



FIRST VIEW
October 2022



ATPCO Walks the Talk



THE FACTS

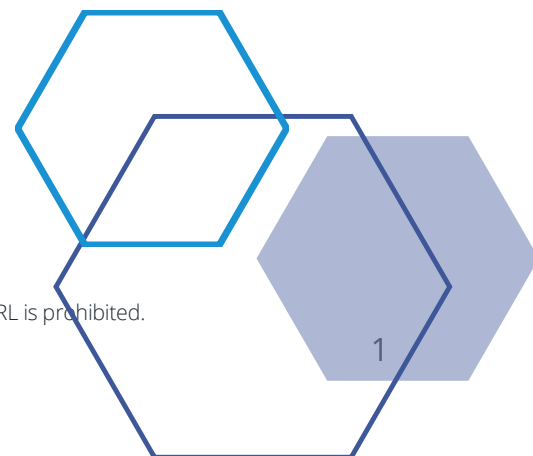
During its Elevate conference held in Washington DC last week ATPCO announced a new service called Airline Order Posting that is intended to ease the transition to the new world of Offer/Order based airline distribution.

THE ANALYSIS

In casual discussions of the move to modernise airline distribution, reliance on ATPCO fares is often cited as a blocker. ATPCO fare formats may or may not be a brake on progress but there is no doubt that ATPCO the company is among the leaders in the push for modernisation. Under the leadership of Rolf Purzer and now Alex Zoghlin the company has been responsible for important innovations that have application across the industry.

Airline Order Posting is intended to break one of the biggest barriers to adoption of Offer/Order which is the need to service bookings that have been made in the new world using facilities firmly rooted in the old. As a concrete example consider an Order created by a travel agent using an NDC connection that needs to be changed by an airline call centre when the customer's travel plans change. The call centre agent's systems need to access the fares applicable at the time of the booking and the current fares in order to perform the calculations needed to reissue the ticket for the changed itinerary. In a world of dynamic pricing and offers the original price may have been modified from a filed fare or even created without reference to any fixed tariff, making it impossible to make the reissue calculation.

Airline Order Posting will allow the airline's Order Management System (OMS) to send a copy of the order along with any supplemental information to ATPCO at the time it is created. The system converts the order data to ATPCO formats and adds necessary supplemental information.



It then distributes the order information in ATPCO data structures, along with existing subscription feeds, to change/refund systems. In this way when a customer requests a change to her itinerary the call centre agent is able to access all the necessary data from existing systems with no need for new technology or retraining of agents.

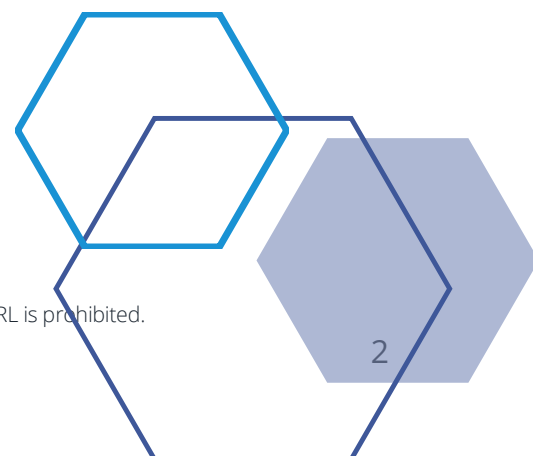
In effect this service means that airlines will be able to move ahead with the transition to selling via Offer/Order, with all the benefits that brings, without being held back by deficiencies in servicing capability in most existing implementations. It will serve as a bridge between technology generations during the expected long period of transition when the old and the new will live alongside each other.

ATPCO has not yet announced any pricing for the new service but in keeping with its status as a non-profit industry-owned utility it is likely to be eminently affordable. It will certainly be a far lower cost than that involved in the creation of new servicing capabilities.

Interestingly ATPCO also announced that it would be making the work it had done with SITA on NDC Exchange freely available to any partners. This includes the code that supports Airline Order Posting so there may be a range of commercial alternatives available to airlines or other vendors to take the code on and run the solution on their own infrastructure.

THE SPECULATION

The product announced at Elevate is an initial offering that addresses a specific use case around servicing but there are many other downstream requirements for original pricing data. These include settlement, auditing and reporting. We expect that ATPCO will extend the offering into these areas over time. There is also potential for the creation of a data lake to feed analytics at either an individual carrier or an industry level.



Delivery of the order pricing data may also change over time. While volumes are relatively low it makes sense to push out the new data with existing transmissions but over time it may be better to switch to a pull model. This would involve the publication of an API to allow servicing systems to request data for a specific order at the time of the servicing request.

There also exists a potential to extend the concept to create an offer repository along the lines of the one proposed by Amadeus in its paper “Scaling NDC for the digital travel players: The NDC Offer Repository”¹. T2RL is not yet convinced of the value of such a repository but if it were to be created there would be advantages in having it managed by an industry-owned entity like ATPCO.

Travel Technology Research Ltd, trading as T2RL, is an independent sourcing and research company that specializes in airline technology and distribution. Based on data since the year 2000 it has tracked industry trends for airlines as well as their IT providers, distribution partners, and customers. All parties use its research to make informed business decisions to meet current and future needs. For further information, visit our website at www.t2rl.com.

¹ <https://amadeus.com/en/insights/blog/introducing-ndc-offer-repository-solution-ndc-scalability-challenge>

