

Three ways agencies can win in the NDC era

By Industry Expert (<https://www.ttgasia.com/author/industryexpert/>) / Posted on 2 August, 2019 10:05

Ian Heywood, Travelport's global head of new distribution, shares how to maximise the opportunities of NDC to combat the competition.



Heywood: make NDC work for your business

As an agency, NDC will help you deliver more compelling, more relevant offers for your customers. But to do that, you need to understand the new 'rules' of NDC working, and you need to deepen your relationships with airlines to secure access to the best, most profitable content.

Until now, just sitting back and waiting to see what will happen with NDC has been a fairly sensible policy for most agencies – but not any longer. The IATA NDC airline Leaderboard – 21 airlines in total – have committed to transact 20 per cent of their volume through NDC-capable APIs by 2020 and many airlines have set out their intentions to heavily prioritise API bookings in the future.

All of this NDC momentum (<https://www.ttgasia.com/2018/08/07/taking-off-with-ndc/>) means that the time for procrastination is most definitely over. With NDC on the near-horizon, there are about to be some major changes to the way you work. It's time, in other words, to make sure you can benefit from what NDC offers, or you could risk losing out to better prepared competitors.

The question is, how can you maximise the opportunities of NDC, both to strengthen your supplier relationships and deliver more relevant, compelling offers to your customers?

In my view, the following three tips are a very good starting point for any agency:

1) Fully understand NDC's new rules of engagement

If you change a football match into a rugby match half way through, there will obviously be some confusion. The only way it can possibly work is if everyone knows the rules of the new game, and it's the same story with NDC.

As bookings will now be made in airline systems, and airlines themselves will be responsible for creating customer offers, the agent's role is changing profoundly. Not only do you need access to the new content coming down the NDC API, you also need to know more about your customers, so you can return relevant, compelling offers to them.

There are also new rules about how your relationship with travel suppliers will evolve and change. There are new rules about how you access content and how your customers make bookings. And there are new rules about the range and type of offers that will be available. You need to fully understand all of these changes, and be able to adapt to them, to ensure that NDC positively impacts your supplier and customer relationships and business as a whole.

2) Evolve and strengthen your supplier partnerships

To some extent agencies have been competing on a level playing field for decades, with everyone having access to the same public fares on all routes. With NDC, this could change, with airlines favouring agencies who prioritise sales of hard-to-sell fares and ancillaries.

Agencies who do best out of NDC will be those who understand this fundamental change, and those who partner proactively to support airlines in their own commercial objectives.

This means that if you can help an airline sell fares on a challenging route when planes are flying half empty, for example, you will undoubtedly be rewarded with access to fares that are highly desirable and profitable at other times of year. Likewise, if you take airlines' desires to sell more high-profit ancillaries seriously, that will also potentially give you major advantages in terms of the high-value content you can access from them.

You can also grow and strengthen your relationships with airlines in the NDC era by sharing the right customer data with them. After all, to create profitable offers, airlines need full understanding of end customers' needs and preferences – and that's information that only you have access to.

3) Get specific with your searches

One of the major changes with NDC is that just a few fare options will be replaced with a much larger number of offers that include a wide range of fares and ancillaries. This is great in terms of giving customers more choice, value and relevance, but it can also increase complexity in the search process and make bookings more time consuming.

The trick here is to be highly prescriptive and specific in your searches for NDC content. That's because simply searching for a fare between two cities on a certain day will potentially return hundreds of results that your agents will need to sift through and explain to customers at length. You can avoid this by searching for an offer that includes the desired route and stopovers, and all the right ancillaries – from VIP lounge access to priority boarding.

The benefits of being specific will be time saving for booking agents, but also deliver a faster, more relevant experience for customers. And that means more sales and more success for your business.