

**SOLVING INDUSTRY  
PROBLEMS BY FOCUSING  
ON THE TRAVELER**





# CONTENTS

<b>INTRODUCTION</b>	<b>4</b>
<b>CUSTOMER ANGST AND INDUSTRY CONFUSION</b>	<b>5</b>
<b>ATPCO RESPONDS: THE CATALYST OF CRISIS</b>	<b>6</b>
<b>LESSONS FOR REGAINING TRUST</b>	<b>9</b>
<b>RECOMMENDATION: USE STRUCTURES IN PLACE FOR MORE COLLABORATION</b>	<b>12</b>
<b>INDUSTRY COLLABORATION IS CRITICAL</b>	<b>15</b>

# OVERVIEW

The most powerful catalyst for customer-centricity in the airline industry came from the most devastating event in the history of commercial aviation. The massive disruptions of 2020 exposed infrastructure challenges that prevented people in the airline industry from responding to their customers as nimbly as they might have wished.

There's only one way to solve problems for millions of travelers at once: collaboration. ATPCO provided solutions to address these issues faster than ever before because we tried new ways of working together with leading ecosystem partners. Our industry is made of complex, interlocking systems, and no innovation can succeed under the aegis of a single company. Without collaboration, we fail.

This paper details two solutions from the last year and demonstrates lessons the airline industry can take from the current crisis to thrive in an uncertain future—in both good times and bad.

## INTRODUCTION

Since the beginning of 2020 the airline industry has faced a crisis of unprecedented proportions. The COVID-19 pandemic depressed the demand for air travel in ways never experienced before by the industry. Demand was down 65.9 percent compared to 2019, with losses totaling USD 118 billion.<sup>1</sup> By May 2020, revenue by passenger kilometer (RPK) was down more than 90 percent.<sup>2</sup>

Even the effects of the terrorist attacks of 9/11 pale in comparison to the pandemic. After the World Trade Center towers came down, air travel demand dropped 30 percent in the United States, and it took the airline industry six years to recover capacity.<sup>3</sup> Using those metrics, the current crisis is at least twice the threat and is much longer lasting. Despite encouraging progress on the vaccination front, a return to a “normal” demand level is still years off.

For more than 55 years ATPCO has linked the entire airline industry together by providing pricing and retailing content, tools, and services to airlines,

global distribution systems (GDSs), sales channels, and technology companies. We provide these solutions in close collaboration with the industry and our governance committees.

ATPCO builds industry standards for impact through speed, accuracy, and adoption. These standards allow for offer creation, distribution and infrastructure, customer care, and financial settlement among industry stakeholders. When the pandemic hit, the entire industry needed to come together to create solutions for new problems, fast.

Those solutions and recommendations for going forward are shared in this report. Findings include feedback from interviews conducted with the ATPCO Sales Channel Executive Council (SCEC), a strategic group of partner companies created to collaborate on issues of data structure, standards, and policy.

**SCEC MEMBERS  
ARE SENIOR  
EXECUTIVES  
AND MAJOR  
INFLUENCERS IN  
THE TRAVEL  
INDUSTRY  
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<sup>1</sup> IATA, 2021, “COVID-19 Media Kit,” <https://www.iata.org/en/pressroom/covid-19-media-kit>

<sup>2</sup> ATPCO, 2021, “COVID Recovery Scenarios Report (internal)”

<sup>3</sup> APEX, June 2020, “How the Airline Industry Survived SARS, 9/11, the Global Recession and More,” <https://apex.aero/articles/aftershocks-coronavirus-impact>



## CUSTOMER ANGST AND INDUSTRY CONFUSION

During normal market conditions all travel processes are predictable. Travelers know they can change or cancel their tickets according to the airline's policies. Travelers also know the applicable conditions in case of involuntary changes like delays or cancellations. Airlines use ATPCO to easily transmit these policies and conditions to customer-facing sales channels and large technology providers.

In the case of a flight cancellation, an automated re-accommodation on a new flight is performed by the airline. The sales channel is informed of the change and can interact with the traveler to decide on the most appropriate remedy. This can be the replacement flight closest to the original schedule, a different flight, or in some situations such as a lengthy delay, the traveler can request a refund.

The COVID-19 pandemic totally overturned this predictable structure. Travelers were faced with complete uncertainty—will it be safe to fly, what will happen if the location they plan to travel to is in sudden lockdown, what if the flight itself does not operate, what if they are not able to travel because of illness or local restrictions? Then on top of this, much of the industry forecasting and flight optimizations are based on algorithms derived from past performance—and the world was suddenly in a state where that historical data was almost useless for future planning purposes.

The result was that travelers wanted to change the tickets they had, but travel agents had no data to support handling a crisis like this. There was no industry-wide consensus on how to deal with such a situation, and a dearth of information of any kind to share with travelers. Travelers found it very difficult to reach overloaded airline or agency customer service lines to help them.

Agency professionals could not tell customers what the next steps would be. They were struggling with disparate airline policies delivered via many disparate channels such as e-mail, phone, and the airline website. Many airlines tried to process refunds by issuing electronic miscellaneous documents (EMDs) to act as vouchers, but the voucher details were often unclear. There were no automated processes to support the new disruption rules, so airlines and travel agents were forced to issue the EMDs manually, which was time-consuming and increased the risk of human error. In some cases there were also contradictions between individual airline policies and legal obligations.

The resulting industry confusion damaged brand reputations and diminished airline and travel agency loyalty. Had it not been addressed, this confusion could have caused permanent brand damage and prevented a swift recovery once the pandemic had passed.



## CLEARLY THE INDUSTRY REQUIRED

- A global distribution of policies that could be activated and deactivated as needed so customers could understand what will happen in all situations.
- A deeper level of industry cooperation to create a communication vehicle that could restore consumer confidence.



## ATPCO RESPONDS: THE CATALYST OF CRISIS

### NEW FLEXIBILITY FOR CHANGE

The pandemic's travel crisis exposed some rigidity in how the airline industry processed ticket changes—you can't change the rules for a ticket after it was purchased. During this extremity, however, it would benefit consumers if they could add change flexibility to the tickets they had purchased but couldn't use.

The existing ATPCO data categories for automated reissue and automated refunds (Categories 31 and 33) were designed to operate in normal scenarios. There was no unified approach for how to process these transactions in the midst of a global crisis. Airlines, GDSs, and travel agencies badly needed an automated way to apply current or new ticket changes and refunds and communicate these changes to travelers.

ATPCO personnel quickly analyzed several ideas to design an industry solution to make it easier for airlines to provide passengers with greater flexibility for future travel. The solution needed to be relatively simple so it could be implemented quickly, but it also had to meet the needs of every airline. Implementing such an industry-wide best practice would usually take a year or more. Working closely with individual airlines, GDSs, and channel partners, ATPCO launched Emergency Flexibility in just a little over two months.

Emergency Flexibility essentially automated an override to the functionality the ATPCO industry platform already provides, and adjusted the pricing and retailing automation standards that support it, ensuring the rapid and efficient implementation of flexible new rules for existing tickets across all channels. In addition to supporting the needs of the airline ecosystem, Emergency Flexibility ensured that travelers could better understand new policies that had been put in place and the associated benefits.

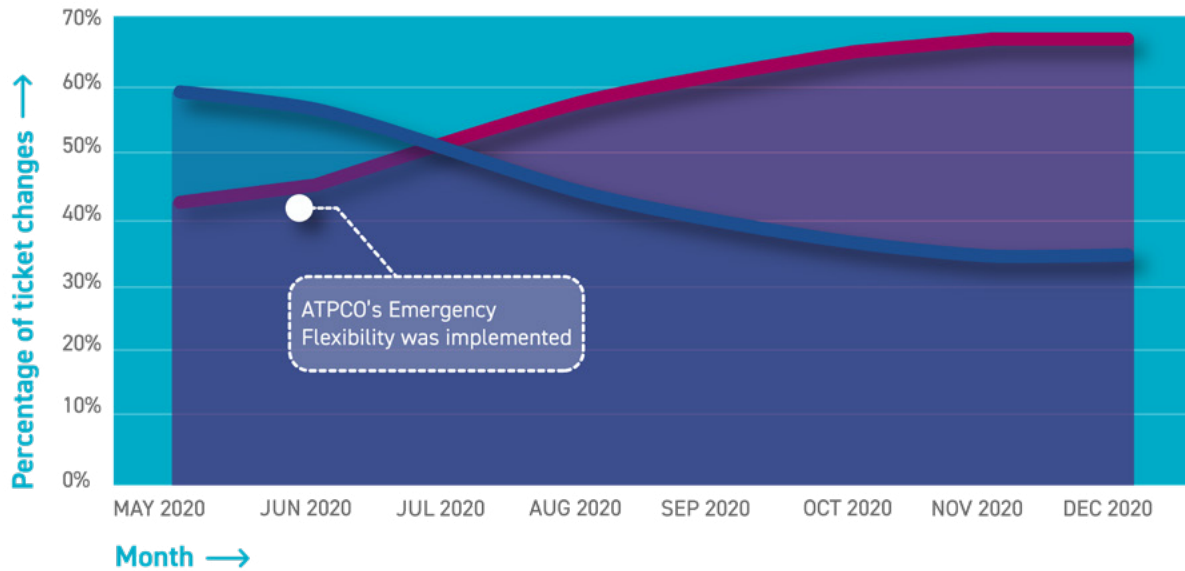
# amadeus

“

We were very active in the integration of the emergency record functionality, which was a key milestone for the industry. It's very powerful and should be expanded upon, and we should work for more adoption.

Created within the framework of IATA standards and leveraging existing ATPCO infrastructure, Emergency Flexibility was ready for airline adoption by 7 June 2020. More than 40 airlines and all the major GDSs, including Amadeus, Sabre, Travelport, and TravelSky, were involved in formulating the solution. Leveraging existing infrastructure for new use cases is often the quickest way to get to market at scale. The rapid introduction of Emergency Flexibility is an incredible achievement for the industry as whole, with 49 airlines adopting the solution globally. It is also a powerful example of using a crisis as a catalyst for broad industry collaboration.

**One system reported how the percentage of their ticket changes that were processed manually declined after the automated solution was available**



Automating the policies that would govern the wave of change requests enabled all systems to present the correct information to travelers, preventing unpleasant surprises and promoting quick, efficient processing of requests. The industry processes over half a million changes on a given month, and a 20 percent change in automation can benefit over 100,000 travelers<sup>4</sup>.

<sup>4</sup> ATPCO, 2021, Interviews conducted with the ATPCO Sales Channel Executive Council

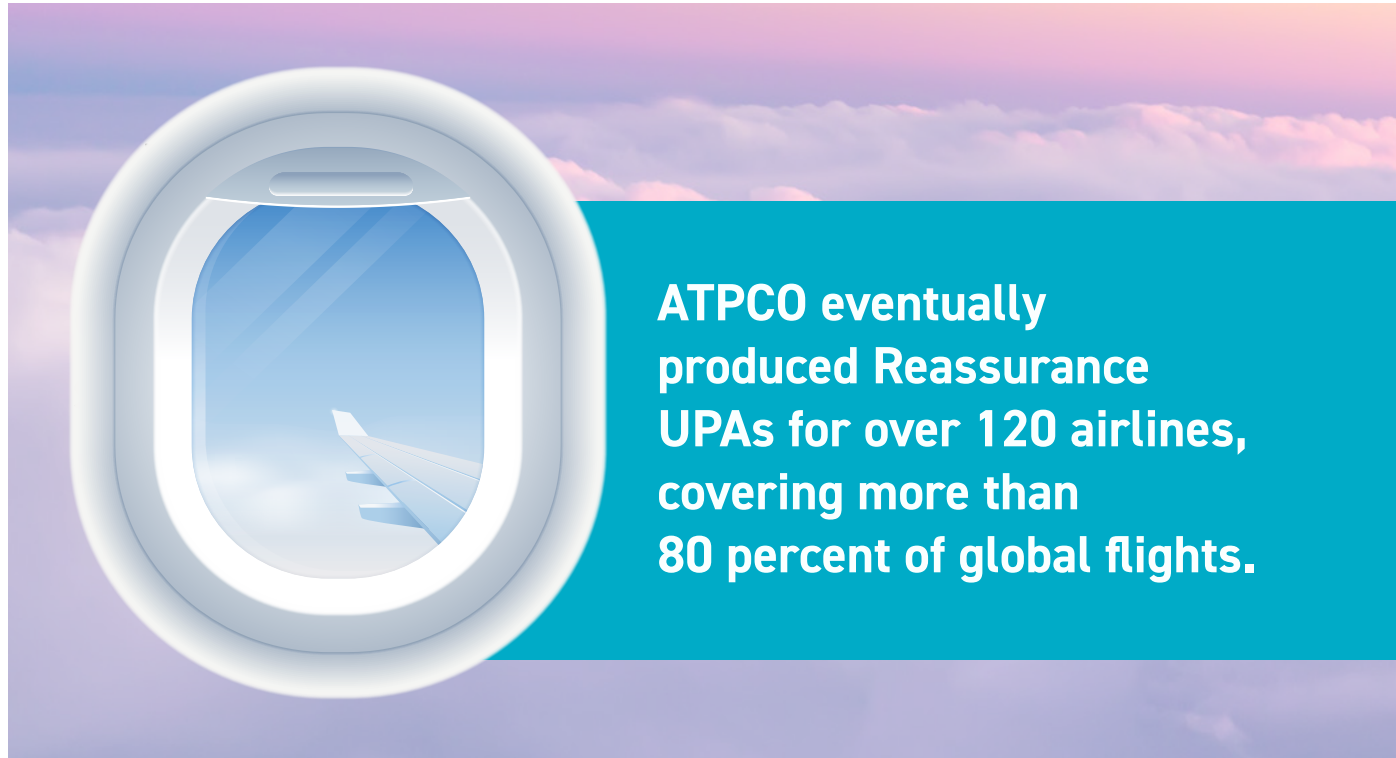
## HEALTH INFORMATION TO RESTORE CONSUMER CONFIDENCE

The pandemic created a need to deliver health-related information to customers. Travelers suddenly were more concerned about the measures airlines were taking to protect their health during flights. Airlines were already using ATPCO Premium UPAs (Universal Product Attributes) to differentiate their flight and service offerings. But ATPCO found a way to repurpose UPAs for health information. Just three weeks after the pandemic struck, ATPCO used Routehappy Content to create Reassurance UPAs and provided them at no cost to the industry.



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**We definitely partnered with ATPCO on the Reassurance UPAs. I think they are really about making sure our customers understand, now and going forward, what's available to them and getting the best information in front of them.**



Reassurance UPAs allowed airlines to communicate their COVID-19 policies and responses through direct and indirect sales channels, delivered in a powerful and easy to understand fashion. Rich content, for example images and icons, informed passengers of the safety steps airlines were taking and how to prepare themselves for travel conditions at a later stage: mandatory masks, social distancing, airport processes, and more. The UPAs provided travelers with access to accurate, relevant, and influential information that eased travel concerns.

As airlines modified their flexible booking policies, enhanced their cleaning and air filtration procedures, added real-time safety measures, and more, this rich content helped passengers understand quickly changing situations and started to rebuild customer trust.

Reassurance UPAs were also used to let people know about special requirements related to their origin and destination, such as mandatory quarantine policies.

Industry collaboration in a new agile method allowed ATPCO to move from concept to product in just months, when previously it would have taken years. The strategy focused on a minimally viable product (MVP), a commitment to concentrated and frequent design sessions that were iterated, and to the building of comprehensive data while simultaneously working on design.



**Sabre**

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A lot of our products actually leveraged the UPA capabilities that ATPCO rolled out. It's embedded in many of our points of sale.

## LESSONS FOR REGAINING CONSUMER TRUST

### FLEXIBLE AND TRANSPARENT EMERGENCY POLICIES

The search for flight information has long been driven by multiple customer criteria, such as price, convenience, preferred airline, or additional services. The COVID-19 pandemic made it clear that a critical category of flight information needed to be added to that information flow: how rules would apply in the case of a major crisis.

These rules should be defined in advance to let the traveler book a flight with full transparency of the conditions that would apply in a crisis situation. The airlines have several options: offer a voucher for future travel, change without penalty, or a full refund. Airlines could also predefine their rules with templates addressing different types of crises with corresponding policies. For example, they could waive the penalty fee for changes for a given period and replicate the Emergency Flexibility enacted to address the pandemic last year.

ATPCO rules could include a new attribute to select policies according to the appropriate situation. Automated exchange and refund tools would seamlessly apply the appropriate rule: before flight departure in a “normal” situation, the standard airline rules apply. But if it is cancelled due to any type of crisis, the exchange and refund tools should automatically switch their process and apply the new crisis rules. The selection of the policy would be based on an airline “trigger” with different possible values such as “normal,” “pandemic,” or “violence.” The current value of this trigger could be distributed to all systems to guarantee a consistent industry process via all channels.

There is a clear and urgent need to centralize airline crisis rules like these via a common platform accessible by sales channels. They should have real-time access to each airline policy and know in advance which automated tools could be used to perform the different operations according to the rules defined (such as for ticket change or refund, or unused or partially flown tickets).



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**ATPCO provided us with the original versions of the [UPA] data pro bono, via a frequently updated Excel. It was really great. As usual in this industry, the data started off unstructured, and thus hard to convey to travellers or localize etc. But time was of the essence and we're very grateful that ATPCO had the information for us. We were able to serve our travelers quickly as better APIs were being developed.**

Airlines and ATPCO should ensure these rules are aligned with government regulations, and crisis rules should be easily accessible at each step of the booking flow. The actions that addressed the 2020 crisis provide a good understanding of the new policies needed for the industry to be ready for the next crisis event. This preparation is consistent with ATPCO's mission to benefit airlines through consistent messaging regardless of channel and to benefit travel service providers by automating processes.

It should not require a crisis for all ecosystem players to collaborate in this manner. With these rules defined in advance, providers can offer more customer-centric services, and the airline industry will start to regain the consumer trust lost last year.



## HEALTH CONCERNS WILL REMAIN A CONSUMER CONCERN

We have discussed the success of the Reassurance UPAs created by ATPCO and shared pro bono with the industry. Given the positive reaction and broad adoption of Reassurance UPAs, ATPCO has introduced Structured UPAs. Structured UPAs consist of an icon, a headline, and a description. Channels can choose to integrate all or some of these attributes. Structured UPAs deliver a more standardized version of this reassurance data that sales channels can adapt to meet their customers' need for information. Travelers can scan these UPAs quickly during flight shopping, for example, to help them make the decisions that are right for them.

### STRUCTURED UPAs INCLUDE SIX STANDARDIZED PASSENGER SAFETY TOPICS



#### BLOCKED SEATS

whether an airline is blocking adjacent or middle seats, or if only some seats are blocked.



#### CAPACITY

whether an airline is limiting the capacity on flights to ensure physical distancing.



#### CLEANING

whether airlines are using disinfectants to clean aircraft and how often, and if that information is available.



#### COVID-19 TEST

whether a negative test for COVID-19 is required for the flight



#### MASKS

whether there is a mask or face covering requirement; specifying if a medical-grade mask is required.



#### TEMPERATURE CHECK

whether there is a pre-flight temperature check requirement.



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Structured UPAs enable travelers to more easily compare policies across airlines in a consistent and concise way so we can offer a simplified shopping experience while highlighting critical information. Each situation is different, and this structured content gives us the flexibility to tailor, localize, and test messaging to help travelers make more informed decisions.

We are really excited by the partnership and customer-centric focus of ATPCO in working together to develop this highly relevant content.

## RECOMMENDATION: USE STRUCTURES IN PLACE FOR MORE COLLABORATION

ATPCO research suggests that demand for travel will recover to 50 to 60 percent of 2019 levels by the end of 2021<sup>5</sup>. To continue assisting the industry during the recovery, ATPCO's focus will be in three main areas that the interview findings support:



# 01

### ACT AS AN HONEST BROKER FOR THE INDUSTRY.

Work with groups such as the SCEC to achieve industry alignment around critical issues.

“

We don't see a need to reinvent emergency responses. We can use existing channels to be better prepared for 'what if' scenarios. All ecosystem partners should collaborate on solutions and ATPCO should continue to encourage the use of a standardized approach across the airline industry and help come up with new formulas such as an apples-to-apples way to compare the carbon footprint of flights.

**amadeus**

“

I certainly see that ATPCO plays a great role in bringing together the industry so that we have a common playing field—it's an honest broker role in terms of bringing together a single voice of the truth. We would argue for a lot more of that. Just because a lot of people in the travel industry compete, it doesn't mean that we shouldn't collaborate on items like this that are important to all of our travelers. It's basic stuff. Let's make sure that we've got the structured data, and let's make sure that we can trust the provenance of that data.

 **Skyscanner**

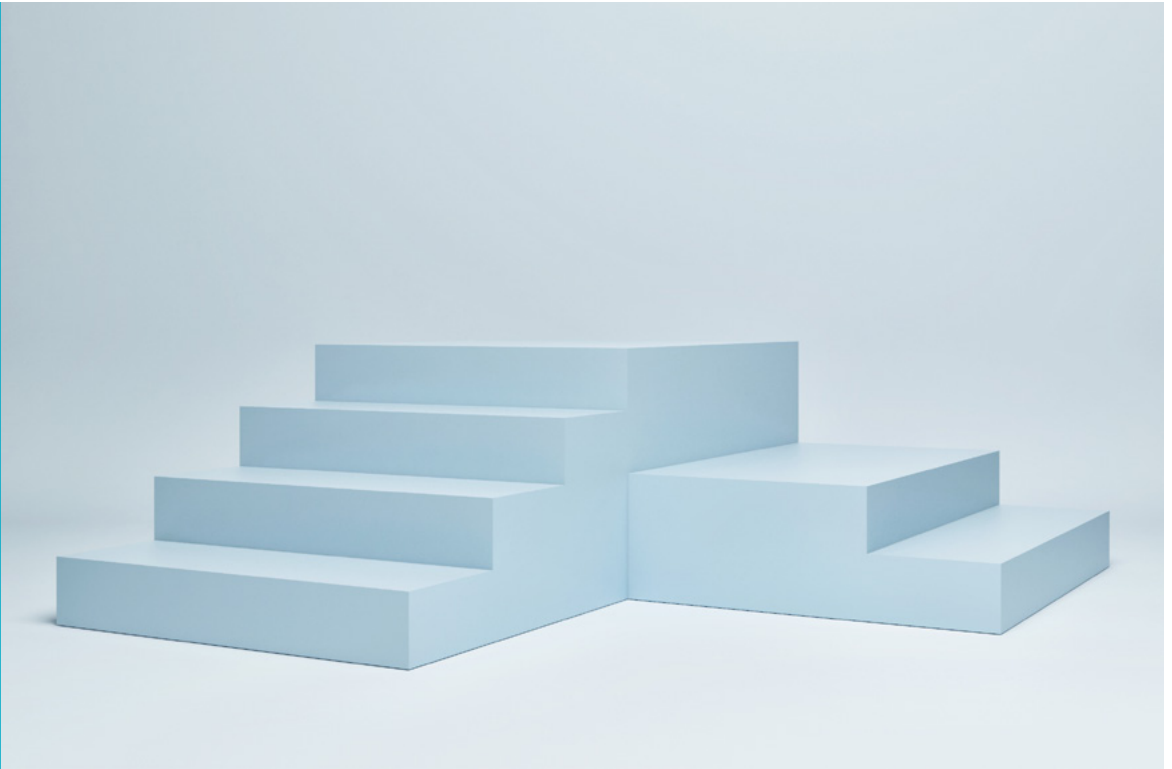
<sup>5</sup> ATPCO, 2021, "COVID Recovery Scenarios Report (internal)"



# 02

## ENABLE GLOBAL SCALE THROUGH STANDARDS AND MORE DATA.

ATPCO standards and underlying data assures uniform connectivity between the airlines and the larger ecosystem.



At Expedia Group, we look for a balance between standardizing systems and processes to ensure efficiency, with making sure we give travelers choice. We need to be scalable and able to support a dynamic marketplace with a wide range of offerings, but we have to do that in a way that is seamless and allows the traveler to be informed from the beginning to the end of that customer journey. This is particularly important today as trips or situations may change and evolve throughout the process.





# 03

## BEYOND DATA—HELP THE ECOSYSTEM WITH AUTOMATION AND FUNCTIONALITY.

ATPCO provides speed to market by providing common functionality that partners can then augment to meet their needs.

“

Sharing information and partnering on capabilities is going to be critical. Because if not, I don't think we can actually fulfill the promise that we make to travelers in terms of having seamless travel from point A to B. Too much is changing too quickly, and unless we have a level of collaboration and transparency, it's going to be very difficult to deliver on not just on our mission at Sabre but also on the brand promises of everyone in this industry.

Having a partner that can help provide some of those data elements and attributes, the bricks or the clay upon which the rest of the ecosystem builds its buildings, would be very helpful and that would be a really, really big white space for ATPCO to fill.

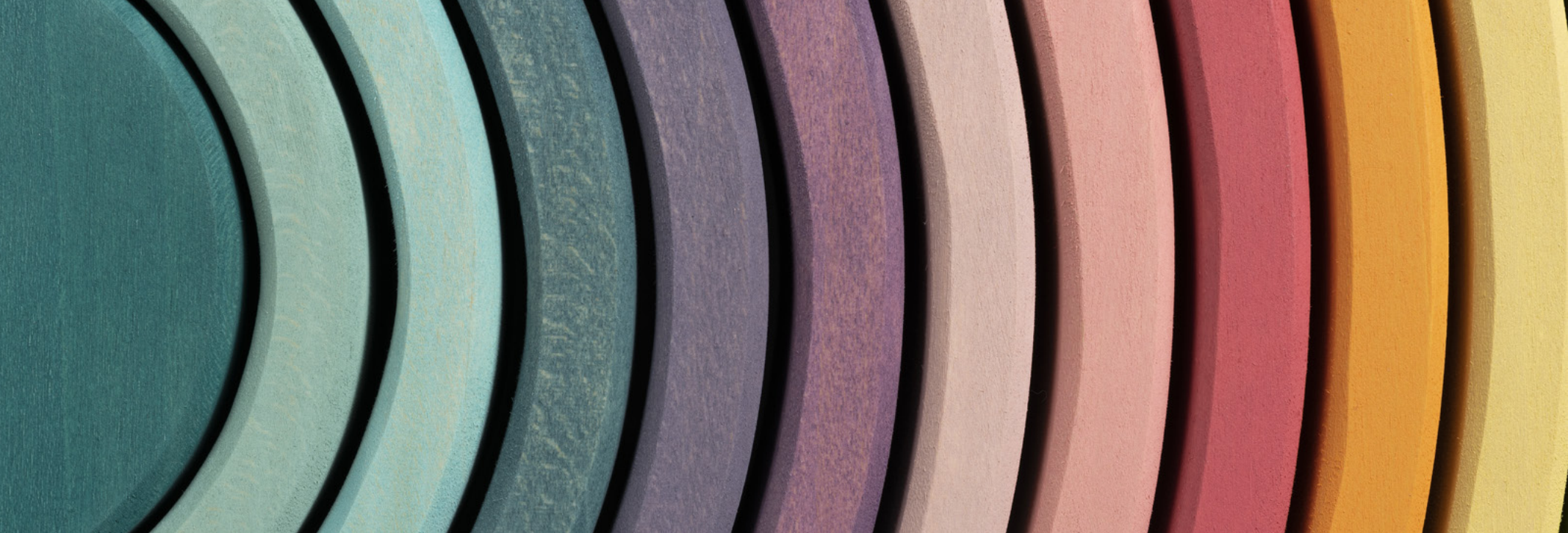
**Sabre**

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Airline customers are undergoing a digital transformation from airline-centric to customer-centric, the outbreak of the COVID-19 pandemic may accelerate the speed of digital transformation. Now these are new times and things need to change. This is one point where ATPCO can assist.



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## INDUSTRY COLLABORATION IS CRITICAL

The COVID-19 pandemic made the need for greater airline industry collaboration and transparency painfully clear. When a crisis causes such a disruption in customer behavior, no algorithmic business model can provide the best path forward. But it shouldn't take a crisis for this to happen. Every company in the ecosystem benefits from collaboration to create more customer-centric processes.

No one saw COVID-19 coming, but the crisis proved to be a catalyst for strengthening the bonds that allowed deeper collaboration in service to the industry. These principles for working together apply to smaller issues as well as to the extreme effects of the pandemic.

We don't need another crisis to drive home the importance of anticipating and answering consumer needs. We know that our industry infrastructure for both standards and data must be flexible enough to deal with change quickly and effectively. That can happen, as we've seen in 2020, and it can continue—as long as we keep working together in these ways to help the industry recover and innovate.

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