

PRESS RELEASE

Travel technology companies tell IATA to “get real” about NDC

Prague, 24 September 2013 – Christoph Klenner, secretary general of ETTSA, the European association representing travel technology companies, today repeated his call on the International Air Transport Association (IATA) to “get real” and seriously involve distributors, travel agents, buyers and consumers in the development of its controversial New Distribution Capability (NDC) standard.

The comments were made during the leadership panel at the GBTA Europe conference in Prague, one of the pre-eminent events for corporate travel buyers in Europe. The panel also featured IATA's Senior VP Distribution and Financial Services, Aleks Popovich, as well as Mike McCormick, executive director of Global Business Travel Association (GBTA), and Paul Wait, CEO of the UK Guild of Travel Management Companies.

“NDC as it stands is bad news for travel buyers,” said Klenner. “It is fundamentally at odds with the principles of managed travel programmes – transparency, the ability to comparison-shop anonymously, and the facility of having a single repository where all travel data is securely stored.”

IATA claims NDC is just a data standard, but, according to Klenner, the text of IATA's Resolution 787 on NDC has much broader implications and would contribute to raising costs for consumers and travel buyers.

“NDC appears to involve a group of airlines attempting to collectively impose on buyers, consumers and travel agents a business model which is founded on the use of opaque fares and ancillaries to make real comparison shopping difficult, if not impossible.”

Under NDC, airlines would stop filing fares, with travellers instead having to make specific fare requests. This, Klenner explained, would imply “reversing the flow of information, and allowing airlines to tilt the pricing power sharply to their advantage”. It would be “detrimental for buyers and consumers, and would deprive agents of the ability to find the most suitable deal for their customers.” According to Klenner, this would be particularly critical in markets dominated by one airline or alliance.

Data protection is another major concern. Despite claims that anonymous shopping remains possible, “the NDC environment would make it child’s play for airlines to incentivise consumers to volunteer their data,” Klenner added.

ETTSA are however seeking to cooperate with IATA to find a mutually acceptable solution.

“We need to absolutely listen to the calls by airlines to enable distribution of richer and more complex content, in any distribution channel. But we also need to take into account the welfare of travellers, and we must reflect on what makes a fair and functioning travel market place.” The NDC proposal as it stands, says Klenner, “fails to reconcile these various requirements.”



“We have a unique opportunity now to make distribution more efficient for airlines, and a better and richer experience for buyers and consumers. Let’s build on IATA’s work and agree on a set of enabling standards. ETTSA and its members, as well as other players in the value chain, are ready to sit down with IATA, take the marker out, and revise Regulation 787 so as to make it a workable tool for a more efficient and customer-friendly airline distribution ecosystem.”

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ETTSA, the European Technology and Travel Services Association, was established in 2009 to represent and promote the interests of global distribution systems (“GDSs”) and online travel agencies (“OTAs”) towards policy-makers, opinion formers, consumer groups and all other relevant European stakeholders. Our OTA Members include Expedia, lastminute.com, eBookers/Orbitz, Opodo, Go Voyages, eDreams, and Travellink, which represent the vast majority of OTA travel sales in the European Union.

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