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WORLDLINE 

Retailing ready: towards traveler-centric airport payments

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Foreword

The airport can be the defining stage of a travelers experience with the potential for it to be impressive or disappointing. Today, many airlines are finding it difficult to deliver a smooth payment experience at the various airports they serve. Both the operational and payments technology set-up can vary significantly at each airport, requiring airlines to work with a wide range of local acquiring banks and often to deliver entirely different payment experiences to travelers based on what's available locally.

For travelers, the journey through the airport can sometimes be a stressful experience. Have I got my passport and boarding pass? Am I ready to pass through security? Which gate should I be at? This environment can heighten reactions to customer experience pain points. It's not the moment to ask the traveler to walk to another desk to pay, or to search through their bag for a payment method the airline is able to accept. Yet, our research shows that's exactly what's happening at many airports around the world.

As airlines begin the transformation to become modern retailers the payments experience is firmly in focus. Airlines want to simplify their approach and ensure their payments strategy can support commercial excellence across every interaction

with the traveler. Solving in-person payments pain points at the airport is difficult, yet new approaches can deliver consistency across multiple markets, automate reconciliation of sales made to payments received and provide choice and a good user experience to travelers.

This report is informed by three separate strands of research. Firstly, Outpayce from Amadeus, together with our partner Worldline, commissioned a survey with 4,500 travelers across the world to understand their attitudes and preferences when paying at the airport. Secondly, business psychology experts Innovation Bubble (IB), a business psychology firm, conducted in-depth interviews with travelers to explore their airport payment experiences. Finally, we have been fortunate to interview experts from several leading airlines and from our partner Worldline that have shared their challenges and future plans.

At Outpayce, we help airlines to orchestrate their complex payment flows and ensure they can accept payments in a modern, responsive and cost-effective way across all channels to market. We do not believe it is good enough that some travelers are still asked to swipe a card to pay for an ancillary service or that airlines must sometimes manually reconcile payments received at the airport.

In my opinion, the most interesting finding from this study is IB's conclusion that travelers crave 'predictability' at the airport terminal. Allowing the traveler to pay in a way that's familiar and convenient reinforces a sense of control in an environment that can be stressful. Conversely, regular instances of unpredictability can reduce engagement, discourage future purchases and contribute to negative brand perceptions.

Many airlines have already begun their transformation to become modern retailers. Teams at Amadeus are working closely with airlines to deliver a new generation of modular technology for Offer, Order, Settle and Deliver (OOSD). A smooth and efficient payment experience is fundamental to achieving retailing objectives and this transformation provides an excellent opportunity to address longstanding payments pain points at the airport.



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



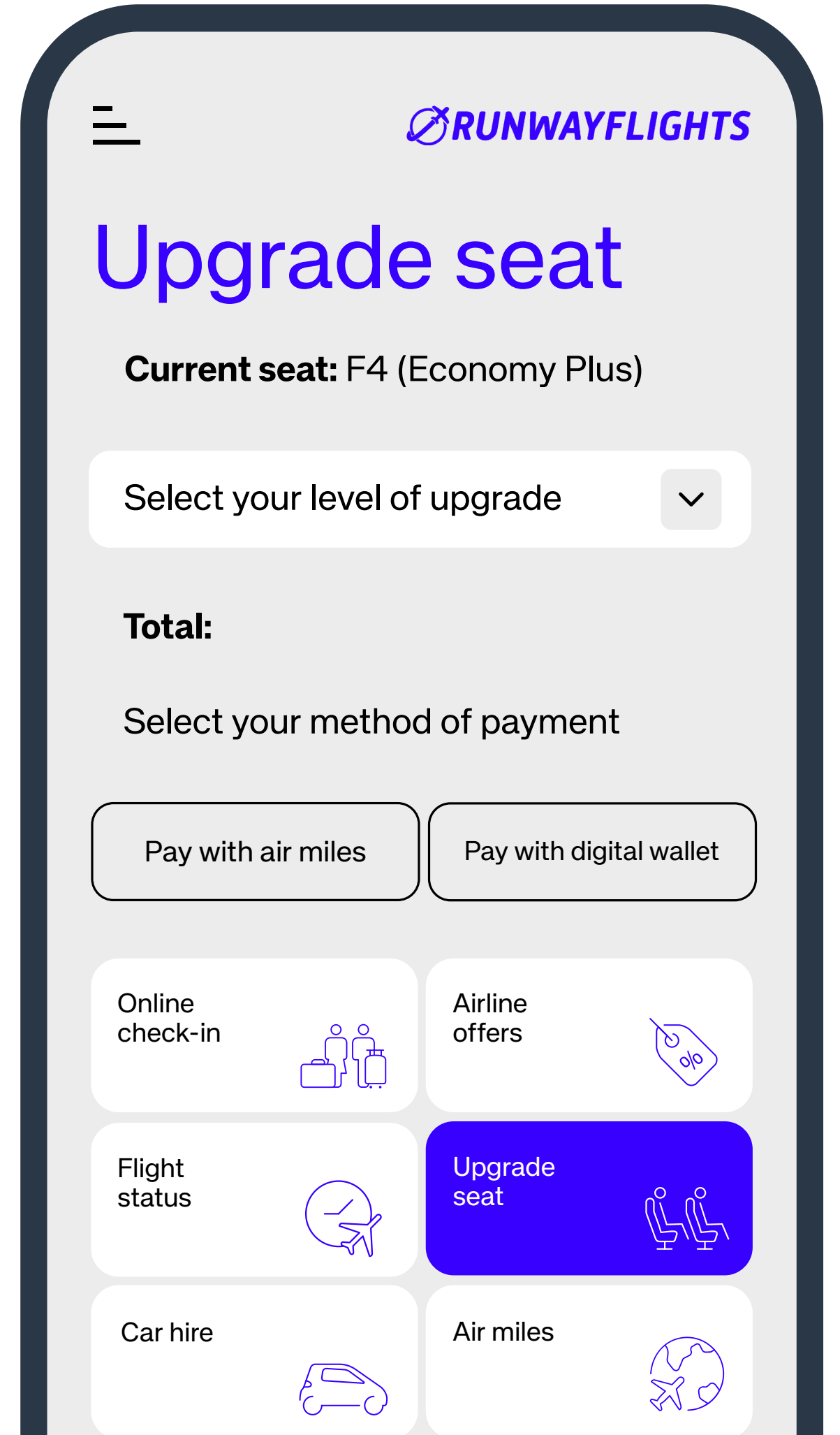
Airports will become retailing hotspots for airline services

Today, the experience airlines provide at the airport is primarily functional. Traditional industry processes like check-in and boarding are supported by Departure Control Systems (DCSs) that are designed to ensure the passenger has the right to fly, and then to efficiently board each passenger. In many cases, retailing of additional services is an afterthought, which today's technology and processes do not fully support.

Instead, commercial processes at the terminal are focused primarily on revenue protection. That is, ensuring the airline can effectively collect revenue for services like extra baggage, rather than taking the opportunity to retail entirely new services. However, this situation is set to change drastically over the coming years, increasing the need for a modern payments experience.

The drive by airlines to become modern retailers sees them adopt a new generation of technology for offer, order, settle and deliver, based on modern standards more akin to those used by generalist retailers like Amazon. This approach will provide airlines with much greater context about each traveler and the ability to make personalized offers throughout their journey, including at the terminal.

In fact, the entire airport experience will change. In the medium term, travelers will no longer be required to complete traditional check-in in many parts of the world. Agents are expected to roam the terminal to serve passengers more flexibly using tablets, with the ability to sell personalized offers containing a mix of products from the airline and its third-party partners.





How will this impact payments?

In short, travelers are likely to be making more purchases, more regularly, at different airport service points and today's outdated payments experience is not fit-for-purpose to support this future. It's likely these payments will be in-person with roaming agents and using the traveler's mobile phone. They may even be an Uber-like invisible payment experience where the airline charges the traveler's card on file subject to their consent.

However, today's airport processes will not disappear overnight. Despite some airlines already taking initial steps to become modern retailers, it will be many years before the majority of airlines are ready. Similarly, certain passenger cohorts are also expected to continue to choose a traditional airport experience. Therefore, new offer and order processes will co-exist with traditional industry approaches for years to come.

Airlines' strategic move to become retailers means the payment experience will become even more important than it is today across the entire experience, but particularly at the terminal. If the airport is to become a retailing hotspot that drives commercial success, then the industry must address long-standing payments pain points. Payments at the airport must be fast, secure and convenient, wherever and however the traveler chooses to pay.

Airport retailing example: upgrade to business and car hire

The passenger arrives at the terminal early, perhaps four hours before departure. The delivery system understands this because the passenger has consented to share the location of their mobile phone. This information is provided to the Offer system, which draws on a detailed profile including Amadeus Traveler DNA to understand this is likely to be a business traveler (even though they are booked in economy).

With a real-time view into flight and lounge availability, Offer knows seats are available in business class and **the lounge is only 50% utilized**. Offer also knows this traveler frequently requires a transfer car organized with a specific firm when making this journey. When the passenger encounters a roaming agent an offer to upgrade to business is proposed at a discount as well as a transfer, which the traveler pays for with the same card they used when booking from the digital wallet on their phone. The delivery system updates the passenger's order and car hire companies are automatically made aware of the car rental.

50%



Payments pain points at the airport (traveler)

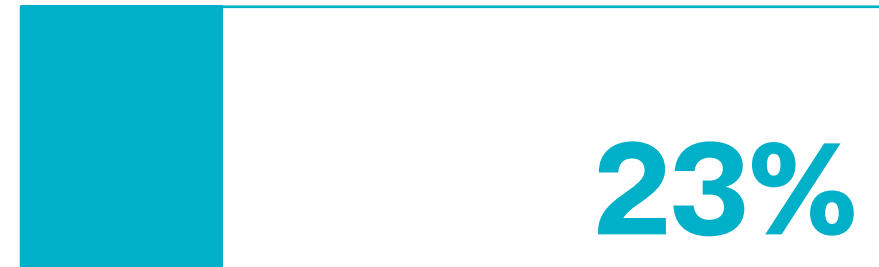
There are multiple locations at the airport where travelers would like to pay for additional airline services, whether it's simply a €30 excess luggage fee or deciding on a class upgrade that could be worth several thousand Euros to the airline. Typically, payments happen at agent assisted and self-service check-in and bag drop stations, at the gate and then also during the flight itself. Travelers often experience pain-points and frustrations at each location.

Pain point 1: Being asked to walk to the airline ticket desk to pay

Today, it's still relatively common for a traveler to queue up at check-in and then be asked to walk across the terminal to pay for an additional service or an upgrade, often needing to queue again to actually pay, before returning to the check-in desk to complete the process.



According to our survey, **54% of travelers** have been asked to walk to another area of the terminal to make payment at least once in the last two years.



For many, this is a common frustration with **23% having been asked to do this more than once in the last two years.**

This problem occurs because payments points of sale haven't been integrated to the check-in infrastructure, or simply because the airport or ground handling partner is responsible for managing payments outside of the airline's Departure Control Suite.

The impact on the customer experience can be significant. One surveyed traveler described his frustrations in the following terms.

"It's just a process thing. It's not a legal issue or serious requirement for any airline to say, right, ok, (extra) baggage. You want to buy baggage? You can't do it. You've got to go over there. It's just the processing. And I'm sure if they really want to, they could sell you that baggage allowance at the counter. They just need to optimize for that."

Surveyed traveler



According to IB's research, this type of payment experience can lead to 'cognitive dissonance' where the traveler's experience fails to match the airline's brand promise, which in turn can lead to feelings of disempowerment and ultimately impact customer loyalty. Another frequent flyer underlined this in stark terms:

"If I had to move location to pay for an upgrade I would never fly with airline X again."

Surveyed traveler

"Unless we're able to offer the traveler a positive experience, and payments is very much part of that, how can we expect them to be loyal to an airline?"

Chia Cartaya
Global Head of Travel, Worldline

With operations at around 170 airports, a lack of points of sale is an issue one major full service airline is seeking to tackle. At its hub, the airline itself manages check-in and can accept a wide range of payment methods. For its premium passengers at around 25 key airports the airline has found workarounds with staff able to take payment from laptops and payment terminals. However, there are still instances where the airline's customers are asked to walk across the terminal to pay for additional services.

"At some stations we aren't in full control of the payments experience. I do think aviation is behind when it comes to payments and we need to open our systems so we can accept payment anywhere. Online I can do anything and I should have the freedom to buy ancillaries easily at the airport too."

Senior payments leader
Full-service airline

Travelers also perceive airports as a stressful environment where any payments issue results in frustration. Consumers ranked airports third from eight options in terms of locations where it is most frustrating to encounter a payments issue, below supermarkets and restaurants, but above online retail, public transport, hotels, shopping centres and gas stations. With most airports containing shops that typically have well developed payment systems, it's important the aviation industry is able to match or even improve on this experience.

“If you compare an airport to a supermarket they aren’t the same. The airline passenger tends to be anxious, they want to board on time, they are concerned about passing through security and so on. This is the moment when an airline should be enabling fast and reliable payments, with plenty of PoSs dotted around the terminal. Most airlines simply can’t accept payments at enough locations today.”

Chia Cartaya

Global Head of Travel, Worldline

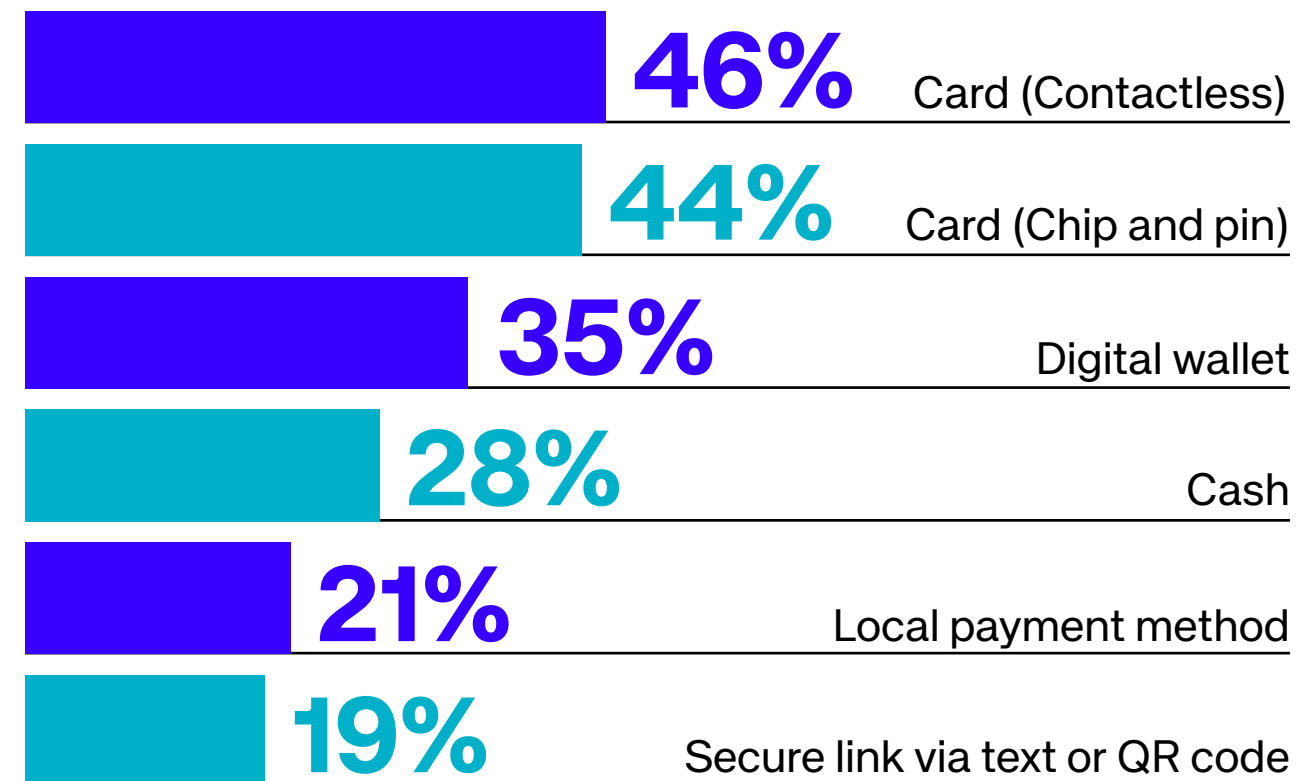




Pain point 2: Not being able to pay in the way I choose

In addition to being asked to change location to pay, it's also common for travelers to discover they can't make payment with their preferred method. Many points of sale at airports aren't yet able to accept newer payment methods from digital wallets, like GooglePay or ApplePay. Sometimes, the points of sale are so outdated that travelers are forced to pay by swiping their card, an approach which is no longer considered secure in many parts of the world.

Top payment preferences when paying for ancillaries at the terminal.



The results of our survey highlight travelers' preferred ways to pay for airline services at the airport. Despite the growing adoption of digital wallets, it's clear that card payments remain the preferred payment choice, with contactless topping the list. Interestingly, a significant number of respondents also still prefer to pay with cash, perhaps to spend any remaining foreign currency before returning home.

Offering payment method choice is key to achieving both airline retailing and customer experience objectives.



For example, **45% of respondents** to our survey agreed that they would be at least 'more likely' to buy an ancillary at the airport if they could pay with their preferred method.



14% would be 'far more likely' to buy an ancillary if they could pay in the way they want.

IB's research also shows that travelers value the ability to use their preferred payment methods, such as contactless options like tap-to-pay or Apple Pay, when purchasing additional services at the airport or in-flight. The inability to do so can be perceived as an inconvenience, costing travelers time and leading to heightened frustration.

“Well, actually it was a hassle. But you know, it's just a matter of bringing out the card. But I mean, like I said, if I could just do everything on my phone, then it's easier.”

Surveyed traveler



This can be particularly problematic given that travelers often experience elevated anxiety in airport settings and are focused on navigating the journey from check-in to boarding as efficiently as possible. Any delay in the purchasing process during this time intensifies the traveler's emotional response.

Many travelers prepare meticulously for their journey and find it disruptive when they have to deviate from their planned routine, such as needing to retrieve a physical credit card to complete a transaction. While this disruption is relatively minor it still interrupts their expectation of a smooth payment experience.

“When I travel to the airport, usually I have everything kind of clearly organised so that way when I go through security and they say empty your pockets, there’s nothing in my pockets. So, I don’t want to have to retrieve my payment method from my wallet, I just wanted to use the payment method that was on file with the airline.”

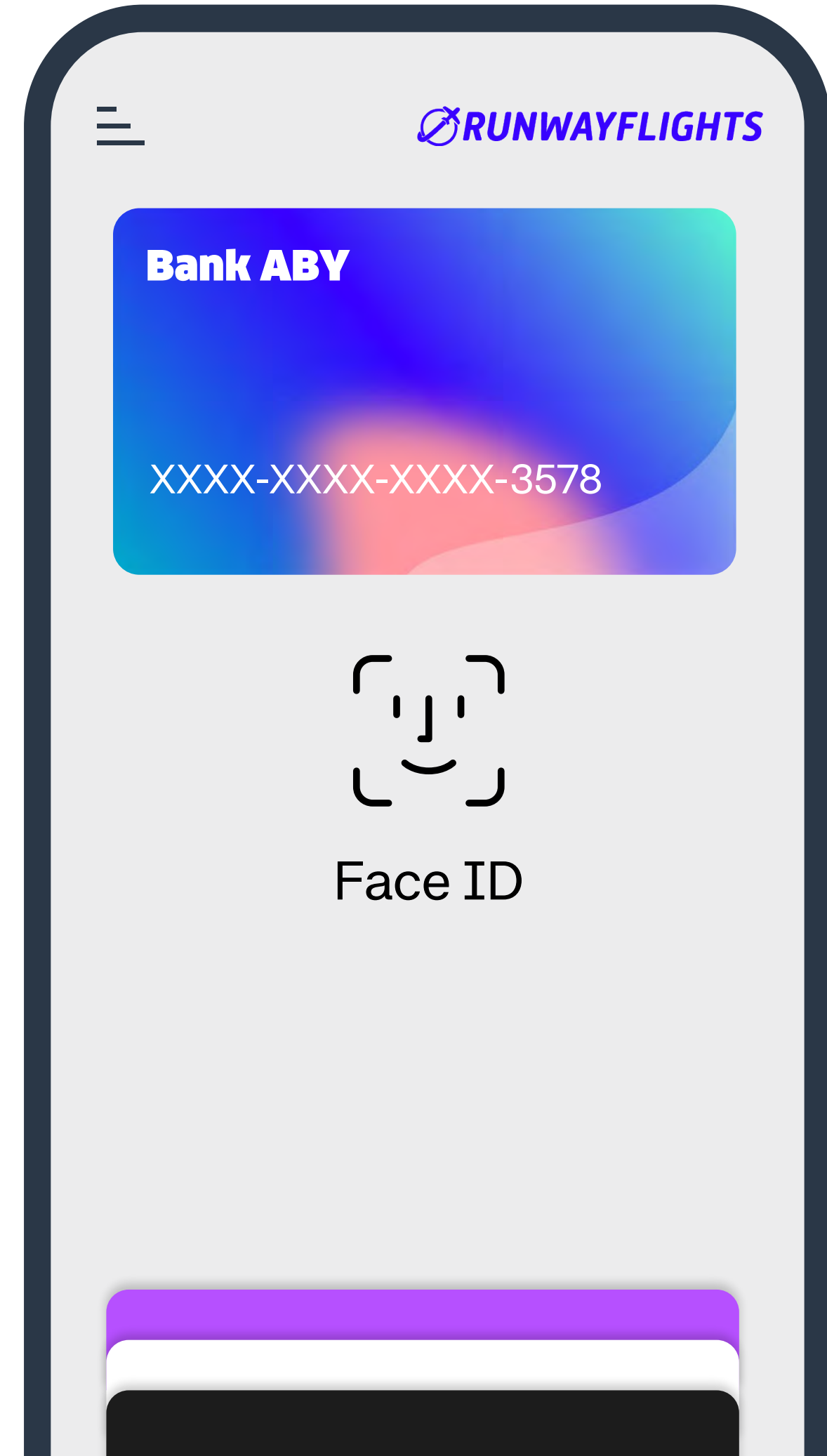
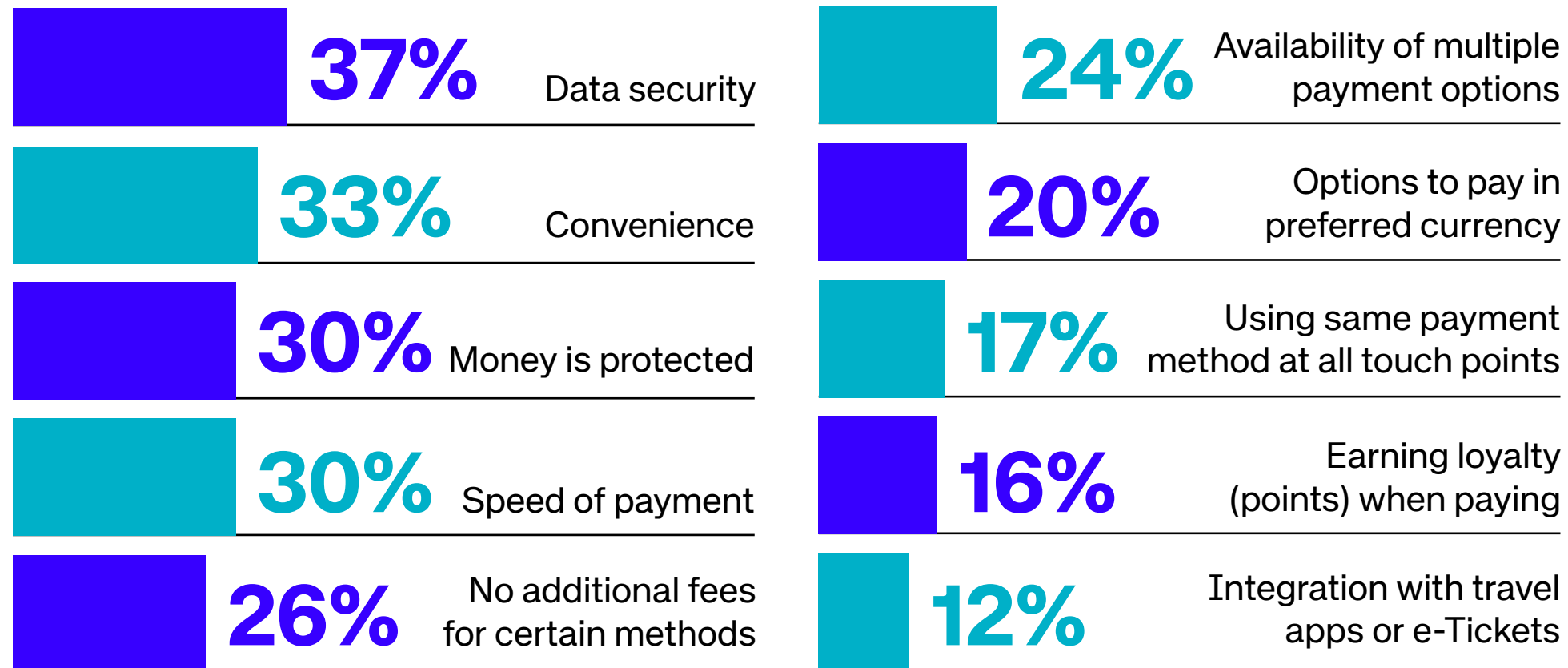
Surveyed traveler



Pain point 3: Balancing convenience and security

Our research asked travelers what they value most when paying for airline services at the airport. As expected, travelers are seeking to balance convenience in terms of ease and speed with security. Other considerations like the ability to use a wide range of payment methods, the option to pay in their native currency and not being charged fees also scored highly.

Most important factors when paying for airline extras at the airport (selected top 3).





These interviews with travelers underlined the importance attached to secure in-person payments. A significant minority of travelers, particularly those from the US and Singapore, displayed a preference for digital wallet and contactless transactions because they perceive them to be more secure.

“[Google Pay] gives me protection because it needs to have your fingerprint or your biometric before it goes through.”

In contrast, traditional card transactions (especially swiping credit cards) were perceived as riskier due to the potential for data skimming. One traveler explains their concern with swiping card:

“There are so many ways to scam and steal information in person, whether it’s a credit card skimmer...there was a point in the US where everyone was saying ‘do not put your card in the gas machines because they put this technology where they can capture the information on your card’, so it was worrying but now there is Apple Pay... that is why, as much as possible, every country should have just contactless payment. I don’t even want to carry my wallet.”

Surveyed traveler

Such concerns are valid because legacy infrastructure means that magstripe readers are still a common sight at airports across the world, despite falling short of payments security requirements in many markets. Indeed, **57% of respondents** to our survey confirmed they have been asked to pay for an ancillary service with a magstripe reader in the last two years.



Payments pain points at the airport (airline)

Our interviews with airline payments experts confirmed that carriers are also concerned about the quality of the payments experience across the industry. In fact, it was the top consideration for the full-service airline we interviewed for this study, when deciding to invest in a new approach. Yet there are additional commercial and operational considerations for airlines too.

Pain point 1: Revenue leakage

Airports may not yet represent retailing hotspots for additional airline services, but they are still a considerable source of ancillary revenues for airlines.

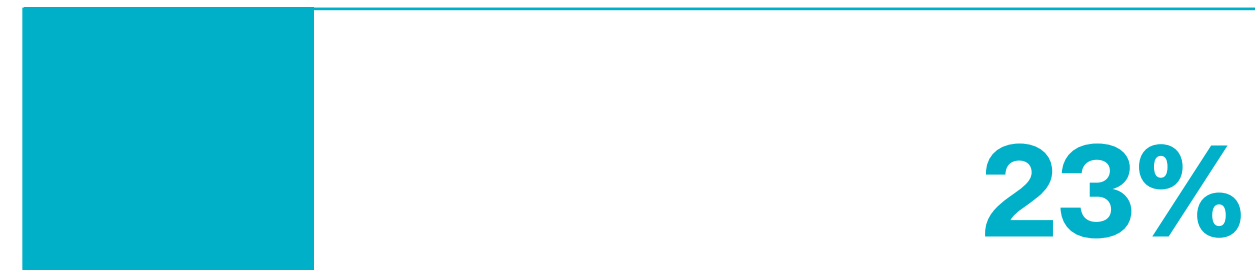
Two-thirds of respondents to our survey say they buy airline ancillary services 'at least sometimes' and estimate they spend an average of **€250** on airline and airport ancillary services when at the terminal and during the flight. Similarly, the average value of a transaction accepted by airlines with Outpayce's Airport Pay solution at check-in is **€149**, underlining the importance of the airport to an airline's retailing strategy.

Yet poor payments capabilities mean airlines regularly leak revenue simply because they are unable to accept payment. Perhaps the best example is a passenger that exceeds their baggage allowance. An airline agent may notice a passenger has an additional carry-on bag when they reach the gate but all too often is unable to charge the passenger.

Our survey shows the extent of the challenge.

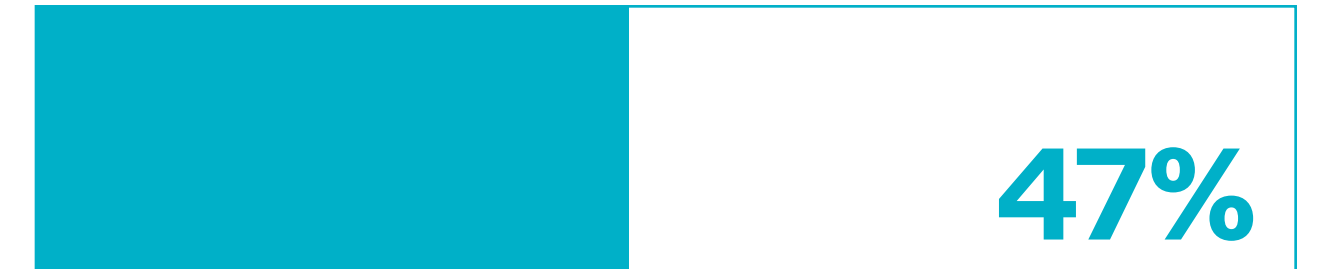


More than half of respondents (56%) have experienced an airline waiving a fee for an ancillary service because they were unable to accept payment.



A significant minority (23%) have experienced ancillary fee waivers more than once in the last two years. With one out of every two travelers not having to pay for excess luggage, many airlines are leaving significant revenue on the table.

As well as preventing revenue leakage, our research also suggests that payments innovation can also encourage more ancillary service sales.



For example, 47% of respondents said they would be at least 'more likely' to buy additional airline services at the airport if the carrier offered additional loyalty points.



Similarly, 53% said they would be at least 'more likely' to buy ancillaries at the airport if they could pay for them with loyalty points. Airlines have successfully offered 'sliders' on their digital channels that allow customers to pay with a combination of cash and miles for a number of years now, with a similar opportunity to introduce this capability at the terminal.



Pain point 2: Reconciliation

One of the greatest pain points for airlines today is the issue of reconciling purchases of ancillary services made at the airport to each payment so the information can be fed into revenue accounting systems. Where the airline isn't in control of the airport payment infrastructure there is often very limited automation in place, resulting in additional manual work.

“Currently we have a person dedicated to manually reconciling payments to airport ancillary sales. Once each flight has departed they generate a report from the DCS and match incoming payments to ancillaries purchased for that flight. The task takes around an hour and a half per flight but is essential for back office accounting.”

Senior payments leader
Full-service airline

The reconciliation challenge highlights the broader issue airlines face when accepting payments across airports in multiple markets: complexity. The airline operates in around 70 different countries and has needed a significant number of local acquiring relationships to cover its network.

The airline is currently implementing Airport Pay from Outpayce to provide a single, airline controlled, in-person payments solution so it can deploy point of sale devices at key service points like check-in. The solution will be integrated into the airline's DCS allowing the airline to accept any EMV card or EMV compliant mobile wallet across 100 markets, while simplifying its payments relationships to one single provider of in-person payments software and hardware.





The view from Worldline, a global acquirer

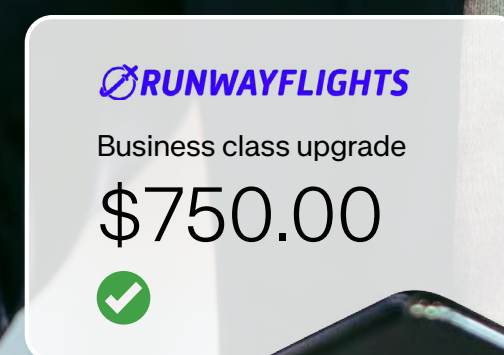
Some airlines are more technology enabled than others but for many, collecting payments at the airport is difficult. If you compare an airport to a supermarket it is a far more stressful setting for the consumer, who is concerned with boarding the aircraft on-time. That means airlines need plenty of Points of Sale available to the traveler at different service points, with the ability to accept a wide range of international and local payment methods.

This set-up should ideally offer a consistent payment experience across the different airports an airline serves with full integration to the airline's own systems so payments can be automatically reconciled to the correct booking. Most airlines will seek to anticipate the needs of the traveler and up-sell or cross-sell in the digital channel but this isn't always possible and that's why in-person payments at the terminal remain important.

“At Worldline we have partnered with Outpayce to deliver an in-person payment solution that’s available in 100 markets, offering airlines a simple way to achieve a fast, modern and consistent approach to payments without the hassle of stitching together a spaghetti of local relationships and solutions in different markets.”



Chia Cartaya
Global Head of Travel, Worldline





A consistent approach to in-person payments at the airport

For airlines that wish to deliver a consistent payments experience across multiple airports, it's essential that the in-person payments solutions be well integrated to the Departure Control System and other traveler touchpoints across the airport. This approach allows the airline to accept a wide range of card and digital wallet payments at key service points like check-in and boarding in a way that is independent of shared infrastructure at the terminal, providing far greater control over the payments set-up.

It's this control that allows the airline to decide where payments need to be accepted, avoiding the need for travelers to change location when paying for upgrades or ancillaries, while ensuring that additional fees can always be easily accepted.

Airport Pay from Outpayce is available in 100 markets so far, allowing airlines to reduce the number of acquiring partners to one or a handful of acquirers across the airports they serve. With deep integration to the airline's DCS and Reservation systems, any payment received for an ancillary service at the terminal is automatically reconciled to the passenger's

booking, removing the need for manual reconciliation and supporting improved revenue accounting.

With Airport Pay, an airline can use modern point of sale terminals that handle contactless or Chip & Pin payments, supporting PCI-DSS compliance and providing additional reassurance to travelers that are no longer asked to swipe their card.

Airlines also have the option to turn in-person payments into e-Commerce transactions. If the traveler prefers, a roaming agent, an agent at a check-in or a self-serve kiosk can send a secure payment link using email, SMS or a QR code allowing the passenger to pay for an ancillary service or upgrade digitally from their phone.

With payments integrated at check-in and the option for the traveler to complete any in-person payment at the airport from a link sent to their mobile device airlines can also reduce queues, improve the passenger flow through the terminal and speed up key processes like check-in and boarding.

The Airport Pay impact



Airport Pay is currently used by 12 major airlines.



The technology powers more than 5,000 PoSs at airports around the world.



Payments accepted with Airport Pay are increasing at roughly 40% year-over-year and are approaching €0.5B per annum.



In mature markets, major airlines are seeing acceptance rates over 99%.



One North African airline that implemented payments at check-in saw seat upgrade sales increase by €300,000 during the first weekend following deployment.



The future of airport payments

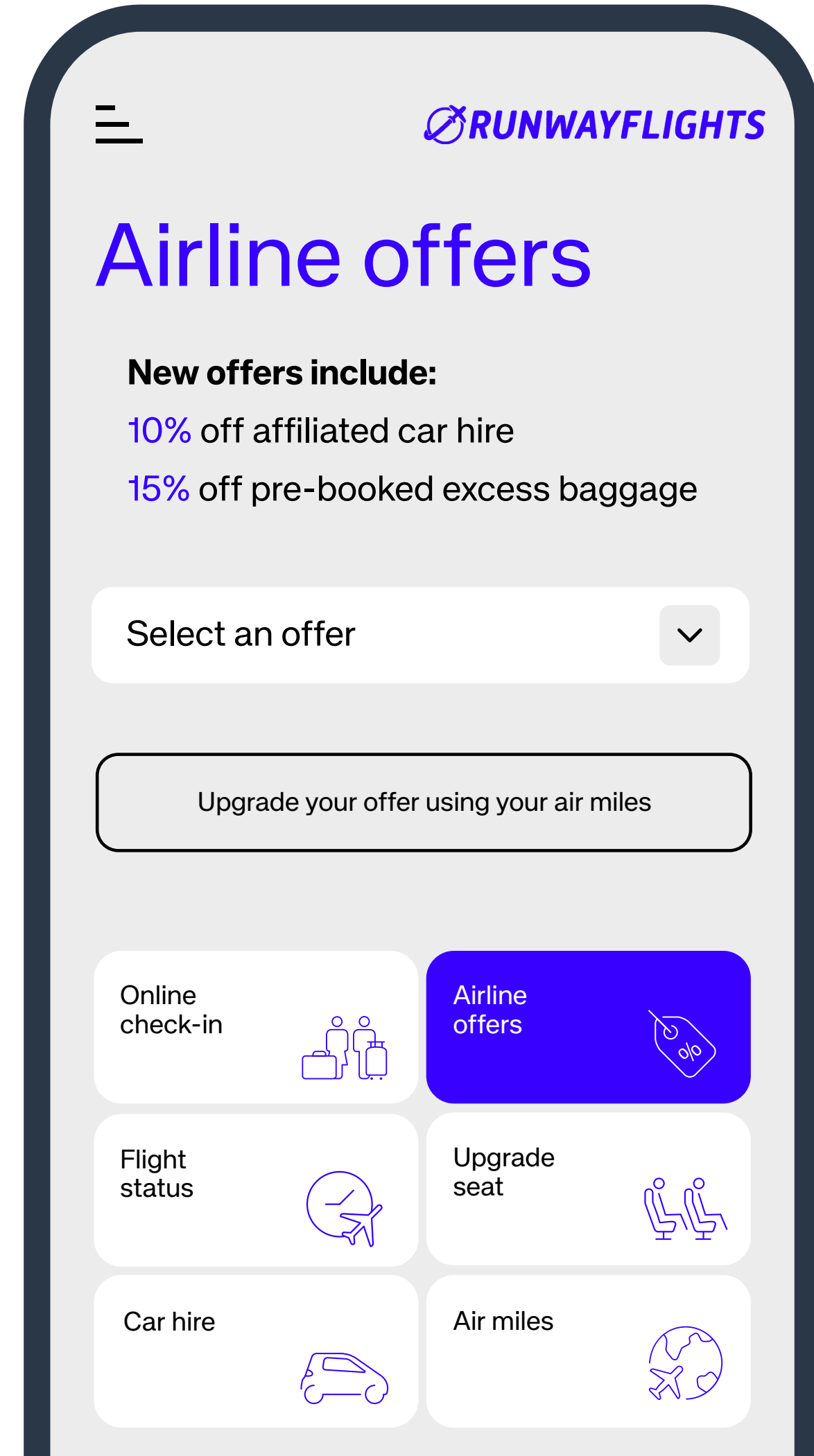
Beyond consistent in-person payments, it's important to consider how the payments experience at the terminal will evolve as airports become retailing hotspots for airline services, enabled by new technology for offer, order, settle and deliver.

In this new world, it's expected that airlines will provide travelers with the option to store their travel credentials in the form of a unique 'journey code' in the airline's app. This will make it easier for travelers to pass through the terminal and to be recognised throughout the trip, without the need to present paper documents.

Travelers will receive personalized offers through this same app and at various service points at the airport, with the need to be able to complete fast and secure payments. In addition to offering the option for in-person payments Outpayce expects more airlines to invest in technologies like tokenization, which will help them securely store their passenger's payment method. This approach means travelers will be able to pay for new offers, upgrades or airport ancillaries with a single click. Worldline also sees a positive future for 'Soft PoS', digital payments acceptance solutions that do not require a physical terminal.

“In the future, Soft PoS will be built into airline tablets and mobile devices so agents can be truly mobile and easily accept payments from anywhere in the terminal.”

Chia Cartaya
Global Head of Travel, Worldline

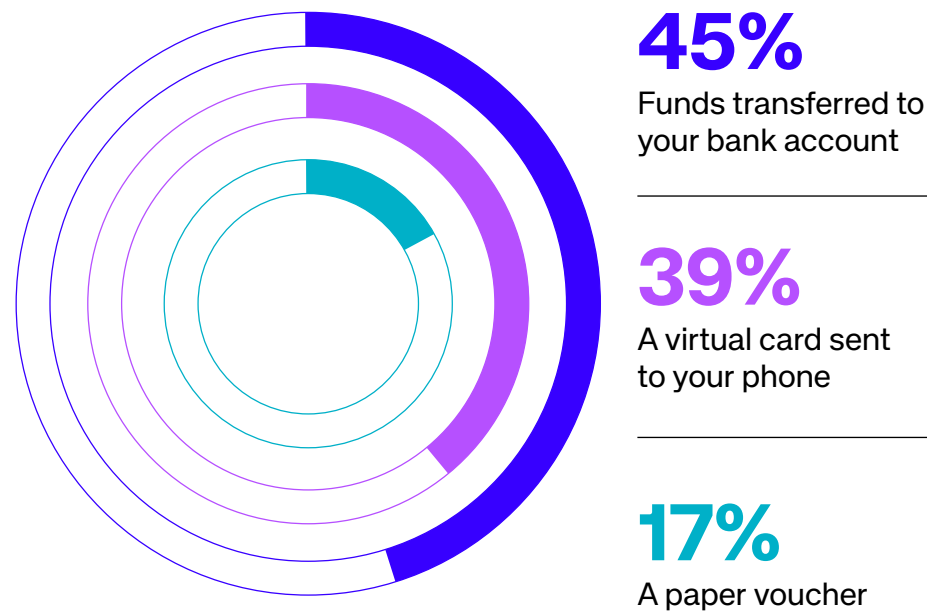




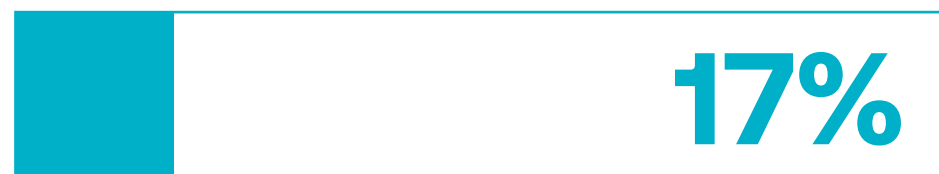
Another area that's set to improve as airlines become retailers is disruption management. Passengers will be reaccommodated more quickly with the ability for the retailing carrier to propose recovery options for the entire trip, including air, ground transport, hotel and destination experiences.

Traditionally paper vouchers are issued to disrupted travelers at the airport for food and accommodation, with restrictions on where they can be redeemed. In the future, it will be possible for airlines to send a virtual card to the traveler's digital wallet instead, which reduces the need to queue for a voucher and allows the traveler to choose where they spend the funds.

Top preferences for receiving funds for disruption compensation.



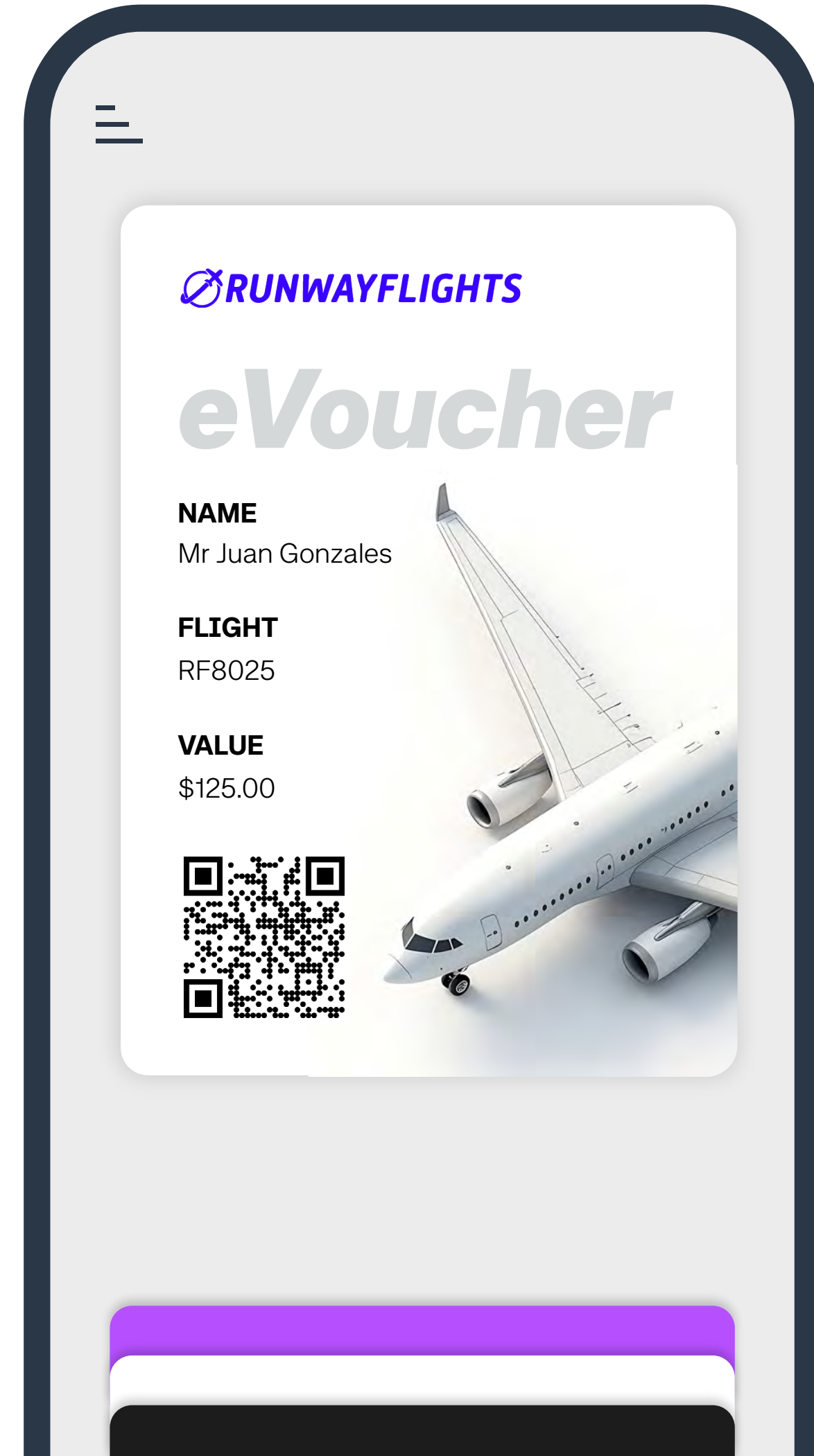
Our research suggests this approach will be well received by travelers with **39%** confirming they'd welcome a virtual card sent to their phone to receive disruption compensation, just a little less than would choose to have the funds paid to their bank (45%).



Only **17% of respondents** would prefer a paper voucher.

About the research

The survey was conducted by independent research firm Opinium during Q4 2024 with 4,500 travelers from France, Germany, the United Kingdom, the United States and Singapore. Qualitative research was undertaken by IB through eight one-hour long in-depth virtual interviews by consumer psychologists with participants who had flown internationally in the last 3 months. Participants were a mix of business and leisure travelers from France, the UK, the US and Singapore.



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