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Taking your airline to new heights



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Building Standards

■ By Ben Mussler | *Ascend* Contributor

New technology standards promise to provide a customary platform crucial to the way ancillary services are leveraged by airlines, sold by agencies and purchased by travelers.

GDS

IATA

Optional Services

Booking

Fulfillment

Travel Management Companies

Travel Agents

Online Direct

Earlier this year, many of the industry's leading travel management companies, online agencies and global distribution systems, along with several airlines, proclaimed their support for plans to implement recently developed, industry-wide technology standards for ancillary services. These standards, proposed by a strategic partnership program composed of International Air Transport Association and Airline Tariff Publishing Company members — airlines, travel agencies and GDS companies — are designed to better enable shopping, booking, payment and reporting of ancillary services for airlines, travelers and agencies.

Proponents of such open and transparent technology standards believe that by driving consistency, these standards will also drive efficiency through the way ancillary services are handled, such as accessing ancillaries via GDSs in the same manner as fares are accessed today.

"It is essential that our valued agency partners have the ability to sell these products to our guests in a way that is efficient and convenient," said Catherine Dyer, vice president of distribution for WestJet.

Matt Beatty, vice president of global supplier management for Carlson Wagonlit Travel agrees that "with the GDSs providing quick and easy access to ancillary products and services, we can help our clients and their travelers make better-informed choices."

Standards Methodology

The standards utilize the ATPCO category for optional services (OC) fare filing capabilities along with a complementary technology — electronic miscellaneous documents (EMDs). When combined, these filing capabilities will give airlines the ability to quickly introduce ancillaries to the broadest travel audience through both direct and indirect channels — supporting easy-to-manage "à la carte pricing."

For airlines selling in both their indirect and direct channels as well as for travel agents selling in the indirect channel, the ability to offer an ancillary product and settle the payment for it in an efficient manner is key.

"Both ATPCO OC and EMDs offer tremendous opportunities," said Kyle Moore, vice president of information technology and consulting services for Sabre Holdings®. "The OC fare filing enables an airline to quickly and easily put its product on the shelf in the GDS, readying it for shopping and booking, while EMDs enable the payment and funds settlement for the OC-filed product. This cohesive combination creates an end-to-end solution — from shopping and booking through fulfillment. It also

ensures that the information necessary to manage this process during the day of travel is actionable by systems throughout the lifecycle of the trip, particularly important if there are irregular operations. Finally, agencies and corporations will also have the data they need to effectively manage travel spend on ancillary services during the pre-travel sales period, something that is of increasing importance.

"We hear every day from both our airline and agency customers that they want to better manage this process," Moore said. "Accomplishing this via standards actually speeds the introduction of the ancillaries around the industry. It's a smart business move for multiple carriers to use the same underlying infrastructure across a wide variety of products. Airlines aren't reinventing the wheel over and over and over for each new ancillary introduced by each and every airline. This is true for the simple sale of a product, but it is particularly true for more complicated situations such as managing post-booking changes, flight cancellations, and refunds and exchanges."

Cross-Channel Value

Ultimately, these standards are designed to make the purchase of ancillaries seamless and easy for the end traveler — and that is good news for the industry. Travelers rarely book trips through the same channel for all of their travel needs. Business trips, for example, are often booked through corporate travel management companies, whereas leisure trips are commonly booked through a consumer-oriented agency or website. Offering ancillary services in a consistent manner through all channels is one way to improve customer satisfaction. If properly used, the proposed standards could benefit the airline that leverages them.

Supporters of the new standards believe consistency will enable airlines to implement these services and products quickly — rolling out new revenue opportunities in a matter of weeks and to all channels, online and off.

Defining "Standard"

Like the launch of many previous technology undertakings that were yet to be proven, the announcement of these standards has not come without questions.

During the past year, many airlines have evolved their business model in an effort to generate incremental revenue by either creating product bundles that differentiate their offerings or by unbundling various products and services, such as premium seating or baggage fees. Given myriad ways this merchandising has been accomplished, critics question whether the standards proposed will be truly open. For example, what

will become of private fares that don't follow ATPCO standards such as private fares outside the automated fare rule categories of Cat 15/25/35? And what about existing and in-work projects that certain airlines have with third parties to enable merchandising capabilities?

To this end, those in favor of the new standards would remind concerned parties that many capabilities enabling the sale of ancillary services already exist within the GDS environment. Take, for instance, the variety of airlines offering branded fare bundles available in the Sabre® GDS in which customers can choose from among the items they value most. Pay-for-seat is another example of a merchandised offering that many travelers take advantage of today in the Sabre GDS.

The proposed standards are not technology specific. Varying customer touch points enabling merchandising will exist, as they should and do today — through the Web, ticket offices, GDSs or reservations centers; even on the day of departure. But while technology approaches have differed and the products, services and business models airlines employ are virtually limitless, consistency in the technical approach is becoming the norm.

"Delta supports this development of technology that facilitates the potential distribution of new ancillary products and services," said Jim Cron, senior vice president of global sales and distribution for Delta Air Lines. "We are continuously seeking distribution methods that satisfy the marketplace, and this technology is an option we are considering. It is important that we work with our agency partners to find the best possible solution for our customers."

And that is exactly what the industry — airlines and agencies alike — will continue to do. ■

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