

AIRLINE DISTRIBUTION AND RETAILING UPDATES

Weeks 29 & 30, 2024

This edition contains news on:

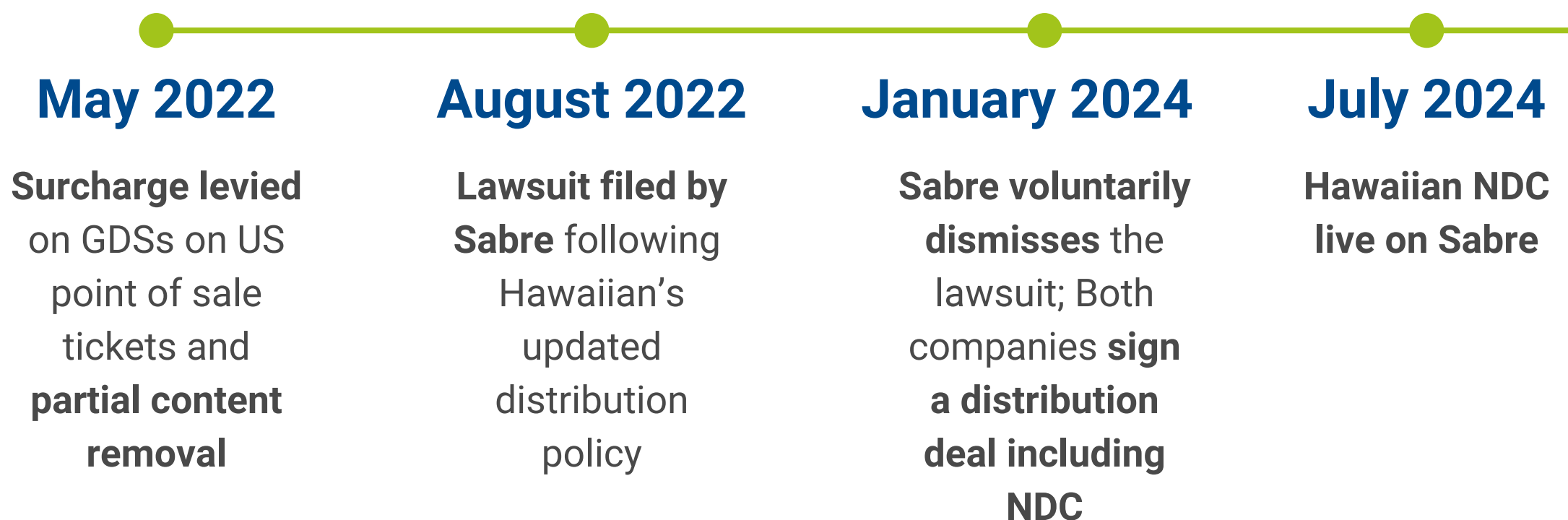
- Air Canada
- American Airlines
- Hawaiian Airlines
- Malaysia Airlines
- Ryanair
- Southwest
- WestJet
- Amadeus
- ARC
- Meta

Hawaiian NDC live on Sabre

The integration gives Sabre users access to Hawaiian’s NDC content in 32 countries. Sabre is the first GDS to offer Hawaiian’s NDC content.

The agreement allows Sabre subscribers using NDC to gain access to Hawaiian’s inter-island fares and avoid a 7 USD surcharge. The surcharge remains in EDIFACT.

Hawaiian and Sabre’s recent history

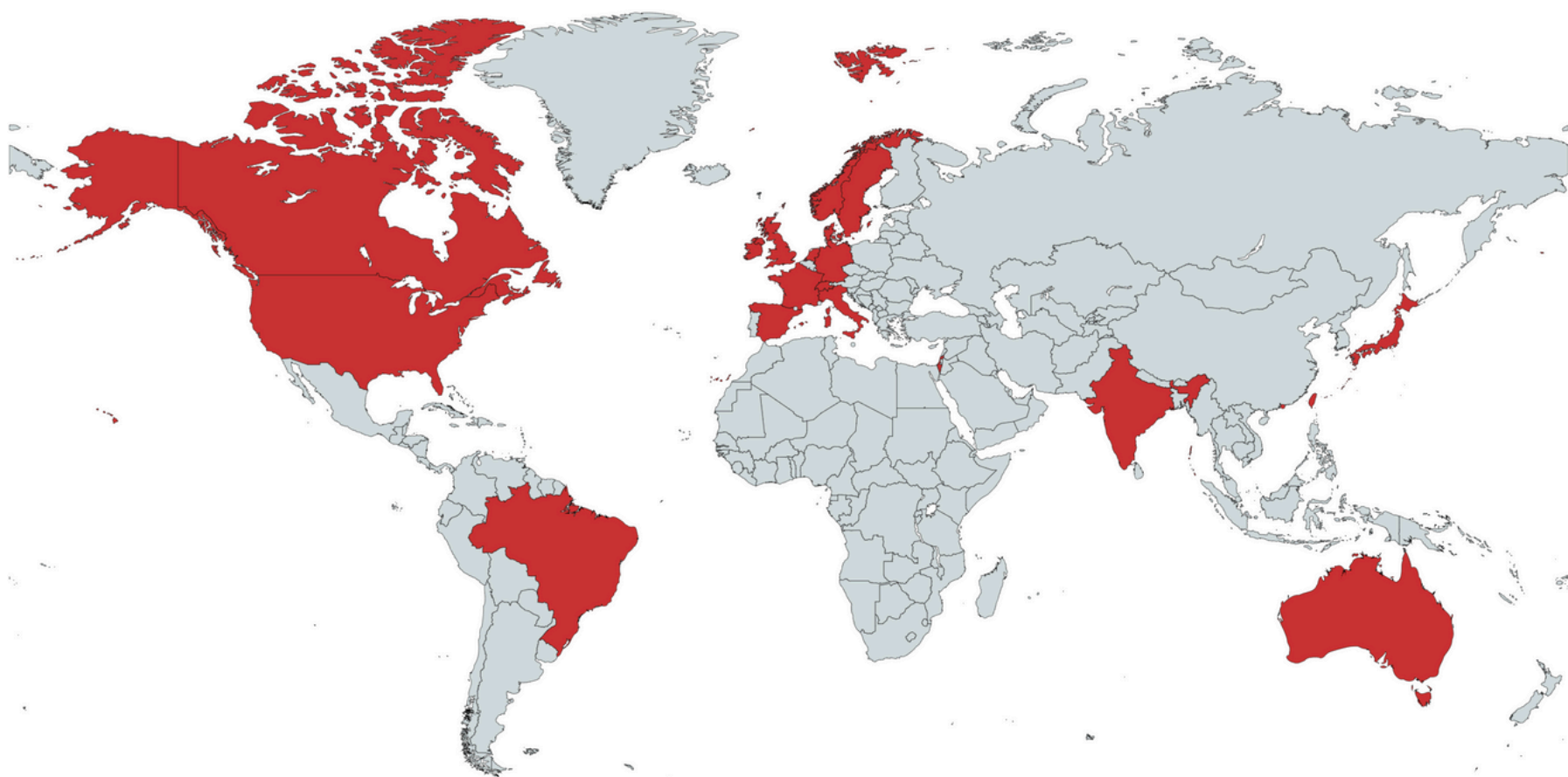


Air Canada NDC live on Sabre

Sabre-connected agents in 20 countries can now access Air Canada's (AC) NDC content, with potential expansion based on demand. AC and Sabre signed their agreement 13 months ago, in June 2023.

AC's EDIFACT surcharge on the lowest fares in each cabin (four classes) is bypassed with NDC bookings.

Initial rollout of Air Canada NDC on Sabre

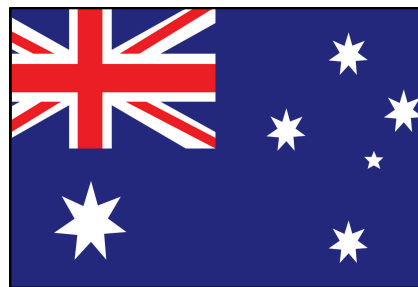


Malaysia Airlines NDC live on Travelport

Travelport has introduced Malaysia Airlines' NDC content and servicing capabilities on its Travelport+ platform.

Malaysia Airlines went live on Travelport 21 months after signing their NDC distribution agreement in 2022.

Initial geographical rollout (expansion to follow)



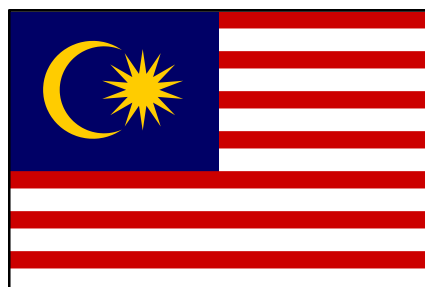
Australia



India



Indonesia



Malaysia



Singapore



United Kingdom

AA's Business miles back for agency bookings

Corporates can now earn business miles on a \$1:1 point basis, regardless of where they book.

In February, American Airlines restricted business loyalty earnings to its direct channels and 'preferred agents'. This change was canceled in May. AA also added back content removed from EDIFACT in 2023.

Estimated H1 revenue loss due to distribution strategy changes

750 Million USD*

**Source: Robert Isom, CEO, American Airlines; via AA second quarter results call*

Southwest retails reserved seating

Southwest airlines, known for its no-reserved seating policy is to introduce significant changes to its product offering.

The airline will introduce reserved seating, and take the opportunity to introduce premium legroom options. The airline will now also introduce red-eye (overnight) flights, aiming to optimise its network and aircraft utilisation.



Ryanair approves two more OTAs

Ryanair has approved Expedia Group and Braganza, providing them direct-connect access in exchange for agreeing to Ryanair's policy.

Ryanair shifted its strategy in 2024 by partnering with 'approved OTAs' and offering them direct-connect access. In return, these OTAs have agreed not to mark up Ryanair's prices.

Ryanair's approved OTAs

Braganza

El Corte Inglés

eSky

Etraveli Group

Expedia Group

Kiwi

lastminute.com

loveholidays

On the Beach

TUI

Amadeus - similar or higher NDC contribution

Recently, during its 2024 investor day Amadeus CEO Luis Maroto forecasted a steady growth in air distribution bookings driven by content expansions and NDC.

On NDC, Amadeus sees a similar or slightly increased contribution margin than on EDIFACT bookings.

By segment, 2023¹ - 2026 performance outlook

Air Distribution

Revenue: 6%-9% CAGR

- At least, steady bookings growth, supported by content expansion, commercial wins and NDC volumes
- Revenue per booking evolution to vary depending on customer, booking and NDC mix
- **NDC contribution per booking is similar or slightly higher than for EDIFACT bookings²**

Contribution margin:
 minor expansion

Air IT Solutions

Revenue: 10%-14% CAGR

- PB evolution, driven by traffic growth and a positive inorganic effect from 2023-26 customer migrations³ (+35-45m PB in 2024, +60-80m PB in 2025 and 2026 combined)
- Expanding revenue per PB (pricing effects, selling more Altéa and Nevio components, Nevio value creation, Airport IT and Expert Airline Services fast growth)

Contribution margin: small dilution, driven by business mix (Airport IT and Expert Airline Services) and, in 2024, M&A consolidation impact

Hospitality & Other Solutions

Revenue: 15%-18% CAGR

- Hospitality double-digit revenue CAGR, mainly driven by Hotel IT and Media & Distribution
- Payments faster revenue CAGR than Hospitality

Contribution margin: expansion, supported by faster growth of transaction-based businesses

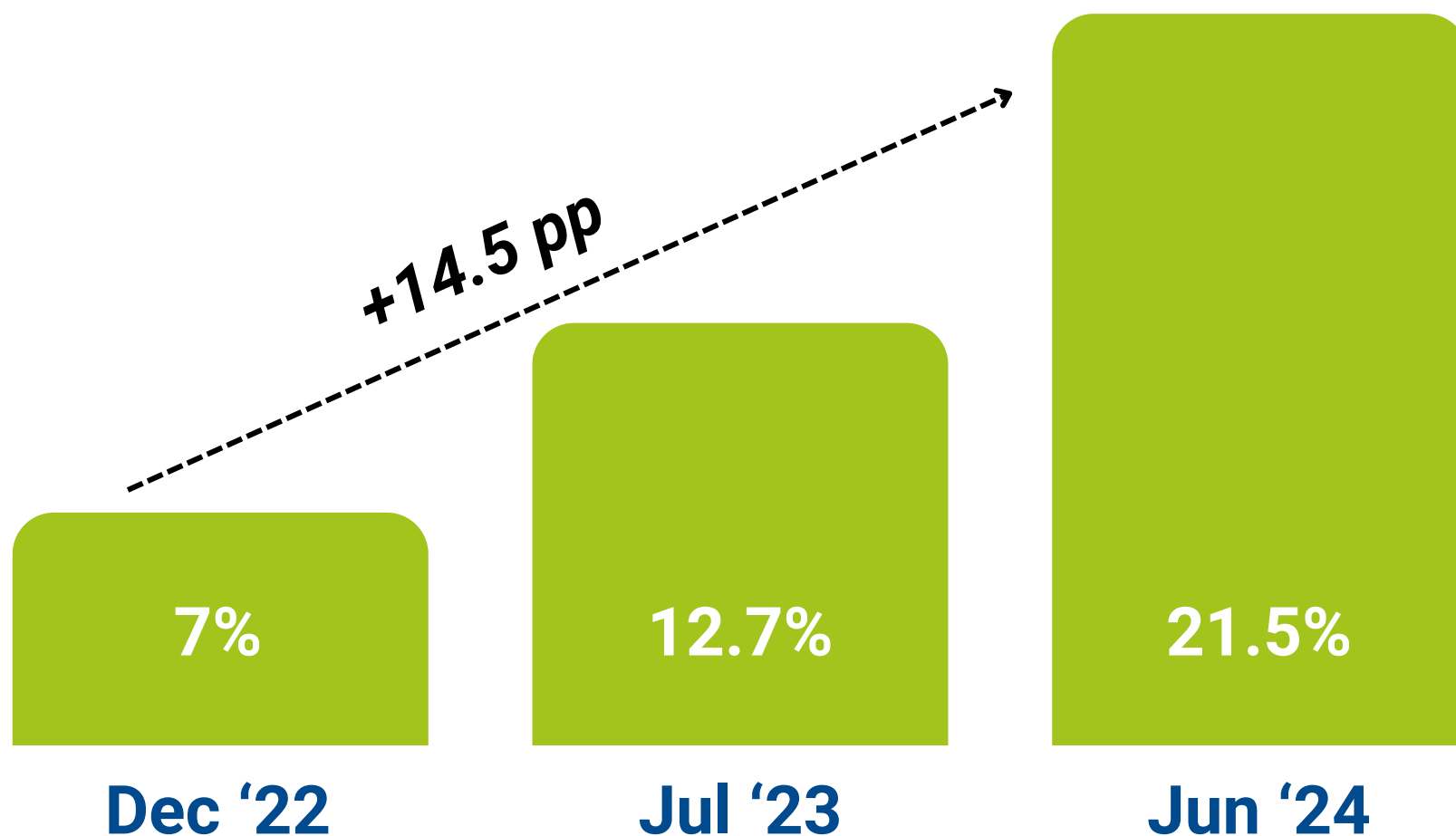
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ARC's NDC volume exceeds 20%

In June, NDC transactions comprised 21.5% of ARC's total transaction volume, marking a new peak.

Despite Delta Air Lines not yet implementing NDC, this figure highlights significant progress in NDC adoption among other US carriers.

ARC NDC transactions growth



Meta's bookings to be majority NDC by 2026

Meta, Facebook's parent, is piloting NDC. The corporate is using its TMC, CWT, to carry out the pilot. Meta and CWT are utilising Spotnana's travel-as-a-service platform to create bookings, specifically its booking tool and its NDC connections.

To keep travellers moving and friction low, the CWT and Spotnana partnership is being utilised to perform active changes. Spotnana is performing regular software issue fixes whilst CWT is providing the flexibility to ensure individual booking issues are dealt with.



More industry news

WestJet has renewed with **Accelya** for the FLX platform. WestJet historically was very active with Accelya (then Farelogix) on developing its NDC offering.

TOURVIS becomes the first OTA in Korea to sell **Air France-KLM's** (AF-KL) NDC content. TOURVIS is the first Asian OTA to integrate AF-KL's NDC content.

Air Moana, a French-Polynesian carrier, has partnered with **Sabre** to increase its foothold via traditional GDS.

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- Audits that offer airlines solutions to specific problems in GDS and NDC distribution
- Offer-Order transformation approach

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