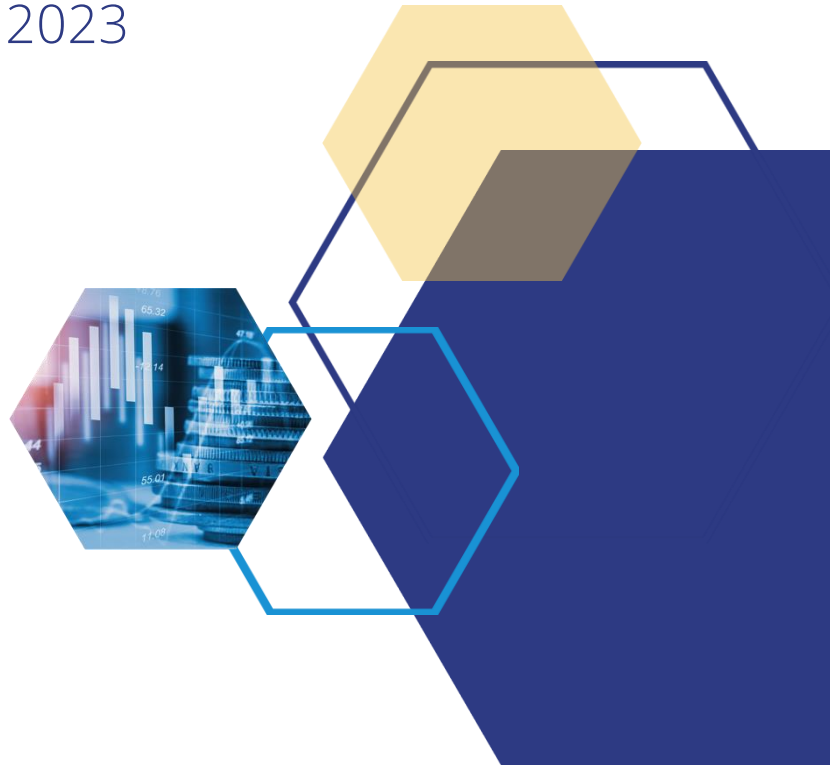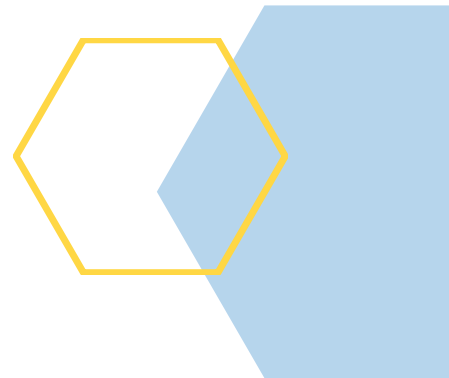# Virgin Atlantic's Conservative Path Towards NDC

THE FACTS

Virgin Atlantic has relaunched its initiative in NDC sales and servicing with an announcement that it would not penalise other distribution technologies. This sets it apart from most of the early adopters.

THE ANALYSIS

The recent publicity around Virgin's NDC launch is slightly behind the times as its portal went live at the beginning of July. It is also not the first venture into the technology by Virgin. It launched an NDC API in 2019 but suspended its use during the Covid-19 pandemic.

The hiatus gave the airline's development teams the opportunity to update its technology to the (so far) definitive 21.3 schema from the 18.1 version that was previously in use. In making this update Virgin joins only three other airlines[1] that have currently certified the 21.3 schema in the IATA Airline Retailing Maturity Index.

Virgin is following the lead of its major shareholder Delta Air Lines by declining to impose any penalties on travel sellers that continue to use traditional EDIFACT links to access its content via the GDSs. This sets it apart from the three major European network airline groups (Lufthansa Group, Air France/KLM and IAG) which have all applied surcharges to the older booking technology. Part of its reasoning is that servicing of bookings is still problematic, to the extent that it launched a telephone help desk for servicing on the same day as the new API was initiated. In an interview with The Beat published on 5 September, Virgin NDC manager Lyle Dalgleish said that it would not consider surcharges until the servicing of bookings was fully automated via the NDC API. No indication of a likely time scale was given for this development but

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[1] Xiamen, Vueling and Turkish.
First View: Virgin Atlantic's Conservative Path Towards NDC
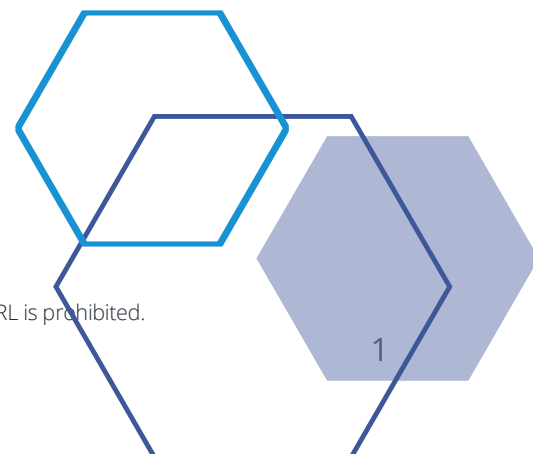
it is notable that when the airline certified eleven NDC messages in March of this year, OrderChangeRQ was not among them.

THE SPECULATION

Virgin Atlantic has built a brand proposition around being cool and innovative but in matters of technology it is firmly in the mainstream. Its approach to NDC is entirely in keeping with its history and probably would not be significantly different even without the influence of Delta. Where there may be an incentive to accelerate developments is in the move towards dynamic pricing.

Around the time it was implementing its NDC portal the airline also announced a deal to use Fetcherr's generative pricing engine to adjust prices from base filed fares. Getting this capability to the market requires an interface more sophisticated than EDIFACT can provide. Added to this Virgin, in common with all its peers, is looking towards the emerging standards of Offer/Order/Settle/Deliver for which distribution based on offers and orders is a prerequisite.

If it does implement significant dynamic pricing capability, it is possible that there will be a large benefit in the form of lower fares for sellers who have access to Virgin's NDC API, as we have seen with United Airlines.

As a medium sized network airline, albeit one with a high profile, Virgin doesn't see any need to force the pace on new distribution standards. Its exclusively long-haul network means that it does not face the pressures of competition with LCCs in the same way as LHG, AF/KL and IAG. It also probably has a higher proportion of travel agency and away-market bookings than those airline groups. For the time being conventional GDS distribution suits it well. On the other hand it can't afford to be left too far behind as the move towards OOSD gathers speed. So far it appears to be steering a steady course to remain firmly in the mainstream.

First View: Virgin Atlantic's Conservative Path Towards NDC
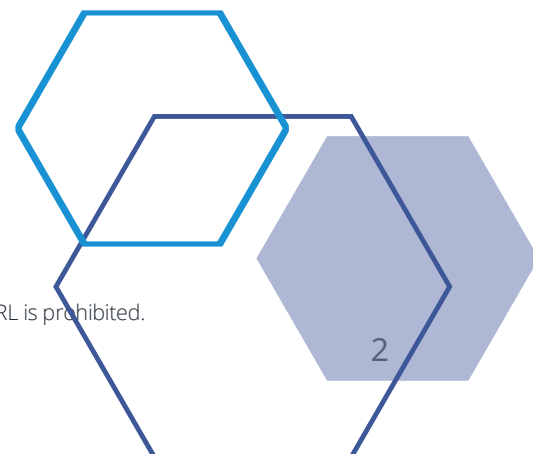
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