

AIRLINE & TRAVEL PAYMENTS 2025

Collaboration & Talent

PAYMENTS
2025



A year of a global pandemic has been the equivalent of a decade or more of disruption.

Ian Bremmer, President of Eurasia Group

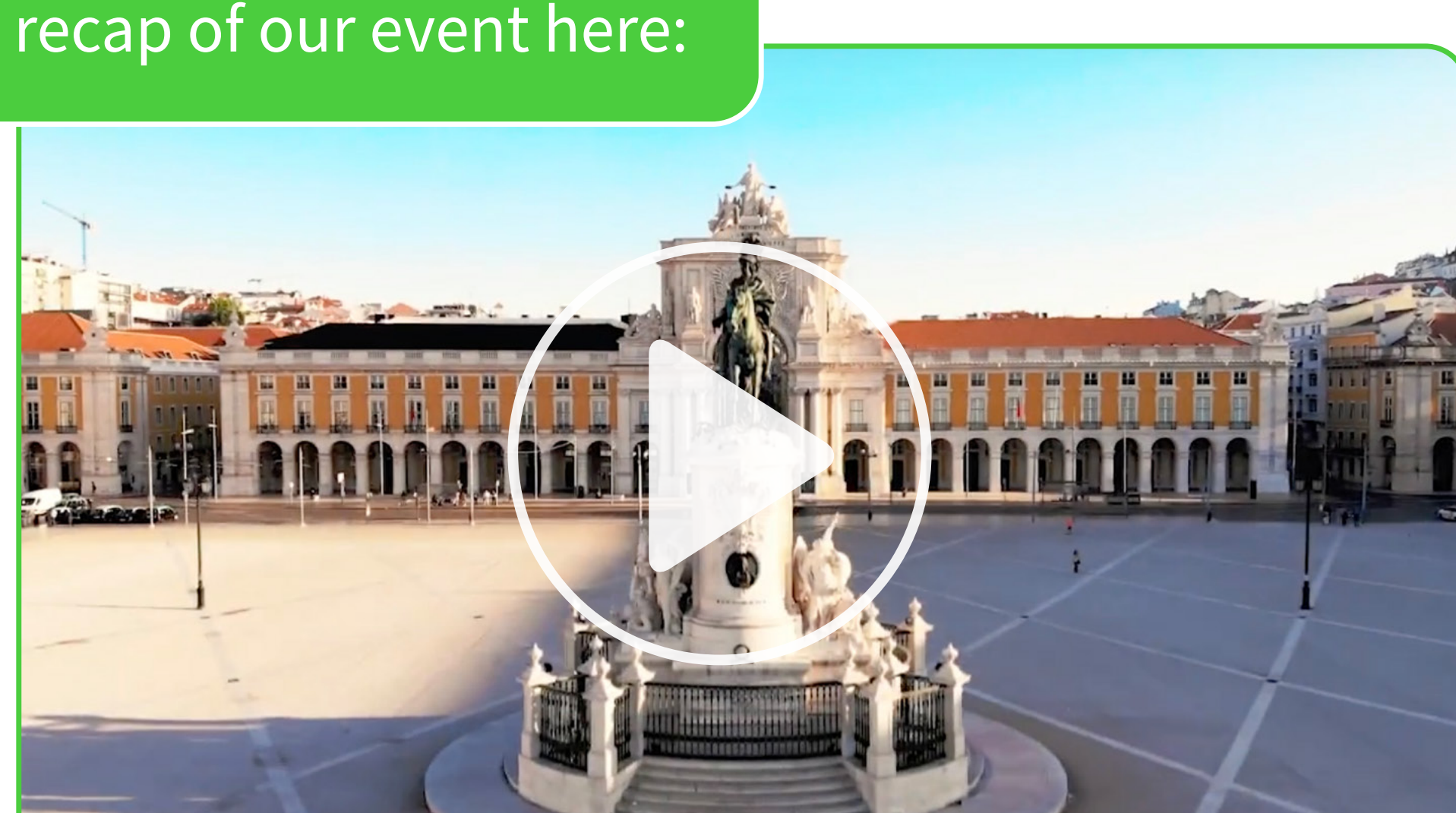


Travel was one of the hardest hit industries by the pandemic, both during and in the aftermath. However, the last few years have also been a catalyst for change and created a shift in focus for customers and businesses alike.

To understand what this meant for the future of airlines and travel, we brought together a group of 25 experts to discuss the key trends that are shaping our industry and how we can best prepare for the years to come.

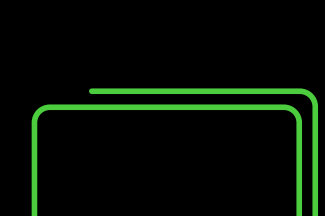
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a recap of our event here:



Together, we highlighted several key topics

... as being some of the most important for airlines, travel merchants, and industry suppliers to have on their radar for the near future:



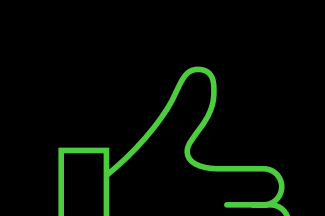
Payment Strategy

How payments are becoming a strategic enabler for the wider company strategy, such as distribution strategy, cost control, using AI, data and more.



New Forms of Payment

How to best prepare for the plethora of new payment methods (BNPL, Crypto, local schemes, CBDCs, open banking etc.)



The Customer Experience

How a frictionless payment experience across all channels enhances the customer experience and drives more revenue.



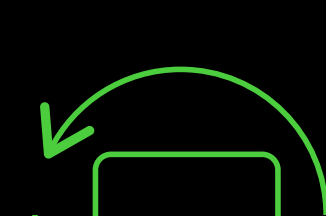
Payment Risk

How to best manage the risk around processing a travel payment and understanding the pros/cons of cards in securing transactions.



NDC & ONE Order Standards

Collaborating with all stakeholders to ensure NDC and ONE Order distribution is supported by strong payment rails.



B2B Payments

Opportunities to optimize the B2B payment flows between distributors and travel service providers, including payment paths for NDC.



Collaboration & Talent

The final topic is Collaboration & Talent. Without this, we would not be able to do any of the above successfully. The best outcome for the customer is the result of each partner along the travel value chain working together to streamline activities and create innovative solutions to enhance the overall experience. In turn, this holds the key to a profitable future for the airline and travel industry.



The importance of collaboration

As a result of the pandemic, IATA estimates that the airline industry lost around \$160bn and at best, might achieve a slim net profit margin of 0.6% in 2023¹. This makes it incredibly difficult for airline and travel companies to invest in the systems, processes, and training necessary to ensure that they are set up for success.

Due to the pandemic erasing much of the airline industry's positive cash flow, collaboration has been rife, with many new joint ventures, codeshares, and equity partnerships now in the mix. Airline collaboration has drastically improved the commercial outlook for airlines - it's no secret that the most consolidated air market in the world (the USA) is the most profitable.

The airline payments area is diverse and requires the contribution of many stakeholders to make it successful. Payments are a cost, but more importantly, they are a revenue enabler. When travel companies are laser-focused on controlling the cost of payments, they might inadvertently forgo opportunities to extend their position in the market. It is crucial for the airline's finance teams to be involved in monitoring and optimizing costs together with the acquirer. However, it is equally important for payments organizations to forge close working relationships with the distribution/commercial function of the company. This allows them to understand how different payment methods and functionalities could reach new target customers and revenue streams.

Additionally, the management of cash that is generated by the payment process is also inherently complex. Merchants would be wise to ensure that their treasury teams work together with their peers in the payment industry. This is important, for example, to ensure they are not generating too much revenue in currencies where there may be repatriation challenges, or ensuring they are generating sufficient regional revenues to pay their operational costs in local currencies. It is integral to the success of the business to ensure that departments do not work in siloes and that all relevant teams are under the same umbrella. To make this a reality, airlines could set targets and objectives that bring these functions together and incentivize them for maximizing value – delivering the most amount of revenue at the lowest cost possible.



Fostering the next generation of talent

Worldpay has served the airline and travel community for over thirty years and supports most of the major airlines across the globe. This allows us to understand the complex payment requirements of airlines and compare the payment strategies of customers across our portfolio to propose best-in-class solutions.

Furthermore, our partnerships with some of the world's leading technology companies allow us to work on the next generation of payments that enable airlines to maximize value generation. With all this in mind, it is critical that we invest in future talent to ensure we can continue to co-create the future of the airline and travel industry for many years to come.

The pandemic induced a record number of layoffs and subsequently caused the industry to suffer the loss of irreplaceable talent and years of knowledge. To help the next generation of talent make airline and travel payments a long-time career of choice, Worldpay will be facilitating a young talent program in 2023. The idea will be to provide selected young talent in airline payments with ongoing mentorship and learning opportunities from Worldpay experts, our partners, and industry peers.

By collaboratively building a stronger payments community, together we can drive the wider industry to higher, sustainable profitability with better payment experiences all around for the billions of people each year that rely on air travel.



The airline and travel industry has lost a lot of talent over the last two years. Many businesses have had to let go of long-serving team members and with them, a lot of knowledge around their wonderful 'legacy' payment set-ups and systems. A lot of them have found new roles outside the travel industry and will not return. New talent has a lot of catching up to do – not an easy thing when you are just starting your career. To support the industry in this respect, Worldpay is offering a comprehensive training program for a cohort of 'Young Airline Payment Talents'.

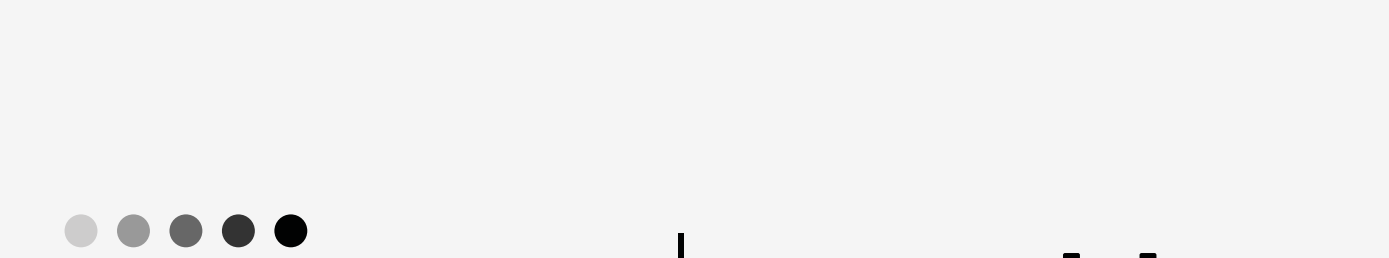
Thomas Helldorff, VP Airlines, Travel & Hospitality at Worldpay from FIS



Co-authored by Sam Lindfield, Senior Strategy Manager and Thomas Helldorff, Vice President of Airlines, Travel & Hospitality

IATA, 2022, Airlines Cut Losses in 2022; Return to Profit in 2023

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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.

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