



SPOTLIGHT

# THE LOWDOWN ON NDC

## AS THE LIGHTS GO UP ON NDC

Ask any Stage and Screen client and they will all agree that every launch, match, season or performance is only as good as the preparation that goes into it. It's a philosophy we share at Stage and Screen which is why extensive planning, training and development has been invested in preparing the groundwork for the soft launch of the airline industry's New Distribution Capability (NDC). So here's the lowdown...

### What is NDC?

The New Distribution Capability (NDC) is a new standard for airline technical integration (APIs), and also the biggest change to the travel industry since the creation of the Global Distribution Systems (GDSs) in 1964. NDC is not a new technology or software, but an XML-based data transmission standard launched by IATA (the International Air Transport Association).

In effect, NDC is another step towards the digitisation of travel, laying the foundations for more sophisticated retailing while also aiming to improve the travel experience.

### What is the reason for the change?

Since the 1960s the travel industry has relied on the GDS to aggregate airline content, combine schedules, fares and availability into combinations accessible to travel agents. This new technology enables enhanced communications between airlines and distribution partners to deliver richer content to match the capabilities of an airline's website.

### How NDC will change the travel industry

NDC will eventually enable the travel industry to transform the way air products are retailed to organisations, leisure and business travellers by addressing the industry's current distribution limitations. By leveraging NDC, airlines can communicate directly with travel management companies like Stage and Screen, online booking tools and travel managers via a standard that supports rich content, faster speed to market and more tailor-made offers.

### In the future NDC will deliver multiple benefits

At Stage and Screen, we believe NDC will encourage innovation by creating greater flexibility and quicker speed to market. TMCs, travel managers, arrangers, travellers and airlines alike will benefit. Together with our airline partners, Stage and Screen will be able to tailor products to each client's specific requirements – currently limited through the traditional GDS path. This will allow for a more personalised service for our clients' travellers, negotiated value adds and a better overall experience.

### What's in it for customers

It is expected NDC will offer a number of opportunities for additional negotiated inclusions, personalised offers, loyalty based bonuses, additional dynamic price points (continuous pricing), corporate bundles and much more. Ask your Stage and Screen account manager for more information on what is currently available and when new content will enter the market place so your policy can be updated.

### Benefits for travel policies

Content source is an important part of any travel policy and will become a more commonplace discussion as NDC scales in size. There will need to be additional policy controls in place to capture ancillaries and focus on airline attributes.

NDC, in the future, will offer payment for ancillaries within the booking process. This will make it easier to book ancillaries and provides travel bookers with a total trip cost. A customer's company travel policy often doesn't cover the purchasing of ancillaries, so it's vital company travel and expense policies are reviewed to ensure rules for booking ancillaries are included.

However NDC content will initially be limited in flexibility and this will impact service level agreements, fare pricing, voluntary changes, approval processes, as well as fare benchmarking and auditing. When implementing a travel policy, it's important to understand these aspects when choosing to access NDC content.

### Choosing to enable NDC content

As a customer-centric organisation, Stage and Screen will always ensure customers get access to the content of their choosing. By simplifying the complexity and exploring all travel solution options, your account manager will work with you to ensure the right content is provided via the right channels for your travel program. In most cases, Stage and Screen and FCTG will manage this complexity and ensure content sources associated benefits, and technical and/or airline limitations are communicated.

### Collaborative industry approach

Our parent company Flight Centre Travel Group (FCTG) has created a specialist team to oversee our transition to NDC. This team consists of industry experts who are working with the airlines, GDSs (Amadeus, Sabre and Travelport), other technology providers and industry experts to develop fit-for

purpose solutions. As an active member of the IATA Global Travel Management Executive Council and the IATA Shop Order Standards Board, we are also working collaboratively with other leading TMCs to ensure NDC benefits all parties.

FCTG was the first to launch Amadeus' NDC-X program, as well as Sabre's Beyond NDC Program, and is helping to design solutions that will drive travel distribution in the future. The first release to be able to search, book and service integrated NDC content, both online and offline, became available in late 2019 with subsequent developments to be rolled out throughout 2020 across all booking channels. FCTG is also running tests and pilots with in-house technology, to ensure our solutions enhance the customer experience and Stage and Screen customers reap every benefit of NDC.

### When does NDC come into effect?

As with any new evolution in distribution technology standards (such as the introduction of electronic ticketing), there will be a gradual uptake.

In the case of Qantas, we envisage NDC enabled content becoming available in the second quarter of 2020. Certain airlines have begun distributing content solely via NDC channels which has created a distribution landscape of content fragmentation.

### When will NDC become available?

While there has been significant development in the NDC landscape, we take a pragmatic approach to procuring content whilst protecting the customer experience.

While some NDC content has been released in pilots and proof of concept for a few airlines, it has yet to reach its full potential. As airlines, GDS, aggregators, TMCs, OBTs and technology providers are still working through upgrading their technology infrastructure to be able to handle NDC in all its realised promise.

### So where to from here?

As development takes place throughout 2023, short-term challenges may need to be reconciled on a case-by-case basis. NDC is still evolving and Stage and Screen is balancing the short-term priorities with building a long-term, sustainable solution for each of our customers.

For more information contact Stage and Screen.