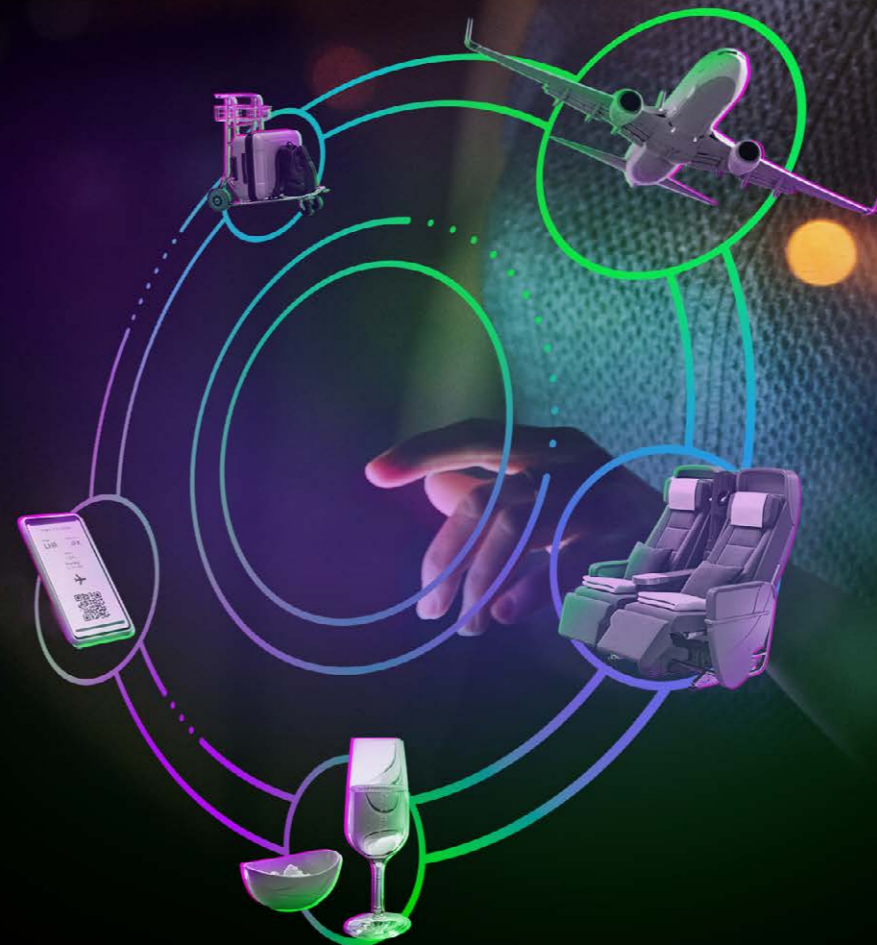


**worldpay**  
from FIS

# THE FUTURE OF AIRLINE & TRAVEL PAYMENTS

A Worldpay x Stylus White Paper

**PAYMENTS**  
**2025**



# Introduction

The global airline & travel industry is moving into an exciting new era of payment innovation as the financial management and services sector responds to the super-charged impacts of a fluctuating consumer landscape and the enduring pandemic.

“A year of a global pandemic has been the equivalent of a decade or more of disruption,”

says political scientist and President of Eurasia Group Ian Bremmer.

In collaboration with global trends intelligence agency Stylus, Worldpay has uncovered the key macro drivers, demographic nuances and new consumer trends that will define the future of payments for tomorrow’s travellers, and for the brands that serve them.



# Macro Drivers

## Digital Acceleration

We witnessed radical **Digital Acceleration**, as consumers flocked online to work, play and transact during pandemic-led lockdowns. In response, the global e-commerce market is set to expand by \$1.4tn between 2021 and 2025, driving non-cash payment volumes higher<sup>1</sup>. Rising adoption of digital and cryptocurrencies, arrival of 5G technology and IoT, and appetite for Virtual Reality (VR) is also revolutionising the payments industry.

## Mass Mistrust

With rampant misinformation and leaks of private information, **Mass Mistrust** of governments, businesses and media is rife. It's no surprise that 71% of global consumers worry about hackers and cyber-attacks<sup>2</sup>. In this landscape, brands must demonstrate transparency and commit to data security.

## Stagnant Economies

Even before the pandemic, **Stagnant Economies** were impacting consumers' quality of life. Covid-19 has exacerbated the struggle, pushing around 124 million people into extreme poverty worldwide<sup>3</sup>. Frugal attitudes and savvy spending tricks are increasingly necessary to remain financially afloat.

## Collective Consciousness

Consumers' **Collective Consciousness** is growing, as they confront issues including systemic inequality and climate-change risks. Worldwide, 60% of people say wealth inequality is one of the most serious forms of inequality in their country<sup>4</sup>. There is a major opportunity here for sustainable, equity-focused businesses to win consumer loyalty and spend in years to come.

## New Health Paradigm

As consumers develop a more holistic understanding of healthcare, a **New Health Paradigm** is emerging. Globally, 79% of people say their mental and physical health are equally important<sup>5</sup>. A rising expectation that brands should step in to help fortify all aspects of personal wellbeing signposts a key opportunity space for the decades ahead.

## Shifting Demographics

**Shifting Demographics** is another important driver. The global population is ageing rapidly, with the proportion aged 65 years plus expected to increase from 9.3% in 2020 to 16% in 2050<sup>6</sup>. The number of consumers from diverse and multi-racial backgrounds is growing too. Businesses need to be aware of these shifts if they are to remain relevant in the future.

# Generational Perspective



Accompanying these macro drivers impacting airline & travel payment priorities are subtle generational nuances that dictate the experiences and needs of different demographics.

## Gen Z

Born and bred alongside major tech developments, **Gen Z** (born 1995-2009) experience a big part of their lives online. Rather than being online-first, many are online-only, spending up to 9 hours a day online<sup>7</sup>. As such, always-on access to anything, at any time, from anywhere is the norm for this cohort.

## Millennials

**Millennials** (born 1981-1994) grew into adulthood amid the Great Recession and the COVID-19 pandemic and have been hard hit throughout their working lives. For many this means dealing with student loans, stagnant wages and rising costs of living. Consequently, American Millennials rank financial concerns/debt and low paying jobs/job insecurity as two of the top five problems of their generation<sup>8</sup>. This demographic also grew up with Web 2.0 – that is, mobile – and now Web 3.0 crypto-technologies, making them financially savvy and keen to embrace alternative payment methods and currencies to optimise often-stretched finances.



## Gen X

Born in an analogue world, **Gen X** (born 1965-1980) remain somewhat attached to traditional payment methods with more choosing physical over digital, opting for credit cards as their preferred choice<sup>9</sup>. As work and domestic responsibilities grow though, they're seeking digital routes to more streamlined living. To appeal to this generation's need for fast-paced and frictionless solutions, brands and payment merchants alike must offer speed and benefits such as active reward systems and seamless opt-out models.

## Boomers

While historically "tech shy", **Boomers** (born 1946-1964) are an increasingly online generation, open to financial services and payment options that offer ease and security. However, access to tech devices – as well as literacy on how to use them – can be major roadblocks for the oldest members of this consumer cohort. Their use of digital financial tools is often held back by concerns over transaction safety, with only 63% of US Boomers believing that their primary service provider will protect them from fraud and theft<sup>10</sup>. To close this gap, stakeholders must empower Boomers via tech guidance, simplified user experiences and adaptive features.

## Seniors

For **Seniors** (born up to 1945), longer life expectancies are leaving some feeling anxious about their economic outlook. A lack of tech awareness, access and ability is deepening concerns, and leading to financial exclusion. Payment processes should be accessible, simple and secure to empower this generation and allay their worries.



**Macro Trends:**

# New Payment Priorities for Airlines & Travel

The aforementioned drivers and generational nuances are steering new travel payment priorities, grouped into six powerful emerging trends that can be harnessed across the travel and airlines industry for future success.

# Trend 1: Seamless & Smooth

The pandemic accelerated the shift into a digitalised world and the next wave of travellers will demand increasingly fast and seamless experiences that emphasise convenience.

The growing demand for omnichannel payment methods means travel brands must ensure they can accept payments in multiple formats, including cryptocurrencies and other digital currencies.

Already we're seeing this shift;  
digital-wallet-based transactions

**grew by 7%**

in 2020 and are expected to account for more than half of all e-commerce payments worldwide by 2024<sup>11</sup>.





# Trend 1: Seamless & Smooth

## Key Trend Themes

Looking for seamless experiences, consumers will gravitate towards **Frictionless Purchasing** offerings that enable ease at every turn. They're prioritising contactless payments – 69% of US retailers reported an increase in contactless payments during the pandemic<sup>12</sup> – experimenting with autonomous shopping tech and simplifying payments with open banking architecture.

The increasing uptake of digital currencies means businesses must ensure they operate an **All Currencies Welcome** model, accepting payments in multiple ways. Brands should note that around 300 million consumers globally are now crypto-currency users<sup>13</sup>.

Desire for instant, low-cost payments between countries is catalysing innovative **Payments Without Borders**, with global cross-border payments expected to reach \$250tn by

2027<sup>14</sup>. Meanwhile, payments are also spanning the borders between physical and virtual reality, with pioneering providers enabling transacting in emerging metaverse marketplaces.

## Trend in Action

The future shape of seamless payment options for travellers on-the-go can be seen with the launch of parking service providers Parkopedia and EasyPark's dashboard technology in Germany, allowing Mercedes-Benz drivers to pay for parking automatically. The system is triggered as the car enters a paid on-street parking zone. Owners use a MercedesPay account, with payments handled by a Single Sign-On (SSO) account, and upon arrival at the paid on-street parking zone the vehicle triggers the automated parking payment. The driver confirms the start of the transaction and exits the car. When returning and starting the ignition, the transaction occurs and the account is charged for time spent at the location<sup>15</sup>.

In a similar vein, visitors to Amsterdam's Schiphol airport can now pay for their parking using a QR code solution from Dutch payments provider Adyen, letting them pay via app or online with info stored on their smartphone. No queueing, no cash, no tiny bits of paper. They simply scan a code, and get an e-receipt. Despite zero marketing activities encouraging drivers to pay this way, Schiphol saw massive uplift of parking payments from POS to ecommerce<sup>16</sup>.

We are also seeing digital currency payments appearing in the airline space. Airline-owned global payment network UATP, partnered with Bitpay in September 2021 to offer more than 300 airline members and travel merchants the ability to accept payments in Bitcoin, Dogecoin, Ethereum, Litecoin and six other popular cryptocurrencies for travel<sup>17</sup>.





## Trend 2: Safe & Secure

Digital security and personal data protection is a top priority for travellers. It's easy to see why with one in four global consumers experiencing some form of cyber-fraud in 2021.

“The higher the use of online transactions, the more likely we are to see cyber-attacks and cyber-attack attempts,”

says Dr Francesc Rodriguez Tous, lecturer at Cass Business School, London<sup>18</sup>.

Innovators in the airline & travel industry and beyond are introducing next-gen security solutions including biometric markers and blockchain protection that allow travellers to safeguard sensitive documents in transit.

## Trend 2: Safe & Secure

### Key Trend Themes

**Biometric Access**, or authentication provided by our bodies – fingerprints, iris scanning or facial recognition – is becoming a preferable payment solution versus less secure pins and passwords. Consumers are on board; 86% in the US are interested in using biometrics to verify their identity or to make payments<sup>19</sup>.

In the era of **AI-Powered Privacy**, artificial intelligence solutions step in for anonymous data collection and fraud mitigation. Allowing consumers to retain control over their data is of paramount importance though, and 67% of global consumers wish to decide how and what data is shared online<sup>20</sup>.

As the movement towards decentralised finance and transacting grows, tech-enabled **Blockchain-Built Trust** will boost transparency and efficiency, and cut out intermediaries. Despite significant volatility in 2021, the DeFi market soared 335% to reach a value of \$85bn, proving its growing market significance<sup>21</sup>.



### Trend in Action

At the forefront of the push for greater digital security for travellers is biometric wearable Keyble from Italian fin-tech start-up Flywallet. The device has an integrated biometric fingerprint sensor to enable in-store and online payments, with public transport, loyalty cards, and other interaction possibilities planned. Upon purchase, users have to register their fingerprint biometrics, which then will be used for authentication of the module's smart features and payment actions<sup>22</sup>.

ShareRing is an all-in-one decentralised app that lets people search, book and pay for services and activities across multiple industries, whilst remaining in total control of their verified identity, certificates and personal information. A blockchain-secured ShareRing ID lets users safely hold documents such as their passport, national ID, driving license and health information. The decentralised app then connects users' ShareRing ID to these services directly. Applications include express check-in, booking a ferry trip, peer-to-peer rentals or buying groceries<sup>23</sup>.



## Trend 3: Just For Me

Customisation is an established route to traveller approval and we are now seeing personalised payment journeys becoming a non-negotiable priority too. In the US, UK and Australia alone, 70% of consumers say it's important for brands to provide them with a personalised experience<sup>24</sup>.

It's clear that post-pandemic consumers are looking for customisation as a brand imperative: brands who excel at personalisation

**generate 40% more revenue**

than businesses that don't invest in personalised features<sup>25</sup>.

Consequently, airline & travel businesses will need to embrace revamped loyalty and rewards programmes that recognise nuanced individual needs and deliver emotional engagement as a tool for deep personalisation for travellers.



## Trend 3: Just For Me

### Key Trend Themes

Consumers expect purchasing routes to offer **Personalised Interactions** tailored to their needs at every step, whether in-store or online. Some 90% of US consumers believe that a brand's ability to personalise their shopping experience impacts the amount they spend/shop with that brand<sup>26</sup>.

Businesses are forging consumer loyalty via new-era transactional business models that reward consumption with **Bespoke Rewards**. In the US alone, 65% of consumers expect brands to personalise their approach and offer them targeted promotions<sup>27</sup>.

Mood detection software has the potential to help businesses understand consumers' feelings to improve **Emotional Engagement** and boost loyalty. It's a significant brand strategy; Harvard University professor Gerald Zaltman asserts that 95% of purchase decisions are made by the subconscious mind, driven by emotions<sup>28</sup>.

### Trend in Action

Tesla is signposting the way forward for brands in the travel space who are looking for ways to use payment systems to recognise each customer as a unique individual. The automotive brand offers embedded insurance to its car owners and calculates insurance rates based on real-time driving behaviour captured by on-board technology, rather than credit rating, gender or age. Resulting rates tend to be 20% to 60% lower than traditional insurers and Tesla automatically charges payments to a card provided each month<sup>29</sup>.

In August 2021, airline Emirates launched an online subscription platform called Skywards+ to offer its 27 million members easy access to customised rewards and privileges all year round. The programme begins with a standard annual subscription rate, with flexible methods to extend users' tier states as well as the validity of their miles. Members can earn miles with partners – including airlines; hotels; car rentals; financial, leisure and lifestyle brands – and spend them on flight tickets with partner airlines, hotel stays, or hospitality at sporting and cultural events<sup>30</sup>.

UK travel company TUI's Destination U prototype uses emotionally intelligent technology from Realeyes to uncover travellers' true holiday desires. Users watch images of different locations and experiences, while the prototype – a facial-coding pod and emotion-tracking wearable – measures unconscious reactions. A perfect holiday is then built based on their innate reactions, with the option to purchase immediately<sup>31</sup>.

<sup>26</sup>Inmar Intelligence, 2021, in Global Newswire, 'Inmar Intelligence Survey Shows 65 Percent Shoppers Are Willing to Share Their Data with Retailers, but They Expect a Better Experience'

<sup>27</sup>McKinsey, 2021, 'The value of getting personalization right—or wrong—is multiplying', <sup>28</sup>Inc, 2018, 'Harvard Professor Says 95% of Purchasing Decisions Are Subconscious'

<sup>29</sup>Tesla, 2021, in Auto Futures, 'Tesla Introduces Insurance Based on Real-Time Driving Behavior', <sup>30</sup>Emirates, 2021, 'Emirates Skywards launches "Skywards+" to offer its global members access to exclusive rewards'

<sup>31</sup>TUI, 2021, in Travel Daily, 'TUI unveils "Destination U" prototype for retail'

## Trend 4: Financial Wellness

With a growing appreciation that economic insecurity is detrimental to overall health, future finance and payment innovation is increasingly being re-considered through the lens of wellness.

It's not difficult to see why, given our financially turbulent times –

**70%**

of American adults saying that the economy is a significant source of stress, up from 46% in 2019<sup>32</sup>.



# Trend 4:

## Financial Wellness

### Key Trend Themes

Pandemic losses mean more people are adopting **Austerity Armour**, seeking greater control over their spending patterns and finances to protect themselves from an economically uncertain future. Consumers aren't just thinking short-term. Some 59% of Europeans expect another pandemic in their lifetime and want to financially prepare for the next one<sup>33</sup>.

Consumers are craving **Finance Coaching**, guidance and support to improve their financial habits and literacy. They're looking outside of traditional banking services too; views of #personalfinance videos on TikTok – which range from budgeting to saving tips – exceed 5.3bn views<sup>34</sup>.

The connection between money and mental health is tightening, causing consumers to look for **Fiscal Healing** counselling services and brand empathy. In the UK, 39% of consumers say their financial situation impacts their mental health<sup>35</sup>.



### Trend in Action

We're seeing more BNPL (buy now pay later) options arriving within the travel and airline space. The development is helping financially struggling consumers fund trips away, while also aiding operators in filling plane seats and rooms as inflation slows pandemic recovery.

In February 2022, Delta Airlines announced its addition of American Express' on-card BNPL feature Plan It as a checkout payment option at its ecommerce site Delta.com<sup>36</sup>. Similarly, in March 2022, BNPL provider Sezzle and payments platform Yapstone announced a partnership around vacation rentals allowing consumers to pay for holidays via longer-term financing options<sup>37</sup>.



## Trend 5: Kind Finance

Ethical spending is rapidly becoming an expected part of payment journeys, as conscious consumerism gains mainstream traction. Almost half of European consumers (46%) say they are using their influence as a consumer to drive positive social change<sup>38</sup>.

There is a major opportunity for airline & travel brands to use payment innovation to capture customer attention and loyalty by embedding seamless altruism and services for financially excluded consumers.

# Trend 5: Kind Finance

## Key Trend Themes

Consumers are increasingly taking **Eco Action**, keen to link purchasing to protecting the planet and reducing their carbon footprint. In 2021, 56% of Americans said they'd use a credit card that could calculate and offset the environmental footprint of the products they purchased<sup>39</sup>.

Opportunity also exists in the **Inclusion Imperative**; the growing understanding of a need to create inclusive payment solutions for unbanked populations and to focus on minority-group representation in the financial market. A staggering 1.7 billion adults (31% of the adult population) worldwide don't have a bank account or mobile wallet<sup>40</sup>.

Many consumers will champion brands that display interest in **Community Care**, and who are committed to making a difference in their local area and society at large. Globally, 73% of consumers say brands must act now for the good of society<sup>41</sup>. It's not enough for brands to pay lip service to positive intention – they must take beneficial action directly and transparently.

## Trend in Action

Newcomers to the payments landscape are innovating to grant easy access to travel options for unbanked individuals. Turkish disruptor brand Payguru is rolling out a country-wide SMS payment service to let those without bank accounts pay for public transport via text message. This consumer group, previously excluded from a system that demanded the use of a credit or debit card, can now pay for a journey using their phone credit<sup>42</sup>.

Other payment innovators are highlighting how both the mode and process of payment could be used to position a travel brand as a natural fit for Kind Finance customers. Take the lead from TreeCard. Launched in the US in August 2021, TreeCard is a wooden payment card that directs profits from merchant surcharges into reforestation. Operating via the Mastercard network and using back-end card processing services from Synapse, it acts as a debit account with an app that lets users track spending and split bills with friends, while monitoring trees planted as a result of spending. It uses profits from interchange fees to plant a tree for every \$60 spent on the card<sup>43</sup>.





## Trend 6: Life Stage Support

Payment expectations and needs can vary greatly according to different life stages. Airline & travel brands can step into the opportunity space with differentiated offers for young people navigating college and new careers, mid-lifers balancing raising children and caring for ageing parents, and seniors preparing for retirement.



# Trend 6:

## Life Stage Support

### Key Trend Themes

Young people **Approaching Adulthood** crave assistance in establishing financial security and literacy. UK consumers aged 18 to 24 were the most likely (51%) generation to say they'd made bad decisions about debt during the pandemic<sup>44</sup>, revealing opportunity for brands to step in and help.

**Managing Midlife** is complex, as consumers struggle with being “sandwich carers” and managing expenses like mortgages and childcare costs. In the UK alone, 55% of 45- to 54-year-olds say the pandemic has made them more worried about their financial situation<sup>45</sup>.

Older consumers want **Later-Year Allies** who can provide advice around retirement preparation and tailor e-commerce solutions to their digital ability. This service is sorely needed; only 15% of America's Boomers have estimated their retirement health costs<sup>46</sup>.



### Trend in Action

A standout example of a travel brand focusing its payment strategies on one key age demographic is Qatar Airways, who launched a Student Club loyalty scheme open to full-time students between 18 to 30 years old. The scheme offers a mix of student-specific benefits – such as free on-board wi-fi, extra baggage allowance and a flexible date-change policy – as well as enrolment in the airline's regular QMiles loyalty programme, which lets passengers earn points for flights and credit card purchases made with the airline's branded card<sup>47</sup>.

# Conclusion

Equipped with an emerging palette of innovative payment options, airline & travel brands have an opportunity to transform purchasing moments into a valued part of a seamless and friction-free end-to-end travel experience.

To achieve this goal, industry leaders will need to explore scan-to-pay initiatives to cut down on parking stress or allay safety concerns with contactless ordering and payment methods. Collaborating with crypto experts to enable easy transactions, regardless of currency, is another route to success. Investing in biometric systems that deliver cyber-security and cut wait times will be an integral part of the future travel payment offer too.

Opportunities abound in targeted travel payment strategies for different demographics, from students to retirees. Adopting innovative emotion-tracking technologies to deliver hyper-personalised travel products and services is also a strategy worth pursuing.

Finally, brands can step in with alternative payment methods – such as text-based purchasing – to harness the spending power of millions of unbanked consumers around the world.

The airline & travel industry should move toward 2025 with a new understanding of payments, as outlined by the trends in this report. Rather than simple transactions, payments can offer a way to meet the experiential, social and wellness needs of travellers too – winning their valuable loyalty in the process.

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Payments 2025 is a thought leadership campaign launched by Worldpay from FIS to highlight the key trends shaping the future of payments. Using our many years of experience and leveraging our vast network of specialists from across the payments industry and beyond, we will share expert opinions and recommendations as well as explore the social, economic, technological and environmental factors that will inform the future and help our merchants to prepare for tomorrow.

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**2025**

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