

AIRLINE & TRAVEL PAYMENTS 2025

NDC & ONE Order Standards

**PAYMENTS
2025**



We all know the frustrations of dealing with multiple references such as e-ticket numbers and passenger name records (PNR). Whether you are changing a booking, updating flight details, or dealing with an airline support issue, it can be unnecessarily complicated. ONE Order is an industry-led initiative designed to modernize airline accounting, delivery, and reservation operations.

ONE Order has the potential to generate just one reference for each booking that covers:

- ▶ Traveler data
- ▶ Flight details
- ▶ Ticketing information
- ▶ Billing details
- ▶ Ancillary records

This then would become the single reference number for all third parties such as interline, distribution channels, and ground handling agents. So, whether a passenger is dealing with lost baggage, a delayed connecting flight, or looking to make flight changes, the reference number is always the same.



How can ONE Order transform the travel sector?

1. A simplified eco-system
2. More cost savings
3. Driving ancillary sales



1. A simplified eco-system

Whilst different elements of a booking might be controlled by other entities, they all fall under the umbrella of the retailer/supplier. Each stakeholder has their own set of systems and processes, which makes each booking far more complex than it appears on the surface.

All this will change with ONE Order. In each booking, interactions between the ORA and any other airlines or service providers involved will be far more streamlined - a step that is long overdue for the travel sector and one which will open a host of new opportunities. With the aim to move away from legacy systems and complicated backend processes, it embraces the retail approach of doing things through streamlined revenue accounting and eliminating the traditional concept of ticket numbers.



2. More cost savings

Research suggests that the airline industry could create \$40bn of additional annual value by 2030 with a true retail model. This comprises approximately \$28bn of additional revenue and \$12bn of cost savings¹.

The complex current systems bring a multitude of additional costs. Differing reconciliation and accounting systems are expensive in terms of resources, management upkeep, and employee time. Savings could be made by enabling airlines to strip away back-office functions required as a result of multiple passenger records and references, in addition to routing more transactions from more expensive GDS's (Global Distribution Systems) to more cost-effective NDC content aggregators. NDC and ONE Order not only enable the distribution of content that can't be distributed via the GDS's but give the ability to reclaim greater control over their distribution channels, as well as help manage distribution costs more effectively.



3. Driving ancillary sales

Airlines often lose opportunities to generate incremental revenue because the travel agents who book tickets with the airlines aren't familiar with the protocol that must be followed with one airline versus another. There are missed opportunities to sell add-on ancillary services such as fast-track security, car parking, or lounge access because the administration required to execute those sales are cumbersome. Furthermore, additional revenue could be generated by enabling airlines to offer truly continuous pricing and optimizing prices based on willingness to pay rather than a genetically calculated bid price.

The goal of NDC & ONE Order is to enable airlines to sell add-on services in a customer-friendly, retail-oriented manner. Monetizing add-on services through leveraging ancillary sales enables airlines to diversify away from just relying on seat sales. This paves the path to greater profitability for the airlines themselves and perhaps even makes the price of an airline seat cheaper in the long run.

ONE Order & payments

Irrespective of the different services that could make up a booking on behalf of the supplier, ONE Order would help airlines move that step closer to just **one payment**.

The payment would ideally be made to the airline, facilitated by the travel agent who would obtain the airline's content through an 'aggregator' or a direct NDC connection. The concept seems simple but there are multiple systems and process updates needed to make this happen. ONE Order has the potential to totally transform the passenger payment experience with:

- ▶ Just one payment for multiple booking elements
- ▶ A connected plan which automatically updates when one part of the journey changes
- ▶ A smoother refund and rebook process with providers

In essence, ONE Order moves away from static offers (i.e., take it or leave it) to dynamic offers, where customers are offered ancillary services they genuinely value and a level of connectivity that provides better convenience. ONE Order is an essential building block for the airline industry to modernize its retail approach in line with some of the world's greatest retail empires. Payments can help to create substantial value in this space.



Here's how:

- ▶ Reducing payment costs through **innovative use of scalable new payment technologies** such as Open Banking. This allows airlines to receive money faster so that they can earn interest on their funds sooner and accept funds at a lower cost.
- ▶ Payment providers partnering with industry technology providers to **build appropriate airline back-end technology that enables digital-direct distribution**. Via ONE Order, they can also address the 'offline' vs. 'online' ownership of the payment process from within an airline (the 'offline' payment function of the airline traditionally processes BSP/ARC transactions whilst the 'online' payment function deals with e-commerce and the use of consumer payment cards).
- ▶ With NDC & ONE Order, the B2B payment landscape will need to evolve to accommodate new interline partners outside of the airline world. Traditional BSP and Virtual card payments will need to be complemented by additional payment mechanisms (read our white paper on B2B Payments to learn more).

Leveraging payment technologies to improve revenues by 1 point and reducing costs by 2 points, for example, may not seem like a lot. However, for a \$2bn revenue per annum airline this could equate to \$60m of additional value alone, which could make the difference between a healthy profit versus a substantial loss.



Conclusion

ONE Order is an initiative aimed at bringing a high level of simplicity, efficiency, and better connectivity to a currently complex ecosystem. From an airline's perspective, there may be reason to be cautious as being responsible for payments to external suppliers hasn't historically been part of their domain. Until now, travel agencies would bundle products and services together on behalf of the airline and could focus on ground-based services (e.g., hotels, tours, car rental) that are not within the airline's usual remit. How would the airline manage the challenges of working with third-party suppliers, such as insolvency, non-delivery of services, or changing costs between the time of booking and travel? Some services have tax elements that might change in the months between booking and travel, and if the applicable taxes increased through this time period, would the airline go back to the customer and ask for money? Not likely.

Despite these potential challenges, the benefits of ONE Order are incredibly significant and highly transformative. Airlines and travel companies could really capitalize on the benefits of a unified and simplified ecosystem, more cost savings, and bigger revenue potential - and for customers, a much better booking and journey management experience.

To a certain extent, low-cost airlines might be able to make this transition quicker and with more ease than the network (legacy) airlines, as the former is more modular and has a newer technology infrastructure. There is a palpable risk that legacy airlines might get left behind in a competitive environment - one that will only become tougher as market competition increasingly becomes more advanced and gives customers more choice. Payments are pivotal and airlines that neglect their payment strategy, do so at great risk.

Author: Sam Lindfield, Senior Strategy Manager



Email: airlines.travel@fisglobal.com



Payments 2025 highlights the key trends shaping the future of payments across key industries. Using our years of experience and leveraging our vast network of specialists from across the industry and beyond, we share expert opinions and recommendations. We explore the social, economic, technological and environmental factors that will shape the next few years, so we can help you prepare for tomorrow.