



Travel Payment Solutions:

How the Travel Industry is Meeting Rising Customer Demands.

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1. Tourism in transition: travel is becoming mobile and personal

The coronavirus pandemic hit the travel industry hard in 2019/2020, as measures to contain the virus led to an almost complete shutdown of tourism worldwide.¹ Nevertheless, every crisis provides an opportunity to expose structural weaknesses and create situational agility and manoeuvrability. Two such solutions in this area are digitalization and personalization.

Travelers have long demanded a smooth as well as emotionally positive experience – from booking to arrival – and if they don't like it, they switch with a click to one of the numerous competitors. Inspiration for the next vacation destination, price comparison, booking, check-in, boarding pass, onboard purchases, and transfer booking at the destination – everything is now conveniently available to the guest in mobile or app format and can be tailored precisely to their preferences or interests.

The importance of booking via mobile devices has increased significantly in recent years. In Germany, for example, 39 percent of users obtain information about their trip via mobile devices, however, only 13 percent book via smartphone or tablet.² The reasons for this are primarily the uncertainty of receiving the same prices on the move, the limitations of mobile booking sites, and the unwillingness to enter their bank details online. Travel companies must



evolve by creating conditions that enable smooth, contactless and secure booking on all devices.

Since customers are used to this from e-commerce and stationary retail, they are also demanding a simpler and more pleasant shopping experience in tourism – also in terms of payment. More and more travelers expect payment to be integrated into their trip in a straightforward, transparent, and mobile form. With every interruption, the risk of losing the customer to the competition increases. PayPal, credit card, NFC smartphone payments or vouchers; on the website, at the airport counter, at the ferry station or in the hotel – if you don't offer customers the payment method they demand, you put your own sales at risk. Instead, offering a positive, smooth experience including booking, hotel check-in and a day trip, with a maximum of choice, convenience and reliability, will ensure the long-term survival of your business – with satisfied customers and positive reviews.

¹ OECD Policy Responses to Coronavirus; Rebuilding tourism for the future: COVID-19 policy responses and recovery, december 2020

² VIR „Daten und Fakten zum Onlinereisemarkt 2021“

2. Travel companies under pressure – also in terms of payment solutions

"The travel industry, both nationally and internationally, has never been under as much pressure as it is today. Driven by strong competition and increasing customer demands, innovation and digitization are inevitable. The pandemic has also, however, shown how quickly travel conditions can change, suddenly presenting the industry with entirely new challenges", says Dominic Grant, Senior Key Account Manager Travel, Getnet Europe

To meet these and future challenges, however, it is crucial to create the right conditions. Tourists are also putting pressure on travel companies in terms of the payment methods they expect. The aim here is to offer customers what they have long been demanding, to make them the focus of all activities and to fulfill their wishes and requirements. For online travel bookings or onboard shopping in airplanes or on cruise ships, if the passenger cannot use his or her desired payment method, the likelihood of closing the deal drops significantly. If the market competitor offers it, the customer is lost with just one click.

Payment options for customers are many and varied. From the classic payment by credit card or NFC payment with the smartphone, to online wallets such as PayPal or payment using loyalty programs (e.g., collected miles or credit), it is important to provide a suitable and user-friendly payment system for travelers and to ensure integration into existing

processes. This is a challenge that companies in the tourism industry have to face – today more than ever.

3. From mere booking to a convenient travel experience

In addition to improvements in security and efficiency, digitalization and personalization measures can also meet increasing customer demands. After all, the way customers used to book trips and take advantage of offers is no longer the same as it is today.

For tourists, the digital transformation means an even more convenient journey, from booking, on-board experience to arrival itself. With mobile tickets or convenient booking platforms, development is still in its infancy.

For travel companies in particular, thoughtful and targeted digital transformation pays off. They benefit from:

1. Satisfied customers
2. Differentiation from the competition
3. Valid data about your customers and their preferences
4. The development of suitable products and services using data analysis
5. The opportunity to generate additional revenue

With a targeted strategy and the right partners, offering customers an omnichannel travel experience is not as difficult as some companies think. In many cases, the necessary technology and techniques are already available – they just need to be utilized.

Easier trip planning and execution

There are many opportunities for a convenient omnichannel travel experience. Starting with the booking of the trip, which can be facilitated by providing a complete package, for example, including travel to the destination by train, plane, or ship. Customers can also be provided with a helpful digital plan for their trip: When is departure, where do travelers have to be at what time, when is the scheduled arrival, what route does the booked means of travel take –

all compiled individually for each traveler in real time. For the customer, this results in a convenient and smooth travel experience. He or she books the ticket for the journey online, waits on the right platform or goes to the right counter on the day of departure, can board the train directly and without contact thanks to online check-in, and can then make themselves comfortable during the journey.

Additional digital services for travelers

Contactless online check-in makes travel more convenient for customers and safer in times of pandemics. Services such as express check-in, the booking of specific meal times or additional services, such as wellness treatments or show admissions during a cruise, are also easy for travel companies to manage with the right technology. Customers can use additional digital services to tailor their trip exactly to their wishes. With subsequent data collection, companies learn which services are in demand and which are not, can optimize processes and provide an offer that is ideally suited to their customers. Loyalty programs, which are already known from other industries, are also a step towards more personalization. These can not only increase loyalty to the company, for example with bonus points for regular customers, but can also be used for exclusive offers or upgrades.



Simple shopping experiences with a payment mix

Digital payment methods allow travelers to have a stress-free time on board the ship, plane or other means of transportation. A variety of classic and modern payment options give travelers the opportunity to pay bills in their preferred way. Using Alipay, ApplePay or by credit card – both at the point of sale and online, an optimal payment mix offers the best conditions for additional sales and a high level of conversion.



4. Efficiency, potential, security: why the travel industry must drive digitalization forward

Digital payment focuses first and foremost on the customer. It is important to meet their expectations and demands in order to satisfy them and stand out from the competition.



In addition, travel companies should pursue three further goals with innovations in the area of payment methods:

1. Expand efficiency and convenience
2. Fully exploit the potential offered, and
3. Increase security.

These opportunities for travel payment solutions are examined in more detail below.

Efficiency and convenience

Travel companies do not have to reinvent the payment wheel, instead it is advisable to look for an international payment processing expert as a reliable partner when integrating modern payment systems. This not only has the advantage of freeing up more time for the actual business, the specialists also have knowledge of current regulations and developments.

These include, for example, local differences in payment method preferences. While direct debit is still popular in Germany, Americans value their credit card, in the Netherlands they rely on iDEAL, and in Asia Alipay and WeChat Pay are preferred. It's not easy to keep track of all this and to respond immediately to new trends. With a payment expert like Getnet Europe, travel companies gain a partner that offers and covers countless possibilities and

options. In addition to offering travelers different payment methods, appropriate payment solutions can also increase your own employees' convenience and administrative effort can be reduced. Unforeseen and enormous costs, for example in the case of an unscheduled airplane stopover, can be settled without great bureaucratic effort using a credit card deposited with the on-board staff. There is no need for lengthy coordination between the airline, airport and insurance company.

Potential

For travel companies, the choice of payment methods offers enormous potential that must be exploited. Giving customers a choice of their preferred payment systems increases conversion rates and, ultimately, revenue opportunities. But this is just the beginning. By integrating data-based services, travel companies get to know their customers, their preferences and habits better and can use this for individual offers and experiences.

Especially in the travel industry, where it is difficult to build long-term and emotional customer loyalty and not be seen as interchangeable, it is important to remain positive in the customer's mind. A traveler has certain food or seating wishes? Then the ideal solution is to make them an individual offer shortly before the start of their trip, for example for a snack or an upgrade, which they can then simply pay for by

credit card, loyalty points or their favorite payment methods. Small tokens of appreciation for premium customers or compensation for delays also increase traveler satisfaction. Companies benefit from digital loyalty programs by receiving important information on buyer behavior, customer history, target groups and valuable feedback on their own offers and services.

Security

Fraud continues to be a major source of revenue loss for travel companies. As customers demand more and more payment and booking methods, the challenge to be up-to-date and provide comprehensive fraud management is growing.

The following is exemplary for the airline industry: Whilst, for example, according to a Phocuswright study, the classic credit card is by far the most frequently accepted payment method with 99 percent of airlines for direct bookings, the risk of fraud is also considered to be above average here at 27 percent. Online wallets such as PayPal or Alipay are offered much less frequently, at 62 percent, although only three percent of respondents see an increased risk of fraud, and 57 percent even associate a below-average risk of fraud with this payment option.³

Travel companies must, therefore, strike a balance between offering customers a wide range of payment options and providing appropriate protection against non-payment and fraud.

important prerequisites for the major goals: Satisfying customers, increasing efficiency, exploiting potential and ensuring security. Ultimately, all of these goals are intertwined when it comes to finding the ideal payment system for your own travel company.

Relying on external payment specialists can be extremely helpful. With regard to fraud management at airlines, for example, according to the Phocuswright study, 33 percent of them consider a lack of internal resources, 31 percent consider keeping up with new fraud management technologies and 24 percent consider a lack of internal expertise to be relevant difficulties.⁴ With a payment expert at their side, companies in the tourism industry instead have more time for day-to-day business and can respond more easily to payment trends and customer needs.

"The know-how of the travel companies, the existing infrastructures and Getnet Europe's expertise in payment and data innovation has the combined potential to bring new trends to the market", says Dominic Grant, Senior Key Account Manager Travel, Getnet Europe

5. Conclusion

The increasing number of tourists, growing travel spending in conjunction with more demanding customer requirements and strong competition create both opportunities and risks for travel companies. In order to keep up and grow, they need to analyze their payment methods, detect errors, identify potentials and actually utilize them.

The automation of payment steps, actions focused on customers and sophisticated fraud management are



³ Phocuswright + Cycersource White Paper: „Benchmark Study: 2018 Global Airline Online Fraud Management“, March 2018

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6. Getnet Europe: the all-in-one payment solution for travel companies

Getnet Europe offers travel companies tailor-made solutions that ideally fit their requirements. Whether online, mobile or offline at the point of sale, Getnet Europe is the right partner for payment methods, risk and fraud management and consulting.

"Especially in these challenging times, we continue to reliably support the travel industry as an experienced partner. We know exactly what makes their target groups tick, what their demands are and how to win them over as long-term customers", says Dominic Grant, Senior Key Account Manager Travel, Getnet Europe

Getnet Europe supports all travel company sales channels of and offers access to the most important booking systems in the industry. New regulations and payment models are creating more and more complexity in this area. It is important to have a reliable partner to support you with

regard to the changes in the payment landscape, to provide data and to analyze it.

Getnet Europe Travel Payment Solutions

- ✓ **Full Payment Service Provider:** Getnet Europe offers a comprehensive portfolio of payment services. With our expertise in the travel sector, we offer complete solutions from a single source and global payment processing for offline, online and mobile sales channels.
- ✓ **Getnet Europe Travel Team:** Our international employees have many years of experience and extensive market knowledge. As consultants, we know the specifics of the travel industry, but never forget the customers', travelers' and guests' perspective of.
- ✓ **Always one step ahead:** Getnet Europe is constantly evolving as a payment service provider. We react quickly and flexibly to new market requirements and take the important steps today to meet the challenges of tomorrow.