Up in the Air Travel Fintech Newsletter – Special Edition - Payment Journey: Airport & Inflight

A special edition of the **Up in the Air | Consultancy** Travel Fintech newsletter introducing a new infographic, this time covering one of the last frontiers in airline payments: touch points where the customer is present. If it's at the (airport or city) sales offices, check in counters, self service kiosks, bag drops or inflight, it's complex and hard to manage.

The challenge: 'How to create a customer centric payment experience that will enable airlines to become true retailers?'


Payments at the Airport

Over the last decade airlines have started to streamline in person payments by introducing more digital payment touch points, reducing / eliminating cash, centralizing processing and working closely together with their PSS/DCS and Airport Operators.

Initially, this transition was mainly the result of full service airlines unbundling their fares and starting to actively sell ancillaries, at first 'internal' products like (excess) baggage, seat upgrades and meals, followed by a wide range of 'external' products. For the latter, this at the time typically happened via a referral model whereby the provider hosted the order and payment processes (e.g. for hotel bookings via **Booking.com**). Moving forward airlines will be adopting the merchant model more often, making them responsible (and liable) for the payment component.

At the time of online booking, the impact of the above mentioned unbundling was a multi step check out, basically filling a shopping cart with additional products and services before reaching the payment page. This was repeated at the time of online / mobile check in, where ancillaries could also be selected. However, the user experience to pay at the airport for these products was lagging due to a shortage of modern, compliant and integrated payment equipment. This was partially due to the fact that check-in desks in most cases were (and still are) only used by an individual airline for a limited amount of time / on a flight by flight basis. The most common way to process a card transaction was by use of a (magnetic stripe) swipe keyboard, outdated and non compliant technology!

In 2014, as part of an **Ingenico** project, the first version of the below 'Airline Payments Solar System' infographic was created to visualize the Airline ecosystem and to identify the 'POS' touch points. It was the start of an initiative that led to what we now know as **Amadeus** Airport Pay.
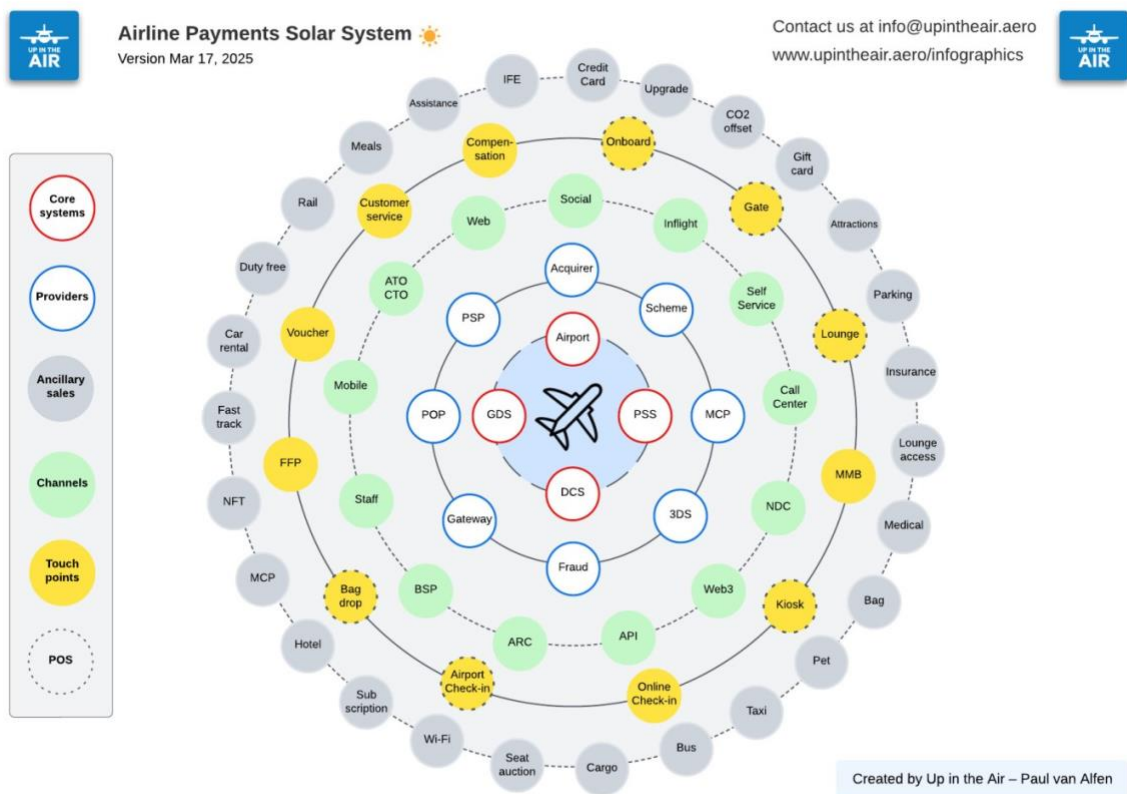

Airline Payments Solar System

Next to retailing opportunities, also the large scale adoption of chip & pin, contactless and mobile wallet technology accelerated the need for change. The pandemic added 'fuel to the fire' by pushing self service technology and 'BYOD (Bring Your Own Device), to reduce physical contact at the airport.

In the below new 'Payment User Journey' infographic I try to visualize the 'airport to airport' journey, with payment touch points both 'land side and 'air side'. The red arrows show the main pain points:
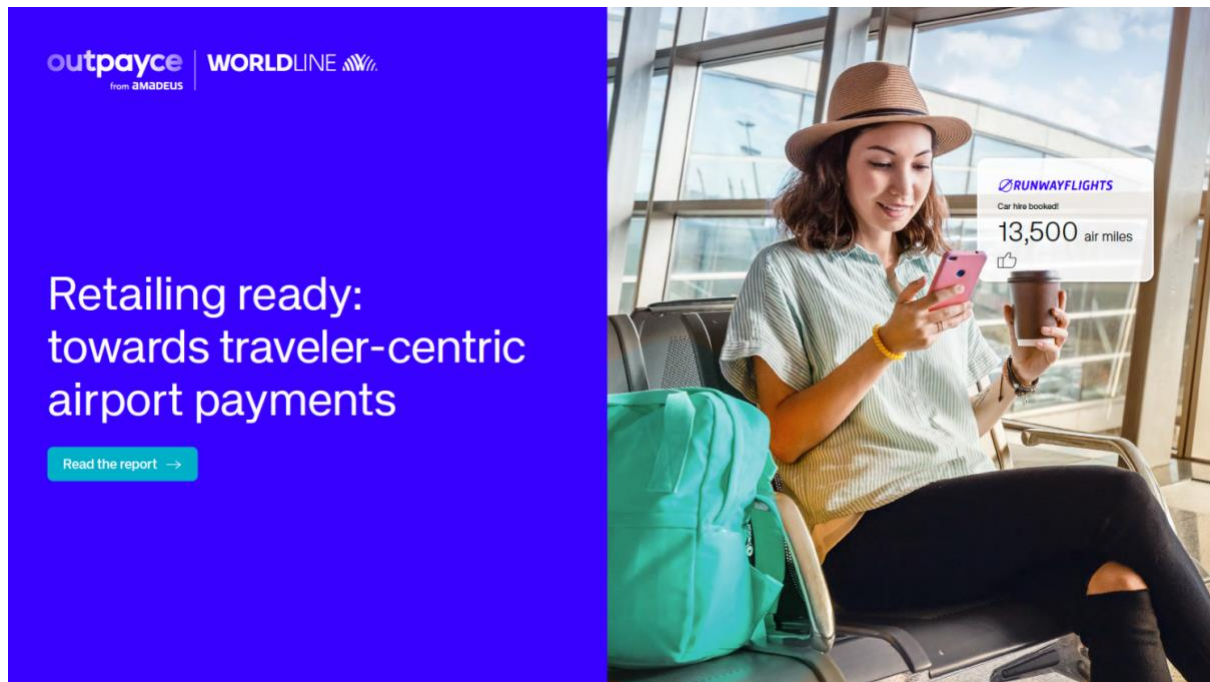
- No payment terminal present at the check-in desk, customer is referred to the ticket office for payment
- Use of cash money, due to operational and security reasons

This journey would not be possible without a working, robust, secure and compliant end to end solution, in collaboration with multiple partners, and supporting the unique requirements, integrations and processes that come with accepting payments at the airport.
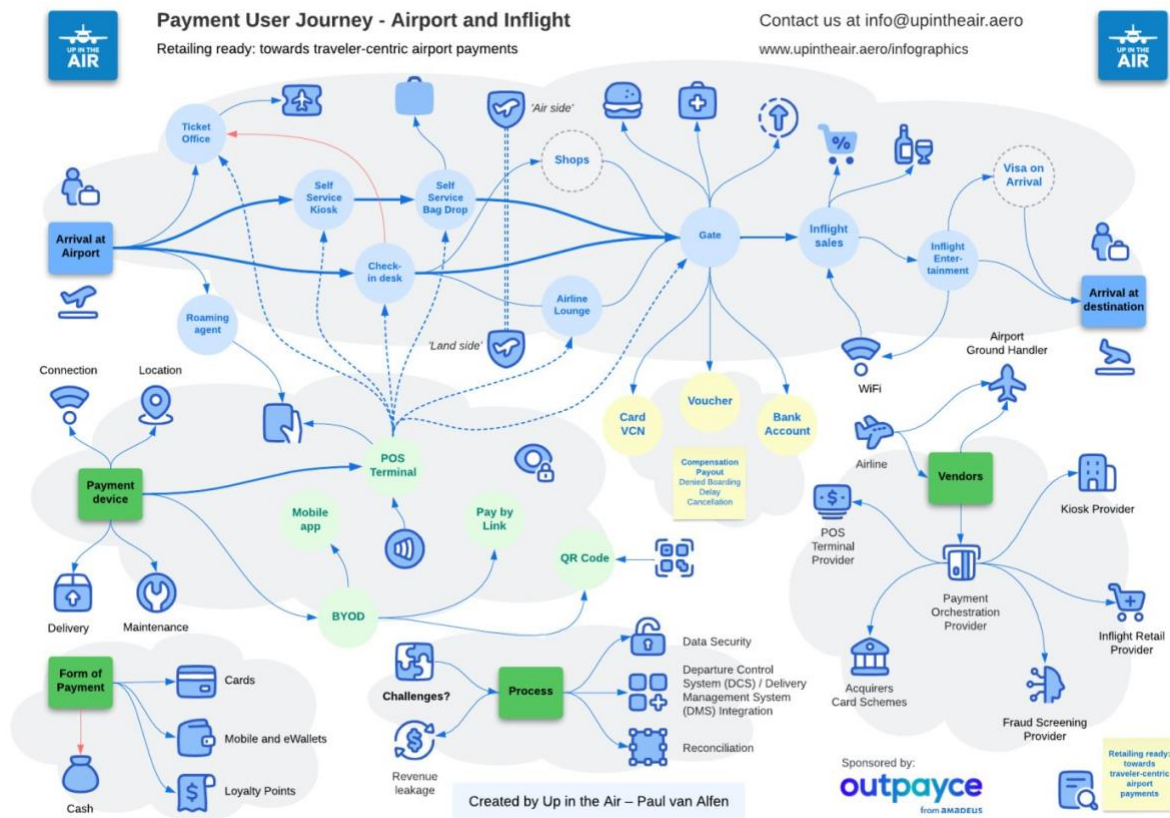
Payment User Journey - Airport & Inflight

For a detailed view on payments at the airport check out this new paper by **Outpayce from Amadeus** and **Worldline** on '**Retailing ready: towards traveler-centric airport payments',** it can be downloaded here (by clicking on the image):

Outpayce from Amadeus | Worldline

Payments Inflight

Before the arrival of specialized onboard retail companies with sophisticated tablet software and portable payment devices, inflight payments for tax free articles were made in cash or with the help of 'ZipZap' manual card imprinters.


Manual card imprinter (Janome M220)

The times of onboard cash payments are gone, same applies to a large extent for tax free products. Payment terminals are now used for food and beverage purchases. These terminals / pin entry devices still largely work offline, but more and more online using onboard WiFi. Next to (contactless) cards, also global and regional mobile wallets are more and more supported.

A typical inflight solution consists of these 5 components:

1. Tablet (or mobile phone)
2. Payment device
3. POS Gateway
4. Acquirer
5. Fraud Solution

For a detailed overview of the components, see my infographic below.

Note: Depending on the set-up of the airline, these 5 components can each be managed by individual parties or by one or two (e.g., caterer and/or payment partner). Tablet capabilities can also be included in the (smart) device. Some airlines have opted for payments via in-seat equipment (IFE) or a mobile app on the passenger phone or tablet (BYOD).
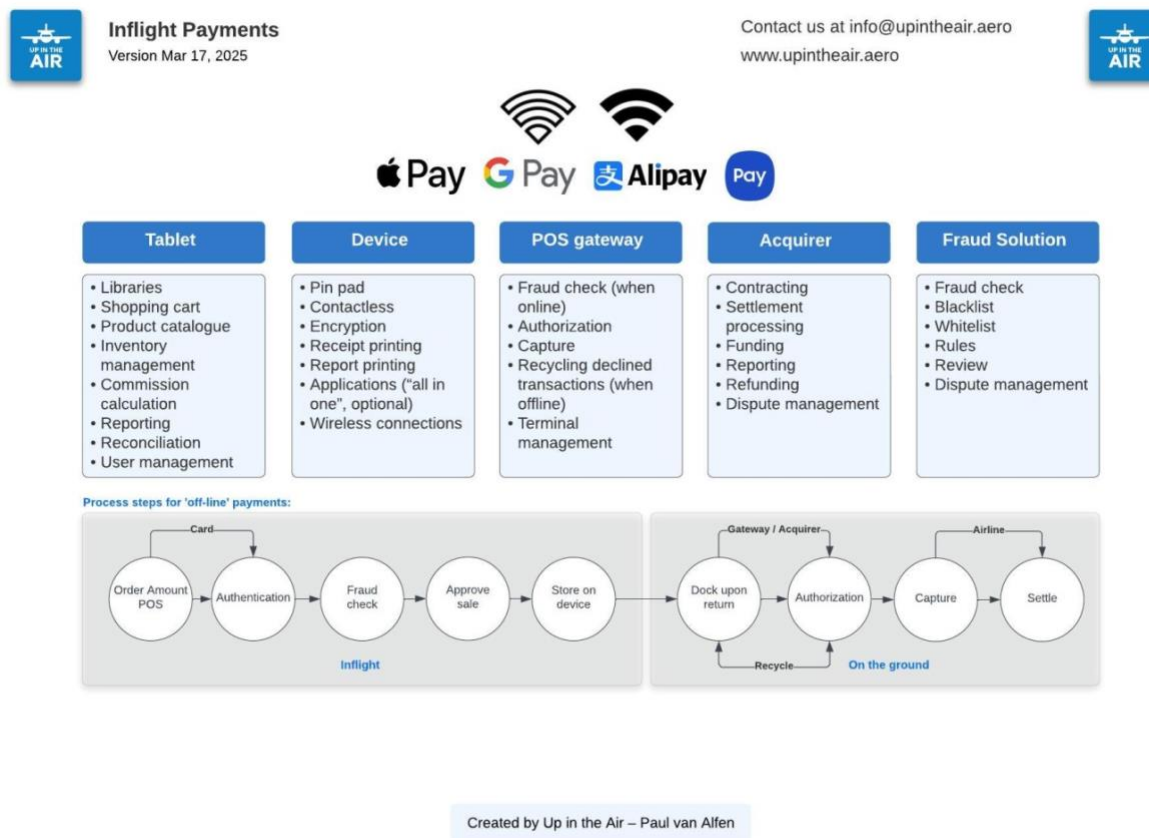
Inflight Payments

Inflight payments are most heavily used by (Ultra) Low Cost Carriers, with their completely unbundled fares and 'extreme' onboard retailing strategies. These carriers are the first to be heavily hit by the latest fintech implementations, like the use of neo-bank issued cards in mobile apps during leisure trips, in an offline setting. To avoid lost sales / revenue leakage

as a result of this, collaboration between all parties involved is required (airlines, onboard retailers, card schemes and payment providers).

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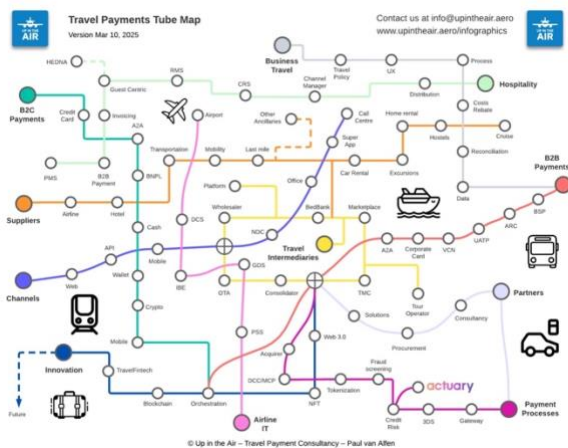
Paul van Alfen

Up in the Air | Consultancy

Airline Retailing Payments Up in the Air's Airline Retailing (Offer/Order/Settle/Deliver, NDC) page for the Airline & Travel Payments community

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