

EXECUTIVE TRAVEL APP GETS FIRST NDC INNOVATION FUND INVESTMENT

News / Finance



Last fall, the International Air Transport Association (IATA) put out a call to all travel startups, alerting them that it had partnered with investment firm Travel Capitalist Ventures to create an ‘NDC Innovation **Fund**’ to accelerate use of the association's New Distribution Capability standard by investing in the best and brightest new entrants in the space. This week, at IATA's World Passenger Symposium in Hamburg, the association revealed that the fund's first **investment** will be for Silicon Valley-based startup ETA, Inc.

ETA is chaired by Jeffrey Katz, who was the founding chairman, president and CEO of online travel agent Orbitz and who also previously served as CEO of now-defunct Swissair, as well as in senior executive positions at American Airlines and global distribution system Sabre. The so-called **Executive Travel App** being launched by ETA, Inc. aims to support seamless travel shopping, buying and management for the \$120 billion self-managed travel market, according to IATA.

Having received a reported 70 submissions from geographically diverse travel startups, IATA's selection of a Katz-chaired company might seem curious to industry newbies. After all, part of the driver behind the creation of the NDC Innovation Fund is to provide industry connections that startups wouldn't normally have access to.

As some travel startups are all too aware, “if you go down the wrong path as a startup you could spin your wheels for six to nine months. You need someone who understands the industry. Of course, there is a gap to bridge between startups and airlines,” Travel Capitalist Ventures partner

Abrar Ahmad told RGN last year when explaining the purpose of the fund.

The NDC Innovation Fund “is structured to address the deep pain I know travel startups experience in terms of identifying investors who truly understand their businesses. Travel Capitalist knows the opportunities and idiosyncrasies of the travel industry and has capital to invest, and can provide expert advisors for strategic guidance along the way”, Ahmad noted in a statement published on IATA’s website.

In selecting a firm chaired by Katz – the former chief of an OTA, GDS and an airline – for its first funding distribution, does the NDC Innovation Fund see ETA, Inc. as requiring this level of expert advisory assist or simply access to the capital?

Explaining the decision in a statement, Ahmad enthused, “We are excited to invest in ETA as it develops an intuitive mobile application to seamlessly integrate personalized air, hotel, car, and in-destination services, while addressing key pain points across a business traveler’s journey. The self-managed business traveler will be able to support key aspects of his or her business trip via this app, including cross-airline product searches, displaying a unified view of their journey, engaging in community-based content with other business travelers, receiving contextual business traveler focused notifications, and duty of care and post-journey reporting needs.”

RGN reached out to Ahmad and IATA for additional comment, but the former punted our questions to IATA. The association’s Washington DC-based spokesman, Perry Flint, tells RGN: “The NDC Innovation Fund supports innovation around the NDC Standard whether in this case it’s in the form of supporting the unmanaged business traveler, or for supporting travel agents and others who stand to benefit from what the NDC Standard enables. The Fund is open to all kinds of innovation from in and outside of the industry. While Jeff Katz happens to be from within the industry the founders of ETA are not.

“In the view of the NDC Innovation Fund, there isn’t another NDC-enabled mobile app addressing the needs of the unmanaged business traveler. There are other unmanaged apps for business travelers but having an NDC-enabled one will deliver great service to the self-managed traveler, who’ll immediately benefit from the value the NDC Standard enables.”

On first blush, renowned travel analyst Henry Harteveldt seemed less enamored with the Executive Travel App, noting in a series of tweets at the event that the app suggests airlines, hotels, etc, based on factors such as loyalty status, upgrade ability and proximity, and uses left-right swiping motion to navigate, but that it “doesn’t appear to be particularly innovative”.

24 OCTOBER 2015

SOURCE: RUNWAYGIRLSNETWORK

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