



FIRST VIEW  
April 2024



# British Airways Backs Amadeus Nevio





## THE FACTS

On 16 April 2024 British Airways and Amadeus announced that “British Airways has selected Amadeus as its technology partner and Amadeus Nevio, a new portfolio of modular solutions built on open and AI technology, to deliver the airline’s Offer and Order strategic goals.” The announcement leaves open the question of whether BA will adopt Amadeus’s solutions for Settle and Deliver.

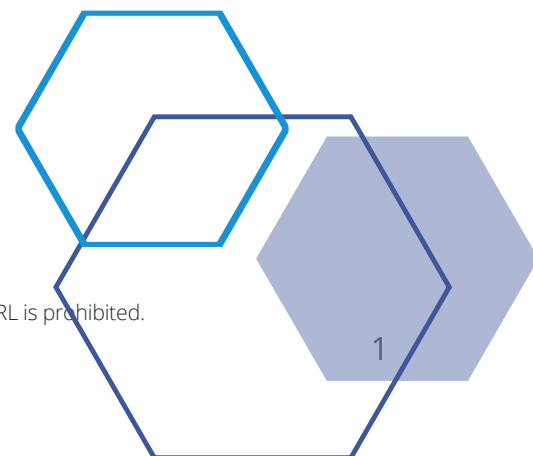
## THE ANALYSIS

25 years ago British Airways, along with partner airline Qantas, launched Amadeus on the path of airline IT provision when they agreed to take the, as yet non-existent, passenger services system that became Altea. History now shows that this was the beginning of a road to dominance of the market for PSS. The question is whether today’s announcement signals a similar path in the world of Offer-Order-Settle-Deliver.

There are interesting parallels between 1999 and 2024. Just as the industry is now starting to adopt new processes based on modern retailing techniques, the late 1990s saw early adopters rolling out direct to consumer sales in the World Wide Web. In many ways the knock-on effects of the subsequent rush to online direct distribution have led to the situation today in which airlines believe they have reached the limits of traditional systems based on PNRs and tickets. The management of Amadeus has clearly bought in to the need for change. It has invested heavily in creating the foundations of its OOSD solution. The agreement with British Airways will provide reassurance to shareholders that it is on the right track.

[First View: British Airways Backs Amadeus Nevio](#)

© 2024 T2RL | Contains confidential information proprietary to T2RL | [www.t2rl.com](http://www.t2rl.com)  
All rights reserved | Reproduction or redistribution in any form without the prior permission of T2RL is prohibited.





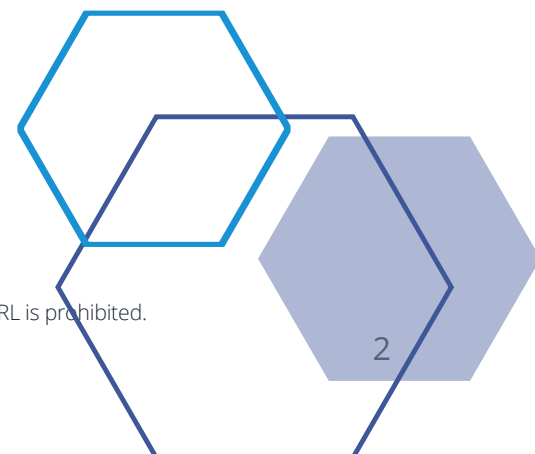
Unlike 1999 when Amadeus had no experience of airline inventory and departure control it is now the dominant supplier of PSS with a market share of almost 50% (including its Navitaire subsidiary). History has many examples of a dominant supplier that resisted the introduction of a radically new technology until it was too late. Think Kodak or Blockbuster Video. Amadeus is wisely avoiding that trap.

Also unlike 1999, British Airways is not the launch customer for Nevio. Finnair and Saudia were both announced at the IATA World Passenger Symposium in October 2023. Despite that, landing a deal with British Airways represents a major step forward. Amadeus has now confirmed three tier 1 or 2 customers, representing 67 million PBs for its OOSD solution while its competitors are yet to announce a single one. If the other airlines in IAG were to follow the example of British Airways that would add a further 62 million PBs. If anything the biggest problem that Amadeus will face over the next couple of years is how to simultaneously implement three substantial and different airlines with different needs, although BA and Finnair are joint venture partners, which will help a bit. A generation ago it faced this challenge with Altea. Eventually it developed sophisticated processes that automated and streamlined implementations. The need to do the same for Nevio means that it will need to continue investing.

## THE SPECULATION

One of the key questions about the introduction of OOSD is whether the aspirations of IATA and some of its members that future systems will be modular, with components potentially from several different vendors, will be realised. Amadeus has stated that its solution will consist of discrete modules that will be capable of working with those of other vendors. However none of its three customer airlines has yet announced any significant plan to take advantage of this, other than Saudia's intention to continue implementing PROS revenue management.

[First View: British Airways Backs Amadeus Nevio](#)





British Airways has made large investments in technology over the last few years including advanced revenue management software, an NDC API and much of the infrastructure for ba.com. Time will tell how much of this investment will be written off and how much will be integrated with Amadeus Nevio. So far it's early days but for now the single-supplier solution is making the running.

All of the customers announced so far for Nevio are current users of Amadeus Altea. This will allow them to use the transition plan that Amadeus has developed, making their lives easier. T2RL is awaiting with great interest the first announcement of a non-Altea customer for Nevio.

The announcement from Amadeus specifies that "The partnership will see British Airways and Amadeus collaborate on the design of Nevio's Offer and Order capabilities". This too is reminiscent of earlier days. The difference now is that Amadeus has accumulated a quarter century of experience in building airline technology. This time around it will be the senior partner.

*T2RL Travel Technology Research Ltd, is an independent sourcing and research company that specializes in airline technology and distribution. Based on data since the year 2000 it has tracked industry trends for airlines as well as their IT providers, distribution partners, and customers. All parties use its research to make informed business decisions to meet current and future needs. For further information, visit our website at [www.t2rl.com](http://www.t2rl.com).*

First View: British Airways Backs Amadeus Nevio

© 2024 T2RL | Contains confidential information proprietary to T2RL | [www.t2rl.com](http://www.t2rl.com)  
All rights reserved | Reproduction or redistribution in any form without the prior permission of T2RL is prohibited.

