# LEVERAGE NDC

Reach out to indirect resellers with your inventory

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THE NEW STANDARD FOR TRAVEL RETAIL

NDC - New Distribution Capability

- XML-based standards
- Launched by IATA
- Rich content distributed to travel resellers such as OTAs
- Travel resellers send requests directly to airlines and consolidate the responses
- Services presented with text, images and video
- Easy to compare airlines and tailor trip to personal needs
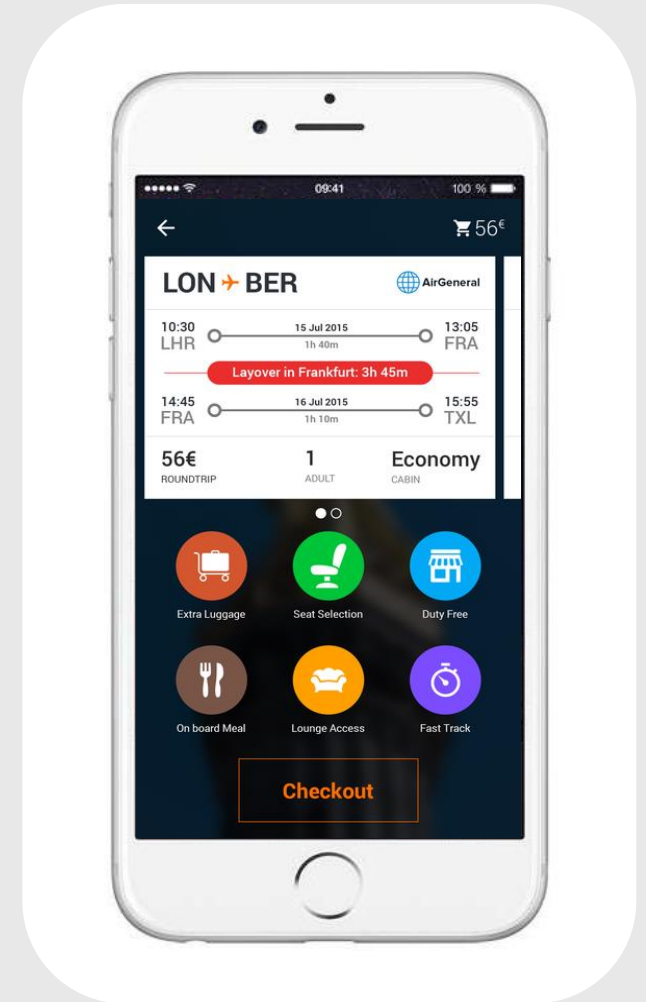
AIRLINES – WHERE TO GO NEXT?

LCCs emerge
- Selling travels on their web sites
- Bypassing the GDSs and travel agencies
- Offering unbundled/à la cart services
- Making them able to offer low air fares

OTA's & Metasearch emerge
- Easy to compare airline prices
- Adding to the price pressure
- Travels become a commodity

Price pressure
- Need to differentiate more, personalise, improved service
- Other airlines follow LCCs, offering services on their web sites
- Need to increase ancillary sales

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ANCILLARY SERVICES?
WE ALREADY DO EVERYTHING!

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Reseller channels – a lost opportunity
- Where most flights are sold
- Growing – easy to compare multiple airlines prices
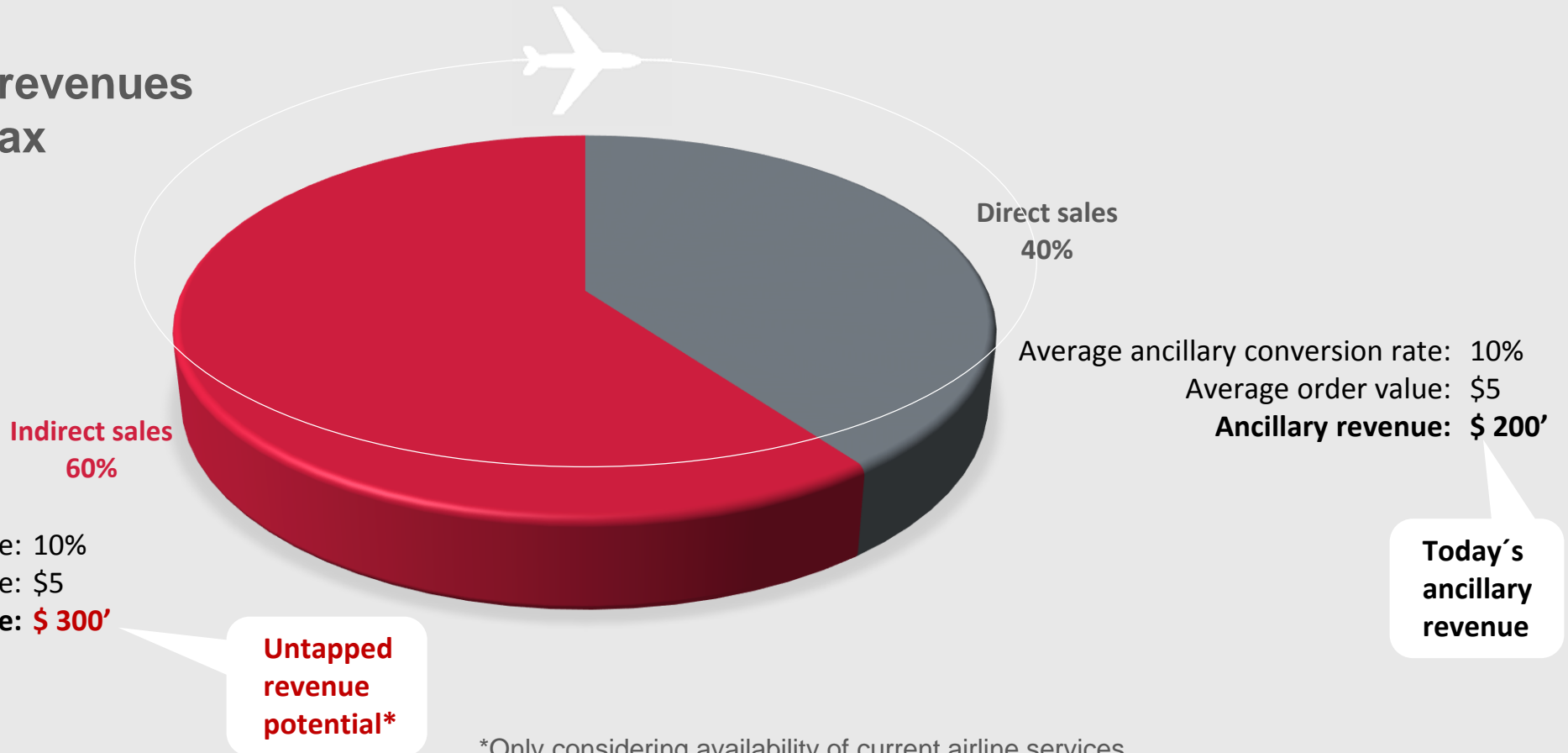- Yet no ancillary services available

Ancillary services available on airline.com

Direct sales

Indirect sales

No ancillary services available
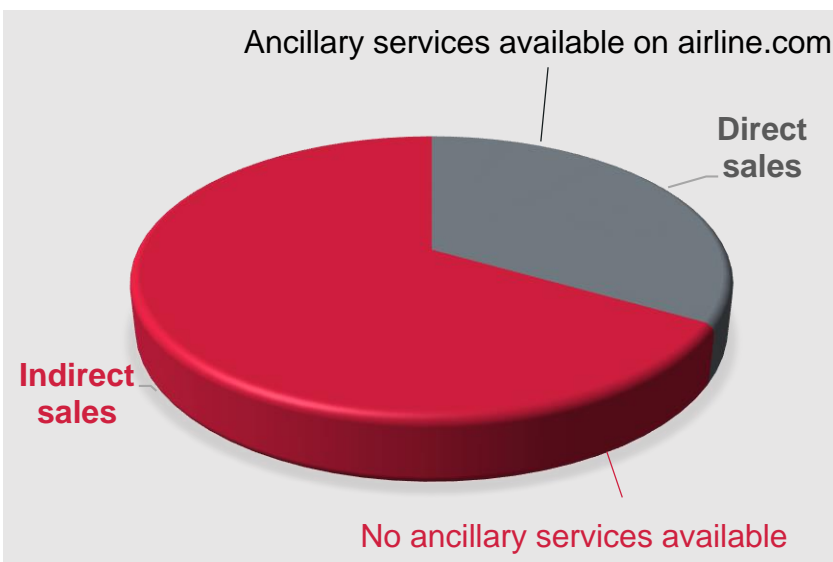
YOUR GREATEST REVENUE POTENTIAL IS STILL UNTAPPED
How much revenue are you missing out on each year for the reseller and airline?

**Example: lost revenues
per 1 million pax**

Basic flight services:
- Seats
- Luggage
- Meals

**Direct sales
40%**

Average ancillary conversion rate: 10%
Average order value: $5
Ancillary revenue: $ 200'

**Indirect sales
60%**

Average ancillary conversion rate: 10%
Average order value: $5
Ancillary revenue: $ 300'

**Untapped
revenue
potential***

**Today´s
ancillary
revenue**

*Only considering availability of current airline services

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CHALLENGES – REACHING OUT WITH ANCILLARIES OFFERING

No control of distribution

- Avoid GDS cost and limitations – not cheap and certainly not easy to do.
- No control of how offers are presented – the warehouse door is open but...
- No way to package up, just a list of offers.

No differentiation

- The industry has turned the flight and experience into a commodity.
- Airlines competing on price & route alone.
- Offers presented with a name and price.
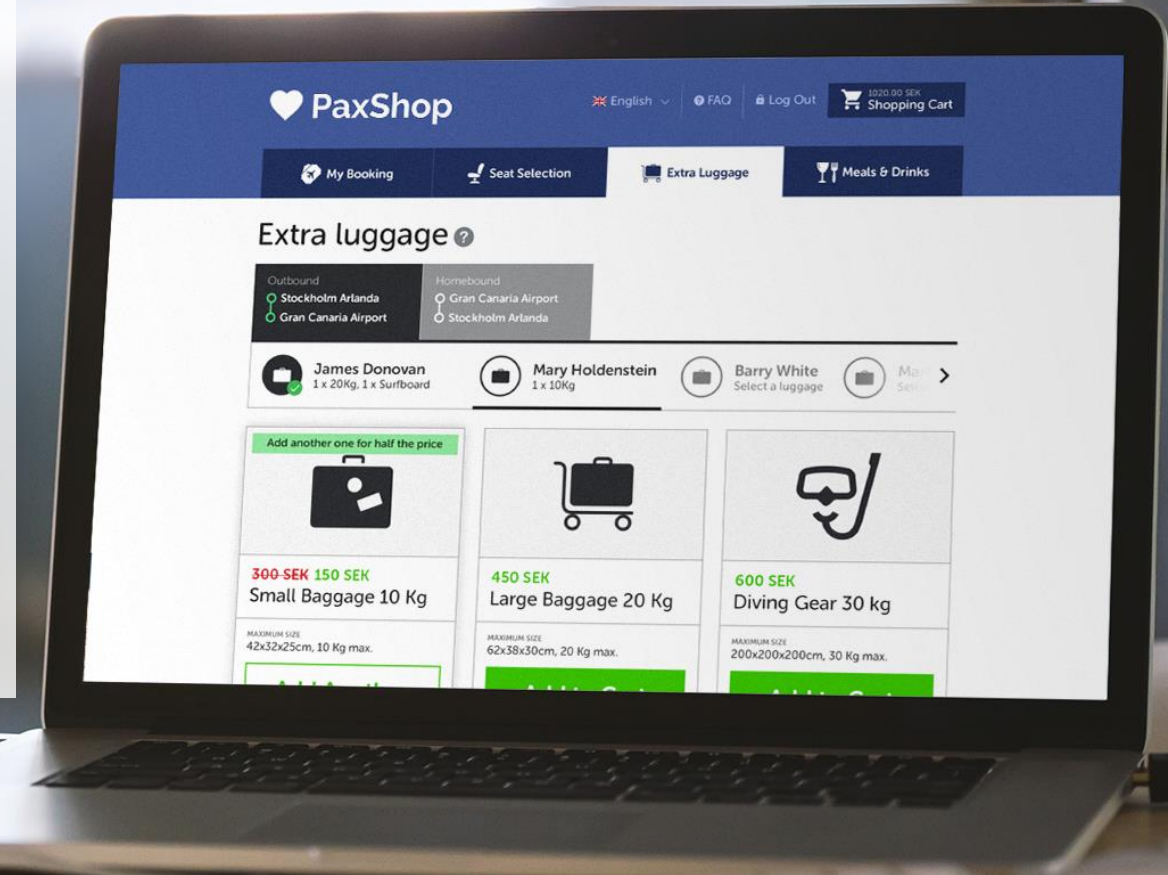
PAXPORT – HOW WE SEE IT

What a party needs to provide

- Understand how to untap the business potential of the reseller channel.
- Present offerings with rich content!
- Increase your total business potential.
- Merchandise/retailing expertise and services, not just the technology.

Business Values

- Stronger customer offering (create PAX loyalty).
- Improved customer brand experience.
- Differentiated, strengthened brand.
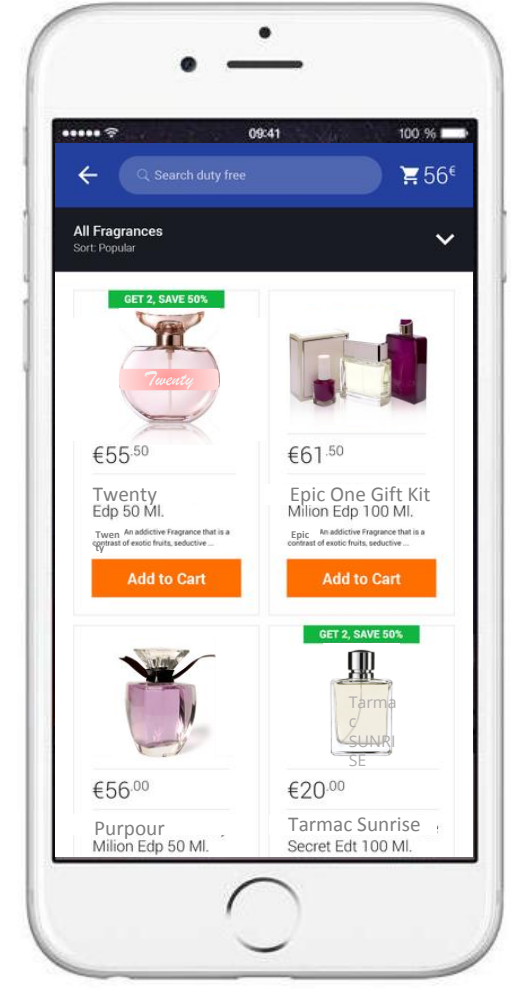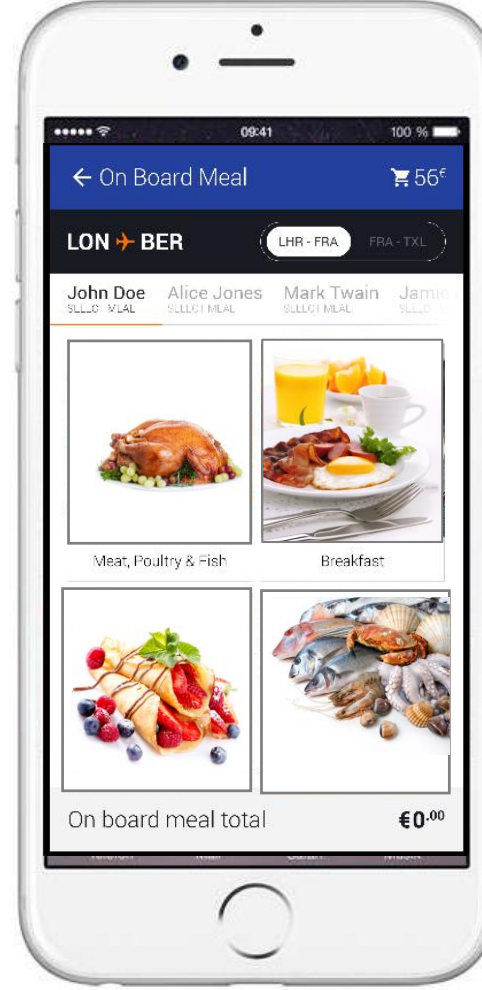- More seamless, device agnostic.
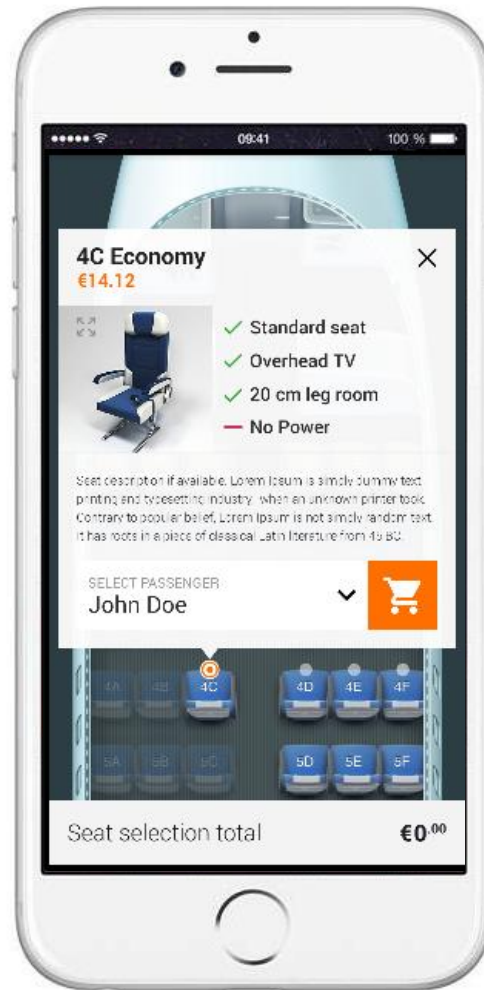
How/Key factors

- Win-win business model (airline/OTA)
- Minimal requirements on airline and OTA
- Speed: time to revenue
- Minimal IT impact

PAXPORT – LEVERAGE THE INDIRECT CHANNELS

Paxport stores/enhances the airline's flight ancillaries in our flexible inventory

Airline

3rd party products and services from Paxport's affiliate suppliers

Selected airline services available in the reseller booking flow and post-booking.

Online Travel Agent

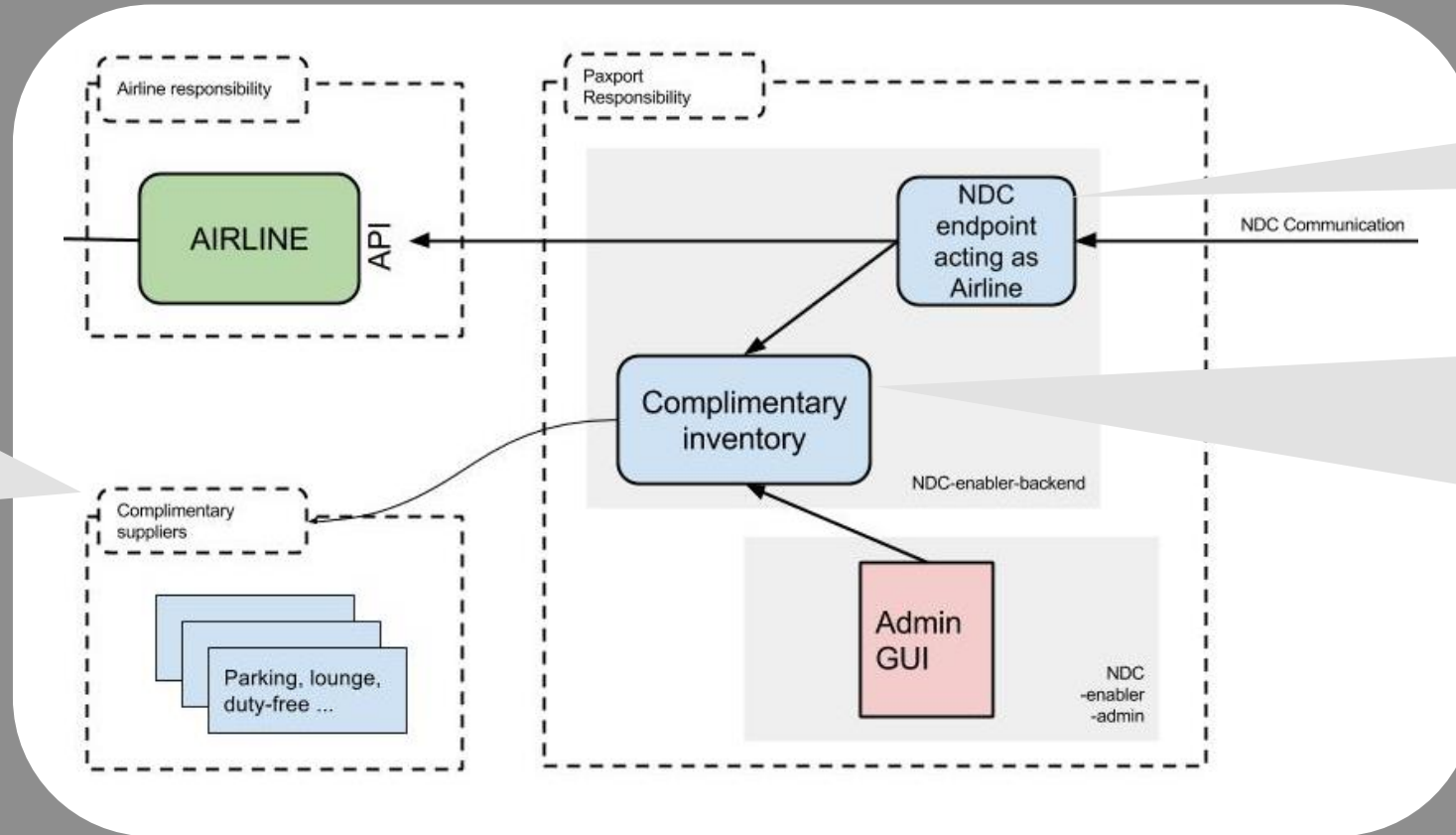Paxport manages the interaction, integration and agreements with multiple resellers/partners.

Travel Agent

NDC USER EXPERIENCE - IN AIRLINE AND RESELLER SALES CHANNELS

GENERIC NDC TECHNICAL COMPONENTS
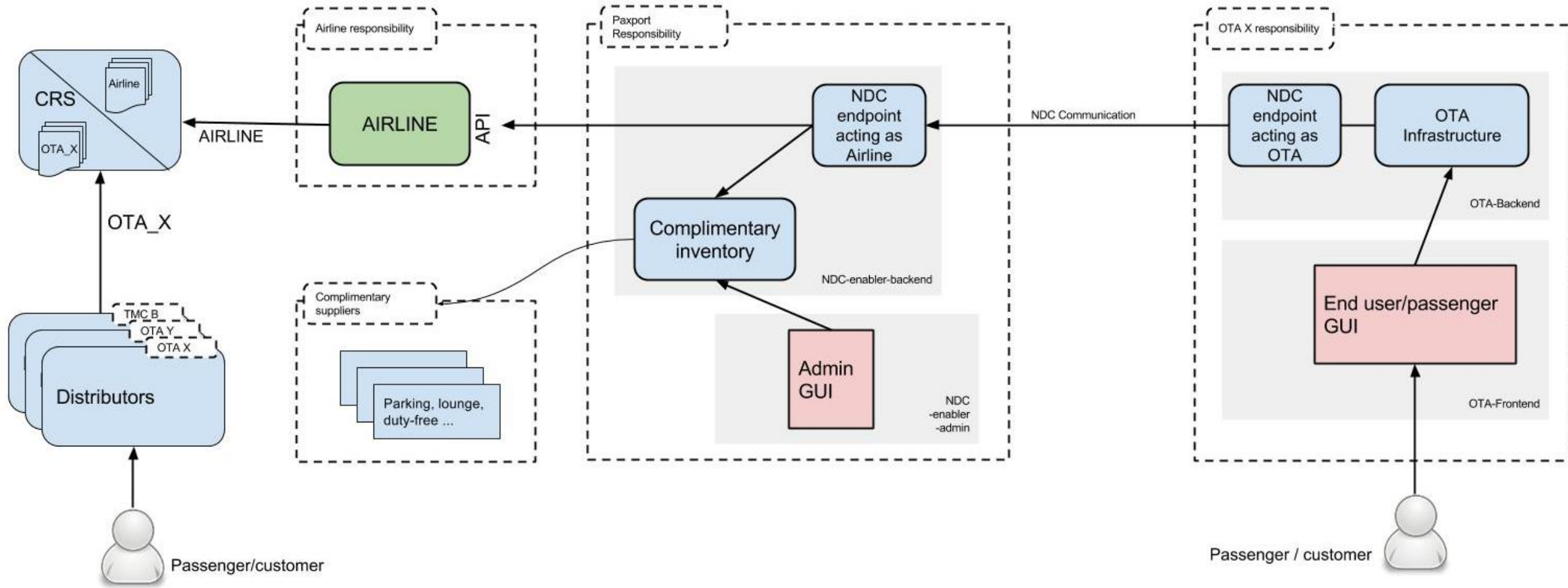
PAXPORT NDC SOLUTION COMPONENTS

"Translates" calls to and from the airline's API, **converting them to NDC standard** for the OTAs.

Paxport's pool of **complementary suppliers** of long tail products: parking, lounge access, duty-free and more.

Enriches the presentation of requested ancillary services from the airline's CRS with text and images.

Sets a different **sales price** than in the direct sales channel if the OTA wants to put a mark-up on the price.

Defines services that should **not** be available in the OTA channel.

PAXPORT – GUIDING YOU THROUGH NDC

Paxport

- IATA Strategic Partner and member of the NDC Task Force

- Helps airlines and travel agencies leverage the NDC opportunity

- Engaged in a joint pilot project with a leading European airline supported by IATA

European NDC Pilot project

- Prove how NDC can be easily implemented with minimal requirements for the airline and the OTA!

- How NDC can increase passenger service levels/loyalty/branding and ancillary revenues.

- Paxport integrates with the existing airline's API

- Converts the data into an NDC compatible format but…

- …Includes offer management, rich media content and off-the-shelve modern user interfaces

- Flexible revenue sharing model

- Merchandising tools, KPI:s, real-time reporting

THANK YOU!
TONY.BARKER@PAXPORT.SE

paxport
Your Travel Retail Partner

Paxport is an IATA Strategic Partner, driving the adoption of the new NDC standards, helping airlines and travel agencies take advantage of the new travel retail opportunities. We enable airlines and travel resellers to grow their ancillary revenues by providing a better travel experience for their passengers. We manage passenger and ancillary data as well as travel merchandising on behalf of our clients.

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