

ATPCO UPDATE

26 April 2018

atpco

 routehappy
by atpco

Journey to 2020!

atpcc@

OUR VISION

To fuel the future of air travel, leading the industry into the next generation of distribution, by empowering **smart connection of all content through all channels.**

OUR MISSION

ATPCO is the industry's trusted partner in driving innovation, reducing complexity, and delivering network economics to the entire distribution ecosystem through standards, technology, and effective governance.

ATPCO PLATFORM



STRATEGIC THEMES AND OUTCOMES

All Content

Smart
Connections

All Channels and
NDC Leadership

Enhanced
Customer
Experience

● **ANCILLARIES & RICH CONTENT**

● **FARE MANAGEMENT**

● **ENGINES-BASED PRODUCTS**

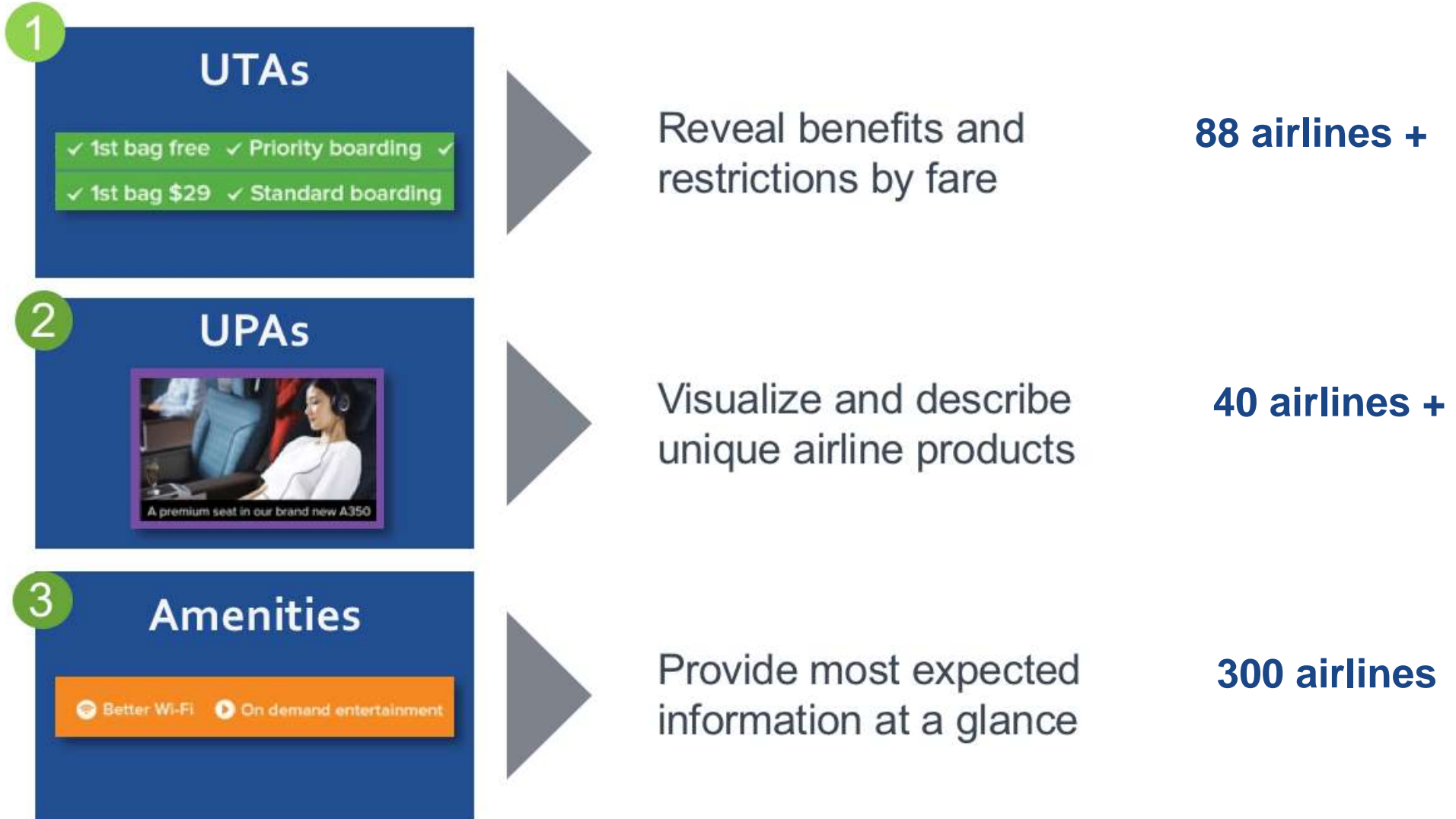
● **APIs**

● **NDC EXCHANGE**

● **PRODUCT PERFORMANCE**






● **IMPROVED CUSTOMER EXPERIENCE**

ROUTEHAPPY BY ATPCO: MORE RICH CONTENT



ROUTEHAPPY BY ATPCO: MORE SALES CHANNELS TOOLS


53 Flights ↑↓

	Delta 11:10a → 9:15a+1 ✈️ 📺 📶 🪑 MORE...	\$771 <small>BASIC ECONOMY</small>	\$866 <small>MAIN CABIN</small>	-	\$3,682 <small>PREMIUM SELECT</small>
	Delta 3:35p → 10:05a+1 ✈️ 📺 📶 🪑 MORE...	\$771 <small>BASIC ECONOMY</small>	\$861 <small>MAIN CABIN</small>	\$1,969 <small>COMFORT+</small>	-
	British Airways 4:55p → 11:30a+1 ✈️ 📺 📶 🪑 MORE...	-	\$744 <small>ECONOMY STANDARD</small>	-	\$2,856 <small>PREMIUM ECONOMY</small>
	United 5:50p → 12:00p+1 ✈️ 📺 📶 🪑 MORE...	\$791 <small>BASIC ECONOMY</small>	\$1,103 <small>ECONOMY</small>	\$1,650 <small>ECONOMY PLUS</small>	-
	Virgin Atlantic 7:50p → 2:25p+1 ✈️ 📺 📶 🪑 MORE...	-	\$816 <small>ECONOMY CLASSIC</small>	\$1,134 <small>ECONOMY DELIGHT</small>	\$1,864 <small>PREMIUM ECONOMY</small>

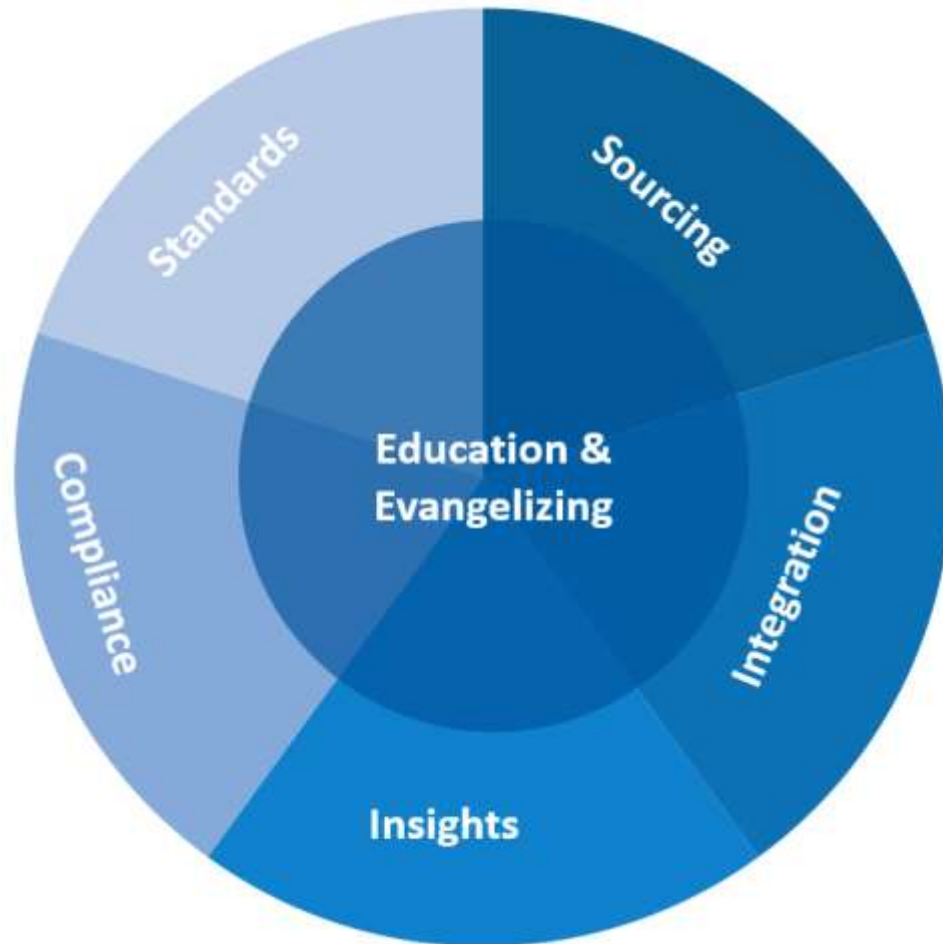
Next Gen Storefront

- Shelves over cabins
- Differentiated shelves
- Dynamic shelves by route
- Brands mapped to shelves
- Targeted lead image

53 Flights ↑↓

	Delta 11:10a → 9:15a+1 ✈️ 📺 📶 🪑 MORE...	\$771 <small>BASIC ECONOMY</small>	\$866 <small>MAIN CABIN</small>	-	\$3,682 <small>PREMIUM SELECT</small>
LAX → LON <small>A350 (widebody)</small>					
✈️ Seat	Standard	Standard	-	Recliner (38in)	
📺 Wi-Fi	Best (Fee)	Best (Fee)	-	Best (Fee)	
📺 On-demand	✓	✓	-	✓	
🔌 Power & USB	✓	✓	-	✓	
🍽️ Meal	✓	✓	-	Premium	
🧳 Checked bag	\$25	\$25	-	2 Free	
🧳 Carry on bag	🧳	🧳	-	🧳	
🗑️ Cancellation	✗	✓	-	✓	
🪑 Seat selection	✗	✓	-	✓	
🚶 Priority boarding	✗	Standard	-	✓	
	<input type="button" value="Select"/>	<input type="button" value="Select"/>		<input type="button" value="Select"/>	

ROUTEHAPPY BY ATPCO: FULL RICH CONTENT MANAGEMENT



Standards

- Rich content standards
- Brands to shelves
- Shelves by route
- Min display req / rec practices

Sourcing

- Create Amenities, UPAs and UTAs
- Align airline content to standards
- Map airline brands to rich content
- Codeshare and interline coverage
- Assess and measure airline content

Integration

- Deliver rich content via GDS, NDC, API
- Support accurate rich content integration

Insight

- Amenities benchmarking
- UTA benchmarking

Compliance

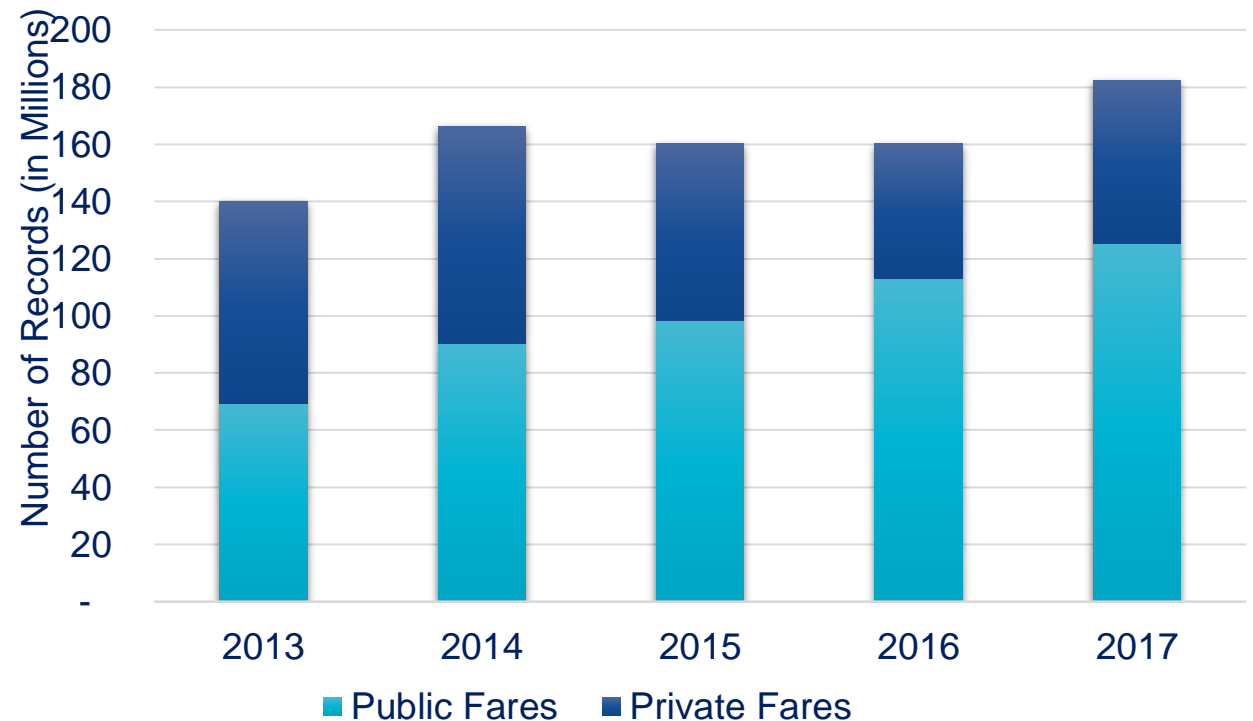
- Channel verification
- Compliance correction
- Enforcement



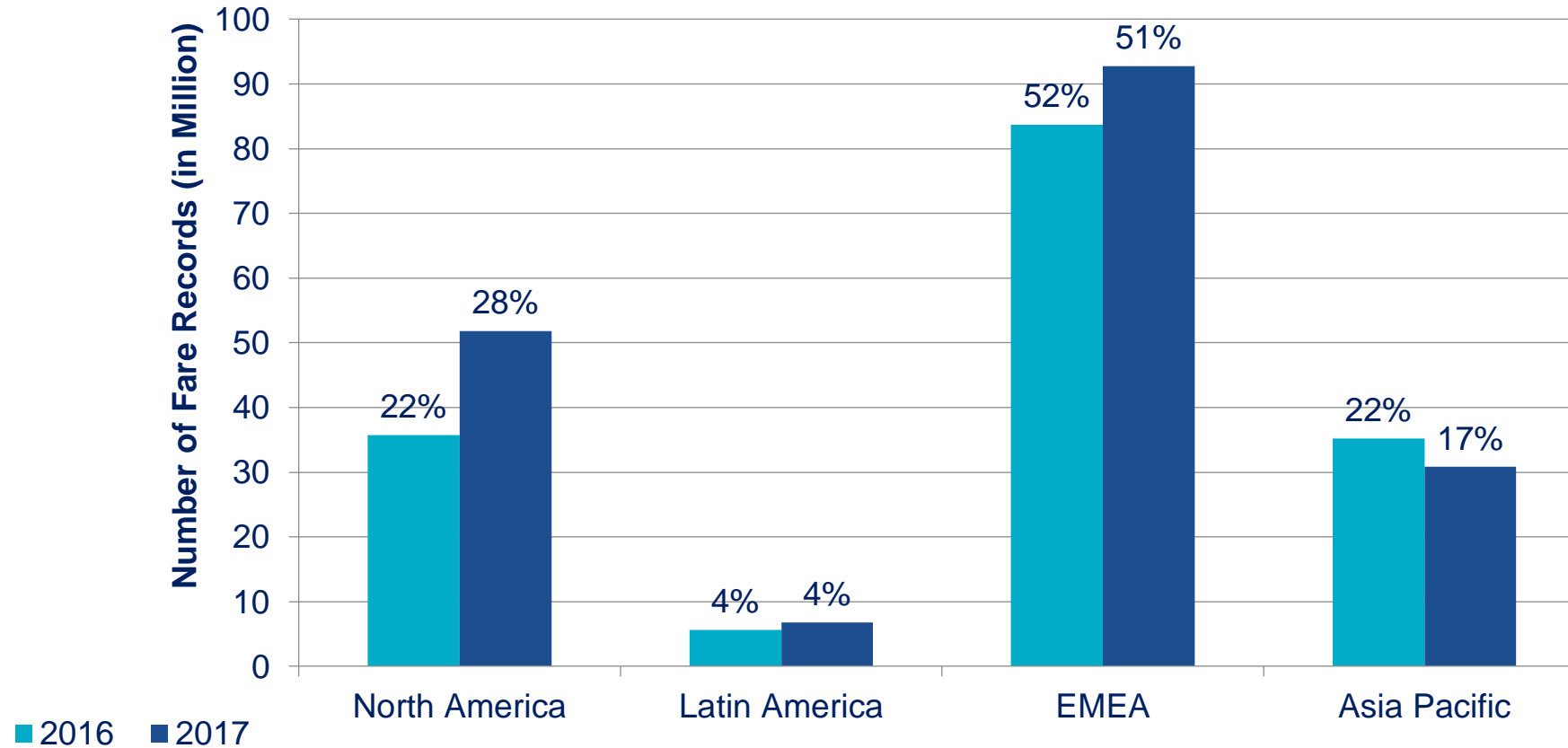
FARE GROWTH 30% IN THE LAST 5 YEARS...

Key Takeaways

- 14% fare growth from 2016 to 2017 after three year flat period
- Large increase by some airlines -- driven by branded fares and optional services
- Others have reduced fares through optimization efforts
- No airlines lost to NDC



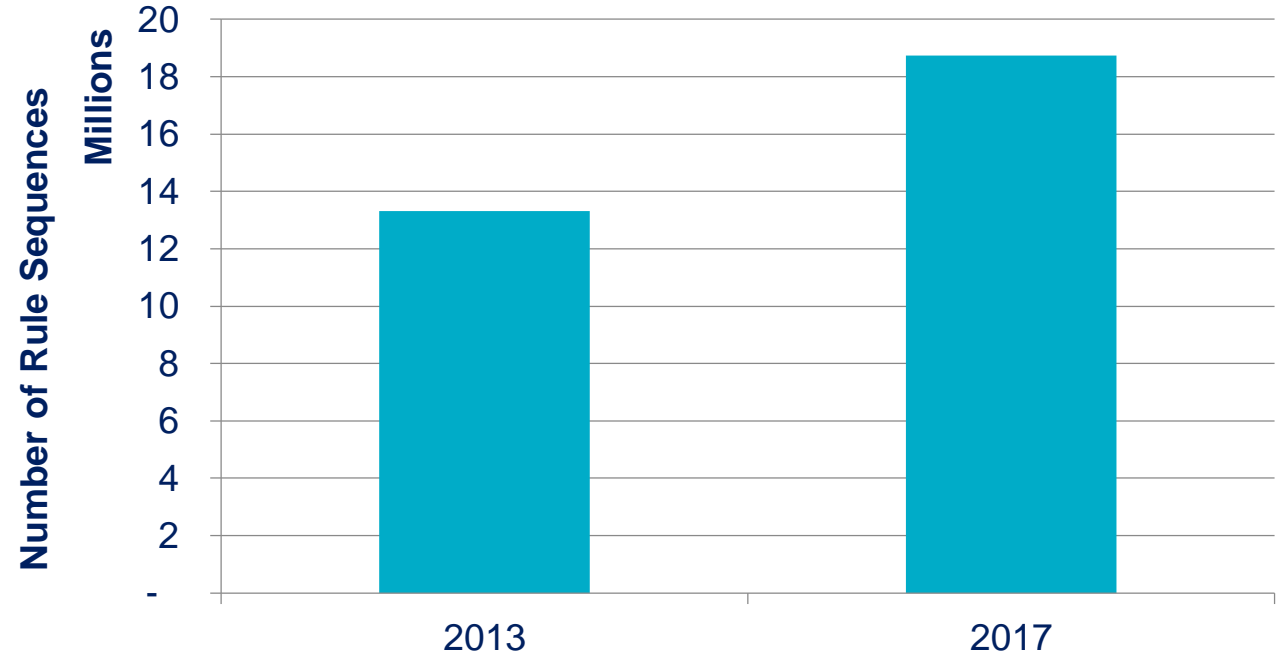
...WITH INCREASES IN ALL REGIONS EXCEPT ASIA PACIFIC



RULE GROWTH 41% IN THE LAST 5 YEARS

Key Takeaways

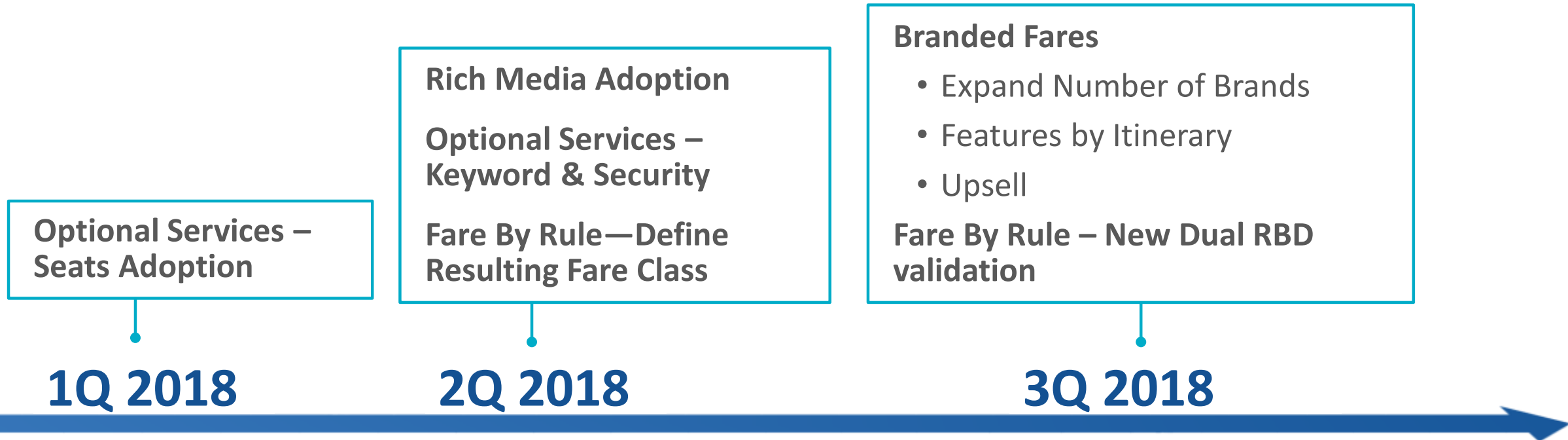
- Total growth from 2016 to 2017 YoY was 10.7%
- Biggest drivers in rule growth are negotiated fares and automation of refund policies
- Fare by Rule is most widely used of all categories – 271 airlines

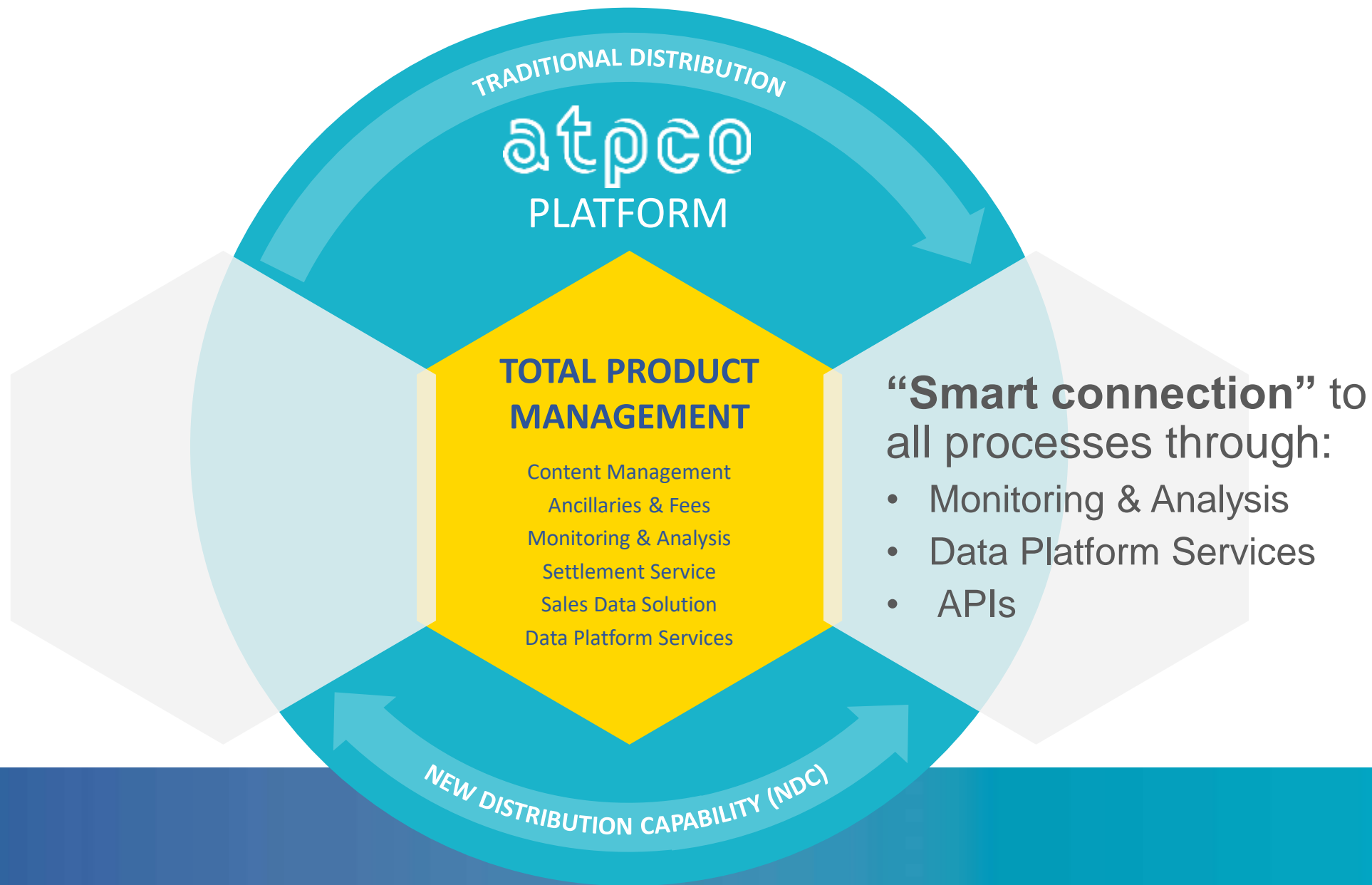


CONTENT: FEES

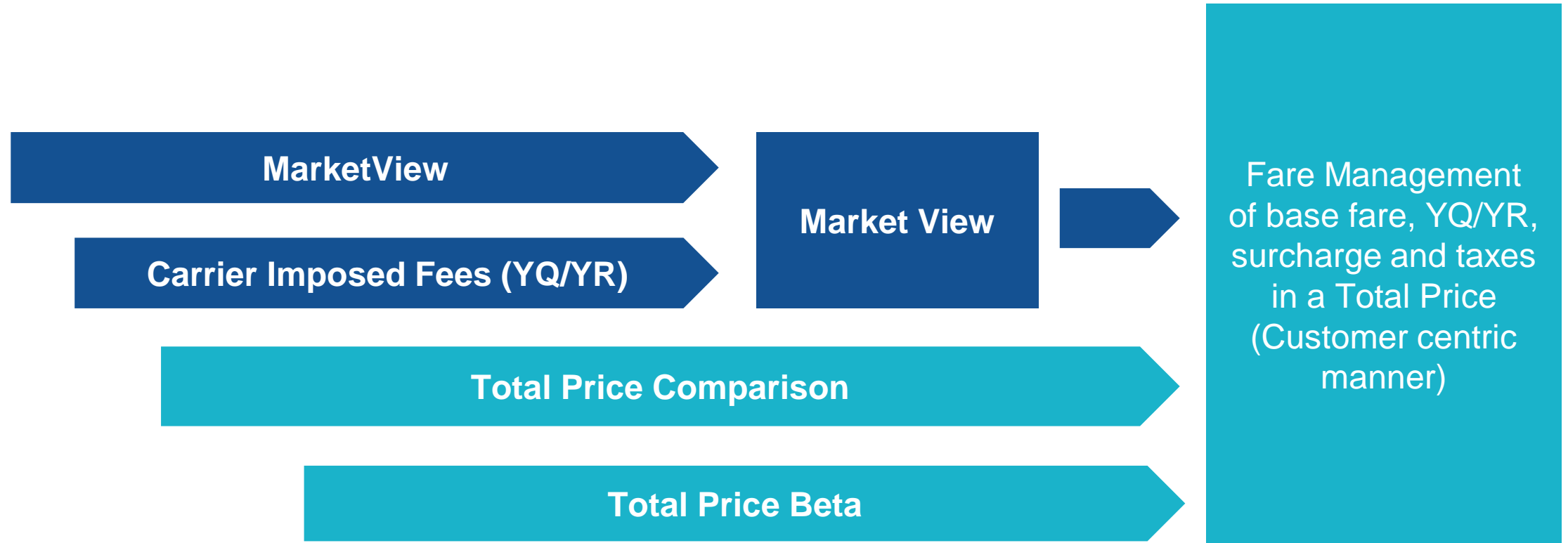
	2006	2009	2015	2017
	<i>Number of Airlines</i>			
Carrier-Imposed (YQ/YR) Fees (2005)	282	336	328	348
Ticketing Fees (2007)	N/A	24	92	121
Optional Services (2008)	N/A	14	137	201
Branded Fares (2009)	N/A	1	18	94
Baggage Allowance and Charges (2011)	N/A	N/A	397	418

ALL CONTENT

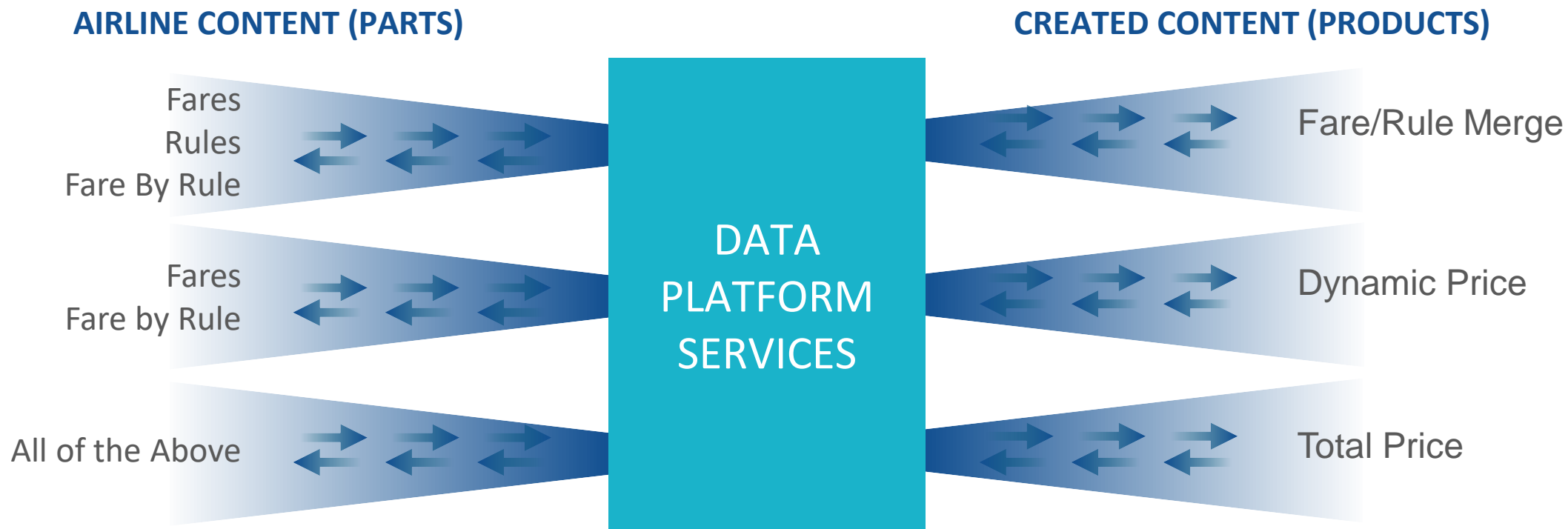




MONITORING & ANALYSIS



ENGINE BASED PRODUCTS



DATA YOUR WAY WITH OPEN SYSTEMS

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PLATFORM



APIs



User Interface



Uploads/Downloads



Subscriptions

INDUSTRY SINGLE SOURCE OF TAX DATA AND AUTOMATION



Closes the gap
between distribution
and revenue
accounting



Reduces
rejection in the
back office
environment



Supports
NDC Initiative

TAX CONCEPT

3-6 years

End of 2018
Q2 2018

Today

Phase 1

Phase 2

Phase 3

IATA Industry
Resolution New RATD



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Industry Interline Tax
Calculator



Industry Tax
Reference



Real Time Tax
Engine

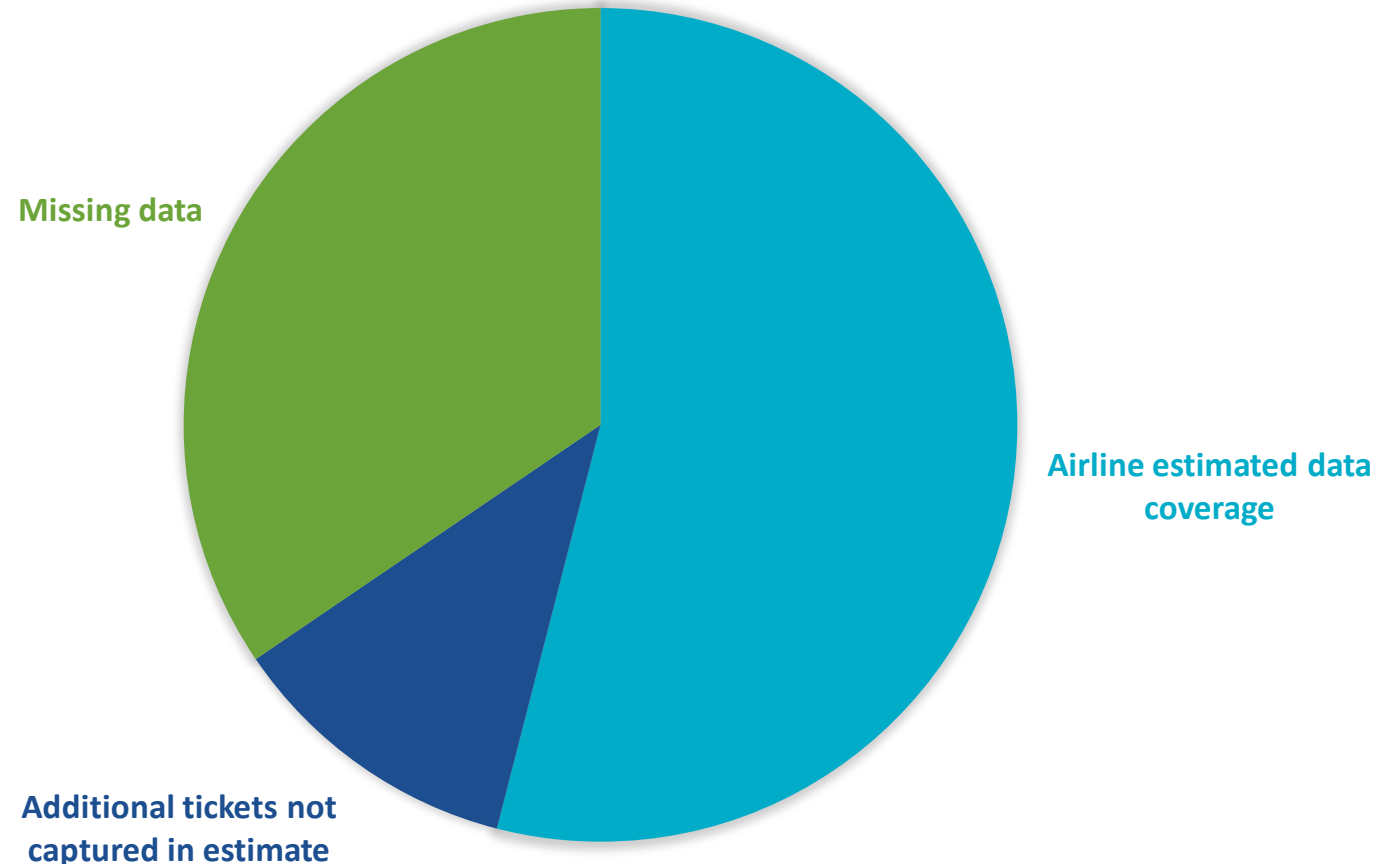


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SUPPORTING THE TAX CALCULATOR

Sales Data Exchange Coverage

- We have been working with Tax Calculator pilot Airlines
- They are reporting ~55% sales data coverage
- On investigation, we have a further ~10% that was sent to the airlines but not captured in their estimate
- **ATPCO stands at approximately 65% sales data coverage**



GETTING TO 100% COVERAGE

Why does it matter

- **Comprehensive sales data results in comprehensive tax calculation**
- Benefits multiple processes
 - Revenue Accounting
 - Revenue Management
- Supports your interline partners
- Provides a better sales sample for Simplified Involuntary Reroute Settlement (SIRS)

What can you do

- Insure you are sending us all your data
- Unintentionally missing data is a problem
- Complete the ISR survey ATPCO sent out
- Check internally to ensure you are receiving all the records you expect
- **Reach out to ATPCO if you have any questions**

SMART CONNECTIONS

Market View with YQ/YR

FareManager Rules

Work Unit - Rules Upload & API

1Q 2018

Ancillary Offer Engine - UI

New APIs

2Q 2018

Mass Update - Add or Delete
Table Numbers

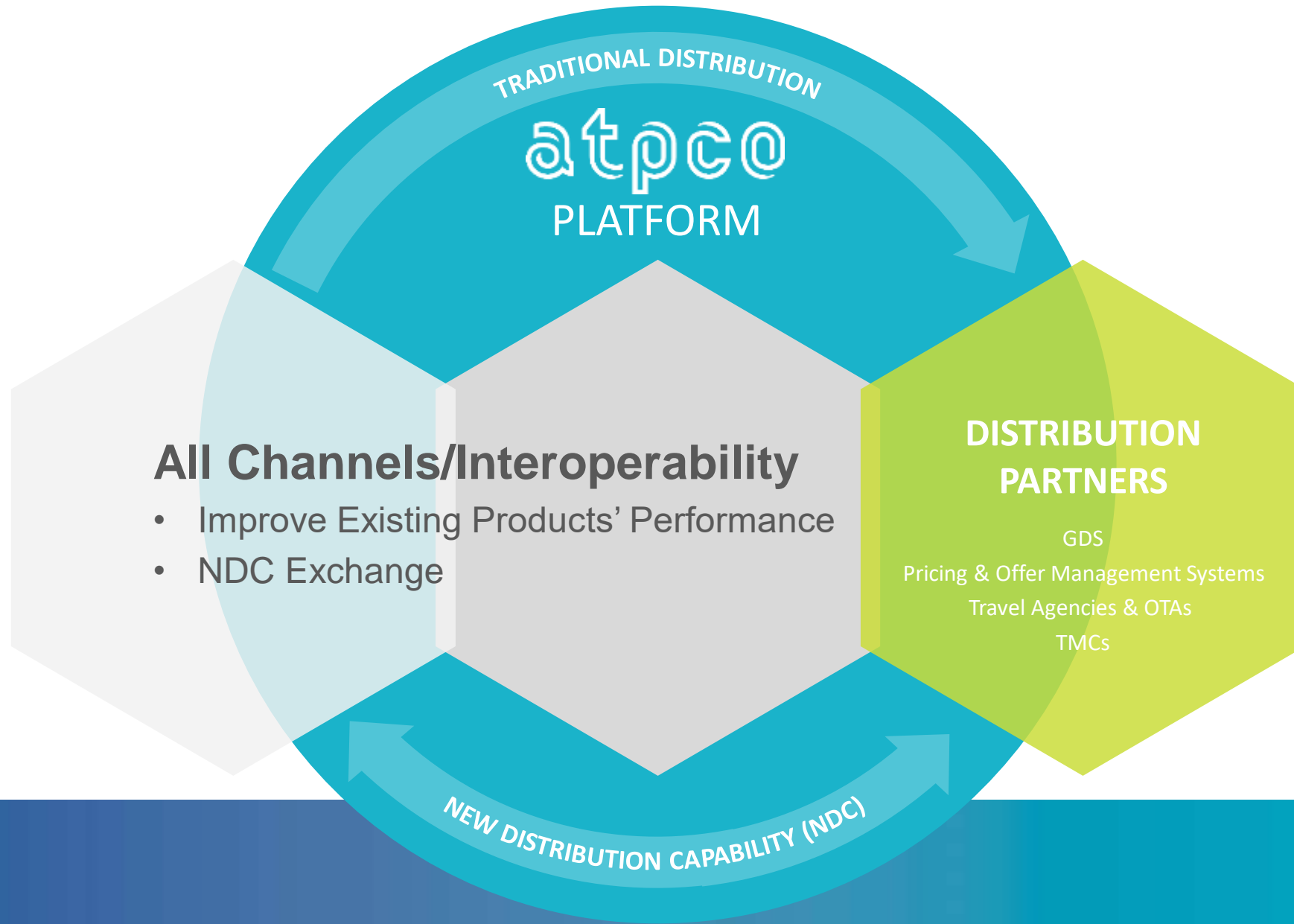
Integrated Market View & TPC

Optional Service API

Footnote / TPC - APIs

General Rules

3Q/4Q 2018



ALL CHANNELS: ATPCO PRICING SYSTEM SUBSCRIBERS

2007

Amadeus	Sabre
Expedia	SITA
FareCompare	Worldspan
Galileo	Sirena Travel
HP	TAIS Systems
ITA	

2017

SUBSCRIBER GROWTH IN 10 YEARS

Amadeus	Vayant
Expedia	Ctrip
Google/ITA	TravelSky
HP	Qunar
Sabre	Celigna
SITA	AliTrip
Travelport	Travel-X
Sirena Travel	Tongcheng
TAIS Systems	

RELIABLE SYSTEMS KPI (OVERALL)

Online System

Availability

Target: 99.9%

Last 12 Months **99.9%**

Total Outage Minutes 510

Total Outages 5

Performance

Target: 99.0%

Last 12 months **99.2%**

Work Units

Availability

Target: 99.9%

Last 12 Months **99.8%**

Total Outage Minutes 791

Total Outages 5

Performance

Target: 99.0%
Processing complete within 15 mins

Last 12 months **99.4%**

International 99.2%

US/CA 99.9%

Inbound Transmissions

Availability

Target: 99.9%

Last 12 Months **99.9%**

Total Outage Minutes 74

Total Outages 1

Performance

Target: 99.0%
Complete within 15 mins

Last 12 months **99.4%**

Fares Upload 99.8%

Rules Upload 98.9%

Subs

On-Time Performance

Target: 99.0%
Complete within 15 mins

Last 12 months **99.4%**

International 99.5%

US/CA 99.2%

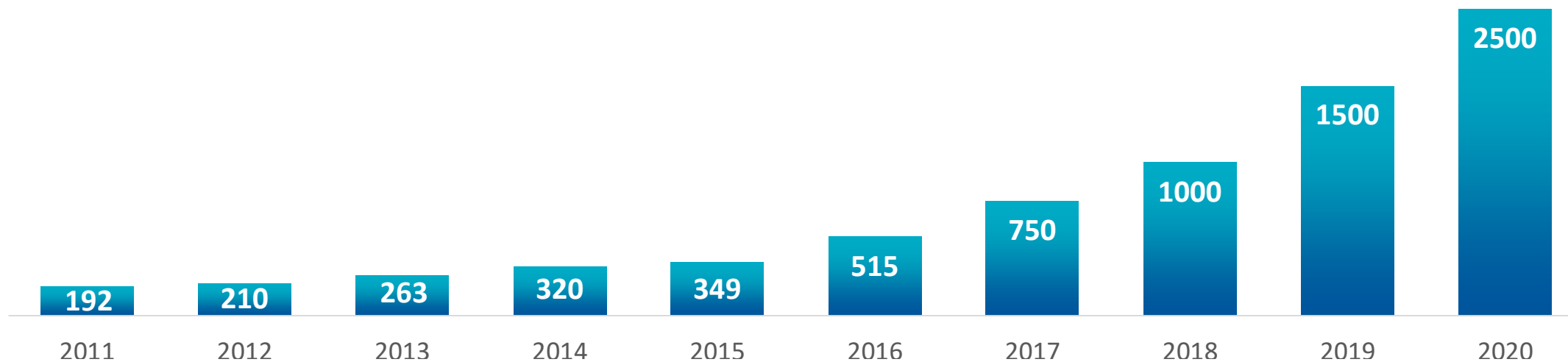
Last 12 months %Prod changes without customer impact

Prod changes w/o customer impact 97.0% of 510 changes

Hardware 96.9%

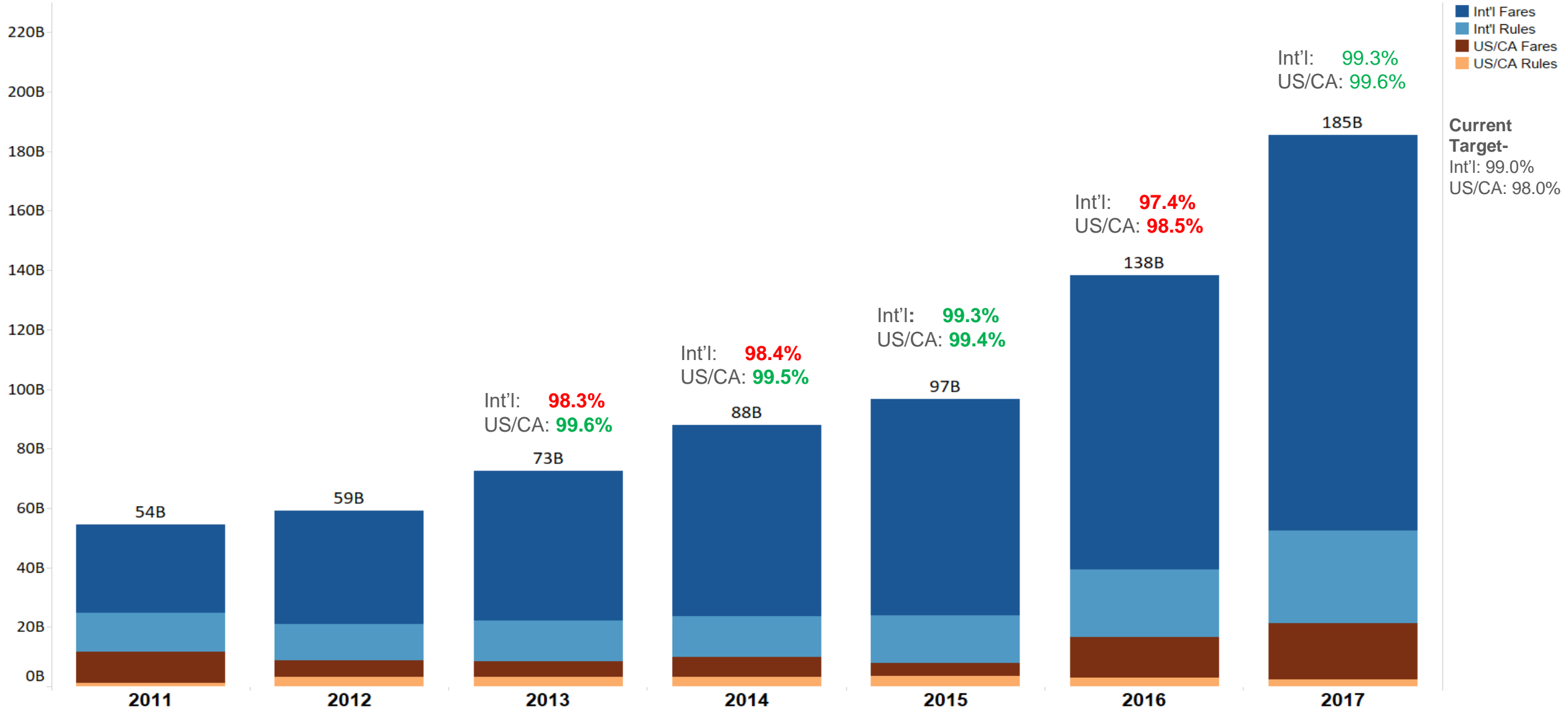
Software 96.9%

ALL CHANNELS: GROWTH TRIPLE THE VOLUME WITHIN THE NEXT 3 YEARS

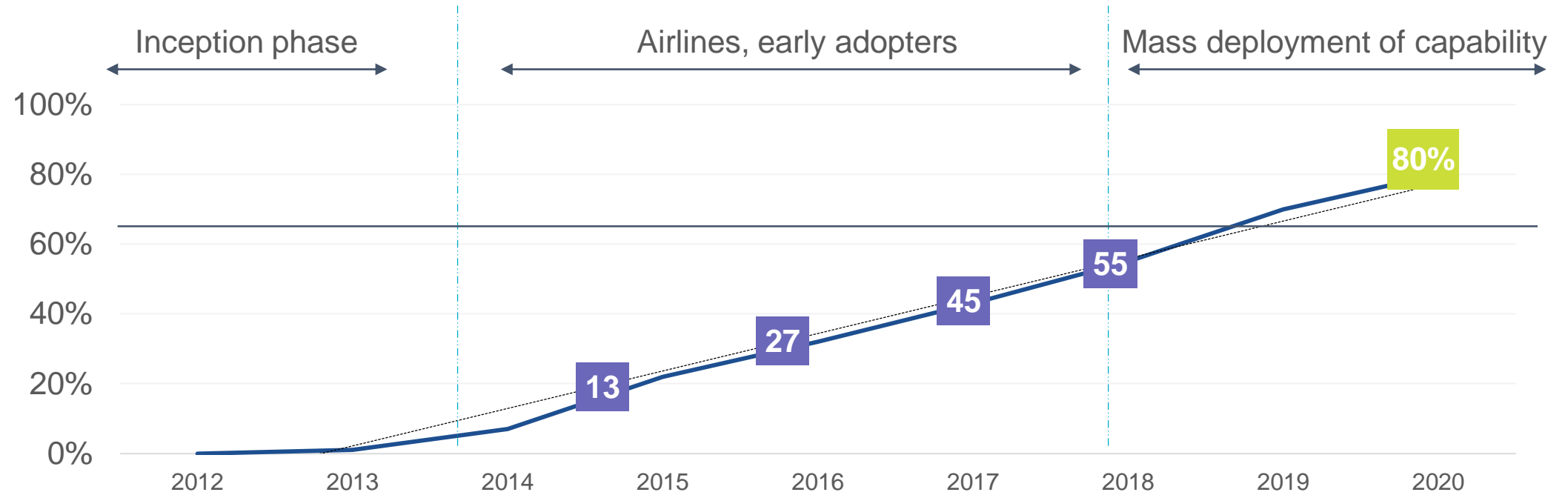


Average (in millions) weekday subs recorded

SUBSCRIPTION PERFORMANCE (OVERALL)



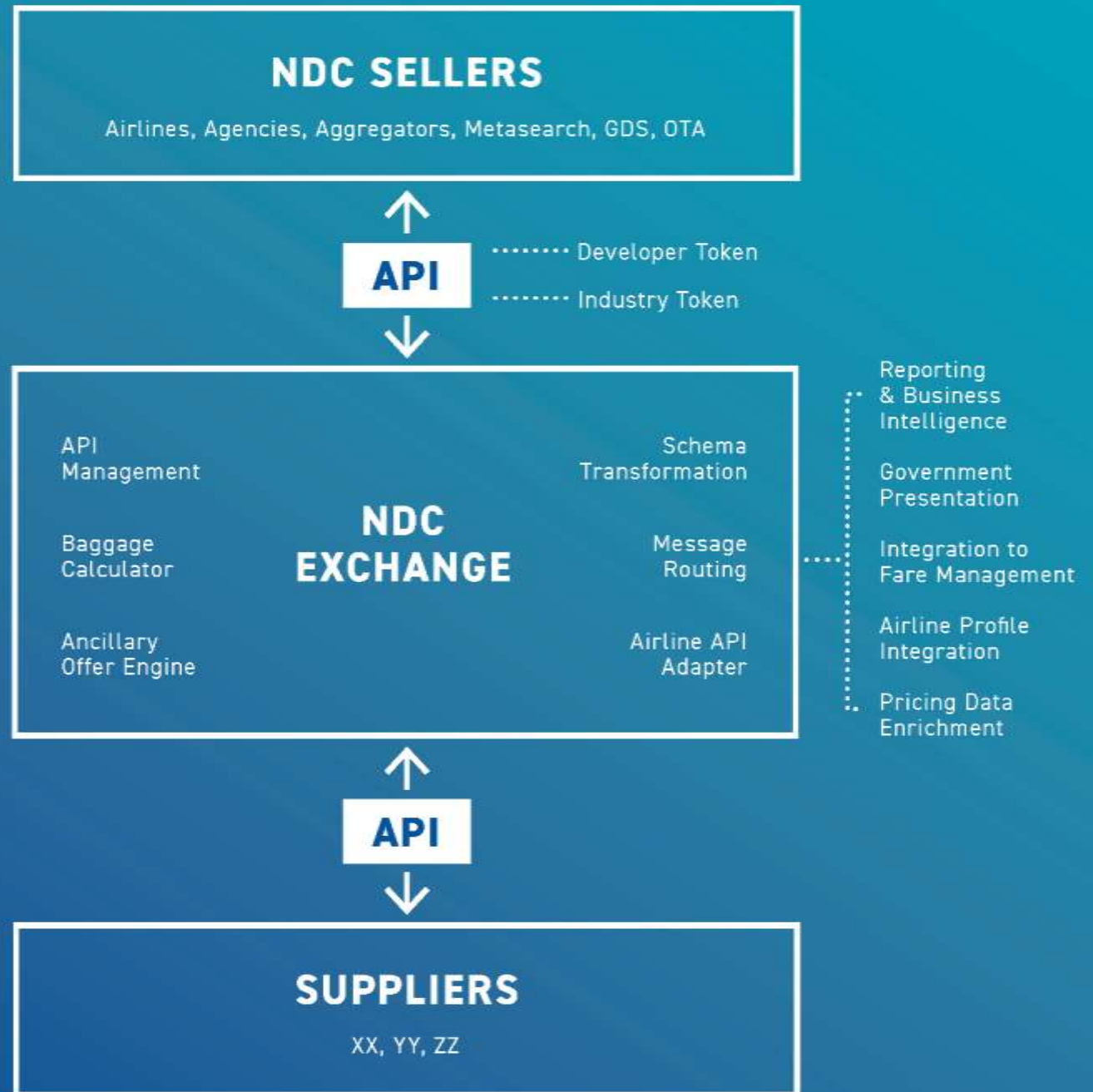
ALL CHANNELS: NDC - 45 CAPABLE AIRLINES BY 2017



- Airline share of total passenger boarded
- Linear (Airline share of total passenger boarded)
- Total Number of NDC capable airlines
- Weight of IATA NDC capable airlines in % of Pax carried Total

Source: IATA

NDC EXCHANGE: INTEGRATED NDC SERVICE



CHANNEL INTEROPERABILITY

Product Performance Enhancements

NDC Exchange

- Message Translation
- Interline

1Q 2018

Product Performance Enhancements

NDC Exchange

- Production Scaling
- Airline Profile

2Q 2018

Product Performance Enhancements

- Instant Cancels, Same Day Effective Date

NDC Exchange

- Interoperability

3Q/4Q 2018

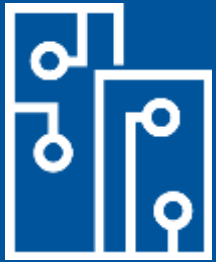


Innovation at ATPCO

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INNOVATION AT ATPCO



R&D/Tech



Bridge Labs



Partner
Co-Innovation



Open
Ecosystems

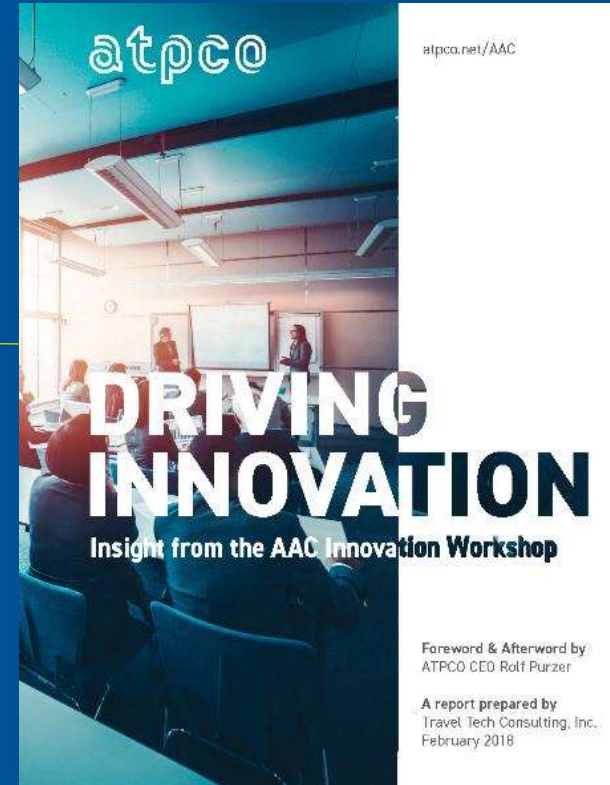
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INNOVATION AT ATPCO



Partner
Co-Innovation



AAC INNOVATION

1st session

October 2017

Participants

AAC +1 approach

Upcoming **2nd** session

When: October 2018

Location: Elevate (annual consortium)

Participants: AAC + 1 approach

ACC INNOVATION OBJECTIVE

Purpose of the session is to identify key industry efficiency challenges and explore new lines of business, defining high-level definition that would:

- Respond to change
- Facilitate more value in data distribution
- Rethink/design current processes

Focus on items that can delivered within three years

AAC INNOVATION: TOP 5 AREAS OF FOCUS

1. Ease of use
2. Brand Management
2. Content & Compliance
4. Shopping Engine Certification
5. Processing efficiencies for shopping systems

Dynamic Pricing

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MILESTONES

1Q2018

2Q2018

3Q2018

4Q2018

Task Forces
kick off

Dynamic Pricing
Implementation
Guide 1.0

- Dual RBD Validation
- Dynamic Pricing Engine draft

Next Dynamic Pricing
Working Group

Over the last 3 years, the
Dynamic Price Working
Group has engaged

88 organizations

290 participants

In 2018,

33 new participants and

15 new organizations

joined the discussion!

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THREE APPROACHES

- 1 Dual RBD
- 2 DPE – Pre-filing using FBR
- 3 DPE - Post Filing

Journey to 2020...so far

Leadership Hiring

Marketing & Sales – Products & Solutions

Brand

Culture

Elevate

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Re-designed Website

Consolidated RMO

Consolidated Customer Service

Rapid Delivery Team

Lean Product Teams

Hackathon

Bridge Labs

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