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AMERICAN AIRLINES  
MODERN RETAILING  
CASE STUDY





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CASE STUDY



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*Accelya's vision is to  
**empower airlines to  
delight their customers**  
through the most trusted  
and open software platform.*

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## INTRODUCTION

*NDC adoption continues to be an industry challenge. A new initiative from **Accelya** and **American Airlines** enables TMCs to exchange legacy EDIFACT tickets for NDC tickets, overcoming a barrier that has held back corporate travel take-up for NDC.*

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American Airlines and Accelya are long-standing partners in the journey towards truly customer-centric airline retailing. It's a narrative that reflects an industry wide trend towards airlines being in control of their product and their distribution and having the freedom to make changes and optimizations that benefit them and their customers. This is a story of one of the world's largest airlines, American, and Accelya, an airline software innovator who have been powered digital transformation for 100+ leading airlines.

100+

POWERING  
LEADING  
AIRLINES

15Y

PARTNERS  
FOR OVER  
15 YEARS



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## BACKGROUND

*NDC, powered by Accelya, has contributed to American Airlines being one of the world's most successful airline retailers, allowing **American Airlines** to improve their customer relationship.*

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Accelya first enabled the concept of **'direct connect'**, establishing a software link between the airline and its travel agent partners in the mid 2000's. This meant that American could sell flights and ancillaries directly via its travel sellers without an intermediary for the first time.

As a result of the **'direct connect'**, American Airlines gained greater control over the distribution of its offers and set them on course to pursue a retailing strategy that placed the customer at the center of its business. This move is widely regarded as the instigator of the new distribution capability (NDC) standard, launched by IATA in 2012.



NDC provides the standard for airlines to create dynamic, personalized offers featuring rich real-time content to travel agents without legacy constraints.

Accelya and American have a strong partnership which includes **NDC & Distribution** and other Accelya solutions including **Revenue Management, Revenue & Order Assurance and Payment Reconciliation**. These NDC-compliant solutions enable American to enjoy closer relationships with their customers, contributing to their becoming one of the foremost airline retailers and a brand respected by customers and peers in the industry alike.



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# American



## CHALLENGE

*American Airlines chose to make its best content available to third-party travel sellers only via **NDC connections.***

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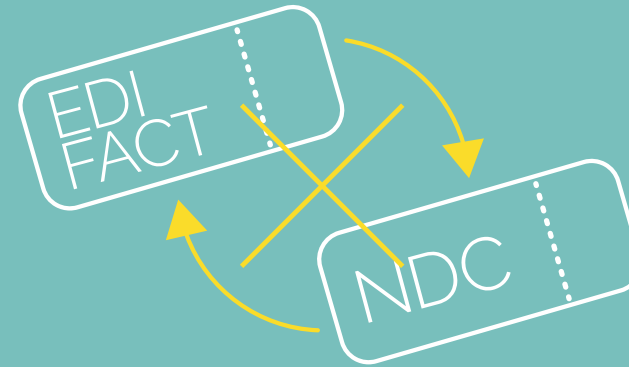
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In December 2022, American Airlines made the decision **to offer some of its best content and fares, only to travel agencies booking through an NDC connection**. The decision was driven in part to form closer relationships with customers and for sellers to have the ability to customize fares.

Given American's leadership position, the announcement caused ripples across the industry, and prompted **Norm Rose**, senior technology analyst for Phocuswright and president of Travel Tech Consulting, to comment.

*“To me the biggest change that has happened is the **GDS is no longer the center of the world**, and those who believe it is still the center of the world are going to be left behind.<sup>1</sup>”*

But there remained a problem. Doubts soon arose as to whether the industry was operationally ready for such



a change. A major hurdle was that travel agencies and travel management companies (TMCs) could not exchange old GDS (EDIFACT) bookings for tickets issued via NDC. In particular, large corporate customers would have many unused tickets in their agencies<sup>2</sup>. This issue posed a challenge for travel seller adoption of NDC content globally.

*“**Our biggest challenge, by a mile, is the fact that you cannot exchange old EDIFACT tickets for NDC ones.**”*

**Jeff Klee** CEO, AmTrav.

**American turned to its trusted retailing partner, Accelya, to help address this challenge and in doing so, remove a barrier to NDC adoption across the industry.** Until now, the inability to exchange unused GDS EDIFACT tickets had been a major barrier for TMCs wanting to leverage the benefits of NDC-based distribution.

<sup>1</sup> <https://www.travelweekly.com/Travel-News/Airline-News/Airlines-NDC-plans-fragment-distribution>

<sup>2</sup> <https://finance.yahoo.com/news/american-airlines-airfare-pricing-gaps>





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## SOLUTION

*As the world's leading provider of NDC technology<sup>3</sup>, **adept at making NDC work in the real-world**, Accelya immediately jumped on the challenge.*

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Not having access to the GDS issued ticket via EDIFACT, was the main challenge in exchanging tickets for NDC. **As the booking was made by a third-party, American simply didn't have the necessary details.** Understanding the customer and having details of their purchases being central requirements for becoming a modern retailer.

**As the world's leading NDC provider<sup>4</sup>, Accelya is adept at making NDC work in the real-world,** and their Miami-based product team immediately jumped on the challenge. Through the API provided by American, Accelya designed a solution to gain access to unused tickets issued through the GDS channel, then submitting the extracted fare information to American's shopping provider, to get the updated pricing required to complete the exchange.

**The solution was developed and launched in 10 weeks.**

Accelya's airline-first efforts also made certain the exchange could be serviced through SPRK (Accelya's proprietary sales and serving tool for content via NDC) and not just through an API.

*“American and Accelya have been **ground-breaking partners since the beginning of the retailing revolution**, pushing boundaries together, as we put our customers needs first and foremost, it was a natural reflex for the Accelya team to rise to the challenge.*”

**We also built the capability with other airlines in mind**, creating a baseline level of work that will be helpful for all. As soon as another airline gives us a web service to retrieve GDS-issued ticket from their host system, we will be able to implement this capability easily for them as well. We are proud to be the clear global leader in processing NDC transactions and are committed to continuing to innovate and develop NDC capabilities.

**Tye Radcliffe** SVP of Product Strategy  
over the Order Group at Accelya.

<sup>3</sup> Based on 2022 T2RL data

<sup>4</sup> Based on 2022 T2RL data



## RESULTS

*Travel sellers can now **easily exchange EDIFACT tickets for NDC orders** – without any disruptions to their normal business.*

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**Travel sellers can now easily exchange EDIFACT tickets for NDC orders, without disrupting their day-to-day business.**

Furthermore, Accelya continues to innovate and now ticket exchange at the time of payment is possible. All commission-based functionalities continue to operate as normal, with no disruption.

Agencies now have a seamless workflow, **removing the need to call the airline to service bookings.** These new capabilities powered by the NDC API make servicing easy and intuitive. The process works better now, reducing the burden on the agent as the airline is accurately calculating the additional collection, not the travel agent.

To encourage travel sellers to buy via NDC, American has made available enhanced offerings exclusively via connections.



- **Enhanced Offers** – Including exclusive access to multiple fare classes across the board like Main Plus, Main Select and Flagship Business Plus fares.
- **Enhanced Ancillaries** – Further exclusive access include:
  - Flight essentials: Paid Seats plus Upgrades
  - Conveniences: Food & Beverage & Pre-Ordered Meals
  - Third Party Offerings: Carbon offset via COOL
  - Flexibility: Confirmed same day flight changes

NDC also enables better prices, meaning customers will be able to take advantage of the lower fares offered. **NDC fares are lower than non-NDC fares on 36% of bookings, averaging \$115<sup>5</sup>.** As NDC adoption continues, the benefit to customers is only going to improve.



## CONCLUSION

*Accelya and American have together **overcome a major barrier for travel sellers to adopt NDC** and taken another step forwards in the airline retailing revolution.*



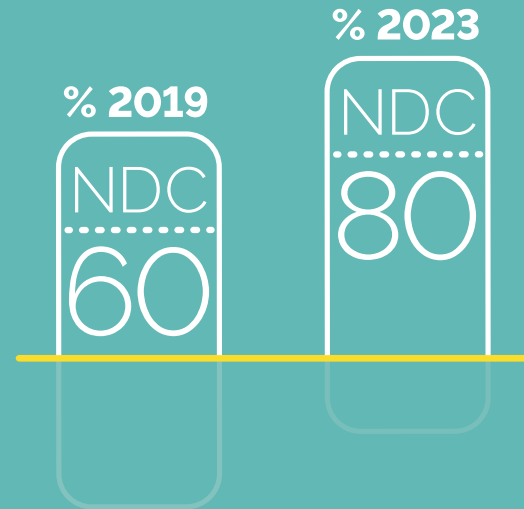
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*“ We are a little **over 60% going direct**, which is about a 10 to 12 points improvement versus where we were in quarter 1 of '19. We anticipate being about 10 points larger than that by quarter 2. Now importantly, we consider being sold through our new distribution technologies also as direct because we're able to provide – for us, direct is really, how do we provide the right level of retail experience, selling and servicing to the customer?*

*So we anticipate that will grow and potentially be **as much as 80+%** of the airline by the end of the year.*

**Vasu Raja** Chief Commercial Officer, American Airlines.



Accelya's drive to innovate is in our DNA. **This is evident in our transformative relationship with American Airlines**, which has contributed to American becoming a trailblazer of airline retailing.

Customers are wanting to engage in a much closer way with airlines and build stronger, tighter connections.

When American needed Accelya to overcome barriers to travel seller adoption of NDC, we were there to help the airline achieve its objective. **Working side-by-side, the solution has made it seamless for travel sellers to adopt NDC** and bring down yet another barrier to retailing adoption.





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