NDC Driver

By Amon Cohen / December 12, 2018

Ever since introducing a 16-euro global distribution system surcharge in 2015, no legacy airline player has worked harder than Lufthansa Group to shift corporate travel from traditional GDS distribution to either direct sales or New Distribution Capability. That strategy took another decisive leap forward in 2018, when Lufthansa withdrew its lowest economy and business class fares from the GDSs entirely. "The move caused many interactions with our corporate customers and the agencies, and therefore we gave the whole NDC issue another push," said Birlenbach, a management lifer with Lufthansa since 1990 now running the group's commercial distribution strategy.

There is no doubt that the initiative achieved this goal. NDC aggregator Travelfusion, for example, told BTN Group's The Beat that enquiries from travel management companies about getting connected tripled pretty much overnight after Lufthansa's announcement about withdrawing certain fares. But the "interactions" Birlenbach was referring to were by no means wholly favorable. GDSs and TMCs accused Lufthansa of reducing transparency because the fare withdrawals left travelers having to use different systems to book different airlines. Others countered that this wasn't the fault of Lufthansa but of TMCs overdepending on GDSs and not doing enough to integrate fares from whichever pipe they come.

Wherever responsibility lies, Lufthansa's move has created at least a short-term headache for travel managers, who "are coming under immense pressure because their intermediaries are no longer delivering the best fares, only surcharges," as CTC Corporate Travel Consulting principal Joerg Martin put it to BTN.

Birlenbach is convinced that forcing the NDC issue remains the right thing for Lufthansa to do. "I believe when we look back in a few years' time that a lot of participants in the industry will say it was good we pushed this forward," she said.