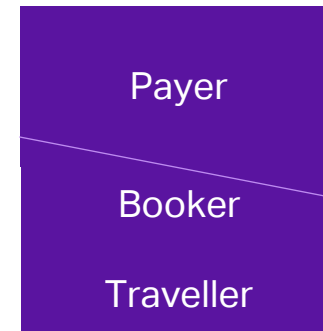
To ensure streamlined and automated servicing, **all seller partners must support the flows**, as the overall capability is only as strong as its weakest link.

How do you give your NDC content?



- Include
- Duty of care/traveller security
 - Reporting
 - Payment

Each organization plays a part in delivering servicing to the customer



- Include
- Duty of care/traveller security
 - Reporting
 - Payment



The industry transformation **has begun**



Tangible momentum on all fronts

The **IT Provider Readiness** status for a world of 100% Offers & Orders **shows progress**

The PSC is making the **MAR standards a priority** and a **Roadmap** is ready

Digital Identity is part of the framework and is becoming **more tangible**

Airlines are **starting the Orders** phase, and a first industry **Transition Roadmap** is ready

Equipping **our talent** with the **knowledge & mindsets** supporting the transition is also on the radar!



High Level Industry Roadmap with Offers & Orders



Disclaimer : Roadmap based on current knowledge, with added projections and high-level dependencies. It will evolve. Timelines may vary by airline size, business models, and regional factors.

* Core Standards: NDC , ONE Order for Accounting and Delivery , SRSIA framework for Interlining with Offers & Orders

** Core solutions: Offers & Orders including accounting and legacy system translators

*** Order as master record



And finally, here is a lot of **information**
publicly available



...through thought leadership, for the benefit of all

- ✓ A Business Case
- ✓ Business Reference Architecture
- ✓ IT transition and Pathways
- ✓ Procurement Consideration
- ✓ Business Case and Decision Drivers
- ✓ Delivering with Orders and Digital ID



» iata.org/retailing-consortium

Thank you!

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section

iata.org/Retailing



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releases

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Implementation
Soundbites

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Soundbites](https://bit.ly/MAR-Soundbites)

