



The sky is no longer the limit...

To coincide with this year's IATA & Wings Club Aviation Day USA, Datalex takes a look at the building blocks around one of the themes up for discussion at this year's event, 'Together, Let's Build Airline Retailing'.



Six Areas that can Propel Digital Transformation

There's no quick-fix when it comes to digital transformation for airlines. But it can be made easier if airlines pay attention to six key areas that will help them to manage the process:



Define the scope and roadmap:

Don't let it become a catch-all. Define the key focus areas and stick to them.



Assess the readiness of the enterprise:

Get leadership buy-in and reorganize to break down the barriers between traditional IT and non-IT business units. This reduces bureaucracy, time-to-market and costs, while allowing for more agility.



Be prepared for heavy-lifting while strategizing:

Optimize the digital capability across every digital channel for a better customer experience. When it comes to mobile, don't just include it in the mix; strategically build the digital platform that optimizes the touchpoint.



Significance of core data asset:

Create a process to collect transactional data across all enterprise systems, again with the objectives of driving a better customer experience.



IT architecture and airline-specific systems/engines:

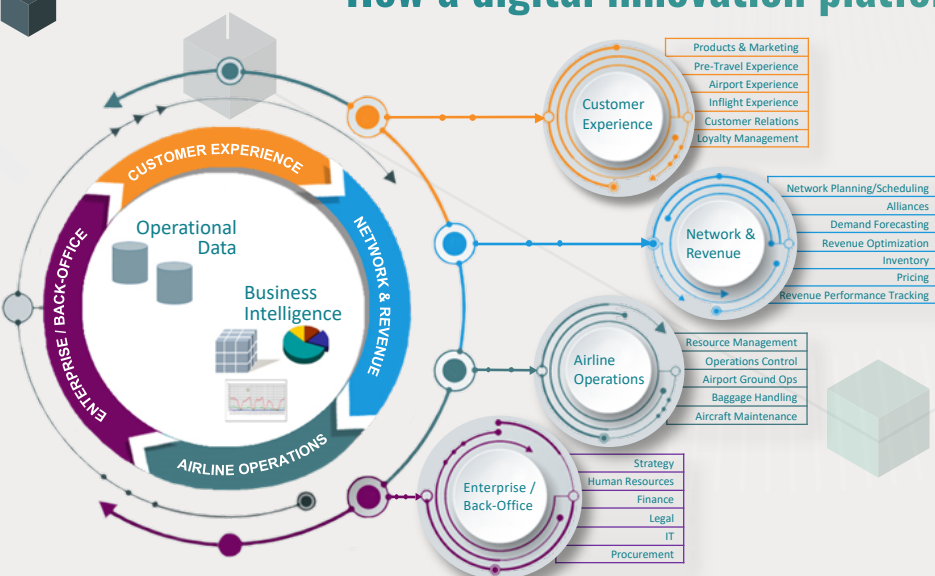
Have the right IT in place to enable real-time event enablement and a core data asset to leverage digital channels. Use cloud to save time, costs and improve agility. Integrate transactional systems to collect data and use the best-of-breed available, without having to waste internal resources on building these in-house.



Distribution strategy:

Once the airline can craft the best deal to push for every request from an indirect channel (based on NDC), they can make the most of their relationship with indirect partners. As well as leveraging the core data asset, they can focus on setting up a digital marketplace, backed up by a strong API strategy.

How a digital innovation platform fits the enterprise IT system



Airline Digital Transformation - defining the scope:

- Be strategic.
- Identify and articulate the important capabilities for the enterprise.
- Communicate with all business units, including the IT business unit.
- Make the transformation a subset of the IT multi-year plan.

What it should include:

- Customer-facing products and capabilities
- Customer experience improvements
- Value-added capabilities such as self-service
- Consistent, real-time data with an omni-channel focus

Price means nothing on its own - it's all about the offer.



Use price to drive more than just revenue

Successful retailers understand that while price is important, it means nothing on its own. It's all about the offer.

An offer is what ties the product, the price, the value proposition, the customer and the retail context together. Those retailers who are most effective at generating the optimal offer and who have the tools to do so will dominate in an increasingly digital marketplace:

- Price as a revenue driver
- Price as a lever to control supply and demand
- Price as a driver of loyalty
- Strategic personalized pricing
- 'Need & Want' pricing



Enabling a Customer 'Omni-Experience'

The customer experience should be just that – one experience. The gold standard requires a seamless transition from one touchpoint to the next, resulting in the perfect omni-channel experience. Move beyond 'one view' of the customer journey to a seamless 'omni-experience':

- Appoint a customer experience 'Responsible Manager'.
- Ensure internal transparency of the customer journey channel for all staff with customer responsibilities.
- Follow-up and follow-through – from and to each point in the customer journey.
- Enable one view of data that encompasses the experience online, offline and post-experience.
- Enable one view of data that encompasses the technological engagements at all channels and all touchpoints.
- Provide senior-level engagement, with a customer experience objective at company level.



What about the airline subscription economy?

The airline's challenge:

- To serve demanding frequent travelers who want seat availability when they need it, and require...
- ...certainty of price and quality when they book and travel; while at the same time, the airline needs to...
- ...maintain customer service excellence throughout the customer journey.

The benefits?

- Financial stability by securing revenue in advance
- Revenue generated from products that would otherwise be given away for free
- A unique & exclusive connection to loyal travelers
- Infinite pricing options, easy to deploy & adapt in no time
- Potential collective benefits for groups or corporates



How should the airline respond?

- Create a subscription-based model that's proven in other ecommerce sectors, for example Spotify and Netflix.
- A unique strategy that blends quantity with quality.
- Package airline services into bundles to offer a quality service at a fixed price without compromising profitability.
- The airline can offer any of its current services as subscription-based. Add new products by decoupling the traditional product catalog into separated bundled services.

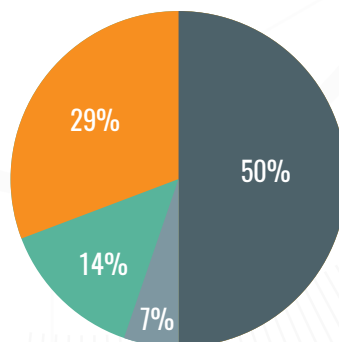
Summary

Airlines can deepen the engagement with trusted customers to deliver new product categories around a subscription economy while engaging a new type of loyalty where up-front spend brings new benefits.

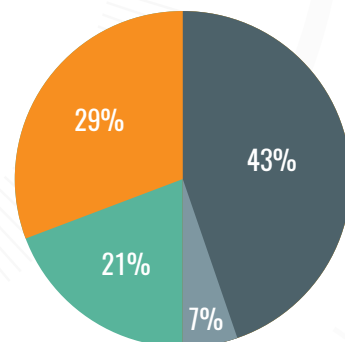
Payments

According to a recent survey by Atmosphere Research Group sponsored by Datalex, over 70% of airlines said that they were likely to adopt subscription as a form of payment within the next 3-5 years. Almost 80% said they were likely to add digital payments.

Add Digital Payments



Add Subscription Payments



Very likely

Likely

Not likely

Don't know



23% of direct bookings will be made on mobile by 2020

Forecast:

59%
of total bookings
will be made through
direct channels by 2020.



NDC - Best in Class

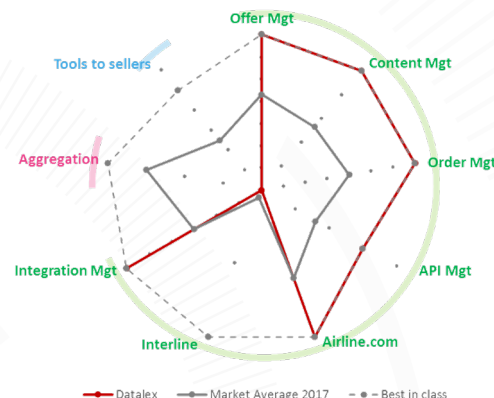
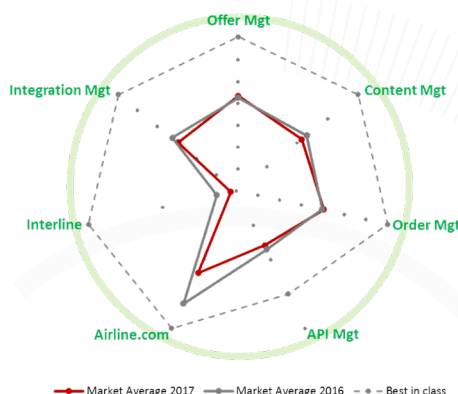
With a number of new NDC-certified suppliers in the market, and increased airline and travel agency adoption, IATA commissioned Sia Partners to update its NDC Solutions White Paper in 2017.

The paper analysed 7 key areas:

- Offer Management
- Order Management
- API Management
- Airline.com
- Integration Management
- Content Management

The paper highlights which NDC modules and features bring the most value to airlines. According to IATA, 90% of the suppliers surveyed again put offer capability first. Air ancillaries, personalization and dynamic pricing are seen as the next most valuable modules and features.

'In the report, Datalex was judged as 'best in class' across 6 of the 7 functional areas assessed.'



Watch the video:
Datalex
Digital commerce for travel retail
Click here >>>



Our Platform

Imagine a travel retail environment, enabling limitless products and services, within a growing eco-system of partner distributors and suppliers, optimised for omni-channel management. This is the Datalex Digital Commerce Platform. An open cloud platform designed for ease of deployment. Re-defining travel retail.

Join us:

Join Datalex CEO Aidan Brogan at this year's Aviation Day USA, along with IATA CEO Alexandre de Juniac and CNN Anchor & Correspondent Richard Quest.

[Click here](#) to register, or contact Datalex. To find out more about digital commerce for airline retailers, visit www.datalex.com



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