Distribution with Offers and Orders (NDC) Factsheet

Airlines' omnichannel distribution standard for Offer and Order management

1. What is NDC?

NDC is a travel industry-supported program (NDC Program) launched by IATA for the development and market adoption of a new, XML-based data transmission standard (NDC Standard).

The NDC data exchange format is based on Offer and Order management processes enabling airlines to create and distribute relevant offers to customers, regardless of the distribution channel.

2. What is NDC addressing?

NDC enables the travel industry to transform the way air products are retailed to corporations, leisure, and business travelers, by addressing the industry's current distribution limitations:

Limited product differentiation	Long product time to market	Restricted access to rich air content	Ambiguous shopping experience

Because it is structured around key functional domains, the NDC standard provides the opportunity to address the end-to-end airline distribution process and deliver an enhanced customer experience.
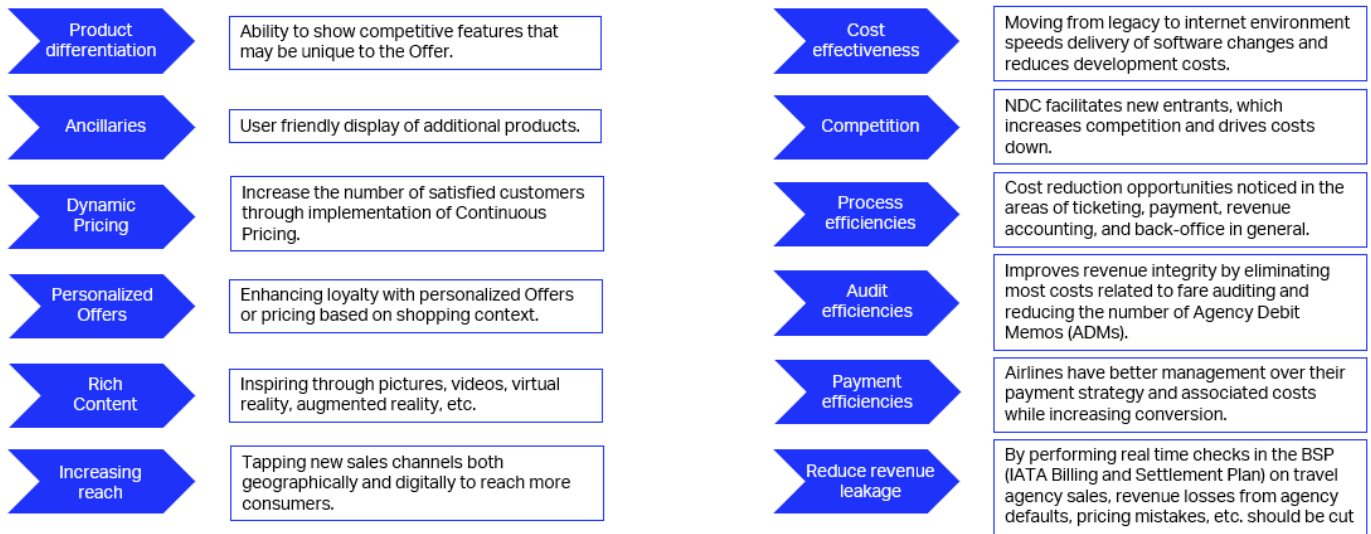
3. What is in the scope of the NDC Standard?

The NDC Standard enhances the capability of communications between airlines and travel agents and is open to any third party, intermediary, IT provider or non-IATA member, to implement and use. The main features are:

- ✓ NDC is a data communication standard via an API that enables sellers to interact with airlines to shop, order, pay and service products & services using the Offer and Order standards
- ✓ The Offer and Order standards support airline retailing with the following interactions between sellers and airlines:
  - → Shop / Offers distribution
  - → Order creation
  - → Order servicing and cancellation
  - → Payments and refunds

The latest schemas for the NDC (Offer and Order) messages provide further support and guidance for the standard implementation.

4. What are the key drivers of NDC?

Driver	Description
Product differentiation	Ability to show competitive features that may be unique to the Offer.
Ancillaries	User friendly display of additional products.
Dynamic Pricing	Increase the number of satisfied customers through implementation of Continuous Pricing.
Personalized Offers	Enhancing loyalty with personalized Offers or pricing based on shopping context.
Rich Content	Inspiring through pictures, videos, virtual reality, augmented reality, etc.
Increasing reach	Tapping new sales channels both geographically and digitally to reach more consumers.

Driver	Description
Cost effectiveness	Moving from legacy to internet environment speeds delivery of software changes and reduces development costs.
Competition	NDC facilitates new entrants, which increases competition and drives costs down.
Process efficiencies	Cost reduction opportunities noticed in the areas of ticketing, payment, revenue accounting, and back-office in general.
Audit efficiencies	Improves revenue integrity by eliminating most costs related to fare auditing and reducing the number of Agency Debit Memos (ADMs).
Payment efficiencies	Airlines have better management over their payment strategy and associated costs while increasing conversion.
Reduce revenue leakage	By performing real time checks in the BSP (IATA Billing and Settlement Plan) on travel agency sales, revenue losses from agency defaults, pricing mistakes, etc. should be cut

5. Who benefits from NDC and how?

Available on a voluntary and open basis, NDC benefits different industry players across the airline distribution value chain as follows:

Customers
Transparent Shopping Experience

→ Make all airline product and service information available to corporate buyers, reducing the need for out-of-policy bookings.
→ View and compare all available air transport options and relevant fares.
→ Select the most appealing travel option based on preferences which might range from product quality, service level to schedule and/or price.
→ Receive personalized offers from preferred resellers based on travel history and preferences.
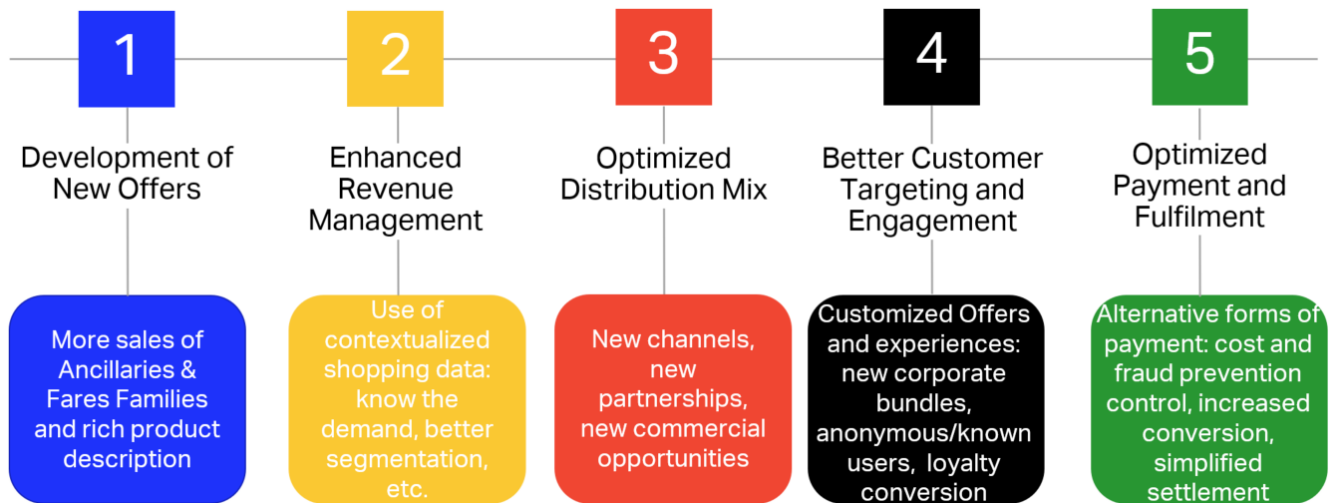
Travel Sellers
Access to Airlines Rich Content

→ Access to the entirety of the airline's product portfolio, including ancillaries and promotional fares.
→ Work with real-time offer, product, and policy information.
→ Deliver improved comparison capability to customers, based on product and service rather than price only.
→ Provide personalized service based on customers' full travel history and references if they choose to be recognized.

Full Service & Low-Cost Airlines
Product and Service Differentiation

→ Distribute the entirety of the airline's product portfolio, including ancillaries and promotional fares.
→ Present the airline's products in an attractive manner, using rich format like photos and videos.
→ Expand the amount of information available on each product: attributes, facilities, policies, passenger reviews, etc.
→ Offer value-added products and services when applicable.
→ More cost-effective and faster deployments

6. How does NDC contribute to Airline Retailing Value Creation?

1	2	3	4	5
Development of New Offers	Enhanced Revenue Management	Optimized Distribution Mix	Better Customer Targeting and Engagement	Optimized Payment and Fulfilment
More sales of Ancillaries & Fares Families and rich product description	Use of contextualized shopping data: know the demand, better segmentation, etc.	New channels, new partnerships, new commercial opportunities	Customized Offers and experiences: new corporate bundles, anonymous/known users, loyalty conversion	Alternative forms of payment: cost and fraud prevention control, increased conversion, simplified settlement

7. NDC - a critical component of Modern Airline Retailing

Since its inception, NDC has paved the way for one of the largest transformations in our industry—Modern Airline Retailing (MAR) with 100% Offers and Orders. In 2024, key enhancements were made to the NDC 21.3 schemas, facilitating a smoother transition for airlines and value chain partners.

Building on past learnings and addressing future needs, the new generation of schemas introduced with NDC 24.1 and beyond offers incremental but significant advancements. These schemas are designed to better support the realization of Offers and Orders. These schemas serve as the gateway for airlines to fully embrace this transformation.

Moving forward, it remains each airline's responsibility to individually assess the opportunity for NDC adoption and to decide their best timelines. IATA will not prescribe a specific course of action but will accompany any willing airline through their individual journey.

8. Recognition of NDC capabilities

The Airline Retailing Maturity (ARM) index recognizes companies that are on their journey to Modern Airline Retailing, using Offers and Orders based on the IATA Enhanced and Simplified Distribution (EASD) standards, including NDC and One Order. Companies are published with their validated capabilities in the ARM index registry.

9.What IATA resources are available to support the adoption of the NDC Standard?

The latest and most relevant resources to support the transition, including the IATA NDC messaging standards, can be found in the Airline Retailing section of the IATA website.

10. Beyond NDC

To accelerate the transition to a world of 100% Offers and Orders, a Retailing Consortium of airlines with advanced adoption, provides thought leadership guidance in critical areas, such as business case

development, reference business architecture, airline transition pathways, procurement considerations for modern retailing, and more. Access all current and upcoming [Consortium releases here >>](#)