


NEWS



## Delta Leans In To NDC, Preps GDS API Connections

 Jay Beehmer August 13, 2018

Delta in the next month plans to become Level3 certified under the International Air Transport Association's New Distribution Capability program, joining some of the largest airlines in the world in reaching the milestone, including competitors American Airlines and United Airlines.

Delta expects to have distribution application programming interface-connections "up and running" for pilot by the end of the year, managing director of global distribution strategy Jeff Lobl told *The Beat* this month. "We expect to be full-up by next year."

Delta would make its APIs available "to all players in the chain," but, he said, "we are expecting that the overwhelming majority of our API consumption will be done by the GDSs."

Delta announced its NDC certification with Virgin Atlantic, with which it operates a joint venture and has an equity stake. Virgin reached Level 3 status this month, according to IATA's NDC registry. Both carriers are working on the latest version of the NDC schema and share a vision to "enable consistent retail experiences for customers, regardless of booking channel."

Both Delta and Virgin expect to announce industry players working with them on next-generation distribution in the coming months.

Meanwhile, Delta separately announced this week an agreement to participate in SAP Concur's TripLink program, which helps managed travel programs capture data from reservations made on public travel websites.

### Going Beyond NDC

Delta VP of global distribution and digital strategy Rhonda Crawford this month called the carrier's looming NDC certification "a box to check along the way, not the end state and not the target state."

Delta wants "to get to this environment of retail transformation," said Crawford. NDC is just one part of that.

In a February interview, Delta executives addressed three tenets of the carrier's distribution strategy: to bring consistency, transparency and choice to indirect and direct distribution channels alike. This month, executives touched on many of the same themes and objectives as then: Delta's embrace of cooperation with global distribution systems and travel management companies but also its drive for decommoditization and to leap out of boxes in which third-party sellers often place it.

Delta in the past year has talked about "leaning in" to the GDSs, and it expects reciprocity. "That lean-in on the carrier side also requires a lean-in from the agency and the GDS side," said Crawford.

Delta expects GDSs to help it shift away from a low-fare-first mind-set, Lobl said. He articulated two major asks of GDSs that work with Delta on API connectivity. The first: that GDSs transmit to points of sale "the complete set of choices and not just the lowest fares" in the first shopping call.

"The GDSs have a history of when an itinerary is requested, they come back with the lowest fare first," he said. "After a customer has selected a flight, selected that lowest fare, then maybe they release more content so you can see what the other options are. But that's far too late in the process."

The other request is for GDSs to expand the shelves from "these four legacy categories that fares can fall into," namely economy, premium economy, business and first. "That no longer defines our products," said Lobl. "Yet the agencies are dependent on the GDS definition of those shelves."

Delta is discussing API connectivity and its drive for decommodification with each of the major GDSs. "We are talking to them not only about NDC and API consumption, but we are having parallel discussions that are equally important about display enhancements," said Lobl. "Our conversations with GDSs are well beyond the topic of NDC."

Because the sale and display of Delta products extend downstream to travel agencies and online booking tools, Lobl added that "it takes a village." Delta's announcement with SAP Concur on TripLink included references to enhancements to the Concur Travel booking system.

"There's a lot of different partners involved in making that happen," Lobl said. "We're having discussions with all of them."

While leaning in to NDC, Delta also stressed it will lean away from tactics some other carriers have hitched to their strategies.

"We are fully supportive of NDC," said Lobl. "We're very engaged with the GDSs and others in developing NDC. We see benefits in NDC. The idea of richer content and greater flexibility and a single source of content that comes directly from the airlines: We absolutely are in support of all of those concepts. But there's some elements of this that we don't want to associate with. As you know, when a lot of agencies and customers hear about NDC, their first thought is, 'Am I going to get surcharged? Is my pricing going to be uncompetitive? Am I going to be forced to direct connect or change my business model?' The answer from the Delta perspective is, 'No, no and no.' We have an interest in what NDC can provide, but we are not approaching it as a way to turn anybody's business model upside down."

### ***One Flake In A Flurry***

The past week saw a flurry of other NDC news. Amadeus on Monday announced BCD Travel joined other megas, including American Express Global Business Travel and Carlson Wagonlit Travel, as a participant in its NDC-X program. BCD, like the others, will test NDC connectivity and workflows with Amadeus. American, meanwhile, also joined the Amadeus pilot program. American last week also announced pilot tests with Sabre, which itself entered partnerships to test NDC with Amex GBT and CWT.

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