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Payments Come of Age

A global study of airlines
and their payment technology
needs and challenges

CELL POINT DIGITAL

LEADING PAYMENT ORCHESTRATION™

Methodology

This report is based on an online survey conducted by CellPoint Digital between December 2023 and January 2024. The survey asked 151 airline professionals across multiple geographies and different business functions about their challenges, goals and expectations for their airline's business and payment operations. The responses were not weighted.

About CellPoint Digital

CellPoint Digital is a fintech leader in payment orchestration. CellPoint Digital's main solution is a powerful Payment Orchestration Platform that optimises digital payment transactions from cards or alternative payment methods and accelerates the deployment of new payment options. Merchants can easily scale their own payment ecosystem across the world, unify the customer payment experience across their website, mobile apps and other channels, optimise the routing of each transaction, increase conversion rates and minimise payment costs. CellPoint Digital has offices in Copenhagen, Dallas, Dubai, London, Miami, Pune and Singapore.

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Will payments finally **come of age in 2024?**

For the airline industry, payment processes are foundational to profitability. Key departments, specifically revenue management and finance, understand efficient payment systems are crucial. Yet, a broader organisational understanding is needed to fully grasp how payment intricacies intersect with booking volume, revenue and customer satisfaction. This, in turn, impacts the adoption of innovative payment technologies that could significantly enhance an airline's financial performance and streamline its progress along the payment maturity curve.

That is one of the most apparent dichotomies identified in the following report: Payments Come of Age, which is based on a survey of 151 airline professionals from across the globe. The survey data shows that airlines face persistent payment challenges, ranging from the availability of (and support for) alternative payment methods to difficulties in reconciliation and reporting to struggles with dynamic currency conversion. These challenges occupy a similar level of importance as some of the more traditional airline challenges, including expanding route networks and growing ancillary revenues.

Notably, the report's most crucial overall finding is that these prominent payment-related challenges also present new opportunities for airlines. **By reorienting their priorities, listening to the concerns of their internal payment professionals and adopting forward-looking payment strategies, including Payment Orchestration, airlines have a significant opportunity to drive more revenue, improve their passengers' experience across markets, create new cost-saving efficiencies and unlock profitability.**

Variations in challenges and opportunities are evident across regions, airline size, target market and other characteristics. This report offers a discerning analysis of these differences, including a focus on Latin America, a region rapidly assuming a leadership position in payment innovation. We also examine broader economic and consumer trends at the top of airline professionals' minds and review the financial technologies being implemented or considered to navigate these issues.

Payment systems are reaching a pivotal moment in their evolution, decisively impacting airline performance. Through strategic investments, cross-departmental collaboration and a dedication to refining payment operations, airlines are well-positioned to secure a durable competitive edge while delivering a seamless booking and travel experience for passengers.

The competitive ecosystem of the airline industry:

Navigating through challenges to **seize opportunities**

By many measures, this is a boom period for commercial aviation. According to IATA, total revenue per passenger-kilometer (RPK) increased 16.6% year-over-year in January 2024, reaching 99.6% of 2019. Industry-wide profits for 2024 are projected to reach $25.7 billion on $964 billion in revenue. Capacity and load factor are approaching five-year highs, and passenger demand remains robust and growing.

Yet, amidst these signs of prosperity, the industry faces a spectrum of challenges. **Nearly 20 new airlines were launched in 2023**, and while that number includes many regional carriers, it nonetheless represents an expansion of the competitive landscape. Labour, maintenance and other operating expenses are all up by double digits year-over-year, according to Airlines for America (A4A), which includes a 13.4% increase in labour costs (the largest share of airline operating costs). Macroeconomic factors like global inflation and regional conflicts threaten to stifle future demand, even if they haven't yet.

The most pressing challenges for airlines revolve around operational efficiencies. Disjointed approaches to payments and acquisitions encumber route network expansions and diversifications. Suboptimal sales mechanisms and user experience (UX) barriers limit ancillary revenues. Outdated systems and mindsets constrict profit margins, which are poised to increase with revenues and RPKs.

Focusing on three core domains – global expansion, efficient route networks and payment processes – is paramount for airlines to thrive. Let's delve into these elements.

Global growth and route expansion

Global airlines continue expanding their route networks at a pace needed to keep up with demand. But is that expansion positively impacting their bottom line? Notable route expansions are announced almost daily, including full-service carriers like United Airlines expanding to new international destinations, high-profile LCCs like Frontier growing their domestic footprints, and upstart carriers like Breeze introducing strategic new geographic coverage. Whether their payment strategies make this expansion as efficient as possible is up for debate.

Current analysis reveals that even leading payment service providers (PSPs) fall short of offering comprehensive global coverage for localised payment methods. No single PSP can fully address omnichannel payment needs globally. For instance, in the vital LatAm market, existing airline PSPs often lack local reach and comprehensive alternative payment method (APM) support, resulting in lower transaction acceptance and customer drop-off rates. The question arises: Can airlines effectively penetrate new markets like LatAm if transaction success is suboptimal?

Airlines need access to local payment providers with better acceptance rates and local alternative payment method (APM) support to support route expansion. This approach expedites market entry and bolsters conversion rates.

30% | *of airlines surveyed said the limited availability of APMs and regional forms of payment was their biggest challenge*

A prime challenge for airline payment professionals is the limited availability of APMs, a concern for 30% of airlines. This underscores the critical nature of aligning passenger payment preference with geographic expansion. Yet managing multiple PSPs or establishing individual acquirer connections can be cumbersome and financially draining.

Payment Orchestration, on the other hand, allows easy entry to new markets with existing POS and e-commerce infrastructure and supports the enablement of local acquirers, card schemes and APMs.

Cebu Pacific

Consider the experience of Cebu Pacific, a CellPoint Digital client. The highly successful Philippine low-cost carrier implemented an automated multi-acquirer strategy to support its growth and serve different payment needs and options across multiple geographies it was expanding into. By utilising a Payment Orchestration platform, Cebu Pacific benefitted from improved payment reliability, redundancy, cost optimisation and enhanced geographic coverage. In addition, the airline gained more robust fraud management capabilities, which it needed with increased transaction volume from the new markets.

For Cebu Pacific, Payment Orchestration proved to be the end-to-end solution the carrier needed to make its route expansion strategy as efficient and effective as possible. Regardless of their operating model, other airlines would similarly benefit from this approach.

Growing ancillary revenue

26% | *of airlines said building ancillary revenue is their most important challenge*

Building ancillary revenue emerges as the second most critical challenge for the airlines surveyed, with 26% of decision-makers pinpointing it as a paramount concern and priority.

The fact that airlines are prioritising ancillary revenue generation is reflected in the industry-wide volume of ancillary sales. According to CarTrawler's estimate in October 2023, total ancillary revenue was projected to reach $117.9 billion worldwide for 2023, compared to $102.8 billion for 2022 and well above the previous $109.5 billion record in 2019. This is especially important for LCCs, who comprise 31% of total ancillary sales due partly to their more bifurcated business model. Even so, ancillaries are nearly as important for full-service carriers, increasingly seeking to diversify their revenue sources and supplement their core seat sales.

However, passengers' ancillary purchasing process must be seamless for airlines to grow their ancillary revenues. Passengers must be presented with the right ancillary offering at the right time in the right channel and, critically, be able to purchase that ancillary with as little friction as possible.

That means it's no longer enough for airlines to seed their direct channel booking process with popular ancillary options if those options require a link-out to pay for them. It also means that airlines must make the way passengers pay for ancillaries as flexible as possible because so many ancillary transactions will occur at the airport, in the cabin or in a car or shuttle. Anywhere but sitting in front of a computer. Passengers in the middle of their itinerary may need different payment methods than they used for their initial booking, and they'll likely need that method to be hyper-mobile and convenient, like Apple Pay or another device-integrated mobile wallet.

A modern Payment Orchestration platform enhances the profitability and efficiency of ancillary sales, enabling passengers to utilise preferred payment methods, such as Apple Pay or integrated mobile wallets, to purchase ancillary products more conveniently. By reducing transaction costs across all purchases, airlines can improve their margins on ancillary sales. An effective Payment Orchestration platform also incorporates critical Alternative Payment Methods (APMs) like Apple Pay, facilitating easier access for passengers on the move.

The quest for profitability

The airline industry spends over $20 billion on payment costs, amounting to about 3% of airlines' total revenue and 78% of the industry's net profit.

Source: McKinsey & Company

Even as airlines post record total profits, their margins remain narrow and vulnerable. IATA predicts that net profit margin industry-wide will be 2.7% in 2024, a slim 0.1% increase over 2023, despite revenues projected to grow by 7.6%. These statistics suggest that increasing operational efficiency is the only viable way for airlines to drive bottom-line growth, not just top-line revenue.

Payments represent a significant airline opportunity – the industry spends over $20 billion on payment costs, amounting to about 3% of airlines' total revenue and 78% of the industry's net profit. This means that improvements to the payment process that Payment Orchestration promises accrue directly to an airline's bottom line.

By providing a comprehensive overview of an airline's entire payment ecosystem, covering multiple global PSPs, the right Payment Orchestration platform can help airlines identify areas for improvement, opportunities for cost reduction or more efficient back-office operations. A Payment Orchestration platform can also optimally route transactions, automatically manage cross-border payments and identify the most competitive international acquiring rates. It provides the flexibility to work with and integrate multiple payment providers, helping airlines take advantage of the best rates across providers.

In this way, Payment Orchestration can directly improve profitability, a key airline advantage in a competitive ecosystem.

The current state of payments within the **airline sector**

Global passenger revenue was $642 billion in 2023.

Source: IATA

Growth in global business and expansion of target markets is driving the need for airlines to adopt a new approach to payments – and a new way to manage them. Combining these sector-specific business trends with evolving consumer expectations and preferences for payments, the proliferation of sales channels and payment methods and the increasing complexity of the payment ecosystem in general, the state of payments appears to be simultaneously healthy and dynamic while convoluted and cumbersome to navigate.

Of course, the state of payments in the airline industry is largely influenced by the size and growth rate of the global air travel marketplace, which continues its multi-year growth surge. Full-year air traffic figures, according to IATA, rose 36.9% in 2023 compared to 2022. This growth was partly led by a significant rise in international traffic in the APAC region (+126.1%). However, all global regions saw double-digit growth in both RPKs and capacity. Overall, the global airline industry posted $642 billion in global passenger revenue last year, a 21.7% increase over 2022, representing a tremendous volume of transactions and payments.

Given that context, it is unsurprising that airlines cite several payment-related issues as their businesses' top challenges. “Not enough alternative payment methods (APMs) or regional forms of payment,” “not enough foreign currency support,” and “building ancillary revenue” were the top three challenges reported by the 151 global airline professionals polled in our survey.

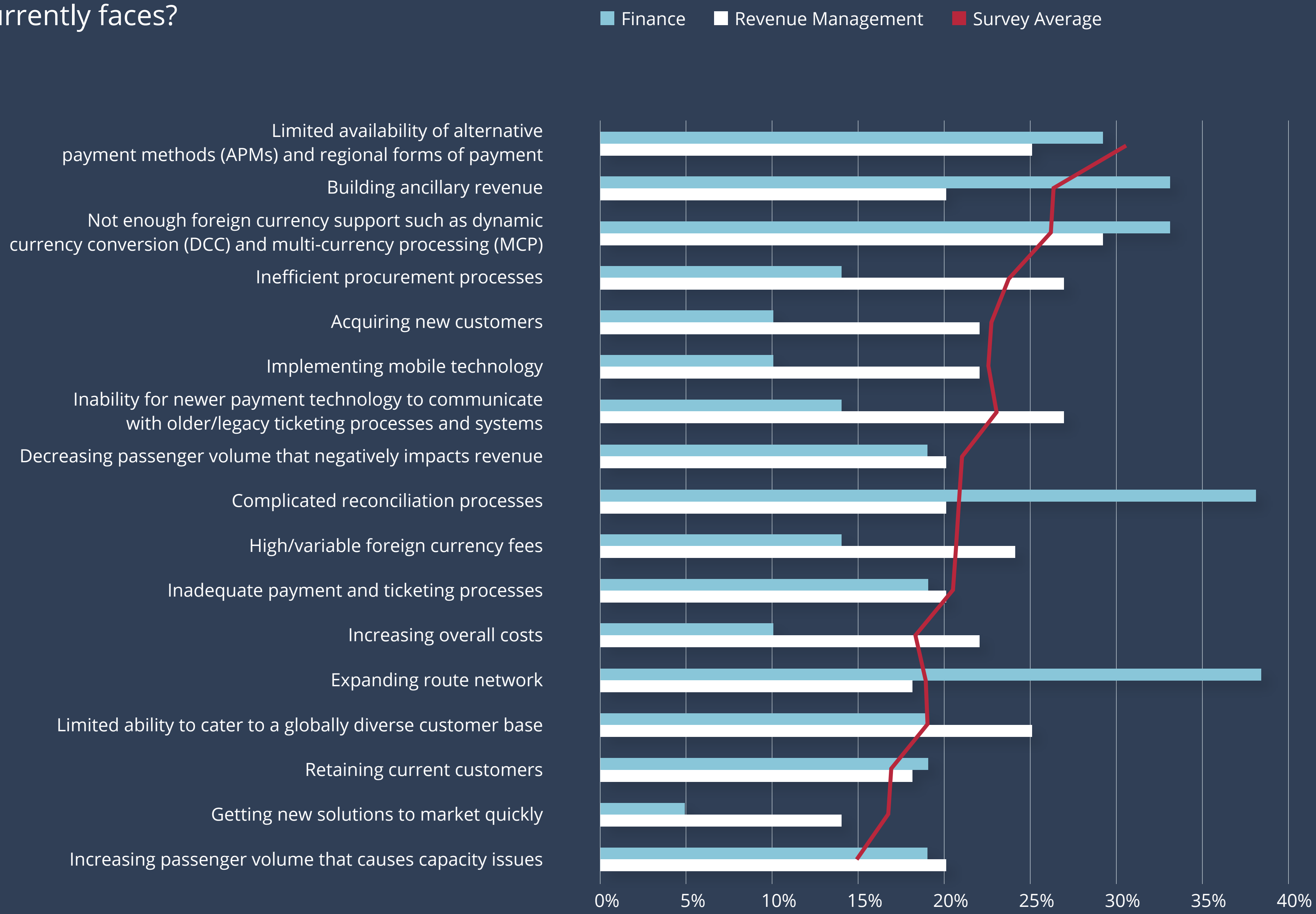
Airlines’ Top 3 Challenges

1. *Not enough alternative payment methods*
2. *Not enough foreign currency support*
3. *Building ancillary revenues*

Payment-oriented challenges occupy an even more prominent position among airline finance professionals and revenue managers.

For finance experts within airlines, complex reconciliation processes share the spotlight as the foremost challenge, on par with the expansion of route networks, each cited by 38% of respondents. These challenges are followed closely by a lack of foreign currency support, such as dynamic currency conversion (DCC) and multi-currency processing (33%). Revenue managers cited the same challenges of obtaining foreign currency support (29%) inefficient procurement processes (27%), and the inability of newer payment technology to communicate with older/legacy ticketing processes and systems (27%).

What are the biggest challenges your airline currently faces?



These challenges support the idea that payment processes and systems are becoming increasingly complex for airlines to manage.

The fact that airline professionals working in departments that deal regularly with payments rank more technical payment-related challenges higher than their colleagues in other departments shows a recognition of the need for more comprehensive payment solutions among those most familiar with the current complicated state of payments.

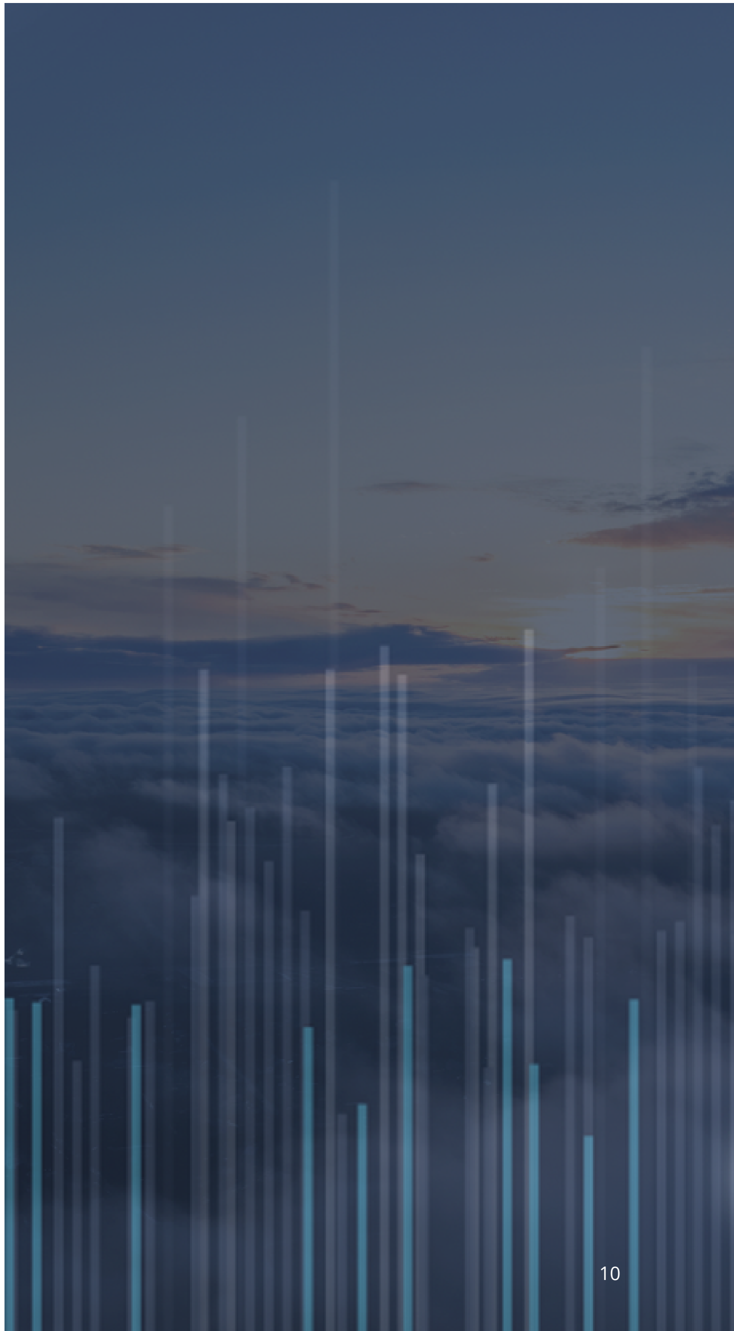
62% | *of airlines surveyed already accept Alternative Payment Methods (APMs)*

What APMs are airlines investing in over the short term?

30%	*Buy Now, Pay Later (BNPL)*
26%	*Online bank transfers*
24%	*Pay-by-link*

Coupled with sustained high demand for air travel, continued traffic and capacity growth, the persistent shift toward digital and mobile booking and payments and increased expansion into international markets, **airlines will need solutions that can adapt to the current and future state of payments while streamlining and centralising existing payment processes to drive bookings and support growth strategies.**

Survey data show that these complications will only increase as airlines add more support for new payment methods and continue expanding into new markets. Most of the airlines surveyed already accept alternative payment methods (APMs) (62%), and a significant percentage plan to add new payment methods within the next 6 to 12 months, including Buy Now, Pay Later (BNPL – 30%), online bank transfers (26%) and pay-by-link (24%). However, passenger demand for market-specific payment methods will necessitate the introduction of new APMs into airlines' payment mix, and higher global adoption of various consumer fintech tools will drive the industry toward broader payment type acceptance.



How payments **can drive bookings**

Payments are an integral part of any booking, from the availability of payment methods to the ease with which a passenger can complete their booking to the process by which an airline records revenue from a booking transaction. They are a vital tool for driving conversions and, therefore, a fundamental part of any airline's revenue growth strategy.

The most visible way that payments impact the booking process is in how they influence the passenger experience – and that is often dictated by the payment technology an airline has in place.

Passenger experience

The availability of APMs, payment technology platform features and capabilities and fintech tools all contribute to the passenger experience – and the revenue an airline can capture. Investing in the right mix of payment tools can yield significant gains for airlines in terms of conversions, minimising cart abandonment, accessing new sales channels and boosting brand affinity.

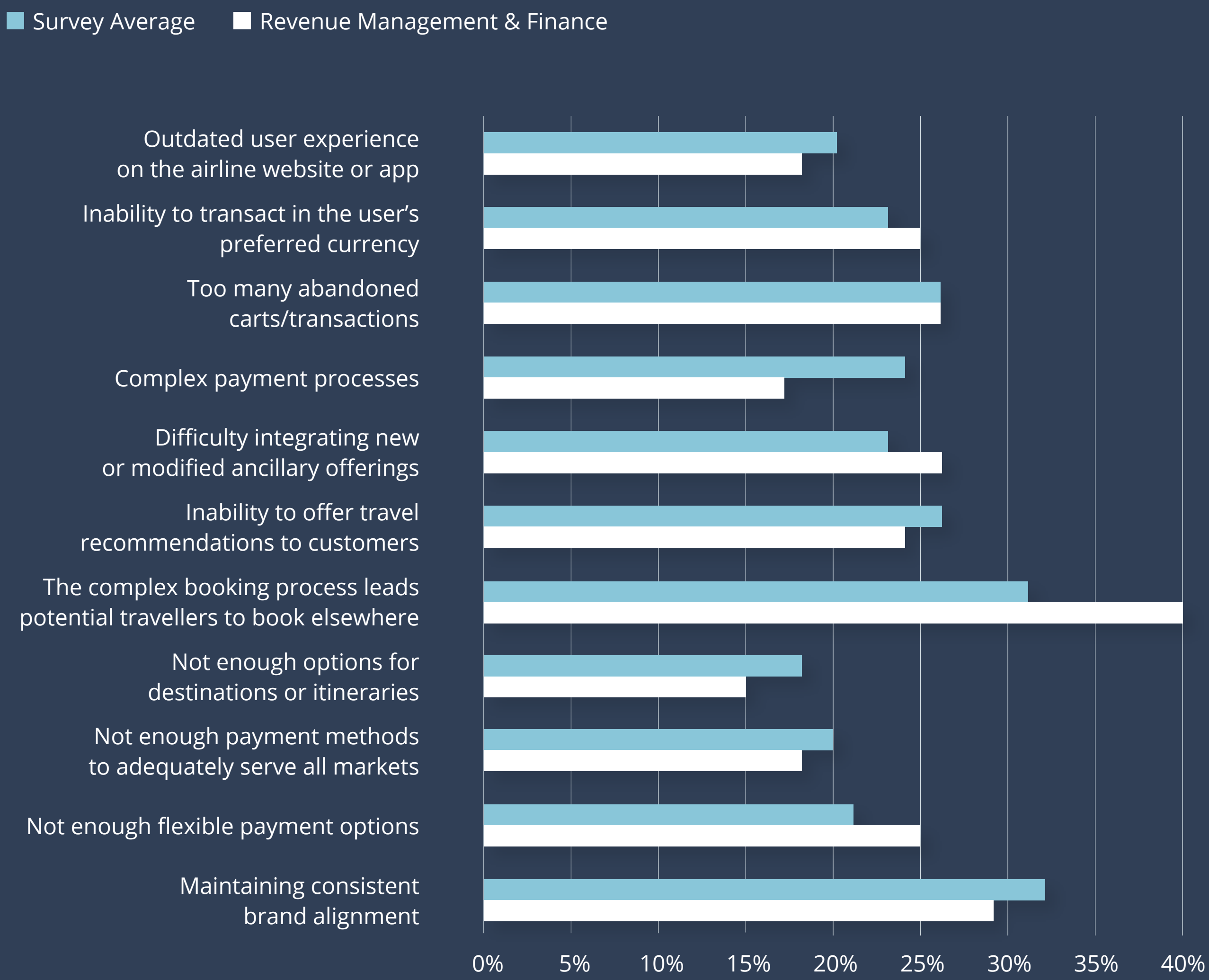
As the first touchpoint in the passenger experience, booking has challenges that speak to the need for a more seamless experience from start to finish, including payments. Survey data shows that airline professionals recognise this, with 32% saying that "maintaining consistent brand alignment" was their main challenge related to the booking process, followed closely by a complex booking process leading potential travellers to book elsewhere (31%).

Airlines' biggest challenges in the booking process speak to the need for a more seamless experience from start to finish.

32%	*said maintaining consistent brand alignment is their biggest challenge*
31%	*cited a complex booking process that leads travellers to book elsewhere*

Isolating survey respondents who work in airline finance and revenue management departments, the challenge of a complex booking process prompting passengers to book with competing airlines or OTAs skyrockets to number one, with 40% of this group ranking it as their top frustration. Revenue managers and finance professionals are also more concerned by a lack of flexible payment options than the survey average (25% vs 21%), integrating new or modified ancillary offerings (26% vs 23%) and the inability to transact in passengers' preferred currency (25% vs 23%).

What are the main challenges relating to your airline's booking process?



These challenges diverge based on survey respondents' areas of responsibility, highlighting payments' central role in the booking process and, by extension, the passenger experience. They also signal that airlines are taking a more customer-centric approach to business as one of their key priorities.

This is supported by additional survey data finding that airline finance professionals rate improving customer lifetime value (CLV) as their organisation's top goal, closely followed by cost control and improving the customer experience. The survey average also identifies increasing CLV as the chief priority for airlines, followed by improving the customer experience, new customer acquisition and increasing direct bookings.

Each goal reflects a growing desire for customer centricity, which would be advanced by a more seamless, passenger-friendly payment experience.

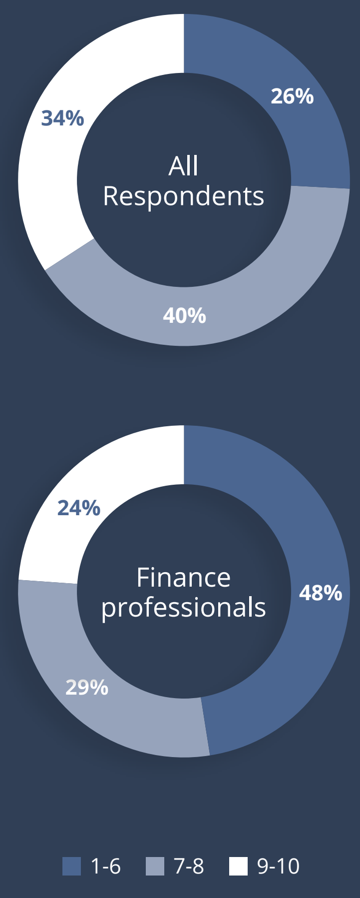
Airlines ranked increasing customer lifetime value as their #1 business goal.

Of course, payments are not the only aspect of the passenger experience that could be improved – and airlines know it. Survey data show that airlines believe they need the most improvement in prominent, common-sense areas of passenger experience like boarding (44%), customer support (40%) and check-in (39%). Crew scheduling (28%) and inflight operations (27%) were also identified as areas that need improvement.

Payment technology

Even as these more traditional pain points rank highly in terms of needing improvement, changing their payment technology could provide the most immediate boost to the airline passenger experience. These changes may be warranted and welcomed. At the same time, more than a third of airline professionals are "very" satisfied with their payment technology (ranking their satisfaction either 9 or 10 on a scale of 10), only 23% are confident about making changes on their own, and 77% are not happy with the flexibility their platform provides.

How satisfied are you with your current payment technology solution?



As revealed by our survey, finance professionals and revenue managers acutely recognise the need for improved payment technology in the airline industry. Only a quarter of finance department respondents express high satisfaction with their current payment systems, in contrast to a 34% satisfaction rate across all surveyed departments. Revenue managers report that their current platforms lack the agility to respond to fluctuating demands and shifting passenger expectations, with 37% citing a cumbersome and costly process for requesting technological changes.

This segment of airline professionals is confident that better technology will help; 59% of revenue management respondents said better technology would solve all their payment challenges, compared to the 43% survey average. Is that confidence influencing airlines' investment priorities? Survey data suggest that it could be.

This confidence seems to shape investment decisions within airlines. The top payment feature airlines plan to invest in within the next 6-12 months is support for digital wallets like Apple Pay and Google Pay (cited by 36% of respondents, including 40% of revenue managers and finance professionals). Airlines are also prioritising split payment capabilities (30%), stored cards (28%) and currency conversion (27%), all features championed by revenue managers and finance professionals.

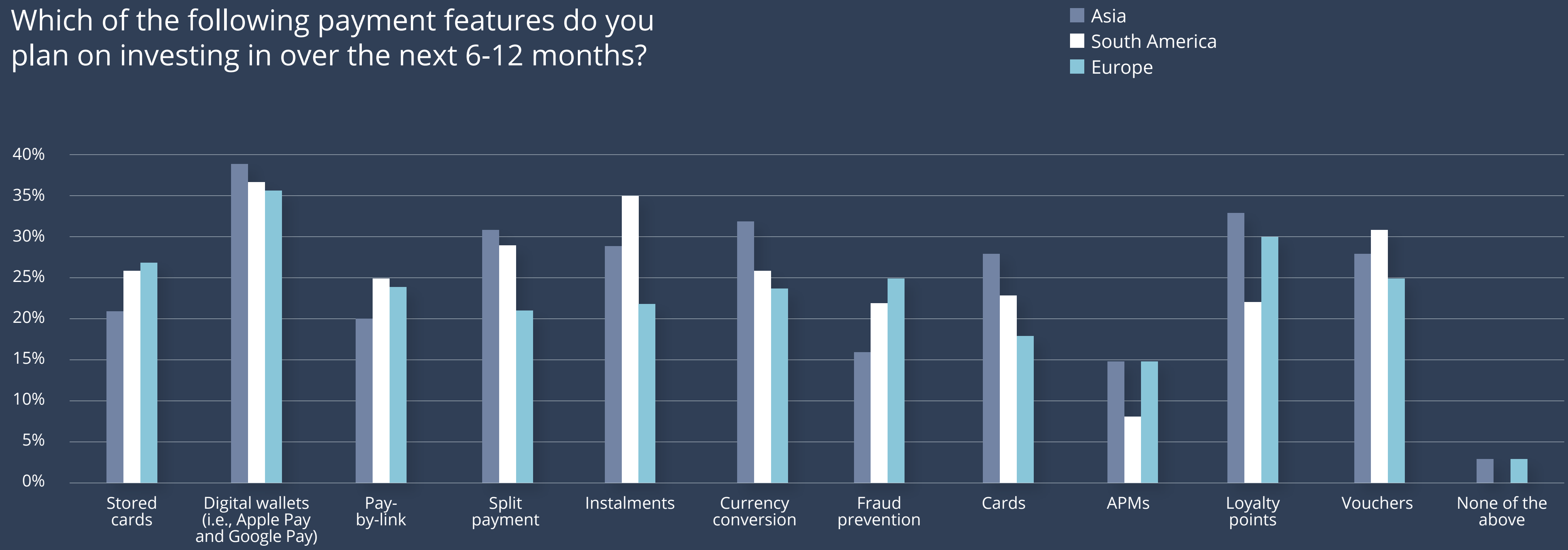
Which of the following payment features do you plan on investing in over the next 6-12 months?

	Revenue Management & Finance	Survey Average
Digital wallets (i.e., Apple Pay and Google Pay)	40%	36%
Stored cards	32%	28%
Currency conversion	32%	27%
Split payment	28%	30%
Instalments	28%	27%
Pay-by-link	22%	19%
Loyalty points	22%	24%
Cards	21%	20%
Fraud prevention	19%	21%
Vouchers	19%	26%
APMs	10%	13%
None of the above	0%	1%

Planned investments in payment technology also vary by region and carrier type, signaling that improvements in the payment experience will be primarily dictated by the demands of the markets an airline serves.

For example, European airlines tend to prioritise fraud prevention features, with 25% of such airlines planning near-term investments in this area compared to APAC (16%). This could reflect the more mature payment systems already in place at EMEA airlines or APAC airlines' prioritisation of payment features that maximise growth. Similarly, airlines serving Latin America are investing in instalment payment capabilities at a greater rate (35%) next year than their European and Asian counterparts, responding to the relative popularity of this payment type in the LatAm market.

Which of the following payment features do you plan on investing in over the next 6-12 months?



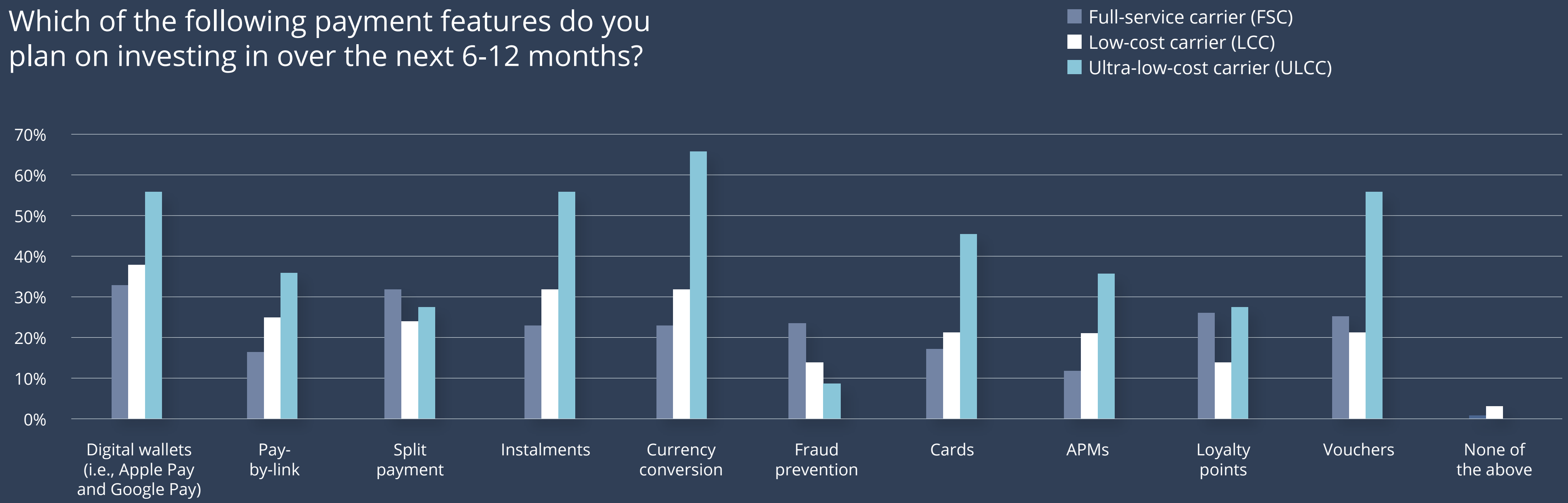
In contrast, ultra-low-cost carriers (ULCCs) are making near-term investments in a much wider variety of payment features than full-service carriers (FSCs) and low-cost carriers (LCCs). This across-the-board investment in payment technology reflects many ULCCs' growth strategies and their need to ramp up quickly. It also suggests these carriers will likely outsource their payment needs to third-party providers, as in-house development of such a wide range of payment features is unfeasible.

Across regions and carrier types, there is a clear link between payment technology and the passenger experience, conversions, booking volume and revenue.

Airlines' planned investments reflect this relationship, though professionals in payment-related fields are consistently more eager for a broad-based reimagining of payment systems than their peers in other departments.

But as airlines consider their investments in new payment technology, what additional challenges should these solutions address? What are the opportunities for airlines to solve those challenges?

Which of the following payment features do you plan on investing in over the next 6-12 months?

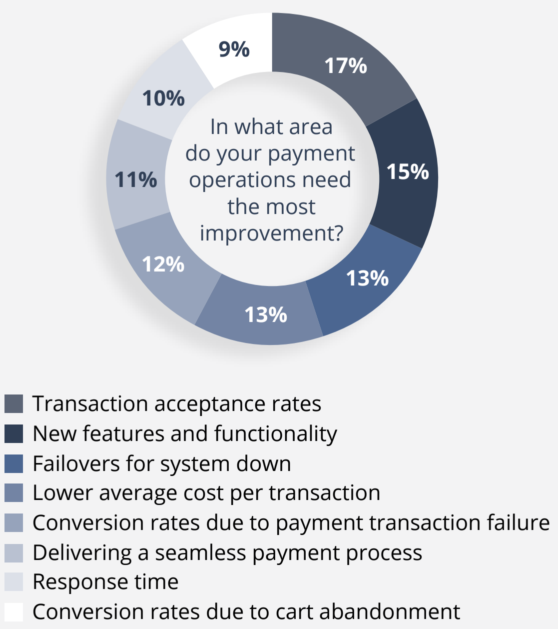


Payment challenges **and opportunities**

In addition to the traditional challenges facing airlines, like growing ancillary revenue, dealing with inefficient procurement processes and acquiring new customers, airlines also grapple with specific challenges related to their existing payment processes, platforms and technology. As might be expected, the types of payment-related challenges captured by our survey vary significantly between finance and revenue management professionals and those working in other airline departments.

Top payment-related challenges in the booking process

24%	*Complex payment processes*
23%	*Inability to transact in the user's preferred currency*
21%	*Not enough flexible payment options*
20%	*Not enough payment methods to adequately serve all markets*



More than 1/2 of airlines ranked potential complications to reporting and reconciliation processes as the top reason preventing them from switching payment technology vendors.

Reconciliation

One of those challenges is payment reconciliation. Reconciliation, which is the process of extracting, aggregating, matching and comparing transaction records to account or payment receipts for accounting purposes, is often the most labour-intensive aspect of an airline's payment process. Because airlines usually work with several payment vendors, accept payments in multiple channels and currencies and by multiple methods and settle transactions in multiple geographies, the reconciliation process can be very complex and cumbersome. This results in revenue loss and a general lack of control, audibility and visibility.

This complexity is compounded by the fact that the burden of reconciliation cannot be transferred to outside parties; it is the merchant's responsibility.

An airline can no longer ask a customer to pre-reconcile a transaction than it could demand that its various PSP partners combine payment data to reduce the airline's back-office obligations. In a traditional configuration, reconciliation requires resource-intensive, in-house manual intervention, which is innately inefficient.

There's also an opportunity cost. **An inefficient reconciliation process limits airlines' ability to add new acquirers and payment methods and ultimately grow revenue.** This was the challenge faced by the Brazilian carrier VoePass.

VoePass

The fast-growing regional airline could not add additional acquirers and APMs without dramatically scaling up the resources it dedicated to reconciliation, which presented a significant hurdle to a margin-conscious airline. Instead, by working with CellPoint Digital and implementing its Payment Orchestration platform, VoePass could centralise its sales channels, acquirers and PSPs into a single reconciliation platform, which could aggregate and synthesise transaction data from multiple back-end connections. Automating this process allowed the carrier to reduce the time and labour spent managing reconciliation, opening new opportunities and increasing flexibility.

Ultimately, automating reconciliation makes it easier for airlines to introduce support for the APMs their passengers prefer and implement a multi-acquirer strategy to facilitate network expansion and regional growth. With an all-in-one solution like a Payment Orchestration platform, this resource-intensive back-end process can be streamlined and centralised, leading to significant cost efficiencies for the airline and a smoother refund process for passengers.

For most airlines, however, reconciliation remains a significant hurdle.

In our survey, 38% of finance professionals cited complex reconciliations as their airline's biggest challenge. Relatedly, this segment was also more likely to say that their acquirer network was the biggest challenge to their payment operations (19%) than the survey average (13%).

Among all survey respondents, the top reason preventing airlines from switching to a new vendor for their payment technology is the potential complications to reporting and reconciliation processes, with almost half of the airlines ranking this as the top reason. These data points lead to the conclusion that the back-end payment reconciliation process is a front-and-centre challenge for airlines and needs to be likewise prioritised when implementing any comprehensive payment solution.

38%

of airline finance professionals cite complicated reconciliation processes as their top challenge

APMs and fintech tools

Airlines' top challenge is the limited availability of APMs and regional payment options. Only 11% of surveyed airlines report being able to accept newer APMs like open banking and account-to-account payments. This represents a significant challenge as the world's consumers become more familiar with and eager to use APMs for all kinds of transactions, including travel purchases.

In regions like Southeast Asia, APMs are in high demand, and their usage is steadily rising. According to a Beyond Borders 2022-2023 study, APMs accounted for 39% of the digital commerce volume in 2022 in Latin America. Alternative payment methods like Buy Now, Pay Later (BNPL) also experienced an incredible 300% increase in the region. Countries like Colombia, El Salvador and Brazil boast substantial APM reach, ranging from 44% to 50%.

This influences how airlines servicing those regions plan to invest in APM capabilities. For example, 31% of Latin American airlines plan to add support for online bank transfers in the next 6-12 months, compared to just 26% of all airlines. Likewise, 31% of APAC airlines intend to invest in instalment payments over the same timeframe, compared to just 17% of LatAm carriers (which already have this capability, given the method's popularity in the region).

Prioritising support for APMs is a good strategy for any airline that wants to expand into new international markets. It's also a perfect example of an existing challenge with an excellent opportunity to harness it.

APMs are in high demand across the globe:

Top 3 APMs accepted by airlines

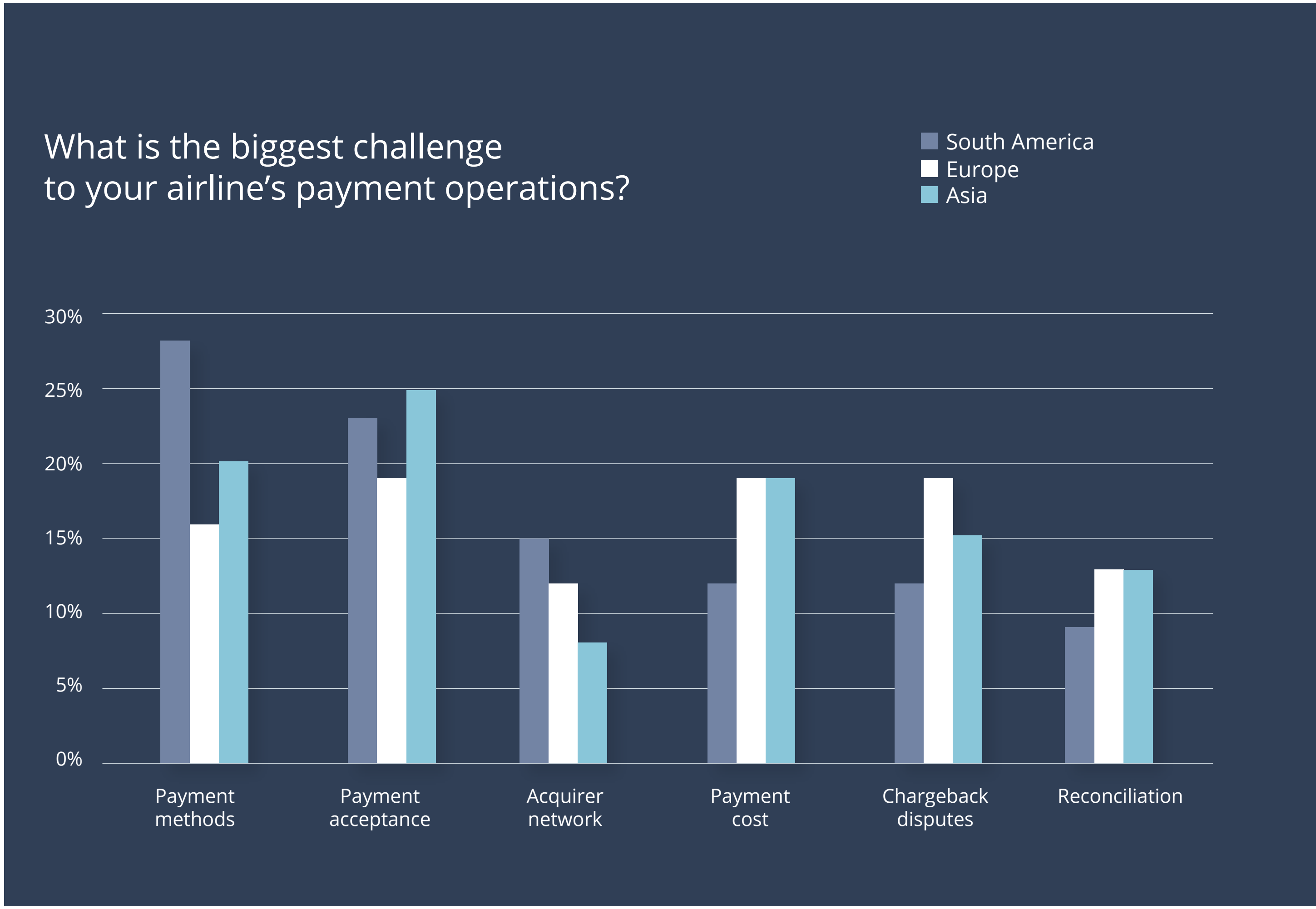
58%	*Prepaid vouchers*
57%	*Digital wallets*
48%	*Buy Now, Pay Later*

Other payment challenges

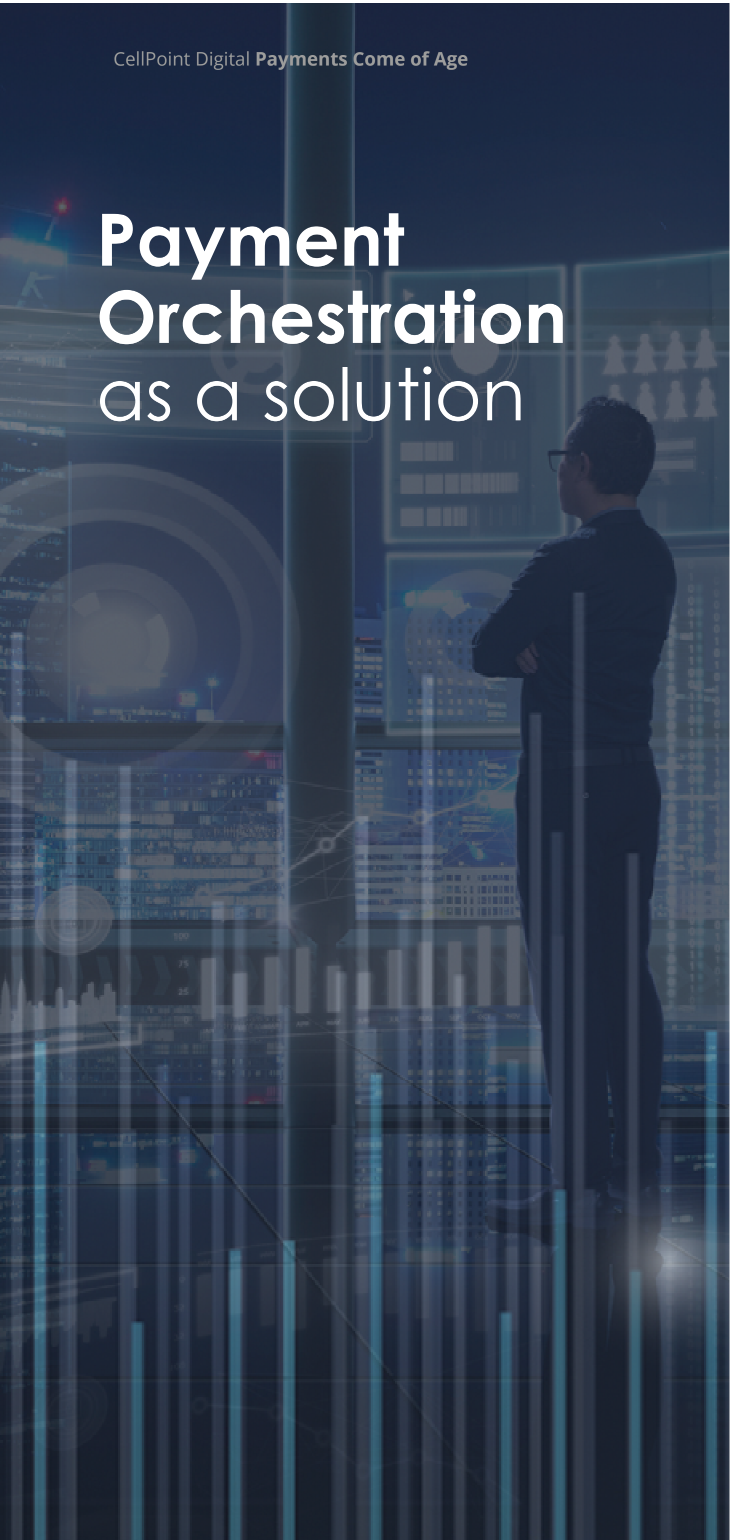
Payment-related challenges within airlines exhibit distinct patterns depending on the department and region. Finance departments understandably prioritise system stability, while revenue managers emphasise transaction acceptance, which directly influences revenue.

When asked what area of their payment operations needs the most improvement, 24% of finance professionals cited “failover for systems down,” compared to 16% of revenue managers and 13% of all other respondents. On the other hand, revenue managers said both transaction acceptance rates (20%) and the average cost per transaction (20%) need the most improvement.

Other payment challenges also vary by global region. LatAm airlines, for example, are most likely to cite payment methods as the biggest challenge facing their payment operations, compared to just 16% of European carriers, for which the top-reported challenges were chargeback disputes, payment acceptance and payment costs. Again, this likely reflects differences in the relative maturity of payment processes and overall regional payment ecosystems. It also illustrates how varied payment challenges can be across the globe.



The good news is that most, if not all, of these challenges, can be addressed with the right comprehensive payment solution – namely, Payment Orchestration, which can reveal new opportunities for revenue generation, geographic and market expansion and cost reduction.



Payment Orchestration as a solution

Payment Orchestration is a blanket concept that describes the end-to-end management of all components of a payment, from authorisation to routing to settlement to reconciliation. In practice for the airline industry, it creates a more transparent, flexible payment ecosystem that can easily accommodate multiple payment service providers (PSPs) and acquirers, route transactions intelligently to boost acceptance, integrate multiple payment methods and facilitate more conversions in direct and indirect sales channels.

The survey responses from airline professionals signal that Payment Orchestration could be the comprehensive solution airlines need to optimise the financial supply chain.

The benefits of Payment Orchestration go beyond simplifying payment processes and boosting overall efficiency. **By making new acquirer connections simple and automated, Payment Orchestration allows airlines to efficiently pursue a multi-acquirer strategy, facilitating entry into new markets and streamlining route and network expansion.**

A Payment Orchestration platform's ability to support multiple popular APMs makes it easier for passengers to purchase ancillaries, augmenting an airline's ancillary revenue generation strategies.

The more cohesive, centralised approach to payments offered by Payment Orchestration helps airlines boost profitability by reducing payment costs – savings that accrue directly to their bottom lines – and providing enhanced visibility that can reveal opportunities for optimisation, expense outliers and profit-sapping chokepoints.

These are all critical competitive advantages for airlines operating in a crowded and challenging global marketplace. In this respect, **Payment Orchestration is a force multiplier, positively impacting operational efficiency and opening new opportunities for system growth, revenue generation and profit protection.**

The airline ecosystem constantly evolves and expands, consisting of thousands of components and participants. It encompasses most airline stakeholders, spanning regions, currencies, local regulations, forms of payment, payment providers, sales channels, business units, airline and partner subsystems, back-office processes and partner funds distribution. Multiplying these with fare classes and rules for tens of thousands of passengers in hundreds of markets results in millions of individual processes and transactions running daily across hundreds of technical connections. And that's not counting refunds, chargebacks, reconciliations, payouts and reporting.

In short, the airline payment ecosystem spans the flow of funds from B2C to B2B, from the front-end acceptance of payment to the back-end disbursement of funds. Airlines must keep up with these continually growing variable combinations, account for them on a transactional level and consider internal and external stakeholders. That is what it means to manage the financial supply chain.

Airlines should adopt Payment Orchestration to reduce complexity and streamline the financial supply chain. This ideal solution would be provider-agnostic, configurable, customisable and tailored to meet airlines' specific needs and functionality.

CellPoint Digital's Payment Orchestration solution is one such platform. Pre-integrated to key airline and partner subsystems, it ensures a quick time to market. It features high availability, scalability and flexibility, addressing the common challenges cited by finance professionals, revenue managers and other airline departments.

The CellPoint Digital Payment Orchestration solution manages the growth and complexity of an airline's payment ecosystem while helping to future-proof the airline's payment strategy. Offering a centralised console allows airlines to configure and operate the platform from a single access point, providing unmatched visibility and control over payment processes and services to all relevant stakeholders.

Most importantly, Payment Orchestration transforms the cost of payments into profit. This is what it means for payments to come of age – that they are no longer the overlooked, cost-centric aspect of an airline's operations. Instead, they are the vital centrepiece of all transactions, as integral to growth and expansion strategies as they are to cash flow and revenue generation.

The emergence of Payment Orchestration as the optimal expression of a mature payment process is evidence that payments have indeed come of age, and airlines need to participate in this evolution to maintain their competitive edge.