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Airline Payment Framework Management Foundation

IATA

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Foreword

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Airlines today operate in an environment where payment can no longer be treated as a discrete operational step. It cuts across channels, customer segments, and internal functions, directly influencing how demand converts into revenue, how cash is collected, and how risk, cost, and operational complexity are managed.

In practice, this creates a set of challenges that airlines recognize well. Different channels operate under different payment logics. Customer expectations continue to rise, while payment options expand across markets. Decisions taken locally, often for valid commercial reasons, can accumulate into fragmented outcomes at enterprise level, affecting consistency, visibility, and control. Managing these trade-offs in a structured way is becoming an increasingly important capability.

Many airlines are therefore moving toward a more deliberate approach to payment. This means taking clearer ownership of payment across the organization, aligning commercial, financial, and operational priorities, and ensuring that payment supports both customer experience and financial performance in a consistent and sustainable way.

The IATA Payment Strategy for Finance Working Group (PSFWG) brings together airlines working through these questions in practice. This second edition of the Airline Payment Framework reflects that practitioner experience. It is intended to help airlines translate the recognition that payment matters into a more structured way of organizing, governing, and improving it over time.

I would like to thank the members of the PSFWG and the IATA teams for their contributions and continued collaboration in developing this updated framework.

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Payments are undergoing a profound transformation. What was once often treated as a routine step at the end of the booking path has become a strategic airline capability, with direct implications for customer experience, revenue realization, fraud management, liquidity, cost efficiency, and operational resilience.

This shift is accelerated by changing customer expectations, new payment instruments, evolving regulatory considerations, emerging technologies, and the transition toward Modern Airline Retailing. As a result, payment can no longer be viewed only as a processing topic. It now sits at the intersection of commercial performance, financial discipline, technology readiness, and customer experience.

This updated Airline Payment Framework has been developed to help airlines navigate that changing environment with greater structure and clarity. It begins with the forces reshaping airline payment and then turns to the airline management response: how carriers can define their payment strategy, organize governance across functions, develop the capabilities needed to execute, and monitor performance over time.

The purpose of this framework is not to prescribe one model for every airline. Each carrier will continue to make its own choices based on its markets, channels, customers, risk appetite, and commercial priorities. Its purpose is to provide a common language and a practical management logic that can help airlines move from fragmented payment decisions toward a more disciplined and governable payment model.

Payments now form part of the airline's broader commercial and financial architecture. Airlines that recognize this shift and organize around it will be better placed to manage trade-offs, improve performance, and adapt to an increasingly dynamic retailing environment.

I would like to thank the Payment Strategy for Finance Working Group (PSFWG) airline representatives for their guidance in the issuance of this document, and all IATA staff involved for their cooperation and expertise, which were essential to the creation of this updated Airline Payment Framework.

We also extend our thanks to Philippe Truchet, Christophe Kato, Jose Antonio Olavarrieta from the IATA Industry Payment Programs team and the Airlines Members of the PSF WG for their contributions and help in putting together and finalizing this new edition of the Airline Payment Framework.

Executive Summary

Airline payments have moved from a largely operational topic to a core management discipline. They now directly affect customer conversion, revenue realization, cash flow, fraud exposure, and operating cost. The environment is more fragmented and more demanding: customer preferences vary by market, channels operate under different payment mechanics, new payment methods continue to emerge, and evolving payment rails and data standards are reshaping what airlines need from their infrastructure. The commercial and financial consequences are therefore material, and airlines that manage payment reactively are increasingly at a disadvantage.

IATA and Edgar Dunn & Company estimated in 2024 that airlines process approximately USD 977 billion in payments each year, at an annual cost of USD 22.2 billion, placing payment among the largest cost pools in airline retailing and firmly positioning it as a management issue with direct implications for revenue, cost, and cash-flow quality.

This framework helps airline leadership, especially heads of payment/payment managers and the cross-functional teams around them, treat payment as an enterprise capability rather than a collection of disconnected operational decisions. It is organized around four practical management questions:

- What the airline wants payment to contribute?
- How payment should be organized and governed?
- Whether the capabilities are in place to execute?
- And how progress is monitored and improved over time?

Each airline answers those questions in its own context, but the need for discipline is universal. The Framework is designed to move from the case for change to the operating model that answers it.

This framework is designed to be used alongside the Airline Payment Index questions included within the Airline Retailing Maturity (ARM) index, which provide a structured way to assess payment maturity across strategy, organization and governance, capabilities, and monitoring. Where this framework provides the management architecture and common language, the Index helps airlines understand where they stand, identify priority gaps, and translate that logic into an improvement path. Together, they support a more disciplined airline payment operating model.

This document is the authoritative Management foundation: a leadership reference, a common language for internal alignment, and a guide to the principal decisions that airline payment leaders need to organize, govern, and improve. It is not an exhaustive technical manual. Where deeper operational support is needed, it may be complemented by separate companion assets and supporting annexes, which provide the operational, technical, evidential, and terminology depth that underpins the wider publication set. Its purpose is to help airlines move from fragmented payment decisions to a more governable management model, supporting clearer choices, stronger cross-functional alignment, and more measurable improvement over time.

How to Use This Framework

Who this document is for
Airlines' heads of payment and payment managers, and the cross-functional leadership teams that shape payment decisions across commercial, finance, treasury, distribution, and technology.

What this document is for
This document provides airline leadership with a clear view of why payment now matters strategically, what needs to be organized to manage it effectively, and how strategy, organization and governance, capabilities, and monitoring fit together in practice.

The document moves from the leadership case for change to the operating logic that supports it.

What this document does not cover
Detailed operating guidance for individual sales channels, payment methods, or implementation scenarios.

For deeper practical support, readers can use:

- **Companion Asset 1 – Airline Payment Channel Policy Playbook**
- **Companion Asset 2 – Airline Payment Monitoring & KPI Pack**

Readers looking for further technical and practical details can refer to the Annex Pack:

- **Annex A – Payment Technical Reference**
- **Annex B – The Case for Change**
- **Annex C – Payment Standards Transition: from ISO 8583 to ISO 20022 nexo standards**
- **Annex D – Extended Glossary**

Part I
Why Payment Now Matters as a Management Discipline

1. Payment Fragmentation is Accelerating

Airlines today operate in a payment environment that is more fragmented than the distribution and treasury models many carriers were originally built around. Payment preferences vary significantly by market, customer type, and channel. In some regions, cards remain dominant; in others, bank-based methods, wallets, instant payments, and alternative forms of payment are growing quickly. At the same time, airlines are selling across a wider mix of direct and indirect channels, each with different payment mechanics, operational constraints, and risk profiles.

Payment can no longer be treated as a uniform downstream process applied after commercial decisions have already been made. It has become part of how airlines reach customers, complete sales, collect cash, and protect value.

> Management implication: payment decisions are now more effective when they are part of commercial and operating design, rather than a narrow processing choice made after the fact.

2. Channel Complexity is Becoming Harder to Govern

As fragmentation spreads across the airline commercial model, the growing diversity of sales channels has increased payment complexity in ways that directly affect airline performance. Direct digital channels, agency environments, evolving NDC and Modern Airline Retailing models, airport sales, and other points of sale do not operate under the same payment logic. They differ in who controls the customer interaction, who accepts the payment, how funds are remitted, where risk sits, and what level of visibility the airline has over the transaction.

Where these differences are not governed within a coherent airline-level framework, the result is often inconsistency: uneven customer experience, cost leakage, fragmented controls, and unclear internal accountability.

> Management implication: airlines benefit from an enterprise payment approach that sets clear direction across channels while allowing different operating choices where channel realities genuinely differ.

Note: For channel-by-channel policy considerations, readers can use Companion Asset 1 – Airline Payment Channel Policy Playbook. For deeper operational and technical channel mechanics, see Annex A – Payment Technical Reference.

3. Consumer and Corporate Payment Increasingly Require Different Management Approaches

That complexity does not stop at channel design. It also appears in the different payment logics of consumer and corporate travel. Consumer payment is shaped by ease of use, acceptance of preferred methods, speed, and checkout experience. Corporate payment is structured differently: it is linked to procurement discipline, policy control, invoicing, data quality, reconciliation, and integration with corporate systems.

A payment approach that improves leisure conversion will not necessarily serve the needs of a managed-travel corporate relationship. Treating both under one undifferentiated logic can create strategic confusion and lead to compromises that serve neither segment well.

> Management implication: airlines typically find it more effective to treat consumer and corporate payment as related but distinct management domains, with separate priorities, choices, and success measures.

4. Customer Expectations are Rising Faster than Legacy Payment Models

The pressure is then felt directly in the customer's experience. Customers increasingly compare the airline payment experience not only with other airlines, but with the best digital retail and service experiences they encounter elsewhere. They expect convenience, speed, transparency, and the ability to use relevant payment methods across devices and contexts, not just at booking, but across ancillary purchases, changes, refunds, and service interactions throughout the travel journey.

A payment experience that falls below those expectations tends to surface quickly: in lower conversion, abandoned purchases, reduced ancillary capture, and avoidable friction in customer service. Payment has become part of the commercial experience the airline presents to the customer, not only a control or settlement function.

> Management implication: payment design is most effective when treated as part of customer and revenue performance, supported by appropriate financial, risk, and operational disciplines.

5. The Financial Consequences of Payment Decisions are Becoming More Material

Once payment affects commercial performance, it also affects the airline's wider economics. Airlines are increasingly aware that payment influences more than merchant fees alone. It affects conversion, cash-flow speed and certainty, fraud exposure, refund pressure, operational workload, and the resilience of sales recovery during disruption. The broader management issue is that payment now shapes both revenue realization and the quality and timing of cash coming into the airline.

Industry work has highlighted both the scale of payment cost and the broader value opportunity that can come from better payment choices, stronger conversion, and closer alignment between commercial objectives and payment design.

> Management implication: payment is most productively governed as a value-and-risk management agenda, rather than as a narrow cost-of-acceptance discussion.

6. Unseen Payment Conditions can Become Critical Liquidity Exposures

Some payment conditions can become direct liquidity exposures. Holdbacks, reserves, dispute-related deductions, delayed settlement conditions, and other embedded payment terms may sit in contractual arrangements for long periods without sustained management attention. However, when they materialize, the airline may have limited toom to react. The cash impact can escalate quickly, something that every single airline was brutally confronted with when the COVID crisis blew up.

The relevant question is therefore not simply which payment method is popular or inexpensive, but whether the underlying conditions support reliable collection, acceptable risk, and operational resilience under stress. Airlines benefit when payment leadership has visibility not only on customer preferences and conversion, but also on the conditions that affect cash availability, counterparty exposure, dispute risk, and liquidity resilience.

> Management implication: payment governance works best when it explicitly balances reach and conversion with cash certainty, risk control, and resilience, treating these as connected rather than competing objectives.

7. Payment Infrastructure is Becoming a Strategic Constraint or Enabler

Payment infrastructure is a strategic focus rather than a technical discussion when it impacts reach, customer experience, economics and liquidity. The shift toward more data-rich and flexible payment standards is often described in technical terms, but its implications extend to strategy. Airlines face growing expectations to support varied forms of payment, richer data exchange, better reconciliation, improved fraud controls, and more flexible retailing use cases. Legacy infrastructures can make those goals harder, slower, and more costly to achieve.

For airline leadership, the point is not to become technical specialists in payment infrastructure, but to recognize that infrastructure decisions can either enable or constrain the airline's future payment model, including its ability to support Modern Airline Retailing and data-driven operating approaches.

> Management implication: payment infrastructure readiness is worth treating as a strategic enabler of future commercial and operating capability, alongside other longer-term investment considerations.

Taken together, these pressures make payment more than an infrastructure question. They make it an organizational leadership issue, because the airline can no longer rely on inherited setups or local fixes to govern trade-offs that now shape growth, cash, risk, and resilience.

Readers seeking the deeper standards-transition perspective can refer to Annex C – Payment Standards Transition: from ISO 8583 to ISO 20022 nexo standards.

Part II
From Payment Complexity to Management Discipline

8. The Underlying Shift is Organizational

The developments described in Part I do more than show that payment has become more complex. They show why payment can no longer be treated only as a downstream operational matter. The external landscape has changed, but the more important implication for airlines is internal: payment now sits at the intersection of commercial growth, customer experience, financial performance, operational execution, and modernization.

Historically, payment has not always received sustained leadership attention within airline commercial and financial management. That is becoming less workable. As payment complexity increases and the stakes become more material across cost, cash-flow quality, fraud exposure, conversion, and customer experience, airlines benefit from treating payment as an enterprise-level management topic rather than a narrow specialist activity.

The practical challenge is therefore not only to understand payment complexity, but to organize around it. Airlines that manage payment more deliberately, with clearer ownership, stronger cross-functional alignment, more explicit operating choices, and a structured way to review performance, are better placed to realize the full value that payment can contribute. The role of this framework is not to prescribe one model, but to help airline leadership structure that response more clearly and make the management answer explicit.

> Management implication: The question is no longer whether payment matters, but how the airline can organize itself to govern payment as a management discipline.

9. From Management Discipline to Operating Model

Once payment is understood as a management discipline, the next leadership task is to make that discipline operational. Treating payment as a business capability requires a clear and shared view of how it is governed, steered, and owned across the airline.

In practice, effective payment management is defined less by where an airline starts and more by whether ownership, disciplines, and decision processes are explicit and intentional.

Payment as a Managed Business Domain
Airline payments cut across commercial strategy, customer experience, risk, finance, treasury, distribution, and technology. Treating payments as a managed business domain means making this cross-functional reality explicit and governable, rather than allowing it to remain fragmented across functions and initiatives.

Positioning payment as an enterprise capability helps airlines move beyond narrow cost or processing views and recognize payment as a source of value, risk, and optionality that needs to be actively steered.

Core Management Disciplines
A coherent payment operating model rests on a small number of enduring disciplines that make payment governable over time. In practical terms, those disciplines are brought together through four linked pillars: Strategy, Organization and Governance, Capabilities, and Monitoring and Improvement Loop.

Making those pillars explicit helps airlines translate cross-functional payment complexity into an operating model that can be steered, executed, and improved deliberately.

Roles, Responsibilities, and Interfaces
Strong payment management does not require a single universal organization model. It does, however, depend on clarity around who sets direction, who executes day-to-day activities, and who arbitrates trade-offs across commercial, financial, and risk objectives.

Viewing payment management as a network of roles and interfaces, rather than as a single silo, helps airlines connect Commercial, Finance, Treasury, Distribution, IT, and Risk through clear decision rights and escalation paths.

Decision Cadence and Management Loops
What differentiates intentional payment management from legacy accumulation is not structure alone, but cadence. Effective operating models establish recurring loops for setting direction, reviewing performance and emerging risks, and adjusting policies and priorities as markets, regulation, and customer behavior evolve.

These management loops allow payment to be steered over time rather than fixed through one-off initiatives.

From Operating Model to Practical Progress
The operating model described in this Part II defines the target shape of disciplined payment management. The next task is to express that management logic through a practical airline-side operating model.

Part III therefore sets out the four linked pillars through which airlines can organize, execute, and improve payment more deliberately: Strategy, Organization and Governance, Capabilities, and Monitoring and Improvement Loop. Structured assessment tools and shared reference points can then help airlines understand where they stand, identify priority gaps, and sequence progress over time.

Part III
Building and Running a Disciplined Airline Payment Model

10. Organizing Payment as an Airline Management Discipline

The earlier parts of this framework explain why payment now warrants deliberate leadership attention. The question that follows is how that intent is translated into a practical operating response inside the airline.

A more disciplined payment model rarely begins with isolated initiatives or channel-specific fixes. It begins with a clearer management logic: what the airline wants payment to contribute, how payment is organized and governed, whether the capabilities are in place to execute, and how performance is monitored and improved over time. Treated as an enterprise management topic rather than a series of disconnected processing decisions, payment tends to produce more consistent commercial, financial, and risk outcomes.

That response can be expressed through four linked pillars:

- **Strategy**
  The enterprise choices that define what the airline wants payment to contribute and the trade-offs that guide direction.
- **Organization and Governance**
  The ownership, decision-making, cross-functional alignment, and skills needed to execute.
- **Capabilities**
  The tools, infrastructure, data, and supplier relationships needed to support execution in practice.
- **Monitoring and Improvement Loop**
  The management process that helps the airline understand whether the chosen approach is working, where deviations or trade-offs are emerging, and where adjustment may be useful.

Together, these four pillars help airlines move from payment awareness to payment discipline. They do not prescribe one model for every carrier. Different airlines will make different choices depending on their markets, channel mix, commercial priorities, and operating footprint. However, most airlines will find value in treating payment as a structured management system for governing trade-offs over time, rather than a collection of isolated commercial or technical decisions.

11. Strategy

An airline payment strategy gives direction to decisions that might otherwise remain fragmented across commercial, finance, treasury, distribution, digital, and technology teams. It provides a practical basis for defining what the airline wants payment to enable, where stronger discipline is expected to improve outcomes, and which trade-offs matter most.

Payment strategy is not only about forms of payment. It is about how payment supports the airline's broader commercial and financial model across customer reach, conversion, cost efficiency, cash-flow quality, fraud control, resilience, and organizational clarity. Some airlines may place more weight on growth and conversion; others on cost, control, or cash certainty. Most will need to balance several objectives at once.

A useful payment strategy typically does three things: it defines the outcomes payment should support; clarifies the trade-offs the airline is prepared to make; and provides a basis for more consistent decision-making across functions and channels. In practice, that logic usually moves through four layers:

- Reach and customer fit.
- Commercial and economic trade-offs.
- Cash and risk consequences.
- And the cost of inaction if those choices remain unmanaged.

The sections below set out the main decision areas that airlines can use when shaping their own strategy.

Customer reach

For many airlines, the first strategic question is reach: which customers, markets, and selling contexts the airline wants payment to support effectively. Payment has become part of market access. Where the airline does not support relevant payment options for their customers, product availability alone may not be sufficient to convert demand into sales, whether across direct or indirect channels, domestic or cross-border, fares or ancillaries.

The strategic issue is not simply whether to offer more payment methods. It is whether payment support is sufficiently aligned with the airline's commercial priorities, for example, strengthening access in specific growth markets, improving coverage for particular customer segments, or supporting broader ancillary monetization across the journey.

> Airlines often find it useful to ask not only where they want to sell, but whether their current payment model makes those sales realistically achievable, and if not, what would need to change.

Market-specific payment preferences

Once reach is clear, the next question is how far payment strategy should adapt to local realities. Payment behavior is not uniform across markets. Customer preferences are shaped by local banking infrastructure, regulation, merchant acceptance patterns, mobile adoption, and the maturity of digital commerce. A payment approach that performs well in one market may be far less effective in another.

For airline leadership, this means that payment strategy may need to combine enterprise consistency with market sensitivity, a common management framework, alongside different payment choices where local conditions differ materially.

The key strategic question is not whether every local preference should be supported, but how the airline decides which local payment realities matter enough to influence acceptance, channel design, and commercial prioritization. In some markets, local relevance may be essential to conversion; in others, existing global methods may already be sufficient. The decision is rarely binary, it is usually a matter of commercial value, operational feasibility, and fit with broader priorities.

Alternative forms of payment

The growth of alternative forms of payment has expanded the strategic choices available to airlines. In some markets these methods are becoming increasingly important to consumer behavior; in others they remain secondary. Their relevance may also differ by channel, customer type, use case, and transaction value.

The main strategic consideration is not to catalogue specific methods in detail, but to recognize that alternative payment options can affect both growth and economics. They may improve relevance in certain markets, support better customer fit in digital journeys, or create opportunities for lower-cost or faster-settling payment flows. At the same time, they may introduce integration effort, operational complexity, refund considerations, or new dependencies.

A selective approach tends to be more effective than either automatic expansion or blanket hesitation. Where an alternative payment option strengthens customer reach, conversion, cost position, or resilience in a meaningful way, it may deserve strategic attention. Where it adds complexity without comparable value, restraint is often the more practical choice.

Readers seeking the operational characteristics of different payment-method categories can refer to Annex A – Payment Technical Reference.

Customer experience and payment conversion

Payment is now part of the customer experience, not simply the final administrative step in a sale. A payment flow that creates friction, uncertainty, or unnecessary complexity can reduce conversion and weaken the airline's broader commercial effort, not only at initial booking, but across ancillaries, changes, refunds, and service interactions throughout the journey.

The strategic issue is whether the payment model supports the commercial experience the airline wants to deliver. Airlines often benefit from viewing payment conversion as a management topic that connects customer insight, checkout design, authorization performance, fallback logic, and journey continuity.

> Conversion and customer experience tend to improve most when they are treated as explicit strategic considerations rather than as secondary effects of operational setup.

Payment costs

Payment costs remain one of the clearest drivers of stronger airline payment discipline, yet the strategic question is broader than fee reduction alone. An airline's cost position is shaped by payment method mix, channel structure, acquiring arrangements, authorization design, FX effects, operational overhead, and the way payment choices interact with sales economics.

A stronger approach tends to examine payment cost in relation to value creation and control. Some payment models may cost more but support stronger conversion or better reach. Others may appear attractive on direct fee terms but create hidden workload, fragmented processes, or weaker cash dynamics. The objective is rarely to minimize one line item in isolation; it is to make more informed trade-offs between cost, growth, operational practicality, and risk.

> For that reason, payment cost is most useful when considered alongside the full range of trade-offs, including conversion, reach, cash quality, and risk, rather than as the dominant lens for payment decisions.

Cash-flow availability, speed, and certainty

Payment strategy also shapes the speed and certainty with which revenue becomes usable cash. Settlement timing, certainty, reversibility, holdback exposure, remittance structure, and concentration risk can all materially affect the airline's financial position.

A payment method or channel setup may support sales growth but still create downstream weakness if settlement is slow, uncertain, or vulnerable to dispute, claw-back, or concentration. Conversely, a more disciplined cash-flow position can improve resilience, planning quality, and financial flexibility.

> Airlines often find it useful to ask not only how sales are generated, but how quickly and reliably those sales become usable cash, under what conditions, and with what exposure. Cash speed and cash certainty are most effectively treated as part of payment design, not as separate treasury considerations.

Risk and fraud

The strategic conversation ultimately reaches exposure and resilience. Payment risk spans several dimensions: fraud, disputes, chargebacks, counterparty risk, remittance risk, operational control weaknesses, and service-related payment exposure. The balance of those risks can differ significantly by channel, customer type, instrument, and transaction model.

Risk is part of the airline's overall payment design, not only a specialist control topic. Decisions intended to improve reach, simplify checkout, widen seller access, or expand payment acceptance can also shift the airline's exposure profile. Understanding how those decisions interact is therefore a useful discipline at the strategic level.

This does not imply that risk considerations dominate all other objectives. Payment strategy involves balancing reach, conversion, cost, and control. Airlines benefit, when risk is made visible early in strategic choices rather than addressed later through operational corrections. A more mature posture is one in which fraud and payment risk are reviewed as part of commercial design, channel policy, and monitoring discipline.

The cost of inaction

Taken together, these trade-offs lead to a final strategic question: what happens if the airline does not govern payment deliberately? An airline can choose not to act on payment in a structured way. In practice, that often means allowing market evolution, channel behavior, legacy setups, and individual commercial decisions to shape the payment model by default. A well-known industry example is when the absence of airline policy and enforcement allows the travel intermediary to choose what payment instrument they use to remit the funds collected from the customers. Their available options diverge widely in term of impact on the airline cash flow.

That approach can appear simpler in the short term, particularly where sales continue to flow and no single issue demands urgent intervention. Over time, however, the consequences tend to accumulate: avoidable cost growth, conversion loss, inconsistent customer experience, fragmented controls, weaker cash dynamics, limited visibility, and growing dependence on arrangements that no longer fit the airline's commercial model.

The point is not that every airline requires a large transformation program. It is that inaction is itself a strategic posture, with consequences of its own. A clearer payment strategy can be valuable not only because it enables new outcomes, but because it reduces the risk of unmanaged drift.

12. Organization and Governance

A payment strategy becomes useful only when the airline can organize around it. This is often where otherwise sound ambitions lose momentum, because the trade-offs identified in strategy still need clear owners and a forum for decision.

Payment sits across several functions: commercial, finance, treasury, distribution, digital, operations, and technology. Without clear ownership and working routines, decisions can become fragmented, trade-offs can remain implicit, and implementation can drift across teams with different incentives and time horizons.

The organizational goal is not to prescribe one universal structure for all airlines. It is to create enough clarity for payment to be governed as an enterprise topic, through visible accountability, shared priorities across functions, and a practical forum for decision-making and review. For many airlines, the most helpful shift is not structural complexity but clearer leadership logic: who owns the payment agenda, how decisions are escalated, which trade-offs are reviewed centrally, and how progress is made visible. Where that logic is established, payment is more likely to become a repeatable management discipline.

13. Capabilities

Once ownership and decision rights are clearer, the next question is whether the airline has the capabilities to execute them in practice. In this context, capabilities include the tools, infrastructure, data flows, supplier relationships, and operating mechanisms that help the airline support its chosen payment model consistently across channels, customer segments, and selling contexts.

As an illustration, the airlines have just decided to update the Reference Business Architecture (RBA) outlining the essential business capabilities that airlines need for an efficient distribution of passenger services, by identifying and highlighting the payment capabilities.[1]

The relevant question is not whether an airline can accumulate more payment tools or providers. It is whether the capability set in place is sufficient to support the airline's priorities across reach, conversion, cost control, cash-flow quality, risk, and resilience.

For some airlines, the priority may be stronger authorization performance and better routing control. For others, it may be fraud-management maturity, clearer orchestration across channels, improved integration with retailing and finance processes, or a more resilient supplier model.

Capabilities also determine whether strategic choices can be translated into practical action without creating fragmentation. Where the airline wants differentiated treatment by market, channel, customer segment, or payment context, the underlying capability stack needs to make those choices executable, visible, and governable over time. That can include gateway and orchestration choices, fraud-management tooling, authorization and routing logic, data and reporting support, reconciliation-enablement, and the external provider relationships that support them.

This can also include supplier-model choices, such as whether a multi-acquirer approach is likely to strengthen resilience, performance, market fit, routing flexibility, or concentration-risk management, while recognizing that additional providers can also increase operational and governance complexity.

Capabilities can not be separated from strategy or governance. They are the execution layer that makes the airline's intended payment model workable in practice. The present Framework does not prescribe a single capability architecture, and the detailed implementation choices are documented in the Companion Assets and the Annex pack accompanying this document. Its role here is to establish that capability readiness is a management consideration in its own right, because the quality of the capability layer often determines whether payment choices remain theoretical or become operationally usable over time.

Readers seeking deeper operational and technical implementation considerations can refer to Companion Asset 1 – Airline Payment Channel Policy Playbook and Annex A – Payment Technical Reference.

Capabilities make the payment model executable in practice, but execution still needs to be reviewed, challenged, and improved over time. That is the role of the monitoring and improvement loop.

14. Monitoring and Improvement Loop

Once the model is in operation, leadership still needs a way to assess whether it is producing the outcomes it was designed to support.

Monitoring is not a reporting add-on. It is the management process that helps the airline see whether its payment choices are working across the enterprise, where trade-offs are emerging, and where adjustment may be useful. In that sense, monitoring connects strategic intent, execution, and continuous improvement.

The key leadership question is not simply whether more data exists. It is whether the airline has a practical way to bring payment performance into management discussion, looking across channels rather than only within them, and considering results in a balanced way rather than through a single metric.

A useful monitoring approach helps the airline answer a small number of management questions: is payment supporting the intended customer and market outcomes; are costs, cash-flow dynamics, and risk exposure moving in the desired direction; where are channel-level choices creating unintended enterprise effects; and which issues call for adjustment in governance, capabilities, or operating choices.

Monitoring also supports organizational learning. Payment environments evolve, customer behavior changes, and the economics of channels and instruments shift over time. A disciplined review process helps the airline avoid treating its payment approach as static and creates a feedback loop through which priorities can be refined and trade-offs revisited as conditions change.

A useful monitoring approach also benefits from a clear review rhythm. Payment performance is most valuable when it enters management discussion regularly enough to support action, but not so frequently that review becomes a data exercise without decision value. In practice, airlines often benefit from combining a lighter operational rhythm, where emerging issues and channel-level developments can be observed, with a more deliberate enterprise review cycle that brings payment into broader management discussion across commercial, finance, treasury, distribution, and technology.

The most effective monitoring models are usually not the most complex. They are the ones that make payment performance visible enough for leadership to act on it. Detailed metric libraries, scorecards, and KPI structures are detailed in Companion Asset 2- Airline Payment Monitoring & KPI Pack accompanying the present document. The role of the Management foundation is to establish the management logic: strategy sets direction, organization and governance create the conditions for execution, capabilities support delivery in practice, and monitoring helps the airline learn, improve, and stay aligned over time.

1 Publication of the updated RBA pending at time of this Framework publication.

15. The Airline Payment Index as a Maturity Anchor

Once payment is treated as a structured management topic, airlines benefit from a practical way to assess how far that capability has been built and where improvement effort should concentrate. The Airline Payment Index questions included within the ARM index provide that anchor. It is an IATA diagnostic tool embedded in the IATA's larger Airline Retailing Maturity (ARM) program that offers a structured way for airlines to assess payment maturity across the core dimensions that matter most, and to identify gaps between current practice and the level of payment discipline needed to support broader airline goals.

Rather than leaving payment improvement as a general ambition, the Index helps translate that ambition into a more concrete, prioritized, and trackable path, making it useful both as an entry-point diagnostic and as an ongoing reference for how the airline's payment capability is developing.

> Management implication: the Airline Payment Index is most valuable when used actively, as a starting point for prioritizing effort, and as a reference point for tracking progress over time.

16. What a More Disciplined Payment Model can Help Airlines Achieve

In summary, when the different parts of this framework are put into action together, airlines may be better placed to realize a broader set of commercial, financial, and organizational benefits. A more disciplined payment model can help strengthen alignment between payment choices and airline strategy, improve the consistency of channel and policy decisions, and make payment performance more visible to leadership over time.

In practice, this can support better customer conversion and experience, clearer trade-offs between growth, cost, cash-flow quality, and risk, and stronger cross-functional accountability across commercial, finance, treasury, distribution, and technology. It helps airlines move from reactive payment management toward a more structured model in which priorities are clearer, decisions are easier to govern, and improvement becomes more measurable and repeatable.

The Airline Payment Index can serve as an initial status assessment, helping leadership understand current maturity, identify priority gaps, and begin shaping an improvement path over time.

17. Conclusion

The case for treating payment as a deliberate leadership concern is now clear. The environment has become more complex, the financial stakes are higher, and the gap between airlines that govern payment as a management discipline and those that do not is widening.

The central leadership choice is whether payment will continue to be shaped mainly by accumulated local decisions, or be governed deliberately as part of the airline's commercial and financial model. Different airlines will make different choices about reach, cost, risk, channels, and organization, and those choices should reflect the airline's own commercial priorities, markets, and operating realities. What the Framework offers is a common logic: payment performs better when strategy, organization and governance, capabilities, and monitoring are treated as connected rather than separate; when ownership is clear; and when performance is made visible enough for leadership to act on it.

The airlines that benefit most from this Framework are rarely the ones that launch the largest programs. They are the ones that make that leadership choice clearly: to treat payment as a management discipline, organize around it deliberately, and improve it in a structured rather than reactive way. In practice, that choice can help turn recurring tensions, such as reach and control, conversion and cash certainty, and growth and resilience, into decisions that leadership can see, govern, and improve over time. That is what a more disciplined payment model ultimately makes possible.

18. Short Glossary

Acquiring
The set of services through which a payment provider processes card or other payment transactions for a merchant and helps route funds for settlement.

Airline Payment Index questions
An IATA diagnostic tool for airlines, a key component of IATA's larger Airline Retailing Maturity (ARM) program. It allows to assess the maturity and performance of their payment and settlement foundations and create the conditions for value creation in payment, settlement, and distribution.

Alternative form of payment (AFOP)
A payment method other than traditional card-based payment, such as bank-based transfers, stored value wallets like AliPay or PayPal, instant payments, or other locally relevant payment options.

Chargeback
A reversal of a card payment initiated through the cardholder's issuer, typically following a dispute, fraud claim, or service-related complaint.

Holdback
A portion of transaction funds temporarily withheld by an acquirer or payment provider as protection against future risk or loss. These provisions are often set out in acquiring or payment-provider contractual arrangements.

Modern Airline Retailing (MAR)
The airline industry's move toward more customer-centric, offer-and-order-based retailing models that can support more flexible selling, servicing, and payment experiences.

Multi-acquirer
An acquiring model in which an airline uses more than one acquirer or payment-processing relationship to support resilience, market fit, performance, or cost optimization.

New Distribution Capability – NDC
An IATA data exchange format that supports richer airline distribution and more direct exchange of offer, order, and related servicing information.

Payment conversion
The successful completion of a sale through the payment step, including the customer's ability to pay with an accepted method and complete the transaction without avoidable friction.

Remittance
The transfer of collected funds from the party receiving the payment to the party entitled to the proceeds under the relevant payment or sales model.

Settlement
The process through which approved payment transactions are finalized and funds are transferred to the receiving party.

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