

TRAVEL PAYMENTS GUIDE 2020

PAYMENTS BEYOND THE HORIZON



A vibrant sunset scene over a calm ocean. The sun is a bright, glowing orb partially obscured by dark, silhouetted clouds. A map of the state of Kentucky is visible within the cloud cover, positioned directly behind the sun. The sky is a mix of deep blues, purples, and oranges, with the sun's light reflecting as a shimmering path on the water's surface. The overall mood is serene and majestic.

TRAVEL PAYMENTS GUIDE 2020



FOREWORD

Foreword: Creating payments for the future



Bart Tompkins,
Head of Payments,
Amadeus

At the beginning of 2020, when Amadeus and PPRO began examining data and trends for this report, we had no idea of the sudden and dramatic changes the travel industry would have to endure in the coming months. From closed borders to shrinking passenger numbers, the COVID-19 pandemic has created a year unlike any other. Thankfully, due to recent developments, the future looks promising for the travel industry and there's an opportunity for it to flourish once again.

As the COVID-19 outbreak spread across the globe, we knew that we had to examine the impact it would have on the industry and how it could trigger new changes in traveler payment habits. We interviewed travelers across the globe who undertook journeys domestically, regionally, and internationally since the outbreak of COVID-19. Our results reveal that an accelerated digital transformation is underway, with many travelers moving away from cash and starting to consider new payment methods.

In addition to these interviews, we examined some of the key trends shaping the travel payments industry, and also looked at how travel merchants can meet customers' preferences when it comes to payment methods. From contending with the impact of technology on travelers' payment expectations to tackling upcoming regulations, there are numerous trends that airlines, agents, and the industry as a whole should be aware of and consider going forward.

We hope that this guide will help those working in the travel industry as they attempt to navigate the payments landscape and take the necessary steps towards recovery.



TRAVEL PAYMENTS THROUGH COVID-19

COVID-19 changes travelers' payment choices, but use of cash could return

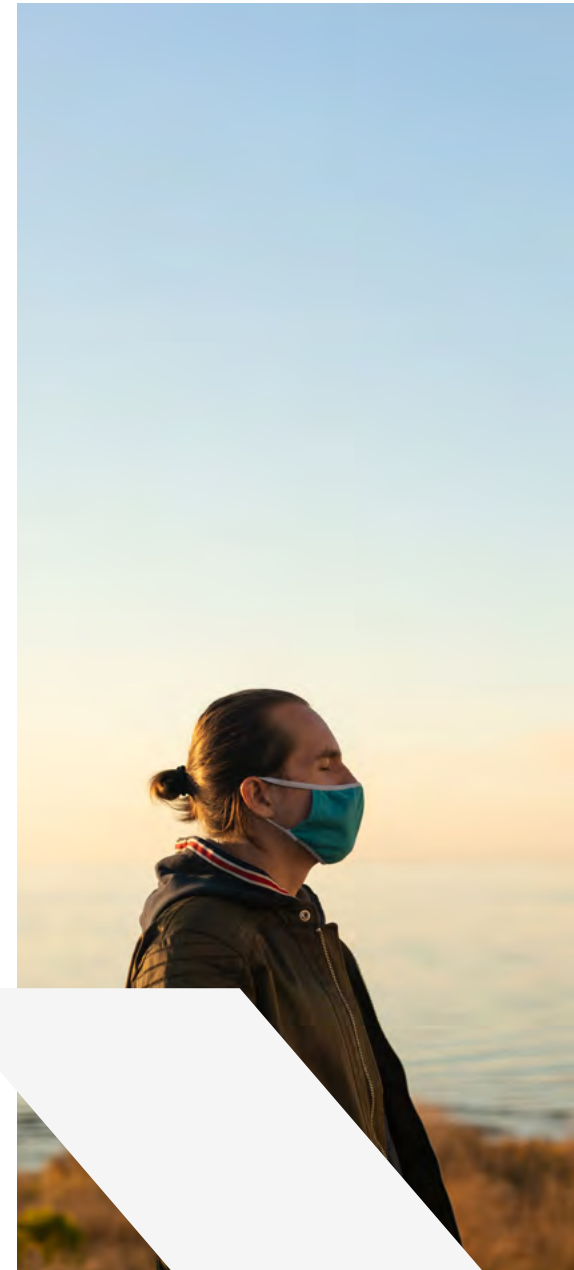
The COVID-19 situation has upended travel as we know it. In this new world, there are new regulations to adhere to, and new traveler expectations to meet. Part of these expectations include how travelers pay before and throughout their journey.

Our research of travelers from across the globe has found that there has been a shift in the payment methods that travelers use for their trips since the outbreak of COVID-19 globally. With contactless spending limits increased across the world,¹ it is perhaps unsurprising that the pandemic appears to have accelerated the long-term trend away from physical cash payments, with 84% of respondents to our survey, conducted since the pandemic, confirming that they now pay with non-cash methods like contactless or mobile payments when traveling.

14% of respondents say that if contactless payment options are not available, they would abandon the purchase altogether.

For some travelers, this shift towards contactless payment methods is stricter than others, with 14% of respondents saying that if contactless payment options are not available, they would abandon the purchase altogether, rather than risk the physical contact required to pay with cash. As such, it's vital that the industry pivots to meet travelers' needs for such payment options in the future.

For the majority of the travelers we surveyed, a contactless card has become the go-to payment method since the outbreak began. The number of respondents who said that contactless cards were their primary payment method at attractions and activities at their destination rose by 25%. However, contactless cards aren't the only go-to solution for travelers; and the number of those who said mobile payments were their primary payment method for attractions and activities also rose by 17%.



As such, this forced move away from cash and its habitual use has opened the door to newer alternative payment methods, creating an opportunity for the industry to develop better payment processes. Over a third of travelers surveyed (37%) said that the option to pay with non-card methods or e-wallets, was the most important factor when booking a service related to travel. In addition, almost a quarter (24%) of travelers surveyed said that the option to buy now and pay later was an important factor when booking a service related to a trip. The prevalence of this payment method varies depending on the market, but it is a particularly popular choice in Asia Pacific, and especially Chinese markets, with 44% of Chinese travelers and 21% of APAC travelers saying they've used this method to finance a purchase.

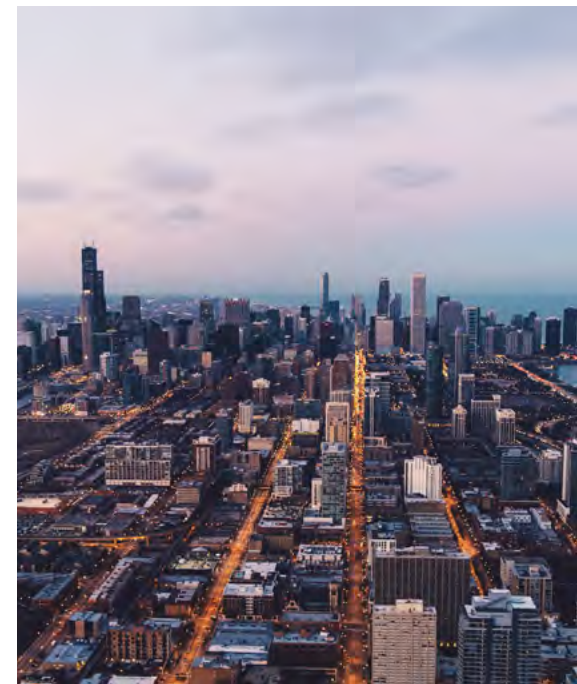
37% said that the option to pay with non-card methods such as bank transfer, Apple Pay, or PayPal was the most important factor when booking a service related to travel.

However, the shift away from cash does not look like it will be a permanent move unless the industry quickly addresses travelers' payment pain points to ensure a lasting change. Despite overhauling their payment habits since the start of the crisis, 55% of respondents said that they plan to return to cash payments when the risk from COVID-19 has significantly reduced. For these travelers, the top reason to return to cash is a desire to know how much they are spending, indicating a possible backlash against foreign exchange fees and other hidden costs applied at the time of transaction. 40% of those surveyed said that card payments leave uncertainty over the true final cost, while 32% said cards are 'too expensive to use' abroad. Another reason cited for a possible return to cash were concerns about card fraud (32%).

As such, regardless of the impact of COVID-19 on concerns of physical contact, cash could make a return. This potential return demonstrates the growing need for the travel industry to offer a wider range of digital and local payment methods, tackling travelers' concerns around hidden costs and security, as well as facilitating the new payment habits developed by the forced shift to contactless payments.

Building a better payment process, where transparency and customer experience is at the core, will assuage any concerns travelers could still harbor towards contactless payments.

55% of respondents said that they plan to return to cash payments when the risk from COVID-19 has significantly reduced.



A person with long, wavy brown hair, seen from behind, is holding a smartphone up to take a photo of a city skyline at sunset. The sky is filled with soft, orange and pink clouds. The city below is a dense urban landscape with many skyscrapers. The text "REAL-TIME PAYMENTS" is overlaid in large, white, sans-serif capital letters across the center of the image. The person is wearing a patterned, long-sleeved top. The overall mood is serene and modern, suggesting the integration of technology and travel.

REAL-TIME PAYMENTS

B2B Real-time payments will continue to gather pace

Real-time payments could create a quicker and more efficient transaction process, bringing in a new seamless experience, and leaving behind any organization that holds onto the old methods.

Over the course of 2020, the COVID-19 pandemic delivered a harsh blow to the travel industry. To recoup losses and turn the corner away from the impact of the crisis, a greater focus has been placed on creating better and more efficient payment processes that can help travel businesses across the sector. One such solution for this desire is implementing real time payments for business to business payments.

The pandemic has meant that travel merchants are now prioritizing payment methods that have a positive impact on cash flow.

Few would argue with the fact that the current settlement methods can take time, with some payments being received approximately a fortnight after the initial transaction was executed.

If business to business payments were to implement a real-time payment system, this time could be cut down to an instant transfer. This could allow for more flexibility on when a payment is made, leading to greater control of cash flow, which is vital for all businesses, but especially those that are feeling the strain in the wake of COVID-19.

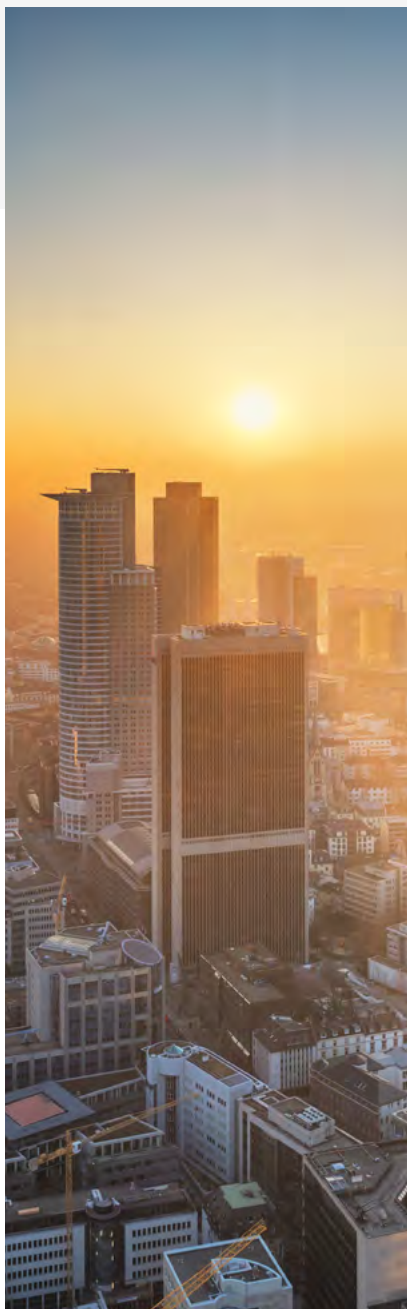
As the travel industry moves into a new era and navigates the impacts of COVID-19, risk mitigation will also be at the front of everyone's minds. This is where real-time payments can also help, as they can give travel merchants the ability to address a number of key operational risks.



The primary risk experienced by operators in the travel industry, due to its global nature, is related to foreign exchange (FX). This is also a top priority for many merchants, especially as any losses incurred during the current COVID-19 crisis will likely be deeply felt. With current payment methods, FX rates can often change between a transaction being initiated and being settled. Moving to real-time payments can help enable merchants to close this gap, and therefore avoid potential losses linked to FX fluctuations.

Managing risks related to foreign exchange is a top priority for most merchants, especially as any losses incurred during the current COVID-19 crisis will be deeply felt.

This same technology can also help reduce the risk of default. With the standard settlement schemes, if an airline booking is made, and there is a default on payment after the settlement deadline, the airline would be left out of pocket. With real-time payments, however, the time between booking and receiving payment can be drastically reduced, and could considerably lessen this risk.



However, in order to implement this kind of business to business payment method, some barriers will need to be overcome.

Firstly, all members of the value chain need to be open to the adoption of this technology. While the benefits may be clear for certain parties, it could also signal the loss of certain incentives for others. For example, many payers are incentivized to remain with a credit card provider through benefits, such as rewards and savings. As a result, the benefits of business to business real-time payments would need to be extremely attractive in order for payers to make the switch.

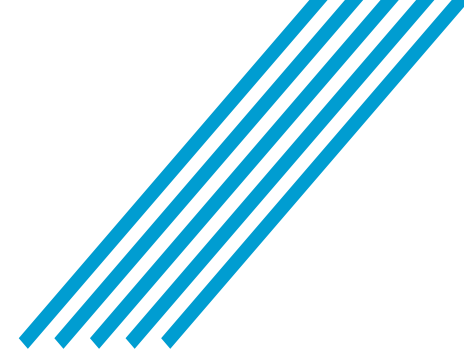
Secondly, and likely the most important and relevant obstacle during this time, are customer refunds and being able to process chargeback requests. Many travel companies will be keen to protect customer cash during this time.

Thirdly, firms would likely need to implement new technologies in order to reap the greatest benefits. Consumer real-time payments tend to be peer-to-peer, meaning the payee knows the payer and their details. Within the business to business space, however, traditional payments (such as credit cards) don't require those details. As such, to enable real-time payments, businesses may need to implement more robust identification methods, such as digital IDs.

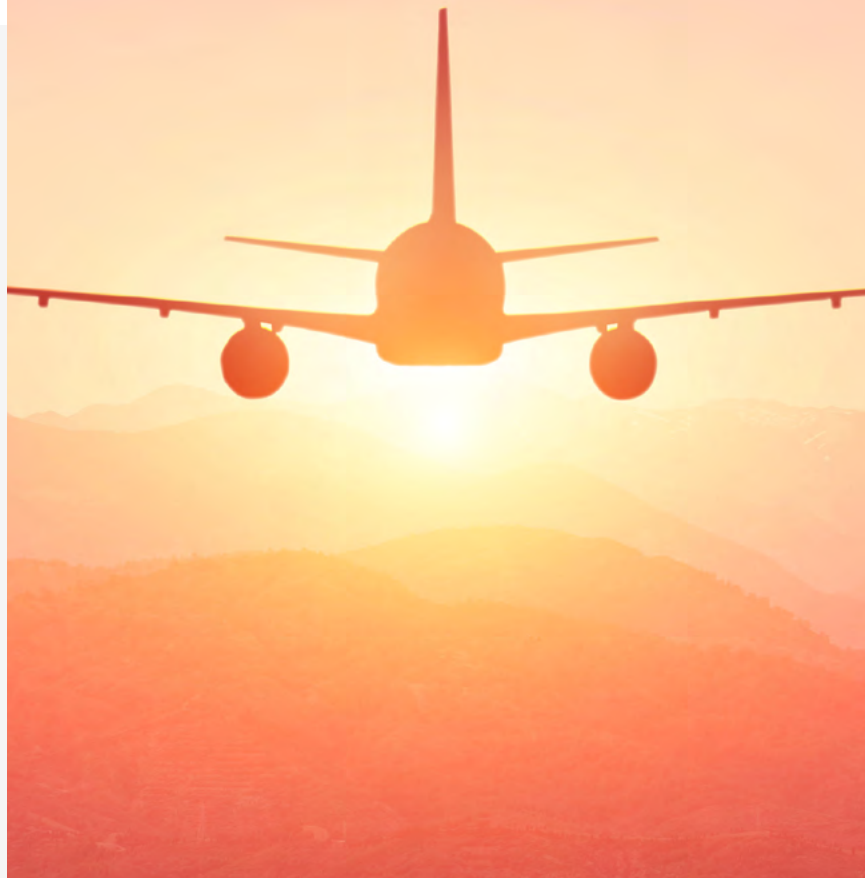
Changes like these may require additional investment, but they can also deliver real value to the business. For example, not only can this technology enable real-time payments to be made, but it could also bolster fraud prevention efforts. As such, many businesses have already begun taking steps towards implementing real-time payments, a trend that appears set to accelerate.



TRANSPARENT FX SERVICES




Customers now demand control with every interaction they have with brands and services. Building a transparent payment process will go a long way towards building loyalty and trust.



With the rise of globalization over the past decade has come greater attention to foreign exchange (FX), and how travel providers handle this part of the payment process. Although 2020 has seen a drop in travel, we're likely to see this pick up again in the near future, so it's essential that the industry prepares.

According to PPRO data in 2019, nearly a quarter (23%) of Ecommerce transactions were cross-border, with a total transaction value of \$501.21 billion, there's no question that foreign exchange is a vital part of creating a good payment experience.



However, providing foreign exchange services is a complex matter, as it requires the reconciliation of multiple currencies and adherence to different regulations. Moreover, if travel merchants offer multiple currencies to travelers it can quickly erode margins due to third-party fees and other hidden costs linked to cross border payments. As such, travel merchants need to partner with entities that have the footprint and flexibility to meet the demands of this massive market.

According to our Frictionless Travel Payments Study,² one of the most frustrating factors when buying travel services is that the traveler rarely feels they are in ‘control’ of how much they end up paying. This is especially true when it comes to foreign exchange. Research from the Australian Competition & Consumer Commission³ found that in 2019 Australians struggled to shop around and make informed decisions about FX services due to confusing pricing, including suppliers failing to disclose their total price up front, and a lack of robust competition.

Our Frictionless Travel Payments Study also found that 70% of travelers say a good payment experience would make them select one travel provider over another. With the payment process experience greatly contributing to where consumers decide to spend their money, asking someone to pay in multiple currencies for one holiday, alongside not highlighting fees, could result in many not finalizing the booking.



70% of travelers say a good payment experience would make them select one travel provider over another.

Regulations over the past few decades have been shifting to give consumers the control and transparency they crave in this area. Recent foreign exchange regulations from the European Union such as Regulation 2019/518, typify this. From April 2020, banks and brokers had to start showing the total currency conversion cost as a percentage mark-up over the latest available euro foreign exchange reference rates issued by the European Central Bank when a shopper is making a cross-border payment within the EU. From April 2021, this information shall also be shared with the cardholder as close to real-time as possible.

Not only does this mean that travelers will have greater clarity on the price they are truly paying, but it will also heighten competition between different currency conversion service providers.

As our global survey of COVID-19 travelers has shown, many consumers would consider returning to cash due to hidden charges such as FX fees. As travel merchants look to recoup losses and bolster chances of success, boosting transparency and building trust with travelers should be a key focus. With an integrated multi-currency conversion, travelers can gain better 'price certainty' in a currency they are familiar with. Additionally, by displaying charges upfront, travelers can be confident that they are getting the best deal at a price they can afford.

A scenic landscape at sunset. The sun is low on the horizon, casting a warm orange glow over a forested valley. In the foreground, a large, dark rock formation rises from the trees. A small figure of a person stands on the peak of this rock formation, looking out over the landscape. The text "LOCAL PAYMENT METHODS IN LATIN AMERICA" is overlaid in large, bold, white letters across the center of the image.

LOCAL PAYMENT METHODS IN LATIN AMERICA

Case study: Local payment methods in Latin America



With a growing market and vast scope of opportunities, travel players must look at how they approach and offer services to consumers in Latin America.

Driven by demographic and societal shifts, according to 2019 PPRO data, Latin America has become a global innovation hub for Ecommerce and payments. However, the COVID-19 pandemic has heavily impacted the region, and it remains unclear whether it will be able to keep its title as one of the most attractive Ecommerce regions for businesses. But, with a young consumer base, rapidly growing middle-class, and high level of internet usage, the conditions are there for the region's payment sector to thrive again once lockdowns ease.

Before the pandemic, Latin America had been one of the fastest growing Ecommerce markets in the world. According to PPRO data, the region's business-to-consumer Ecommerce growth was 23% compared to a global average of 18%.

For all of the countries surveyed as part of our Travel Payments Guide 2020, airlines and hotels came top, or second, when it came to Ecommerce spend in different areas. In particular, Colombia saw 30% of its total Ecommerce spend on airlines and hotels in 2019, making it a crucial market for travel merchants and companies to understand and adapt to.



Looking deeper into regional growth, there are noteworthy cultural, regulatory, and technical differences between countries, with preferred payment methods varying from country to country. For example, PPRO data found that while in 2019 bank transfers made up 70% and 74% of payments in Brazil and Chile, they only made up 46% and 43% in Colombia and Peru, respectively. New merchants to the region may not be aware of this, so understanding these differences is vital to realizing the potential of the market.

Moreover, many consumers in Latin America are either underbanked or unbanked, meaning that they do not have access to banking services or hold a bank account. PPRO research found that 21% of Ecommerce payments were made with cash in 2019.

Credit card payments are another common payment method in Latin American Ecommerce. Before COVID-19, they made up 24% of Latin America's payments, of which a significant portion were local credit card schemes, according to 2019 PPRO data.

A more popular payment method in the region is payment by installments. A 2020 study by a European PSP with Latin American Experience⁴ found that over 60% of Ecommerce is currently transacted by installments, with Brazil's Ecommerce installment rate as high as 80%. In fact, the study also found that payment by installments is so popular that even consumers who can afford the more expensive purchases in a single payment still prefer to pay in installments on a card. As a result, the need for traditional international cards seems lessened.



Payment methods like these are a fundamental aspect of financial life in Latin America, with a dynamic variety of options spanning each country. To unlock the full potential of the Latin American region, travel companies need to embrace these methods and make sure that they are accessible to consumers.

That being said it can be difficult to identify these processes, particularly if a merchant is new to a region. Establishing a base of operations in the region can help, however, by making it easier to connect with the country's consumers and understand the nuances which exist between Latin American countries. It is worth noting, though, that this can be an expensive process and seen as not cost-effective given the current climate.

Finding the right payment partner with established bases in Latin America is an alternative option. Doing so can provide businesses with practical guidance on how to be most successful in the region, as these partners would already be working with local card providers to make sure consumers are able to use their preferred options when making global purchases.

While COVID-19 has caused a setback for the region (as it has done across the world), the accelerating rate of innovation and deepening cooperation between local card providers and global players means there is scope for a full recovery. It will only be a matter of time before Latin America is fully connected with the rest of the world, so travel players should act fast to take advantage of this prime opportunity.

An aerial photograph of a city skyline, likely Chicago, taken from a high vantage point. The city is densely packed with buildings of various heights, including several prominent skyscrapers. The city extends to the edge of a large body of water, where a sandy beach and some greenery are visible. The sky is filled with soft, colorful clouds in shades of orange, pink, and purple, suggesting a sunset or sunrise. The text "MARKETS OVERVIEW" is overlaid in the center of the image in a large, white, sans-serif font. The word "MARKETS" is on the top line, and "OVERVIEW" is on the bottom line, both in all caps. The text is slightly transparent, allowing the city and sky to be seen through it.

MARKETS OVERVIEW

Markets Introduction



The following pages illustrate just how complex the world of travel payments is. The research, from PPRO conducted in 2019, gives us an idea of some of the opportunities that may be available to travel players in the near future once the industry begins to recover.

We're hopeful that the future looks bright for travel. The information provided on each market not only highlights local opportunities, but also consumer preferences. We hope this information will help you shape your payment strategy.

There is no one payment method that dominates all regions, or even countries within a region. For example, within the Asian Pacific region, there is a huge variety of payment methods available across markets. Chinese consumers continue to prefer using e-wallets (such as Alipay) at one of the highest rates in all the countries analyzed, while its neighbor, the Philippines, still relies on cash as a primary payment method.

Even among the global payment leaders – such as the United States in North America, China in Asia, and the United Kingdom in Europe – there is little consistency in what payment method is the most popular. Within the US and the UK, card payments are still the preferred option, representing 59% and 56% of consumer purchases in these markets, respectively. By contrast, only 22% of Chinese consumers use the same method.

However, this does not mean there isn't room for innovation. Across the regions analysed, a significant proportion of Ecommerce spending was conducted on mobile devices, which is likely supported by e-wallets, cards, or newer payment methods such as “buy now, pay later” technology such as Klarna.

Innovation in the payments space may also be helping to break down borders, but this still remains a complex area. One reason being that to succeed in any country, you first need to understand it. It is therefore vital to familiarize yourself with any local favorites, whether it's DragonPay in the Philippines, or PayPal in the United States.





ASIA-PACIFIC

AUSTRALIA

\$29.99bn

B2C Ecommerce volume (USD)

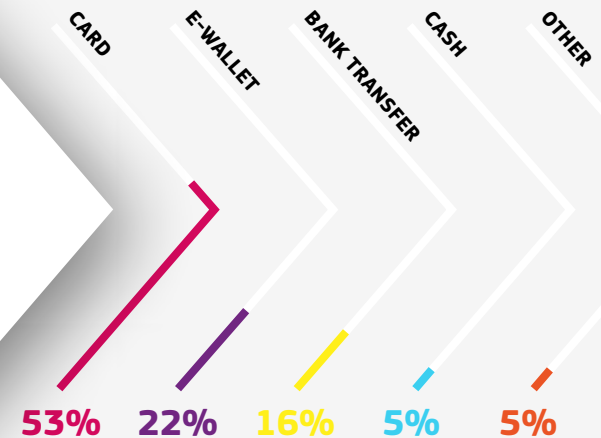
Ecommerce spent on travel  **22%**

Ecommerce spent on mobile  **43%**

Average Ecommerce
spend per capita (USD)

\$1935

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS


afterpay  POLi  zip


AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)



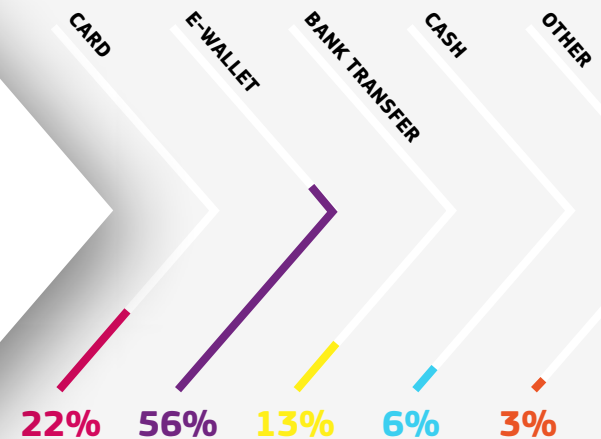
Ecommerce spent on travel  **15%**

Ecommerce spent on mobile  **59%**

Average Ecommerce spend per capita (USD)

\$2386

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: AirPlus (UATP)




CONSUMER PREFERRED LOCAL PAYMENT METHODS




INDONESIA

\$14.43bn

B2C Ecommerce volume (USD)

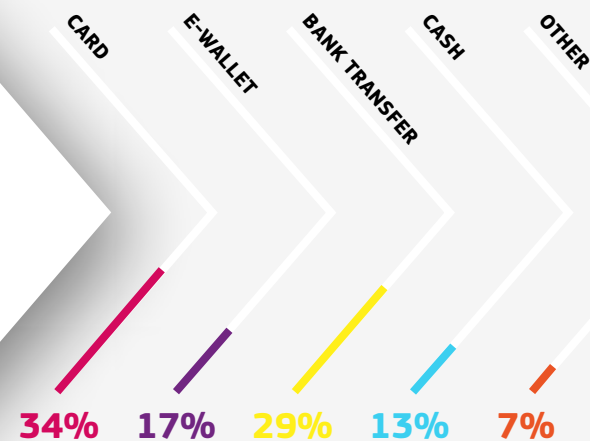
Ecommerce spent on travel  16%

Ecommerce spent on mobile  54%

Average Ecommerce
spend per capita (USD)

\$360

Payment method breakdown (%) by value




CONSUMER PREFERRED LOCAL PAYMENT METHODS




JAPAN

\$160.17bn

B2C Ecommerce volume (USD)

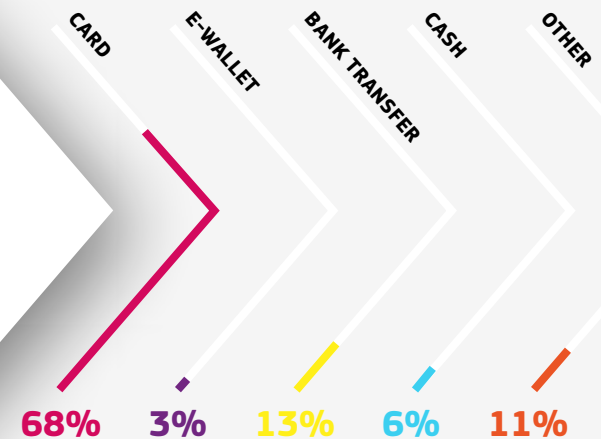
Ecommerce spent on travel  22%

Ecommerce spent on mobile  54%

Average Ecommerce
spend per capita (USD)

\$1666

Payment method breakdown (%) by value




CONSUMER PREFERRED LOCAL PAYMENT METHODS


Konbini

PayPay





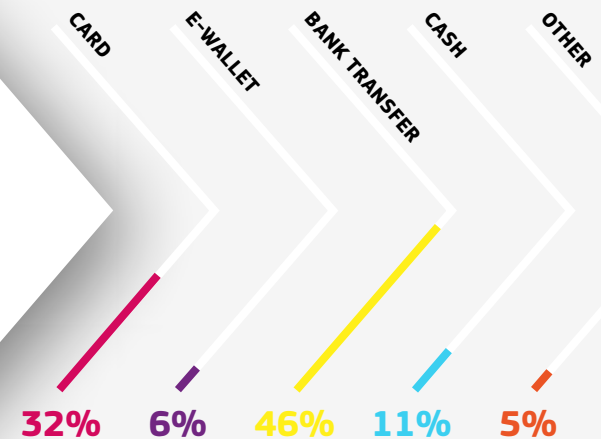
Ecommerce spent on travel  26%

Ecommerce spent on mobile  52%

Average Ecommerce
spend per capita (USD)

\$352

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP)

NEW ZEALAND

\$4.39bn

B2C Ecommerce volume (USD)

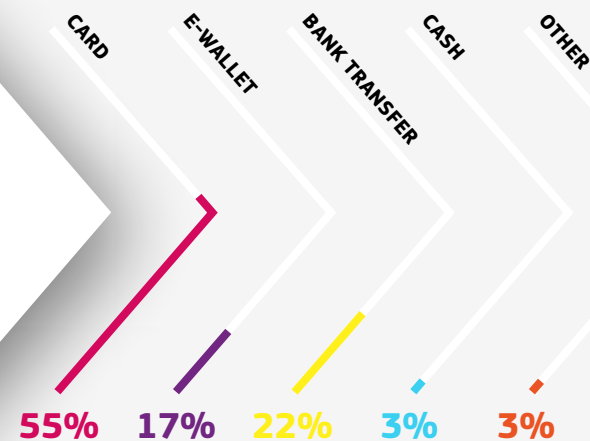
Ecommerce spent on travel  35%

Ecommerce spent on mobile  37%

Average Ecommerce
spend per capita (USD)

\$1997

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS




AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP)

PHILIPPINES

\$3.82bn

B2C Ecommerce volume (USD)

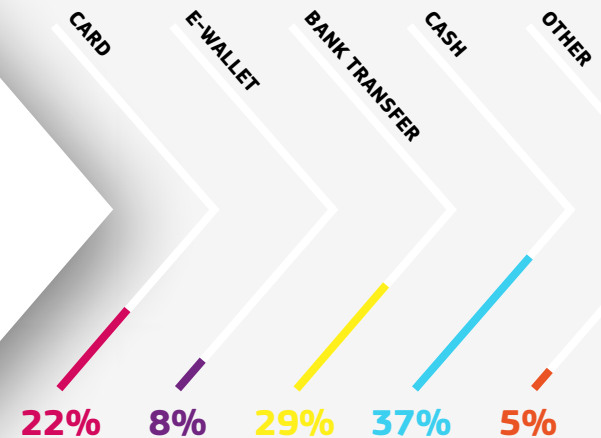
Ecommerce spent on travel  **29%**

Ecommerce spent on mobile  **50%**

Average Ecommerce
spend per capita (USD)

\$112

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: AirPlus (UATP)

SINGAPORE

\$5.63bn

B2C Ecommerce volume (USD)

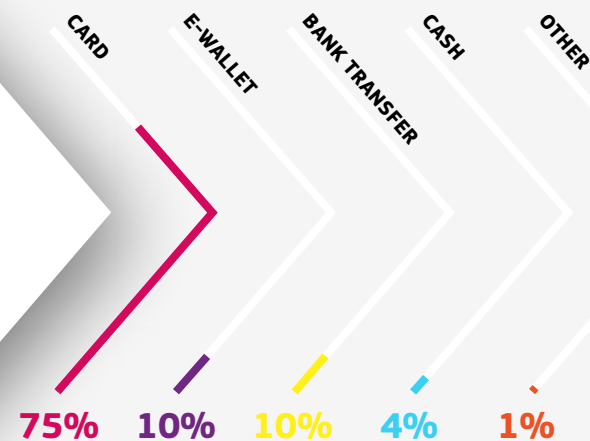
Ecommerce spent on travel  29%

Ecommerce spent on mobile  47%

Average Ecommerce spend per capita (USD)

\$1648

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: AirPlus (UATP)

SOUTH KOREA

\$57.99bn

B2C Ecommerce volume (USD)

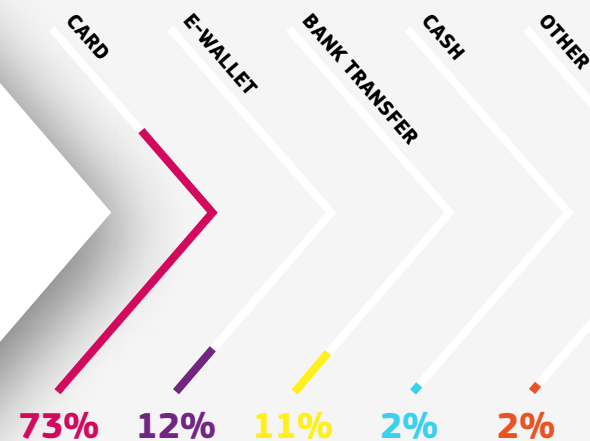
Ecommerce spent on travel  18%

Ecommerce spent on mobile  61%

Average Ecommerce spend per capita (USD)

\$1604

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS




AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: AirPlus (UATP)



\$29.66bn

B2C Ecommerce volume (USD)

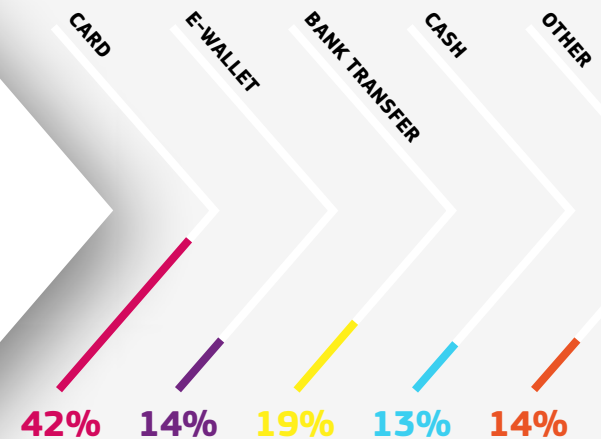
Ecommerce spent on travel  17%

Ecommerce spent on mobile  45%

Average Ecommerce spend per capita (USD)

\$1973


Payment method breakdown (%) by value




CONSUMER PREFERRED LOCAL PAYMENT METHODS





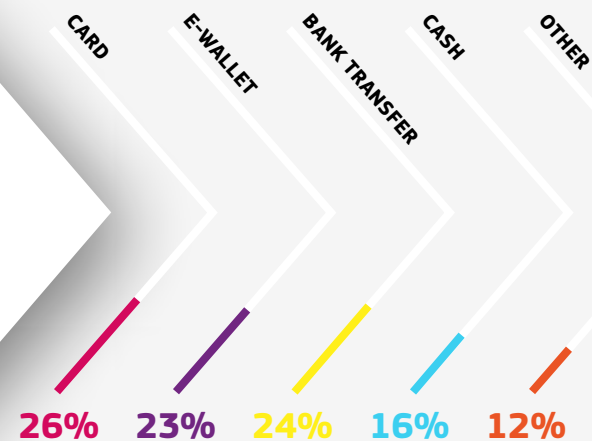
Ecommerce spent on travel  21%

Ecommerce spent on mobile  53%

Average Ecommerce
spend per capita (USD)

\$404

Payment method breakdown (%) by value




CONSUMER PREFERRED LOCAL PAYMENT METHODS




VIETNAM

\$7.58bn

B2C Ecommerce volume (USD)

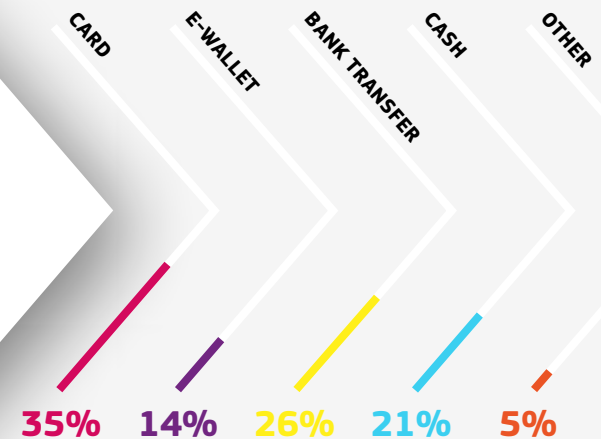
Ecommerce spent on travel  **21%**

Ecommerce spent on mobile  **53%**

Average Ecommerce
spend per capita (USD)

\$132

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS







EUROPE, MIDDLE EAST AND AFRICA

BELGIUM

\$12.7bn

B2C Ecommerce volume (USD)

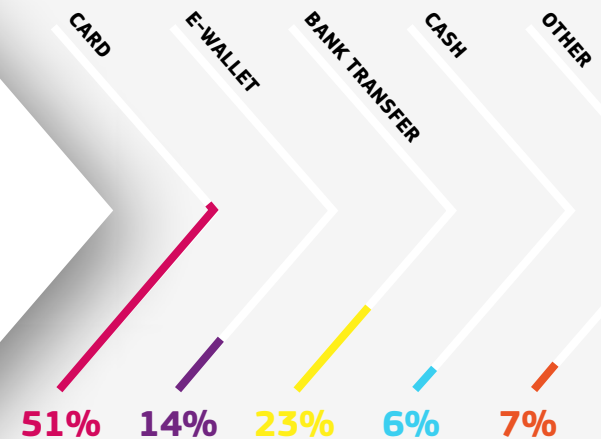
Ecommerce spent on travel  30%

Ecommerce spent on mobile  38%

Average Ecommerce spend per capita (USD)

\$1829

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)

DENMARK

\$19.9bn

B2C Ecommerce volume (USD)

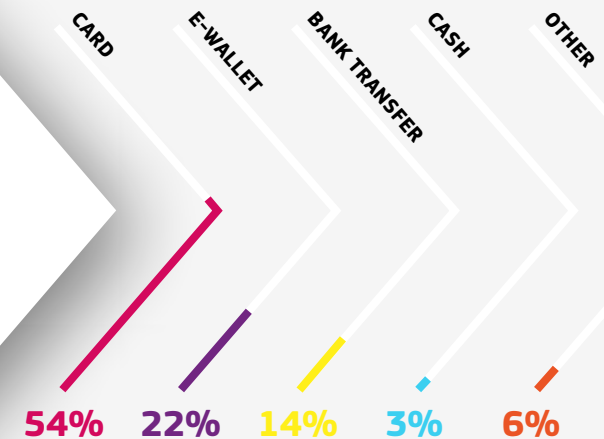
Ecommerce spent on travel  32%

Ecommerce spent on mobile  51%

Average Ecommerce spend per capita (USD)

\$4084

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS





AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)



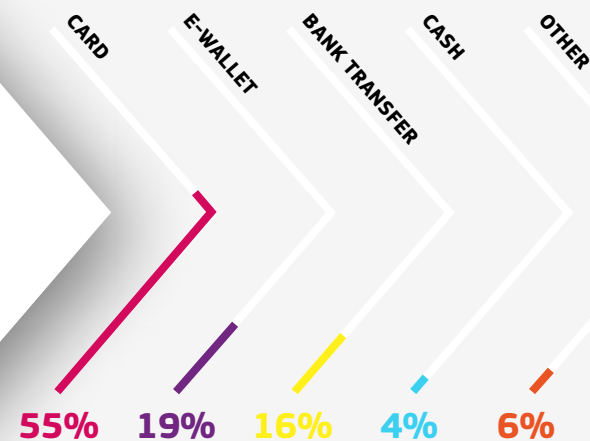
Ecommerce spent on travel  **23%**

Ecommerce spent on mobile  **39%**

Average Ecommerce spend per capita (USD)

\$2147

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Barclaycard


B2B Wallet powered by: Ixaris


B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)

GERMANY

\$108.2bn

B2C Ecommerce volume (USD)

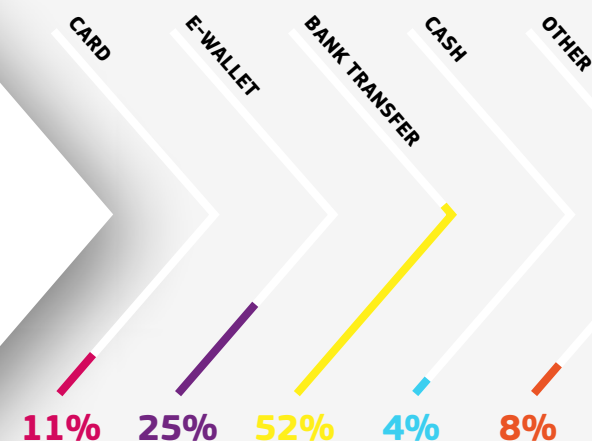
Ecommerce spent on travel  17%

Ecommerce spent on mobile  50%

Average Ecommerce spend per capita (USD)

\$1824

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS

SEPA **Klarna.** **paydirekt**

AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Barclaycard


B2B Wallet powered by: Ixaris


B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)

ITALY

\$32.9bn

B2C Ecommerce volume (USD)

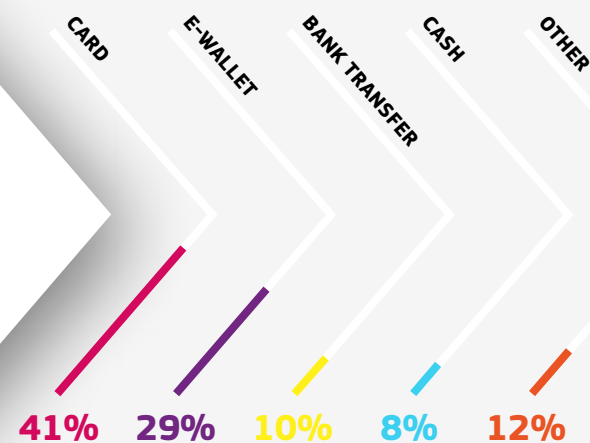
Ecommerce spent on travel  19%

Ecommerce spent on mobile  41%

Average Ecommerce spend per capita (USD)

\$1510

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)




\$4.63bn

B2C Ecommerce volume (USD)

Ecommerce spent on travel  **70%***

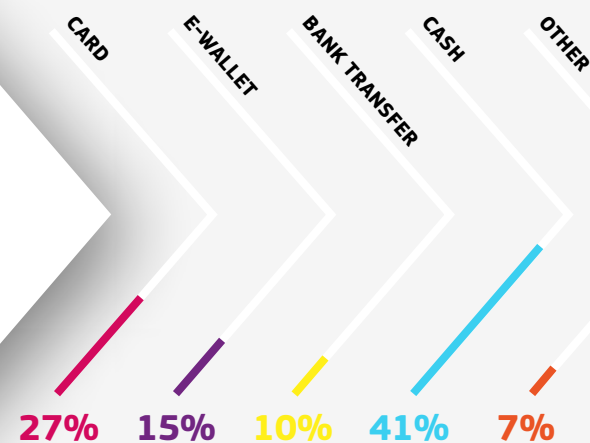
*<https://thepaypers.com/expert-opinion/moroccos-moment-the-realm-of-new-e-commerce-opportunities--780734>

Ecommerce spent on mobile  **62%**

Average Ecommerce
spend per capita (USD)

\$990

Payment method breakdown (%) by value




CONSUMER PREFERRED LOCAL PAYMENT METHODS




NETHERLANDS

\$28.9bn

B2C Ecommerce volume (USD)

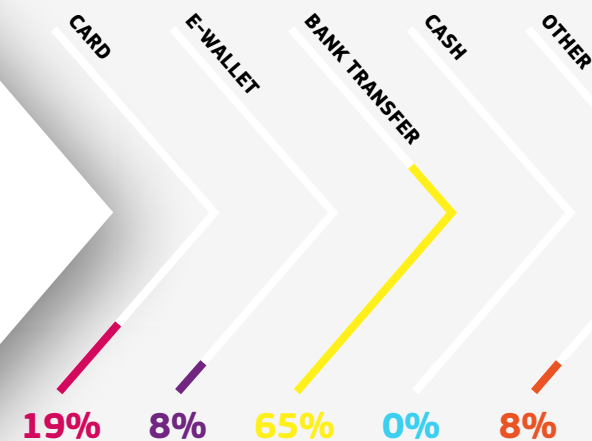
Ecommerce spent on travel  21%

Ecommerce spent on mobile  49%

Average Ecommerce spend per capita (USD)

\$2098

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)

NIGERIA

\$18.46bn

B2C Ecommerce volume (USD)

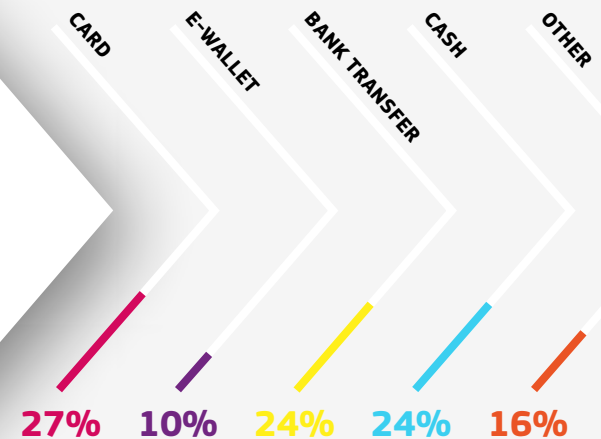
Ecommerce spent on travel  **17%**

Ecommerce spent on mobile  **53%**

Average Ecommerce
spend per capita (USD)

\$417

Payment method breakdown (%) by value




CONSUMER PREFERRED LOCAL PAYMENT METHODS


   

NORWAY

\$14.3bn

B2C Ecommerce volume (USD)

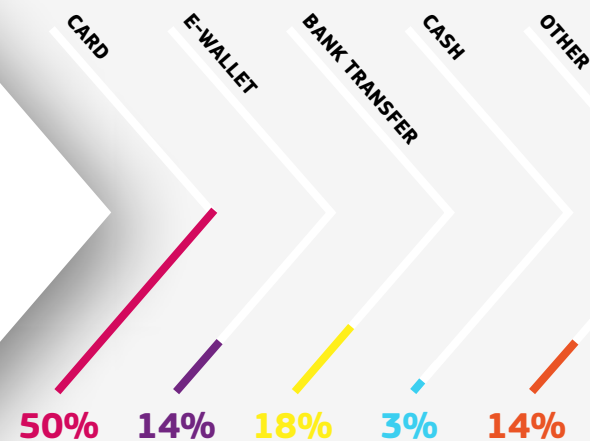
Ecommerce spent on travel  32%

Ecommerce spent on mobile  57%

Average Ecommerce spend per capita (USD)

\$3408

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS





AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP)



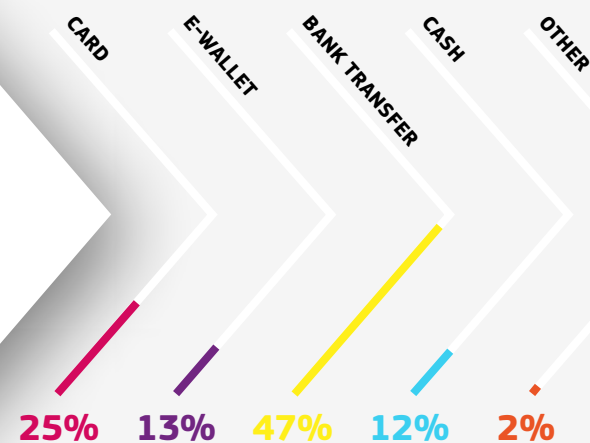
Ecommerce spent on travel  12%

Ecommerce spent on mobile  39%

Average Ecommerce
spend per capita (USD)

\$645

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS





AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP)



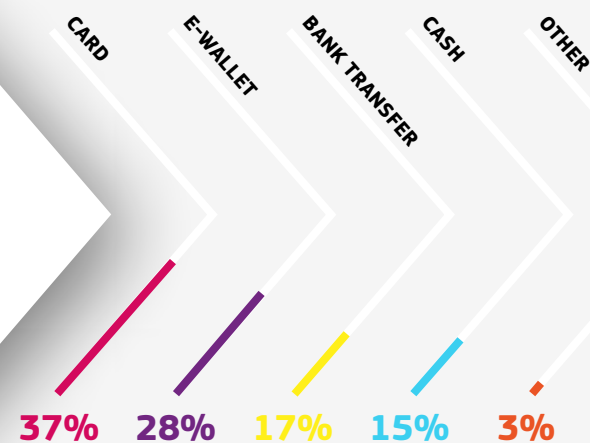
Ecommerce spent on travel  **18%**

Ecommerce spent on mobile  **29%**

Average Ecommerce
spend per capita (USD)

\$781

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: AirPlus (UATP)


SAUDI ARABIA

\$11.77bn

B2C Ecommerce volume (USD)

Ecommerce spent on travel  34%*

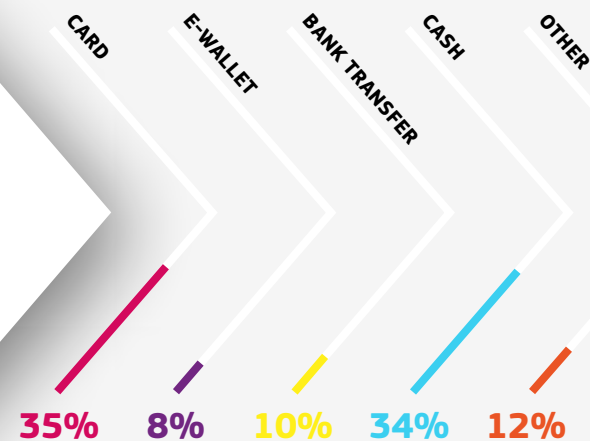
*2018 data

Ecommerce spent on mobile  50%

Average Ecommerce spend per capita (USD)

\$602

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: Apiso

SOUTH AFRICA

\$2.66bn

B2C Ecommerce volume (USD)

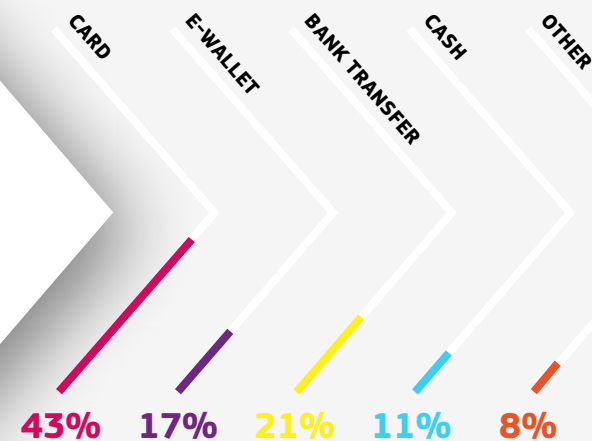
Ecommerce spent on travel  **18%**

Ecommerce spent on mobile  **51%**

Average Ecommerce
spend per capita (USD)

\$98

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS





AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP)



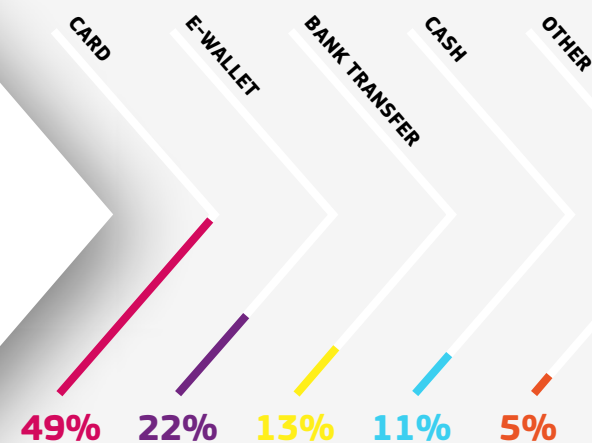
Ecommerce spent on travel  27%

Ecommerce spent on mobile  48%

Average Ecommerce spend per capita (USD)

\$1447

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Barclaycard


B2B Wallet powered by: Ixaris


B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)

SWEDEN

\$17.1bn

B2C Ecommerce volume (USD)

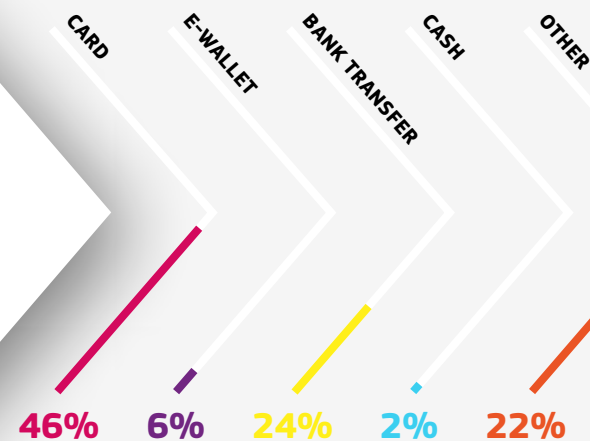
Ecommerce spent on travel  24%

Ecommerce spent on mobile  60%

Average Ecommerce spend per capita (USD)

\$1893

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS




AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)


SWITZERLAND

\$14.5bn

B2C Ecommerce volume (USD)

Ecommerce spent on travel  27%*

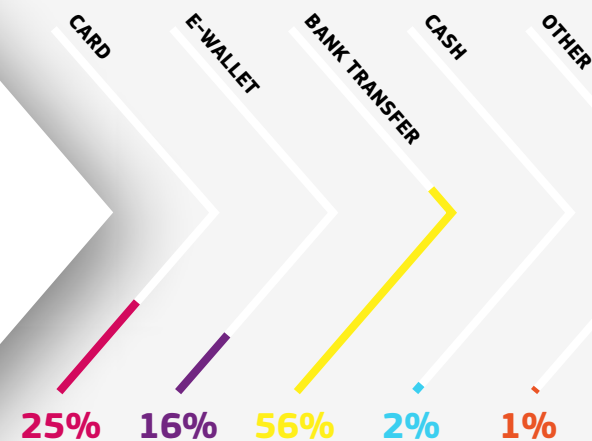
*2018 data

Ecommerce spent on mobile  43%

Average Ecommerce spend per capita (USD)

\$2623

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS

Klarna.

PostFinance

TWINT


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: Ixaris
B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)



\$15.80bn

B2C Ecommerce volume (USD)

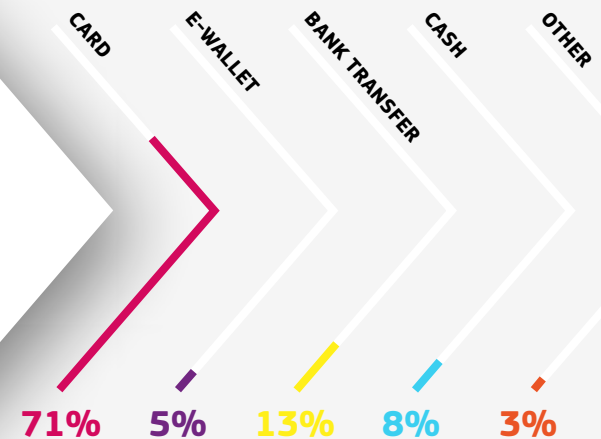
Ecommerce spent on travel  **12%**

Ecommerce spent on mobile  **26%**

Average Ecommerce spend per capita (USD)

\$960


Payment method breakdown (%) by value




CONSUMER PREFERRED LOCAL PAYMENT METHODS





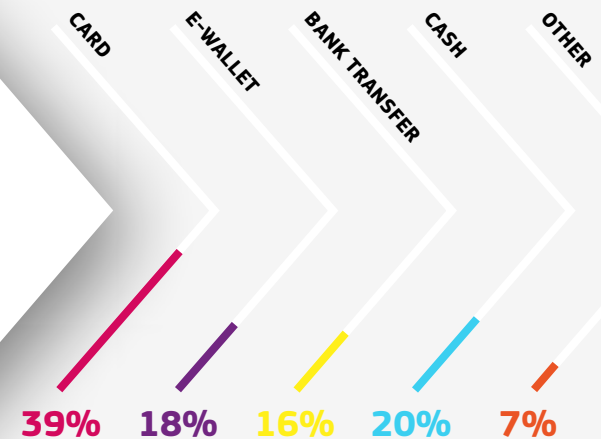
Ecommerce spent on travel  **22%**

Ecommerce spent on mobile  **48%**

Average Ecommerce spend per capita (USD)

\$1310

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: AirPlus (UATP)


B2B Wallet powered by: Apiso

UNITED KINGDOM

\$233.0bn

B2C Ecommerce volume (USD)

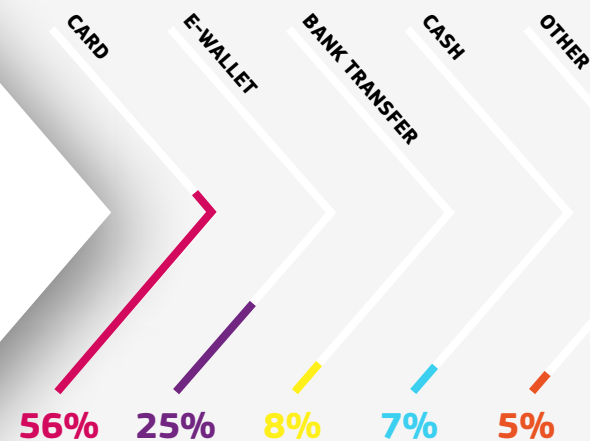
Ecommerce spent on travel  20%

Ecommerce spent on mobile  55%

Average Ecommerce spend per capita (USD)

\$4516

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



Klarna.



AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: Barclaycard


B2B Wallet powered by: Ixaris


B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)

An aerial photograph of a dense city skyline, likely New York City, featuring numerous skyscrapers. The Empire State Building is prominent in the center. The image has a soft, hazy quality with a warm, golden-brown color palette, suggesting a sunrise or sunset. The text "NORTH AMERICA" is overlaid in the center in a bold, dark, sans-serif font.

NORTH AMERICA



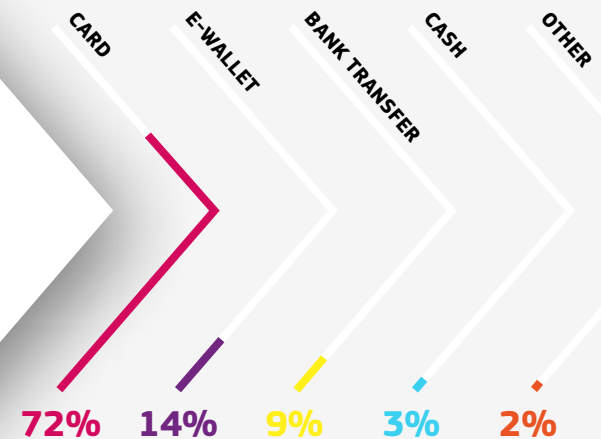
Ecommerce spent on travel  **22%**

Ecommerce spent on mobile  **33%**

Average Ecommerce spend per capita (USD)

\$2253

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: Ixaris

UNITED STATES

\$830.69bn

B2C Ecommerce volume (USD)

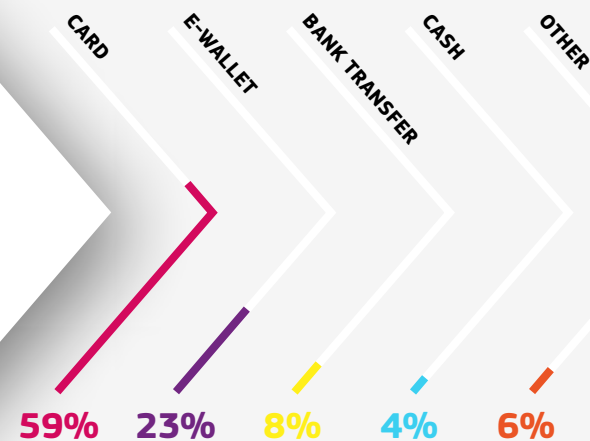
Ecommerce spent on travel  **14%**

Ecommerce spent on mobile  **39%**

Average Ecommerce
spend per capita (USD)

\$3680

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS

afterpay  Klarna

AMADEUS TRAVEL PAYMENTS GUIDE 2020

AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: US Bank
B2B Wallet powered by: AirPlus (UATP) and AirPlus (Pay Later)


LATIN AMERICA




ARGENTINA

\$11.44bn

B2C Ecommerce volume (USD)

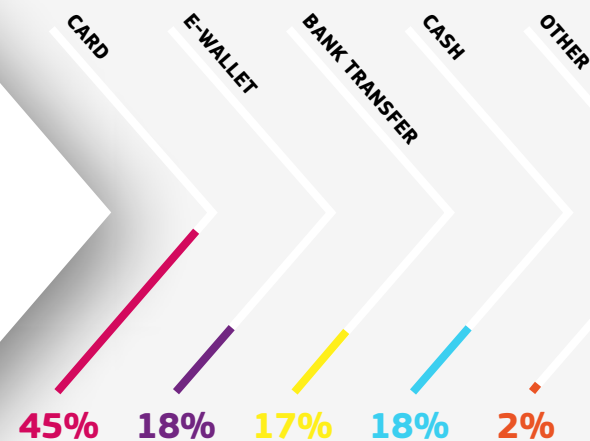
Ecommerce spent on travel  14%

Ecommerce spent on mobile  35%

Average Ecommerce spend per capita (USD)

\$476

Payment method breakdown (%) by value




CONSUMER PREFERRED LOCAL PAYMENT METHODS




BRAZIL

\$20.62bn

B2C Ecommerce volume (USD)

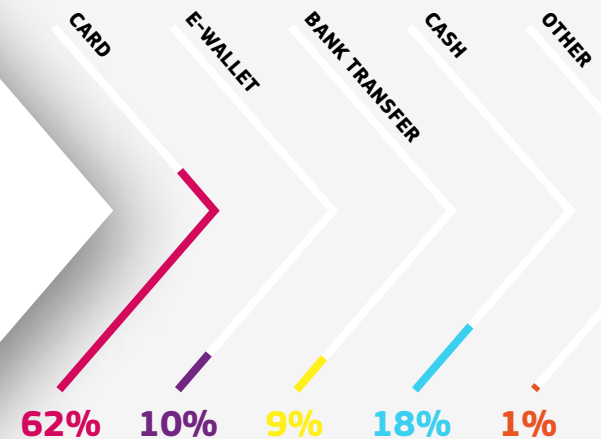
Ecommerce spent on travel  14%

Ecommerce spent on mobile  36%

Average Ecommerce
spend per capita (USD)

\$379

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS





VISA

CHILE

\$5.13bn

B2C Ecommerce volume (USD)

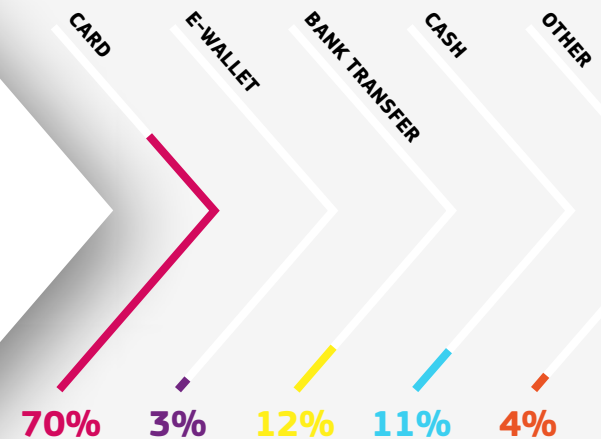
Ecommerce spent on travel  **26%**

Ecommerce spent on mobile  **20%**

Average Ecommerce
spend per capita (USD)

\$913

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS




AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: AirPlus (UATP)

COLOMBIA

\$6.97bn
B2C Ecommerce volume (USD)

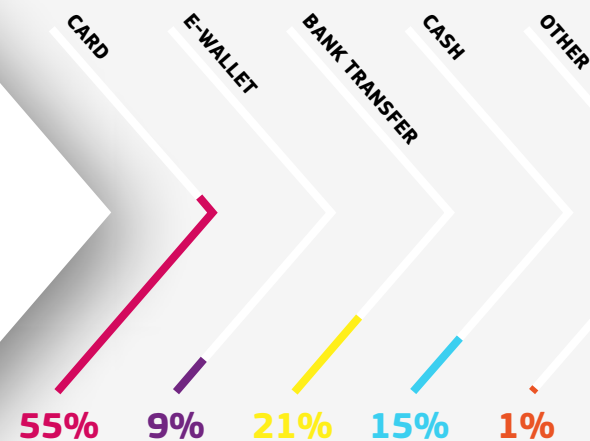
Ecommerce spent on travel  **30%**

Ecommerce spent on mobile  **31%**

Average Ecommerce
spend per capita (USD)

\$351

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS


B2B Wallet powered by: AirPlus (UATP)

MEXICO

\$29.30bn

B2C Ecommerce volume (USD)

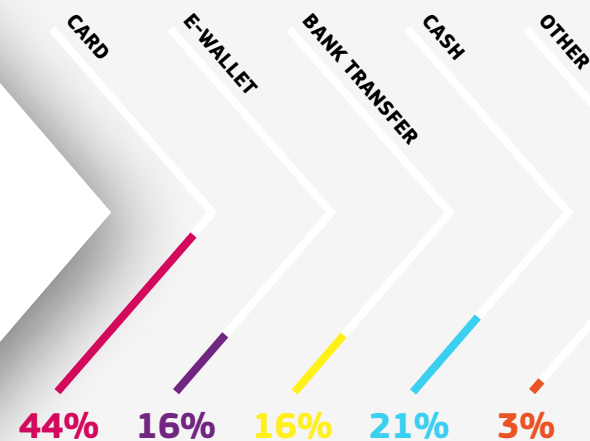
Ecommerce spent on travel  **17%**

Ecommerce spent on mobile  **44%**

Average Ecommerce
spend per capita (USD)

\$595

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS




AMADEUS TRAVEL PAYMENTS GUIDE 2020


AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: AirPlus (UATP)

PERU

\$4.53bn
B2C Ecommerce volume (USD)

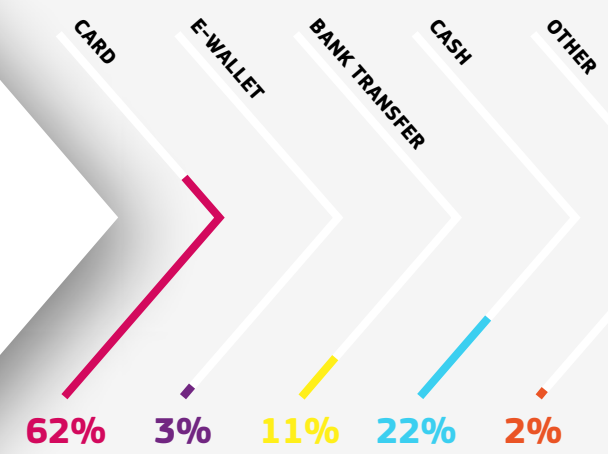
Ecommerce spent on travel  **25%**

Ecommerce spent on mobile  **39%**

Average Ecommerce spend per capita (USD)

\$472

Payment method breakdown (%) by value



CONSUMER PREFERRED LOCAL PAYMENT METHODS



AMADEUS B2B PAYMENT OPTIONS

B2B Wallet powered by: AirPlus (UATP)



GLOSSARY

Glossary: Existing payment methods

Bank transfers: Account-to-account payments, debiting the customer's account and crediting the merchant's. Traditionally these are "push" payments, requiring the customer to log in or call, check the transaction amount and authorise payment. Transfers can take several business days, but interbank systems increasingly allow them to be available almost immediately.

Card-based payments: Credit or debit cards can be used to pay in person or remotely. Usually tied to a single country or region, cards can also be "co-badged" for wider, international use.

Cash-based payments: Most often cash is used in person, but several services enable cash payments for web-based purchases. These include PayPoint in the UK, Boletão Bancário in Brazil, and that which is provided by Konbini convenience stores in Japan. Bar codes or unique reference numbers provided at the online checkout effectively function as an invoice that can be settled at participating retailers in person.

E-wallets: Money can be added to e-wallets through other payment methods (card, transfer or even cash) and can then be used to make payments online and for digital person-to-person transfers (provided you have an Internet connection). High profile examples include China's Alipay and Paypal in the US, Europe and elsewhere.

Mobile wallets: Similar to e-wallets, but relying on a mobile phone, mobile wallets can be loaded by other payment methods or through the mobile carrier's billing. Balances can be used to pay bills, make payments online or in store and transfer money. Some, such as Swish and Vipps in Sweden and Norway, respectively, and UPL in India, allow users to link their mobile with their bank account to make payments directly.

Card wallets: Card wallets such as ApplePay and Google Pay are a digital way to store payment cards. Users load credit or debit cards into their e-wallet and then select which to use at the point of payment, whether online or in-store.

Carrier billing: Mobile network providers can allow customers to add the cost of purchases to their mobile phone bill. Usually working via SMS (text) or IVR interface, customers don't necessarily even need a smart phone.

Bill payment services: These allow customers to pay invoices either in full or installments for one-off, recurring or even post-dated payment online or in stores. They are funded through a variety of sources.

Prepaid vouchers or cards: Bought at participating stores or online, they provide customers with a code that can be used at the check-out. Gift cards are the most common example.

Virtual cards: Virtual cards let customers pay online without entering or revealing their bank or card details. The card numbers are usually single-use or valid for a limited time.

Methodology and references

The findings of this report have been developed and presented by utilizing analytics provided by Amadeus and our partners PPRO, and Censuswide.

As an expert in travel payments, Amadeus has the capacity to generate authoritative data that is used to identify trends in the travel payments industry. This data is expertly supported and expanded upon via further analytics provided by our partners PPRO, and Censuswide. Additional information has also been garnered from respected sources including the Australian Competition and Consumer Commission.

To create this report, Amadeus and PPRO have used a combination of reputable sources and methods that support the PPRO Almanac Database. Where possible, consistent sources were used for all markets to maintain the highest level of data integrity.

Data sources can be split into three main areas:

1. Globally recognised, publicly available databases and resources
2. Central banks / national Ecommerce associations / national internet associations
3. PPRO proprietary data and models.

Using a combination of these data sources allows PPRO to best build a complete picture of the market. This in turn allows Amadeus to paint a clear picture of the Travel Payments landscape, make salient comparisons across different regions and identify trends.

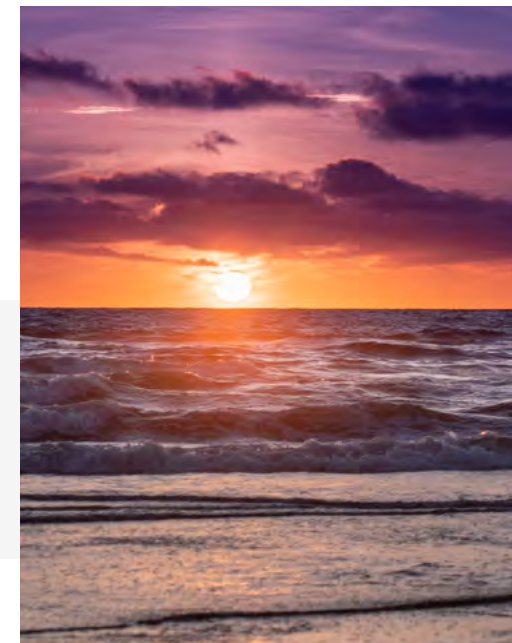
To add further insight to our 2020 report, following the global COVID-19 pandemic, Amadeus worked with the international market research consultancy, Censuswide, to survey travelers from across the world. This survey was conducted across key markets in Europe, the Asian-Pacific (APAC) region, South America, North America, and China. This research surveyed over five thousand adult travelers who have traveled since the COVID-19 outbreak in their region. With this research, the impact of the COVID-19 pandemic on payments can be assessed, empowering you to shape your payments strategy for 2021 and beyond.

¹ <https://www.nfcw.com/2020/03/26/366173/table-contactless-payment-transaction-limit-increases-around-the-world/>

² <https://amadeus.com/en/insights/press-release/choice-transparency-security-frictionless-payments>

³ <https://www.accc.gov.au/media-release/australians-paying-millions-too-much-for-foreign-currency-services>

⁴ <https://cellpointdigital.com/articles/insights/payments-latin-america/>



To find out more, speak to
your account manager or visit
amadeus.com/payments

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