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Outpayce Insights

Travel Technology
Investment Trends
2024

Payments

Contents

Payments

Foreword

David Doctor

CEO
Outpayce from Amadeus

The travel industry is embarking on a widespread digital transformation. Airlines are accelerating plans to become modern retailers utilizing an entirely new generation of technology. Travel agencies of all shapes and sizes are applying modern technology to better service the entire trip. Hospitality companies are prioritizing the guest experience like never before, enabled by self-service and digital tools.

Airports are undergoing a particularly rapid pace of change as self-service touchpoints are implemented at scale to deliver a better experience for travelers. In each of these areas, travel companies must ensure travelers can pay easily and in the way they choose.

Delivering a smooth end-to-end payments experience has always been the goal across the industry, but set against this backdrop, it's more important than ever before.

If an airline's offer is priced in an unfamiliar currency and the user needs to leave its website for the conversion, there's a good chance they won't return. If the traveler needs to walk across the airport to make a payment, there's a good chance they won't buy the upgrade. If the guest cannot easily pay with their preferred method at the property, they're likely to remember that experience when booking their next stay. If business travelers need to pay with their own money before recharging the company using a frustrating expense process, it negatively impacts the employee's experience.

At Outpayce, we have been investing in travel payments innovation for more than a decade. From shifting B2B payments away from slow industry settlement schemes to easily reconcilable virtual cards. To the creation of a single platform that helps global travel businesses monitor, orchestrate and manage complex payment flows. To new approaches for in-person payments that improve the 'last mile' payment experiences at the airport or hotel. We take an end-to-end approach by placing the traveler at the center of everything we do.

Our current focus is on accelerating the pace of innovation in travel payments. We're doing this in two primary areas. The first is with APIs that make it easier and faster for third-party payments providers, like fraud partners or acquirers, to quickly and easily connect to our payments platform.

The second is bringing Outpayce from Amadeus' deep travel insight together with our payments knowledge to ensure every payment is handled in the most appropriate way. Here we're adding Artificial Intelligence (AI) to our orchestration capabilities to help travel companies achieve their payments outcomes, whether it's to boost acceptance rates, lower costs or limit fraud.

Personally, one of the most interesting findings from this study is the apparent lack of understanding around embedded finance. This trend is exploding as high-margin services that were once the preserve of a bank, and more recently fintech start-ups, are being embedded into digital retailing flows. Few industries stand to benefit more than travel, where we have customer trust, strong brands and a historic association with financial services, like co-branded cards.

I hope this report provides a useful benchmark for payments investment across the travel industry. If your organization is focused on improving payments, or considering the future of fintech in travel, I encourage you to contact us here at Outpayce.

Introduc

Travel Technology Investment Trends 2024 is
a cross-industry research project carried out by
Outpayce's parent company, Amadeus[1],
alongside market insight agency Opinium Research[2].

1 Amadeus.com
2 Opinium.com

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This research is designed to take a panoramic view across the entire travel industry, with research findings presented in a series of eight reports – addressing sectors including hospitality, airlines, travel sellers and airports.

The study examines the investment priorities and plans of senior technology decision makers from each segment of the industry on a global basis. This has allowed us to better understand today's industry challenges and how technology is being applied to address them. Each report offers unique insight into technology investment trends across different segments of the travel industry.

Findings included in this specific report are based on individual responses from 52 senior payments leaders from airlines, travel agencies and hospitality companies based in ten key countries – Brazil, China, France, Germany, India, Mexico, South Korea, UAE, UK and USA. This is combined with expertise from Outpayce.

This report focuses on travel payments across several key areas of the travel industry.

It demonstrates a better understanding of the investment plans, challenges and priorities of senior payments leaders in travel. It covers topical future-looking trends like embedded finance, Cryptocurrencies and Central Bank Digital Currencies, as well as present areas of focus, like cross-border and in-person payments, chargeback management and omnichannel personalization of the payment experience.

By asking senior payments leaders about investment plans, business challenges and priority areas, this report offers a globally representative understanding of the discipline, its priorities and ambitions for 2024.

The report is divided into three sections.

The first sector explores wider investment plans.

The second investigates specific payments priorities. What is shaping investment trends, which priorities are front of mind and what are the challenges payments leaders are seeking to overcome? Smooth experiences, cross-border payments, alternative methods, in-person payments all come into focus.

The third looks specifically at payments leaders' attitudes to embedded finance in travel and the potential of this developing trend for the industry. This is followed by brief conclusions.

Investment Plans

Since the widespread return of demand for air travel, payments leaders have worked hard to ensure their organizations can capture returning spend and offer a differentiated payments experience. Indeed, Airport Council International's latest Air Travel Outlook[1] found numbers would reach 8.6 billion passengers in 2023, or 94.2% of 2019 levels. In 2024, the same study forecasts 9.4 billion passengers, or 102.5% of volumes seen in 2019, underlining the speed and scale that demand is returning.

1   Airports Council International, 2023, "Latest air travel outlook reveals 2024 to be a milestone for global passenger traffic" --> https://bit.ly/49Ny1eb

Remaining at the forefront of their discipline continues to be the challenge for payments leaders in travel.

They must ensure their organization's payments strategy meets changing traveler demands to pay in new ways. That they can support growth strategies in new markets by offering a smooth payments experience. Increasingly, multi-market travel companies are also asking how they can use payments orchestration capabilities to reduce complexity, access new partners more easily, and harness AI to make better payments decisions.

Travel companies are moving to align their payments strategy with their commercial strategy, so payments decisions are made based on the nature of the underlying purchase or trip in question.

Airlines are accelerating plans to become 'modern retailers' and making significant investments into their broader retailing capabilities. This is driving a focus on how payments can support this transformation to the new 'Offer & Order' world under the International Air Transport Association's (IATA) plans for airline retailing.

Pay Now

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**** 1234

+

Paid

$300 USD
Change currency

Payments leaders plan a significant increase in investment.

Payments leaders told researchers their organizations are investing to remain at the forefront of this fast-paced discipline. Some 89% of payments leaders plan 'at least moderate' investment in their organization, with 32% planning to invest 'aggressively' over the coming 12 months.

Looking more specifically at investment in payments, 81% of respondents who answered our survey said they will spend 'the same or more' over the coming 12 months when compared to the prior year.

A significant 49% will spend more and only 4% will spend less.

On average, payments leaders intend to increase investment by 12% over the coming twelve months, showing the continued value their organizations place on delivering a smooth payments experience.

32%
planning to invest 'aggressively' in the coming year

11%
'conservative' in their investment plans

89%
planning 'at least' moderate investment
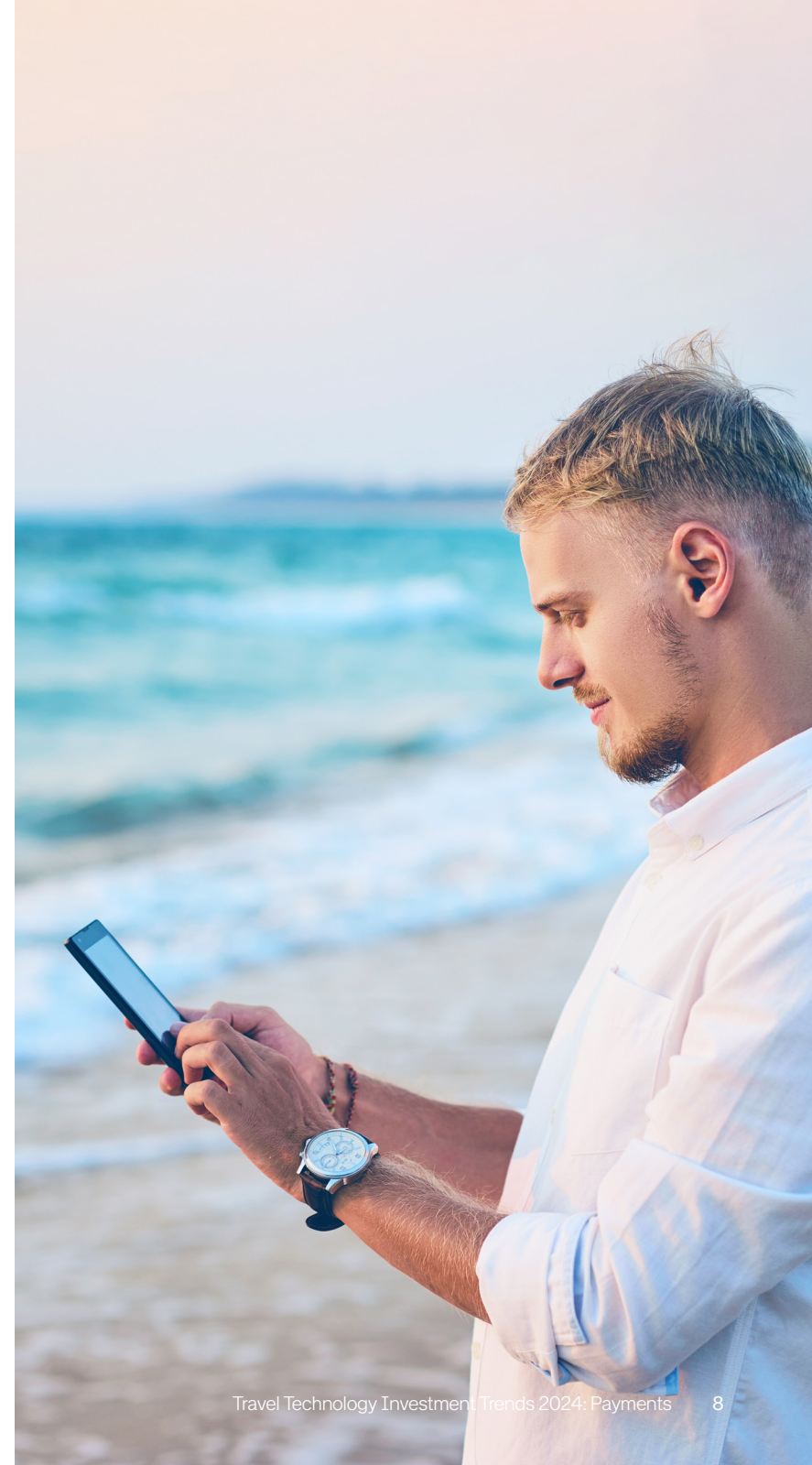
> "
>
> This 12% investment growth in payments comes at a time when travel companies are investing broadly across their organizations to capture the rebound in demand. We're seeing customers want to enter new markets, invest in their retailing capabilities and more closely partner across the industry. Payments enables all three areas and that's why senior leaders at travel firms are modernizing this area of their companies."

Jean-Christophe Lacour
SVP & Global Head of Products
Outpayce from Amadeus

User experience drives investment in payments.

Payments leaders told researchers they have multiple objectives in mind when investing in payments. However, improving the user experience was the standout driver, with three-quarters of respondents (75%) citing this.

Some 64% said 'reducing the cost of payments' is an important short-term objective, followed by 'increasing revenue through improved payments capabilities' (60%) and 'innovation' (32%).

Overall, research suggests there is widespread appetite among the payments leaders surveyed for increased investment in 2024, with ambitions centered on improving the user experience and reducing the cost of payments.

> **"**
>
> The broader travel industry is digitally transforming. From airlines' retailing ambitions to a renewed focus on the guest experience in hospitality. Modernizing how the industry handles payments is a key enabler for these strategic goals and presents opportunities to grow revenue and reduce cost in the process."
>
> **Jean-Christophe Lacour**
> SVP & Global Head of Products
> Outpayce from Amadeus

Investment Priorities

As travel companies strive to improve the passenger experience, grow revenue and reduce cost, a number of technologies are expected to play a role in the short and long term.

The technologies expected to make the biggest impact according to payments leaders in the next 12 months are:
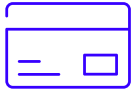
80%
Digital payments

63%
Digitalization

**61%**
Data analytics

41%
API driven innovation

33%
Generative AI

Looking out five years, this picture changes as respondents give greater weighting to Generative Artificial Intelligence (Generative AI) and machine learning. Extended reality also features in the top five, with enduring relevance for digital payments and digitalization.

The technologies expected to make the biggest impact in the next 5 years according to payments leaders are:

44%	38%	33%	31%	25%
Machine learning	Generative artificial intelligence	Digital payments	Extended reality	Digitalization
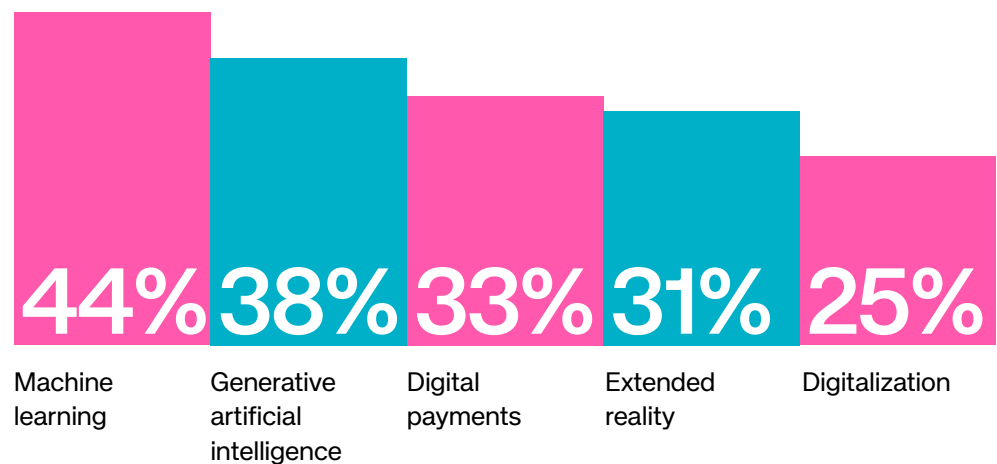
Payments professionals were asked to choose their current challenges.

Three ever-present issues compete for top spot.

It's interesting to see such a large number of travel companies recognize the significant challenge of orchestrating payments across a global footprint.

Travel merchants are well aware that payments can be costly and difficult to manage – imagine an airline or Online Travel Agency (OTA) that needs to accept payments across more than 100 different markets. Merchants of this scale typically need to accept hundreds of local payment methods, establish relationships with multiple different acquirers and/or fraud partners and build all the technical connections necessary to support such a global set-up. Then they need to harmonize data collection, analytics and reporting to provide actionable insight into their payments flows. It's no simple matter.

Top challenges according to payments leaders in travel are:

55% Cost of payments

53% Cybersecurity and fraud

51% Keeping up with new payments methods

40% Orchestrating global payments flows

38% Chargebacks and refund process

That's why platforms have emerged that cater to travel company needs with pre-built connections to partners, easy-to-use analytics and AI-powered orchestration. It's this logic that allows the merchant to set rules to guide how each payment is treated, and to dynamically adjust those rules as the environment changes. For example, if the travel brand receives a card payment in Germany through its website, it might be routed to acquirer 'A' because they offer the best rate for handling that specific type of card. This is a step forward for most merchants in travel, but it's still just scratching the surface of what's possible.

Travel is different to most other industries as the sector has access to data insights that can help with a wide range of automated decision-making, including how payments are handled. Looking at each payment in terms of acquirer fees alone is one dimensional. What about the broader costs involved in the end-to-end payment, like reconciliation? Or the risk profile of a payment? Handling a card-not-present payment originating in a market with significant levels of fraud carries a very different risk profile to a Strong Customer Authenticated (SCA) payment made in Europe using biometrics. It's such additional layers of insight that can help the industry make better payments decisions.

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When in trip context is used in conjunction with payments decision-making there's an opportunity to treat each payment in an optimal way. There are a wide range of parameters that should inform this type of decision, for example what are the acquisition costs of this particular booking? Is the purchase made on a city-pair of particular interest to the travel company? What's the risk profile associated to this payment? With this level of context, travel companies can more fully understand the value of the underlying purchase, and travel agents can make payment with an appropriate method for that particular booking."

Damian Alonso
Head of Commercial and Partnerships
Outpayce from Amadeus

Payments leaders are focused on implementing the following capabilities:

Next 12 months:

40%
Virtual cards for B2B payments

34%
Accepting alternative payment methods

30%
Consistent payments experiences across multiple channels

30%
Payments in NDC

30%
Orchestration and analytics

28%
Strong customer Authentication

28%
Buy now pay later

28%
Fraud management

26%
Back-office reconciliation

26%
Acquiring

25%
Chargeback management

19%
Open banking

It is interesting to see that even mature capabilities like virtual cards for B2B payments, typically made by travel agencies to providers like airlines and hotels, remain an implementation priority in the near-term. Virtual cards were pioneered in travel and the industry is now seeing such payment methods within booking systems, in corporate self-booking tools and even stored in business traveler's mobile devices to pay for on-trip expenses from the company's own bank account.

Perhaps another explanation for the renewed interest in virtual cards is increased adoption by airlines. As carriers seek to retail third-party products like hotels, cars and destination experiences, they need to start making outward payments. Virtual cards improve reconciliation, simplify payments and generate incremental income from rebates. After many years of accepting virtual cards, it could be that airlines are now making them a central pillar of their own pay-out strategies.

Priority: Managing cross-border payments

When asked specifically about the difficulty of managing cross border payments, respondents cited the challenge of managing multiple connections to the different payments providers for acquiring and fraud as a major hurdle (51%). This was followed by routing cross border payments to achieve payments objectives, e.g. acceptance rates or cost reduction (38%) and the difficulty of switching to new providers as needed (36%).

These results are interesting and suggest travel companies struggle to mitigate the complexities of cross-border payments flows in a global acceptance strategy. Payments orchestration platforms can relieve this burden by offering a single connection to multiple partners across the world, as well as intelligent routing and reporting capabilities.

When asked if they 'orchestrate' cross-border payments, just over a third of respondents say they already do this today (38%) with a further 30% planning to orchestrate their cross-border payments in the near future. Only 11% said they have no plans to apply payments orchestration.

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Our data suggests travel companies find it difficult to keep up with the pace of change in payments. The trick here is simplification. Rather than building multiple links or trying to negotiate and add different payment methods or acquirers, travel companies need a single platform where they can easily monitor the performance of their payments, add new partners and make tweaks to continually improve their sales conversion rates."

Damian Alonso
Head of Commercial and Partnerships
Outpayce from Amadeus

Top challenges when managing cross-border payments:

51%
Managing multiple connections to payments partners

38%
Routing payments to best achieve our objectives

36%
Difficulty switching to new payments providers as needed

36%
The overall complexity and cost of cross-border travel payments

21%
Keeping up with new payment methods in different markets

17%
Reporting on performance of payments globally

10%
Being able to manage and understand payments risk

Priority: Keeping up with traveler demands to pay in new ways

Another challenge travel companies face when accepting payments in multiple markets is the wide variety and changing nature of how travelers choose to pay.

The Travel Technology Investment Trends survey asked payments leaders how well they feel their company keeps up with the changing ways travelers choose to pay.

Only a third of respondents say their organization does a good job of keeping up with new payments methods across the markets they serve. By contrast, 46% say they don't do a good job of enabling new ways to pay and keeping up with the pace of change.

When probed more deeply, respondents said high costs, technical workloads and a lack of understanding about which new payments methods are popular, all contributed to difficulties delivering on traveler payments needs. Just 6% of respondents said they faced no challenges in trying to keep up with new ways to pay.

Top challenges when keeping up with how travelers choose to pay:

55%
The cost of integrating different payment methods

53%
Building technical connections to different payment methods

45%
Lack of resources to manage growth in payment methods

26%
Understanding which payment methods to focus on

23%
Maintaining connections with different payment methods

> "
> Even the best resourced payments teams are going to struggle to keep up with all the new methods emerging around the world. Fortunately, aggregators do this already and that's why we've linked to several alternative payment method aggregators, so travel companies can easily decide to accept any payment method based on traveler demand and their business strategy."

Jean-Christophe Lacour
SVP & Global Head of Products
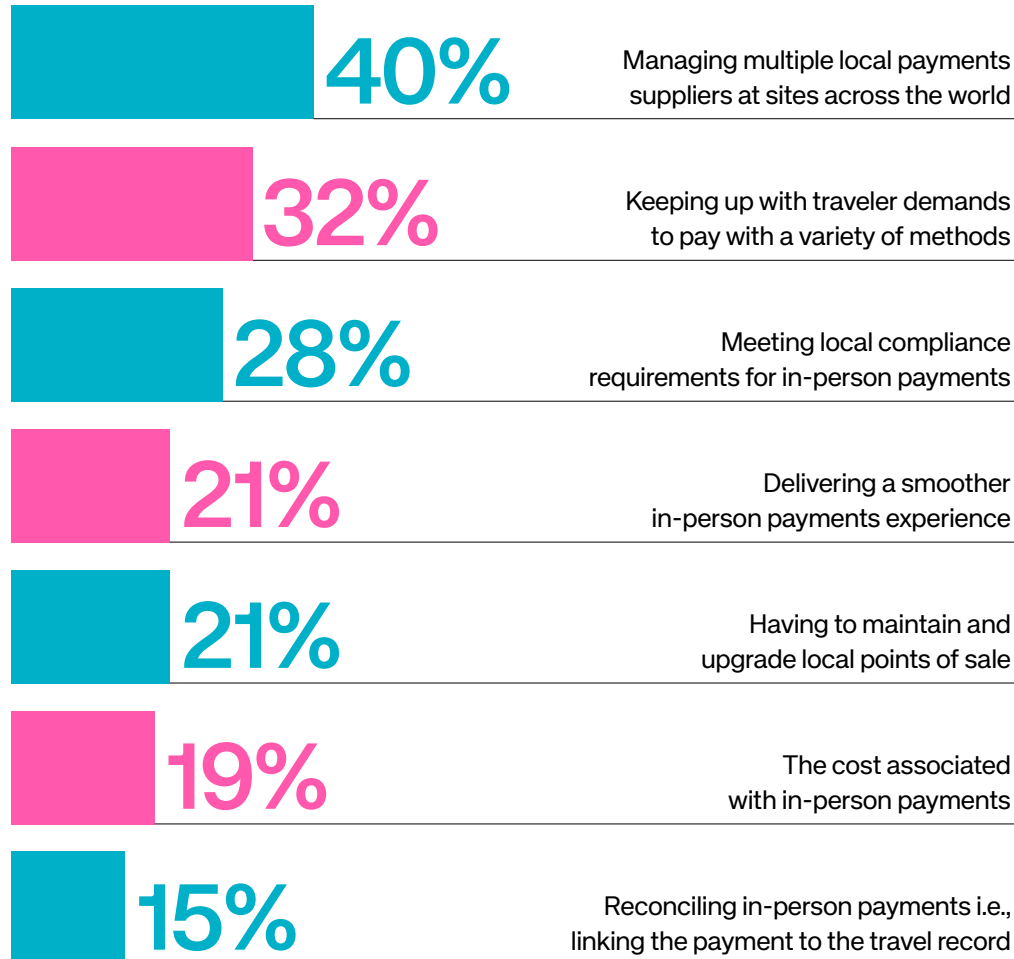Outpayce from Amadeus

This study also asked travel payments leaders for their views on cryptocurrencies.

Here the research doesn't offer conclusive views on the future, with a huge 55% of respondents saying it is still 'too soon to tell' if crypto will be a suitable payment method for travel. Some 25% felt cryptocurrencies would never be suitable, but 10% disagreed and believe crypto is already suitable for prime time.

Respondents were slightly more positive on the potential of Central Bank Digital Currencies (CBDCs) as a payment method for travel. Some 18% said CBDCs are a promising payment method of the future, with 4% saying they're already an option today. Only 8% felt they were never likely to be suitable, with 53% saying 'it's too soon to tell'.

Priority: Managing in-person payments

Top challenges when accepting in-person payments:

40% Managing multiple local payments suppliers at sites across the world

32% Keeping up with traveler demands to pay with a variety of methods

28% Meeting local compliance requirements for in-person payments

21% Delivering a smoother in-person payments experience

21% Having to maintain and upgrade local points of sale

19% The cost associated with in-person payments

15% Reconciling in-person payments i.e., linking the payment to the travel record

1   Amadeus, 2022, "Difficulty making payment undermines the hotel experience, finds new Amadeus study"
    --> https://outpayce.com/en/resources/resources/research/2022/07/guest-centric-payments-for-hospitality

While 23% of respondents work at organizations that don't accept in-person payments, like Online Travel Agents, those that do reported challenges in several areas.

In-person payments in travel happen at a variety of locations, like the airline's sales office, physical travel agencies, various points across the airport, in-flight and at the hotel. It's clear from this study that respondents view in-person payments as complex, costly and difficult to manage. Too often travel companies can't accept a wide enough range of payment methods and travelers are often forced to walk across an airport terminal to make the payment at a different desk. It's a major pain-point, and one that's ripe for innovation.

An Outpayce research[1] study focused specifically on the guest-payment experience in hospitality recently outlined some of the frustrations travelers face. The data reveals 40% of guests experienced difficulty when paying at the hotel, with a third unable to use their preferred payment method.

In fact, the majority of guests confirmed they find paying at the hotel 'significantly' more stressful than making payments in their everyday lives and are more than twice as likely to experience feelings of anxiety or uncertainty.

One innovation focused on easing this anxiety for travelers turns in-person payments into e-commerce payments. This can be achieved by sending the traveler a secure payments link via email, SMS or a QR Code, so they can pay securely, using a card or alternative method. This approach sidesteps the challenges of in-person payments, such as compliance, and is a quick and easy way to increase the security, convenience and choice of call center and in-person payments.

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Improving in-person payments in travel is the nitty-gritty work that doesn't get much attention. Yet these scenarios, like paying at the hotel property or at the airport, are absolutely fundamental to the traveler's experience. That's why we advocate an end-to-end approach with novel ideas for simplifying and improving in-person payments."

Jean-Christophe Lacour
SVP & Global Head of Products
Outpayce from Amadeus

Priority: Smooth digital payment experience

For travel companies serving customers from around the world one of the biggest opportunities to simplify the payment experience is multi-currency pricing i.e., presenting the price of the offer in the traveler's native currency.

This helps travelers easily understand the price without needing to leave the travel company's website to perform a currency conversion. In the globally competitive travel industry, such details matter. Prior Outpayce research[1] with 5,000 travelers has confirmed that 89% of travelers would be more likely to choose one airline over another if given the option to pay in their preferred currency.

It also means the travel company, rather than the traveler's bank, controls the resulting foreign exchange transaction. This may sound onerous, but it helps the merchant specify foreign exchange rates and charges to increase transparency for travelers. Assuming control over the foreign exchange conversion also offers opportunities for travel merchants to gain incremental revenue for administering the service.

Travelers value such transparency, and the same prior study highlighted that they often face opaque charges today, with 14% of passengers confirming they've paid more than 10% of a flight's cost in hidden foreign exchange charges. Travelers begin to notice such fees when they approach 3% of a flight's total cost and large numbers abandon their purchase if the foreign exchange fee breaches the psychologically important 5% threshold.

1   Outpayce, 2023, "Consumers to spend 28% more on travel over the next 12 months"
    --> https://bit.ly/3IboTEy

Perhaps that's why 43% of payments leaders from our survey said their company already presents pricing in the traveler's native currency today. A further 36% said they were planning to do so in the near future. Only 9% said they have no plans to present prices in the traveler's native currency.

89%
of travelers would be more likely to choose one airline over another if given the option to pay in their preferred currency

14%
of passengers paid more than 10% of a flight's cost in hidden foreign exchange charges

43%
say their company already presents pricing in the traveler's native currency

36%
are planning to present pricing in the traveler's native currency in the near future

9%
have no plans to present prices in the traveler's native currency

Of course, the ultimate objective for payments professionals seeking to deliver a smooth payment experience is omnichannel personalization. Digital native firms understand the consumer's preferred payment method based on prior interactions, even when the customer shops across different channels like mobile, web or the call center.

The Travel Technology Investment Trends survey asked travel payments leaders how close their organizations are to achieving omni-channel personalization of their payments experience by assigning a rating between one and five stars. Five stars signaled they've already achieved it.

Just 4% of respondents assigned their organization the full five star rating, with a weighted average across all respondents of 2.7 stars out of five. For an industry focused on achieving digital retailing excellence, this result suggests significant work is required to better align data and customer experience programs with payments capabilities.

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The travel industry recognizes the need to personalize the offers it makes and the service it provides. These principles underpin efforts by airlines to become modern retailers. The same logic applies to accepting payments. Travelers today expect their travel merchant to remember their preferred method, to keep it on file, and for the payment to be 'invisible'."
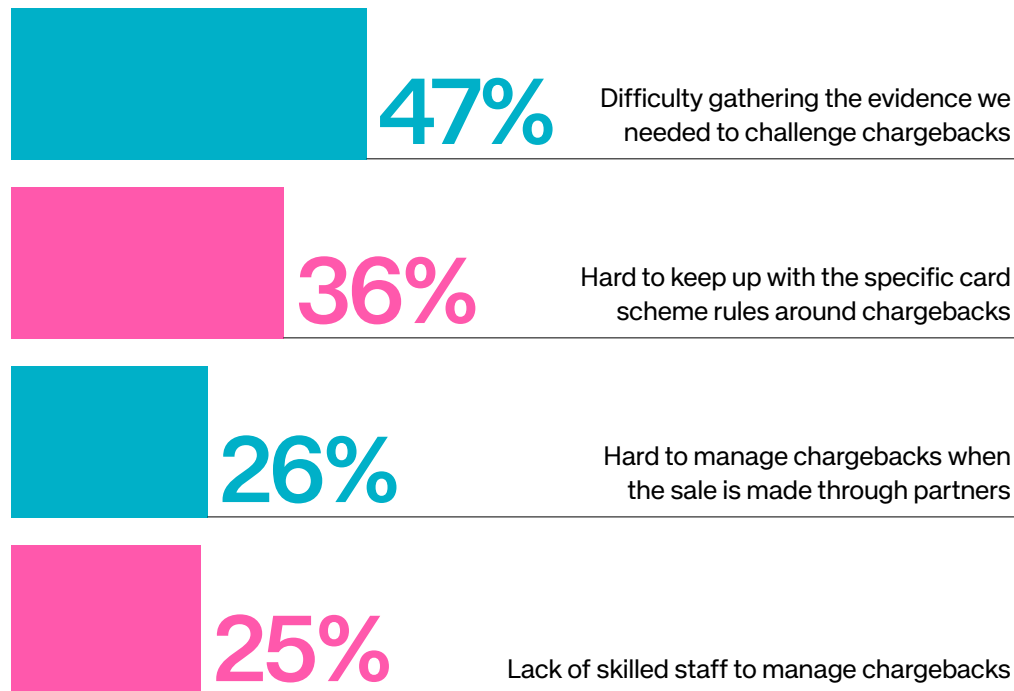
Jean-Christophe Lacour
SVP & Global Head of Products
Outpayce from Amadeus

Priority: Managing chargebacks

A chargeback is the formal process that occurs when a traveler raises a dispute via their issuing bank to request the money back from the merchant of record. Travel Technology Investment Trends research asked payments leaders in travel about the challenges they face when managing chargebacks.

Top challenges when managing chargebacks:

47% Difficulty gathering the evidence we needed to challenge chargebacks

36% Hard to keep up with the specific card scheme rules around chargebacks

26% Hard to manage chargebacks when the sale is made through partners

25% Lack of skilled staff to manage chargebacks

The top concern was the difficulty travel companies face collating the evidence required to effectively challenge chargebacks (47%). This chimes with research Outpayce carried out last year, which found chargebacks are growing at an annual rate of 30% per annum. This growth is driven by increased traveler awareness of the dispute mechanism and the ease with which chargebacks can now be initiated via mobile banking apps.

For a travel merchant to effectively contest a chargeback it must collate information from a wide variety of sources. For example, can the organization show this passenger actually boarded the plane and therefore received the service? Can collated payments data show the card purchase was authenticated? Doing so, supports the merchant during the formal chargeback process, preventing potentially significant revenue leakage relating to chargebacks.

03 Understanding of embedded finance in travel is still developing

When asked about 'embedded finance' - defined as natively embedding financial services like short-term credit, insurance or payments services into the digital experiences travel companies offer – some 21% said they already do it today.
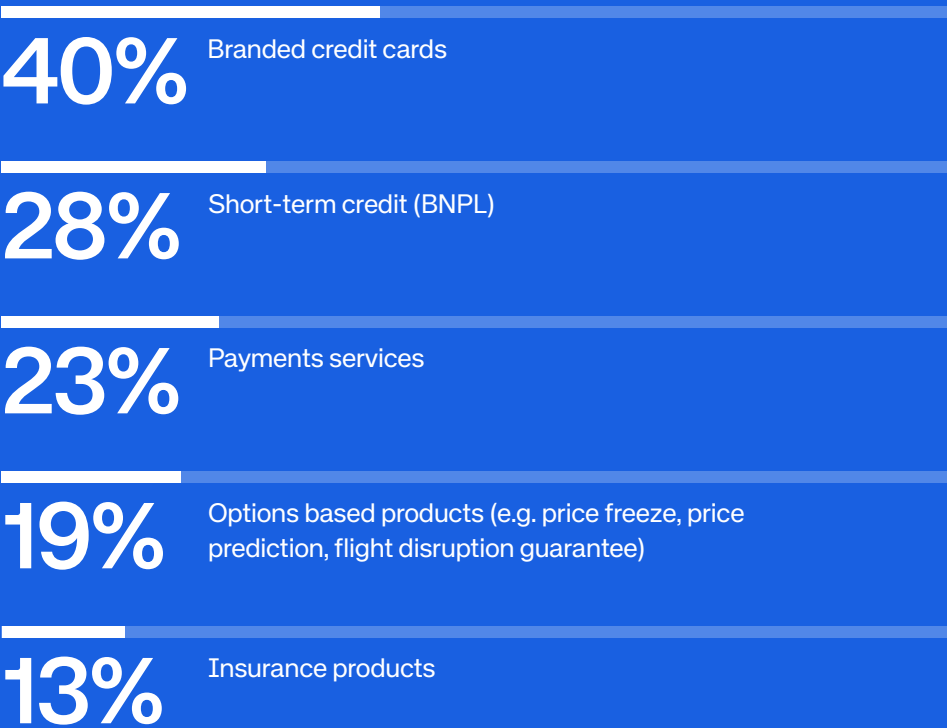
A further 29% said they plan to offer embedded finance services in the future.

Interestingly, 35% said they didn't know if their company would move forward with embedded finance, suggesting a significant number of payments professionals in travel either haven't yet made the case within their company, or are still considering the option. This is unsurprising as the trend remains relatively new.

A not insignificant 15% told researchers they don't plan to offer embedded finance services in the foreseeable future.

This is notable, as this area represents one of the most significant trends in fintech, with travel often cited as an industry with the biggest opportunity to benefit from embedded finance services that help drive additional margins and improve the overall traveler experience.

Embedded finance services with greatest potential in travel:

40% Branded credit cards

28% Short-term credit (BNPL)

23% Payments services

19% Options based products (e.g. price freeze, price prediction, flight disruption guarantee)
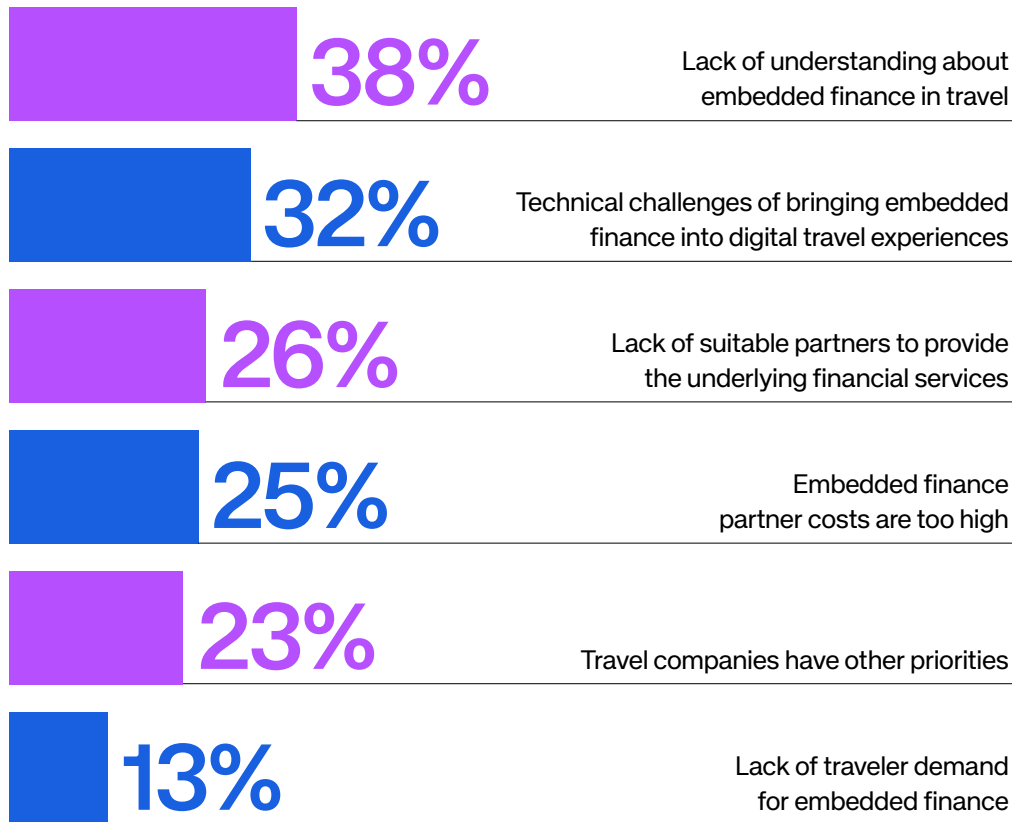
13% Insurance products

Very few respondents view more traditional banking products as options travel companies will offer.

For example, just 4% said current accounts and 2% savings accounts hold relevance and potential for travel companies. No respondents to the survey foresee travel companies offering mortgages.

Again, 32% of respondents said they weren't sure which services held the greatest potential and relevance for travel, suggesting knowledge and work on embedded finance in travel is still developing.

This uncertainty was underlined when respondents were asked about the barriers to embedded finance in travel.

Top barriers to wider roll-out of embedded finance in travel:

38%	Lack of understanding about embedded finance in travel
32%	Technical challenges of bringing embedded finance into digital travel experiences
26%	Lack of suitable partners to provide the underlying financial services
25%	Embedded finance partner costs are too high
23%	Travel companies have other priorities
13%	Lack of traveler demand for embedded finance

1 Bain & Company, 2022, "Embedded finance transaction value to more than double to $7 trillion in US by 2026" --> https://bit.ly/3SSVFz1

Most notably, very few respondents said traveler demand for embedded finance is a barrier, suggesting the industry believes travelers would benefit from, and purchase, finance products from their travel company.

Instead, barriers in this area relate to the technical challenge of bringing embedded finance into the digital travel experience, combined with a lack of partners able to help with this technical challenge. Again, payments experts cited a general lack of understanding about the potential of embedded finance across the industry as the top barrier to progress in this area.

Despite the general uncertainty identified by this study, industry developments suggest it is already making an impact in travel. Indeed, 'Options-based' products like Premium Disruption Assistance and Cancel for Any Reason have helped global travel platform Hopper to drive ancillary revenue. The platform's success with options-based products haves been so successful it is now providing them to other travel companies via its B2B division, HTS (Hopper Technology Solutions).

The company said recently that its B2B division, which includes its embedded fintech services and other travel technology solutions, now accounts for two-thirds of its entire business. In a recent deal, Air Canada began offering HTS' 'Cancel for Any Reason' product to its passengers. Just as it sounds, the new feature offers the airline's customers à la carte refundability, truly for any reason.

If the traveler exercises the product, they are refunded 100% by HTS via the payment method they select.

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Travel has a heritage with co-branded cards and travel money services, which means our industry is in an ideal position to lead the way with embedded finance. Regulated providers that offer financial services are emerging on a wholesale and white-label basis. Travel can represent a significant opportunity, and as our research suggests, short-term credit is an obvious initial opportunity, but we will begin to see travel retailers offering a wide range of financial services over the coming years."

Damian Alonso
Head of Commercial and Partnerships
Outpayce from Amadeus

Conclus

The results of this study point to a number of priority areas for travel payments leaders. From delivering a smooth and consistent cross-channel payment experience to removing friction from cross-border transactions and in-person payments at different stages of the trip.

ion

Respondents confirmed they must meet these objectives while reducing the overall cost of payments. To do so, they are planning to invest in new capabilities that can help increase revenue, improve efficiency and ensure travelers can pay in the way they choose across the trip.

The growing role of payments orchestration platforms was highlighted consistently by respondents as they seek to address rapidly changing traveler demands to pay in new way across multiple markets with the complexity of managing global payments flows. With only a third of travel companies having already implemented a payments orchestration platform so far, the industry can expect this theme to remain prevalent during the coming years.

The need to price travel offers in the customer's native currency is now well understood across the industry and nearly seven in every ten travel companies will have made this possible in the near future, supporting conversion, transparency and incremental revenues.

Half of payments leaders already have, or plan to, move ahead with embedded finance at their organizations. Undoubtably one of the biggest changes, and opportunities, in travel retailing, embedding services like short-term credit or 'Cancel for Any Reason' is already driving significant profitability for pioneers across the industry.

The embedded finance trend has much more to offer the industry. With easier connectivity between banking and payments providers and the global travel industry, we are likely to see an increasing number of travel brands embed financial services. After all, just like banking services, travel is an intangible product and an experience that naturally prompts the customer to consider financial matters like foreign exchange, credit and insurance. But as this study highlights, more work is needed to share insights and information in this area as a 'lack of knowledge', rather than traveler demand, is currently holding the industry back.

Methodology

This report is informed by a survey with 52 senior payments leaders from airlines, travel agencies and hospitality companies.

The research was carried out on a global basis using an online survey methodology. The survey was conducted by Airline Information, an events and media organization that maintains a dedicated community of senior payments professionals from across the travel sector.

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