

### Distribution with Offers and Orders (NDC) Factsheet

Airlines' omnichannel distribution standard for Offer and Order management

### 1. What is NDC?

NDC is a travel industry-supported program (NDC Program) launched by IATA for the development and market adoption of a new, XML-based data transmission standard (NDC Standard).

The NDC data exchange format is based on Offer and Order management processes enabling airlines to create and distribute relevant offers to customers, regardless of the distribution channel.

### 2. What is NDC addressing?

NDC enables the travel industry to transform the way air products are retailed to corporations, leisure, and business travellers, by addressing the industry's current distribution limitations:

Limited product Long product Restricted access to Ambiguous shopping differentiation time to market rich air content experience

Because it is structured around key functional domains, the NDC standard provides the opportunity to address the end-to-end airline distribution process and deliver an enhanced customer experience.

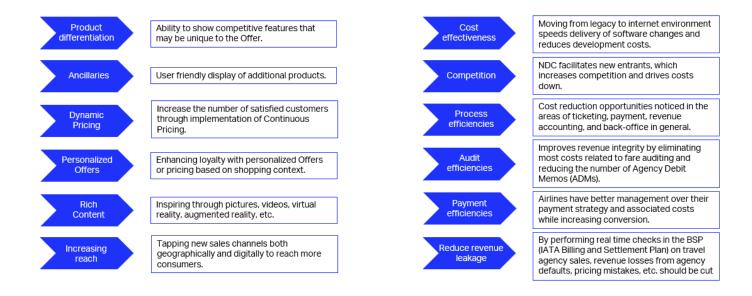
### 3. What is in the scope of the NDC standard?

The NDC Standard enhances the capability of communications between airlines and travel agents and is open to any third party, intermediary, IT provider or non-IATA member, to implement and use. The main features are the following:

- ✓ NDC is a data communication standard via an API that enables sellers to interact with airlines to shop, order, pay and service products & services using Offer and Order standards
- ▼ The Offer and Order standards support airline retailing with the following interactions between sellers and airlines:
  - → Shop / Offers distribution
  - → Order creation
  - → Order servicing and cancellation
  - → Payments and refunds

The latest schema for the <u>NDC (Offer and Order) messages</u> provides further support and guidance for the standard implementation.

### 4. What are the key drivers of NDC?



### 5. Who benefits from NDC and how?

Available on a voluntary and open basis, NDC benefits different industry players across the airline distribution value chain as follows:

# Customers Transparent Shopping Experience

- Make all airline product and service information available to corporate buyers, reducing the need for out of policy bookings.
- → View and compare all available air transport options and relevant fares.
- Select the most appealing travel option based on preferences which might range from product quality, service level to schedule and/or price.
- Receive personalized offers from preferred resellers based on own and complete travel history and preferences.

## Travel Sellers Access to Airlines Rich Content

- Access to the entirety of the airline's product portfolio, including ancillaries and promotional fares.
- Work with real-time offer, product, and policies information.
- Deliver improved comparison capability to customers, based on product and service rather than price only.
- Provide personalized service based on customers' full travel history and references if they chose to be recognized.

# Full Service & Low Cost Airlines Products and Services Differentiation

- Distribute the entirety of the airline's product portfolio, including ancillaries and promotional fares.
- Present the airline's products in an attractive manner, using rich format like photos and videos.
- → Expand the amount of information available on each product: attributes, facilities, policies, passenger reviews, etc.
- → Offer value-added products and services when applicable.
- → More cost effective and faster deployments

### 6. How does NDC contribute to Airline Retailing Value Creation?



### 7. What IATA resources are available to support the adoption of the NDC Standard?

The IATA NDC messaging standards are open and available to all.

By enabling the <u>distribution with Offers and Orders</u>, NDC will unlock value for the indirect sales channel by providing travel agents with features and content that are difficult to access today. The latest and most relevant resources to support the transition of the travel industry towards the retailing world can be found under the <u>IATA Airline Retailing</u> webpage.

Moving forward, it remains each airline's responsibility to individually <u>assess the opportunity for NDC adoption</u> and to decide their best timelines. IATA will not prescribe a specific course of action but will accompany any willing airline through their individual journey.

### 8. Recognition of Airline Retailing Maturity in the industry

The <u>Airline Retailing Maturity (ARM) index</u> program recognizes companies that are on their journey to modern airline retailing, using Offers and Orders based on the IATA Enhanced and Simplified Distribution (EASD) standards, including NDC.

The ARM index evaluates organizations across their technical capabilities, scalability of partnerships across the retailing value chain, and maturity in capturing potential value. Companies are published with their validated capabilities in the <u>ARM index registry</u>.

### 9. Critical guidance and tools supporting the transition to a world of 100% Offers and Orders

To speed the industry transition towards a world of 100% Offers and Orders, IATA established a <u>Retailing Consortium</u> of advanced airline adopters. The Consortium's work has already equipped the industry with several resources aimed at providing guidance through the following releases:

- A Business Case
- A Business Reference Architecture
- Generic airline transition pathways

- Retailing Platform Procurement Considerations

Explore the Consortium workstreams and access all current and upcoming releases.