Industry Payment
all sales channels
**The case for change**

Risk of opportunity loss equivalent to $7 per Pax

Payment and Retailing Opportunity by 2030 (in B USD)


Note: value creation opportunities = sum of additional revenue + cost reduction opportunities
The three strategic activities to consider

1. Drive value along the Payment Index
   - Possible pathways
   - **Industry set-up** the Payment Index
   - **Airlines take individual actions**

2. Identify and prioritize value creation enablers
   - **Industry set-up actionable “tools”**
   - **Airlines take individual actions**

3. Modern Airline Retailing Design Blueprint
   - **Industry sets** STDs / RPs features for Offers & Orders, Payment, Finance
   - **Airlines take individual actions**

Glossary - STD: IATA Standards, RP: IATA Recommended Practices
note – decisions will always be up to each Airline and its individual commercial strategy
In the context of the ARM index

Pillars for value creation

- **Commercial Strategy**
  - Retail
  - Corporate

- **Payment Strategy**
  - Architecture
  - Process
  - Systems
  - Data

- **Capabilities**
  - Transversal teams
  - Skills

- **Organization**
  - People
  - Conversion & abandon rates
  - Strategy & policies KPIs
  - Revenue & Costs

- **Monitoring**
  - Conversion & abandon rates
  - Strategy & policies KPIs
  - Revenue & Costs

- **Value Creation**
Overview

Activities available now

- Moving to Modern Airline Retailing
- Optimizing 4 pillars
- Implementing 4 pillars
- Securing the foundation

Prepared for the future

Modern Airline Retailing
Payment & Finance

- Target Architecture
- “To Be” main processes
- Main gaps identified
- Prioritized improvements
- Full end-to-end integration
- STDs / RPs features complete

Payment Index

Payment enablers

- Customer Reach
- Conversion Rate
- Corporate Payment
- Regulations
Value creation limited by the lowest common denominator

Value creation = 14 Bn

For illustration only
Control of payment to create value

Payment for Full Offers & Orders
- Payment value creation in full offers & orders

Optimizing 4 pillars
- Leveraging for value creation

Implementing 4 pillars principle
- Organization / Strategy / Monitoring / Capabilities

Securing the foundation
- Minimum requirements for all channels

Orders
Offers
Tickets
Bookings
Payment Index: what is it exactly?

Assessment tool for all airlines

Pilot Airlines assessment completed

20 questions as pre-diagnostic
Airline Payment Index next steps

- **WFS 2023**
  - *Is the industry getting organized?* 26 Oct.11:45
  - Airline Payment Index-airline discussion

- **Preparation phase – Q4 2023**
  - Documentation/guidelines

- **Early 2024 launch**
  - Access through MAR program (MAR airline)
  - Submit signed application form
  - Input data and supporting documents in platform