

White Paper

2023: Reimagining a brighter future for Travel and Hospitality



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Background & Introduction



Travel and Hospitality experienced a roller-coaster ride in 2022 with the year marking a period of recovery for the industry. Destinations around the globe benefitted from travellers eager to take **domestic and international leisure trips**, whether to visit family and friends after months of separation, or to partake “revenge” travel, making up for missed trips during the pandemic.

It is expected that 2023 will see global travel continue its strong recovery path with [tourism performance](#) continuing to point to **strong growth in inbound spending**, despite increased costs and the pressure of fresh industry challenges.

In stark contrast with recent years, people around the world are overwhelmingly more optimistic about travelling and the new ways of doing it.

If 2022 signalled a triumphant return to travel, 2023 will be about reimagining it amidst continuing chaos.

This paper sets out why the future for Travel and Hospitality looks limitless as a series of new trends and innovations look set to dominate - accelerating the rate of **digital transformation** and broadening the industry’s horizons in the process.



Travel and hospitality industry trends



Travel spending increases

Missing out on trips during the pandemic meant that consumer **travel budgets were often higher** once the world reopened. International visitors **boosted spending** in the world's most-visited cities in 2022 and were one of the key contributors to driving recovery, according to the [Top 100 City Destinations Index 2022](#). **Luxury experiences** are also back on the table after mid-range hotels removed many additional “perks”, making luxury hotels stand out even more than before. Similarly, with airlines and other attractions remaining understaffed, consumers might be forced to pay more for a comfortable, frictionless experience.



The rise of the digital nomad

The digital nomad trend has exploded since 2019, especially as companies continue to implement location agnostic working policies. Whilst for some, the idea of full-time nomadism is too extreme, a more nuanced version is also emerging, typically **lasting less than a month**. The hospitality industry is also expected to witness more “bleisure” travels – **combining business and leisure travel** where an individual travels for work reasons primarily and then extends their trip for a mini-vacation, often with families accompanying them.



Sustainable travel goes mainstream

Whether it is under the appellation of sustainable, responsible, or eco-travel, travellers are now **more sensitive than ever to the ecological impact of their vacations**. Furthermore, a new type of ecological travel is also on the rise, **regenerative travel**, aiming at offering trips that have net-positive impacts, bringing sustainability to a whole new level. People are increasingly looking to have a connection to the land where produce is sourced, and the demand to visit farms or have an ‘agrication’ experience is growing at pace.



Digitalisation enhances travel experiences

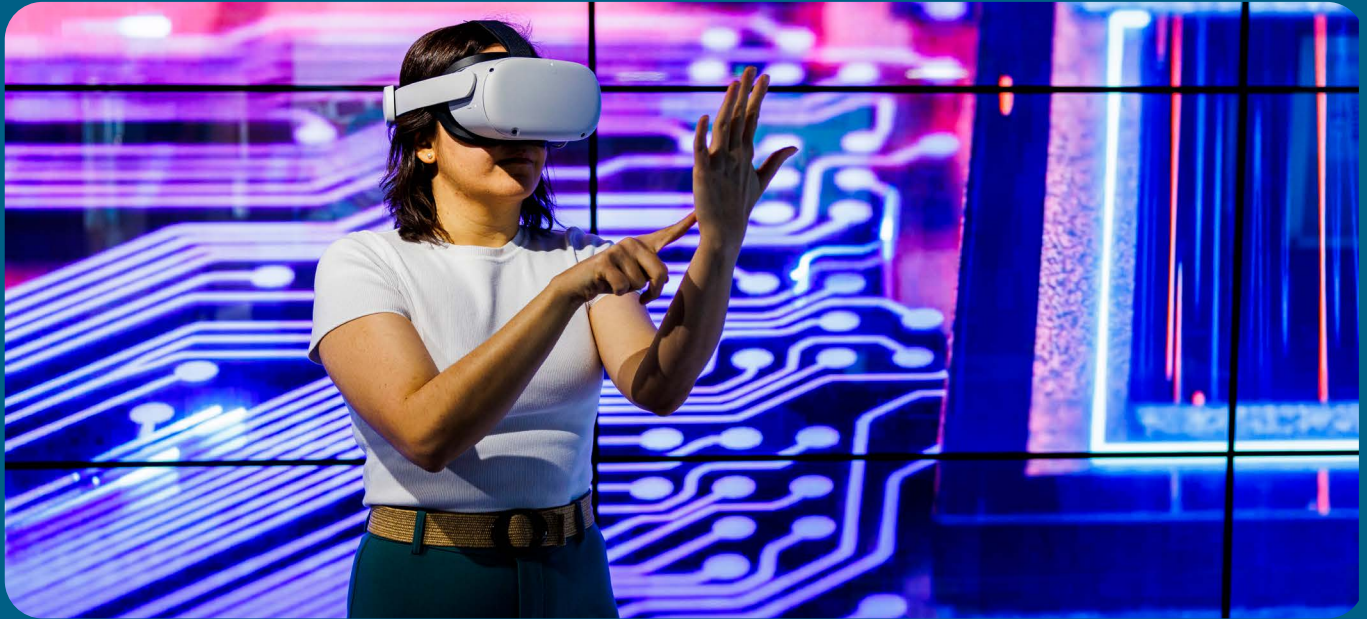
The digitalisation of Travel and Hospitality services will keep rising during 2023, creating **more efficient** and immersive user journeys for travellers. Features including the possibility to **virtually explore destinations** during the booking process will become available whilst payment innovations continue to evolve and provide an all-round more seamless customer experience.



Exchange rate travel

In late 2022, those in major recovering economies began to find the prospect of **international travel** more affordable with the pound recovering well, and the dollar and euro almost achieving parity. As a result, savvy travellers are increasingly beginning to **choose where to travel based on the most advantageous exchange rate**.

Key payment and technological innovations to consider



As travel itineraries become more complex and demographics shift, the industry is beginning to embrace a plethora of new payment methods which ultimately provide a **better experience for clients** who are now used to simply tapping a screen to make their online purchases. Having the **right technological solutions in place** can help the industry manage its ongoing staffing crises by allowing them to do more with less. Meanwhile, these solutions help to rebuild relationships with customers, to understand them better and to provide them with the services they need at the right price points.

Here are some of the **latest payment innovations for Travel and Hospitality merchants** to consider when mapping out a **business strategy for 2023**.



Trend #1

Welcoming Web 3

A new era is looming for the travel industry in the emerging shape of Web 3. Covering technologies at various stages of development, including **blockchain, cryptocurrencies, augmented reality, and virtual reality (AR/VR)**, Web 3 is much more than just another technology stack. It delivers an entirely new virtual experience for users. While Web 3 is still in its early stages, companies who can deliver products and allow consumers to pay for goods and services in the **Metaverse** will find themselves in a strong position for the future. These technologies will also transform the way consumer data is used, reduce the power demand and carbon intensity of online commerce, redefining relationships between Travel and Hospitality companies and their customers for generations to come.



Trend #2

Tourism in the Metaverse

The Metaverse and the way we will share an **immersive 3D virtual space**, using headsets or other virtual reality (VR) technology, is redefining travel and 2023 will be the start of a big decade for Metaverse investment. Whether it's prior to a trip, at the travel agent, or maybe it's buying tickets, checking in luggage, or navigating the airport, companies are increasingly leaning into the metaverse to aid and enrich the travel experience. For those thinking about taking a holiday but aren't sure where to go, travel agents are considering offering online virtual experiences so that travellers can **"try before they buy"**.



Trend #3

The AI Personal Assistant

Thanks to **AI chatbots**, travel and hospitality companies can vastly **improve the booking experience**, provide **support 24/7** during the whole customer journey, as well as an **extra level of personalisation**. In essence, chatbots can become the ultimate dedicated, personal assistant for travellers. Within the industry, companies from almost all areas stand to benefit from AI chatbot technology. Those in sectors like the hotel industry, airline industry and restaurant industry can capitalise on improvements to booking processes and faster customer service response times. And the list extends far beyond this. Vehicle hire companies can use chatbots to answer common questions or facilitate easy car, van, or motorcycle rentals.



Trend #4

Biometric payments

Another emerging innovation is **facial and palm recognition technology**. Using biometrics, this technology can recognise the unique shape of your face, your eyes, or fingerprints, providing a **high level of security in terms of authentication**. For example, some hotels use this technology to allow access to rooms via fingerprints or to allow for semi-contactless check-outs. Biometrics can be **easily integrated into a Travel and Hospitality merchant's application** or in an unattended queue, providing a **frictionless and enhanced payment experience** while impacting on operational efficiency and reducing fraud at the same time.



Trend #5

Conversational commerce

Conversational commerce is another new way for businesses to interact with their customers through messaging and chat apps like **Facebook Messenger, WhatsApp** and others. Customers can **keep track of bookings, get support, personalised recommendations, and even purchase products or services** – via a payment link – from within the messaging apps themselves. Offering a wide range of channels to customers is key to providing a personalised experience.



Trend #6

Central Bank Digital Currencies (CBDC)s & Non-Fungible Tokens (NFTs)

CBDCs are digital replications of existing monetary cash value and should be on the 2023 agenda of any Travel and Hospitality business looking to advance their digital payments capabilities. Meanwhile, noise around NFTs has been prevalent in recent years, particularly in relation to the art industry. But, as businesses accelerate their rates of digital transformation, it won't be long before Travel and Hospitality organisations favour the issuing of tickets, provision of hotel room services, the reduction of carbon footprints and much more, via NFTs. When combined with a customer's digital ID, CBDCs **could dramatically prevent fraud or loss of funds** amidst an accelerating shift towards cryptocurrency assets.



Trend #7

Personalising the payment experience

Alternative digital payments options like **digital wallets** and **Buy Now Pay Later (BNPL)** are gaining traction mainly due to accessibility, affordability, and the option of spreading cost which in turn positively impact customer basket value and conversion rates. In many cases, consumers don't require a bank account to use these payment methods, just a prepaid card. Flexible payment options are attractive to businesses with higher average transaction values, as they allow consumers to split the payment into multiple instalments and reduce the short-term impact on their budget. It also **protects merchants from chargeback exposure** by settling the full transaction value upfront. **Subscription models** are another key element to be considered when defining the payment strategy. In recent years, it has become more and more popular to make monthly or annual payments instead of one-time purchases.



Trend #8

Digital Wallet & Digital ID

Identity is one of the great challenges of the digital age. Trust is one of the most important components for success when you are doing business with someone or trying to access a product or service of some sort. But in a world of remote transactions behind computer screens, trust is increasingly difficult to establish. In June 2021, the **European Commission** set out to tackle this problem head on. It proposed to give every EU citizen a set of **strong digital identity credentials** that will be recognised anywhere in the zone. These credentials will be accessible through a **digital wallet** and available to anyone from their mobile device.

Why is this relevant to payments? Providers, including Worldline, are currently taking steps towards integrating their systems into this new digital wallet, to create a more seamless customer experience when booking, guaranteeing, and paying for Travel and Hospitality products and services. This would also dramatically **save time, money and improve customer experience** when booking a hotel or a flight if a customer's **digital ID is already verified and officially approved**.

An action plan for merchants

As 2023 gets underway, the Travel and Hospitality industry's renewed focus must be placed on the **customer experience**. With people confident to venture out of their homes once more, the industry now has a unique opportunity to provide real joy to its customers. Travel and Hospitality organisations, tour operators, payment providers and indeed the entire ecosystem of travel offerings world provide the possibility of encountering new experiences and cultures beyond our own. Now is the time to enhance people's experiences as they travel, to make their trips **more flexible and seamless** and to encourage spontaneity.

Worldline's Chia Cartaya, Linda Groot and Damien Cramer identify some of the key priorities for Travel and Hospitality merchants going forward in 2023 and beyond.



Chia Cartaya,
Global Head of Sales Travel,
Merchant Services

"In 2023, it is critical that travel merchants first fully understand and implement the rich new technologies mentioned in this paper which will help them create that all important frictionless experience for end customers whilst remaining competitive. In doing so, they will be able to optimise their payment infrastructure and reduce costs by introducing and end-to-end flow all the way from acceptance to acquiring, reducing the number of partners and barriers involved in the process. In terms of the payments players that merchants do select as partners – an emphasis should be placed on those with the right in-house technology, thus enabling more competitive fees and incentives."

"In addition, merchants should look to support omnichannel solutions that provide consistent help for customers."



Linda Groot,
Global Head of Sales Hospitality,
Merchant Services

"In spite of strong evidence of recovery, Travel and Hospitality companies have a multitude of new and growing challenges to contend with such as rising operational costs, a shrinking labour force which is proving difficult to win back and a seismic shift in guest expectations when it comes to hotel technology. Guests are now looking for greater autonomy through the process so the provision of self-managed options is vital – and this can be facilitated through an app or dedicated kiosks that support the check-in and check-out processes."

"Now is the perfect time for merchants to review their service models to see how they can be more efficient, and the adoption of new and smart technologies will play a huge role in this transformation."



Damien Cramer,
Global Head of Sales Travel,
Digital Services

"The travel industry is constantly evolving with regards to payment trends, and it is crucial for travel businesses to stay ahead of the curve in order to maximize their payment potential. Three key payment trends to consider include localisation, fraud management and data solutions, and maximizing authorization rates"

"Localisation is significant in the travel industry and offering a diverse range of payment options can increase customer satisfaction and conversion rates. Fraud management and data solutions are crucial in ensuring payment security and efficiency, with advanced fraud management systems capable of reducing fraud losses by 45%. Maximizing authorization rates is a critical aspect of payment processing in the travel industry, and investment in cutting-edge payment technology can result in an average increase of 10% in authorization rates, leading to improved customer satisfaction and higher sales and revenue"

In 2023, Worldline anticipates greater levels of collaboration across the industry as a whole – it's becoming a far more cohesive ecosystem and every facet of the travel process is equally important. We continue to engage more with customers and partners about how we can help them with their broader vision for what they want to be as a company, what they want to provide to their customers, and what role they want to play within the industry in general.

Worldline's payment solutions for the Travel and Hospitality industry



Travel & Airline Payments Suite

The [Travel & Airline Payments Suite](#) offers a comprehensive and ready-to-use solution to the payment challenges faced in the travel industry. At the heart of this offering is the **payment orchestration platform, TravelHub**, which features a **dynamic routing engine** and a **single integration point** that enhances cost-efficiency and streamlines the payment process for you.

One of the key benefits of TravelHub is its ability to connect with leading technology partners in the travel industry, such as **Global Distribution Systems (GDS)** like **Amadeus, Sabre, Navitaire** or **IATA Financial Gateway**. This gives you the advantage of a fully integrated payment solution without having to worry about technical details. TravelHub's straightforward configuration process minimises development work and **simplifies the integration process**, allowing you to focus on serving your travellers.

The Travel & Airline Payments Suite is specially designed to meet your unique requirements in the travel industry. It includes an **offline clearing process** and a solution for airline indirect sales (BSP/ARC), empowering you to expand your reach as a global company. The platform's **multiple-acquirer setup** provides global coverage of payment processing while optimizing acceptance rates, so you can get the most out of your payment solution. Despite connecting with several acquirers and payment method providers, the Travel & Airline Payments Suite provides a single, consolidated report that makes reconciliation simple and stress-free.

In summary, the Travel & Airline Payments Suite is the payment solution made for the travel industry. With access to global and local payment methods, a dynamic routing engine, a single integration point in TravelHub that connects with leading technology partners, and a focus on ease of integration, the Travel & Airline Payments Suite is the ideal payment partner for your business.

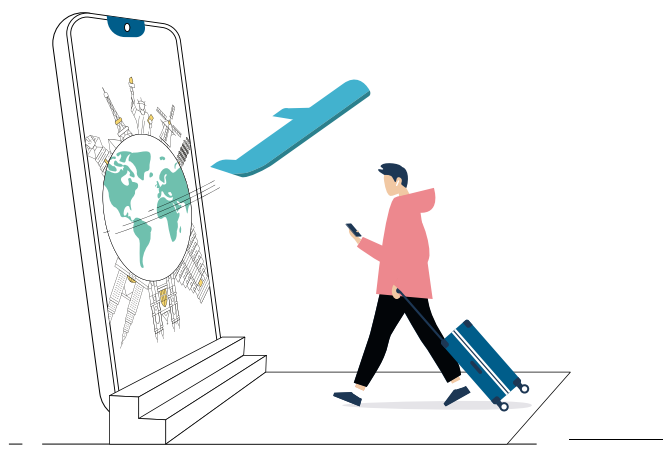
Worldline Hospitality Suite

[Worldline Hospitality Suite](#) is our **dedicated offer for the hospitality industry** and is managed entirely by Worldline. It is a **full-service offering** designed to cover all payment needs, easily **integrated into a hospitality group's infrastructure and hotel management systems (PMS)**. It can drive real efficiency in a business and improve guest satisfaction. Users get one single point of contact for a seamless integration, so they can focus on what matters: serving guests.

Ready for integration

Worldline Hospitality Suite can be incorporated into a property management system (PMS) via a **one-time, simple integration**. It has a uniform payment interface **across all regions in Europe**, without any adjustments to the hotel's infrastructure. It has been designed to provide one solution to connect all sales channels and create an **omnichannel experience for guests**. With tokenisation, it is possible to identify customers on all channels and reward their loyalty, thanks to a single identifier.

Worldline Hospitality Suite covers all hotel use cases, from **pre-authorisation to top-ups or subsequent billing for no-shows**. From booking to check-out, Worldline processes all payments securely, efficiently, and quickly, helping serve travellers and guests from across the globe, by supporting a **wide range of payment brands** and **innovative payment methods**, including **dynamic currency conversion**.



About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry and #4 player worldwide. With its global reach and its commitment to innovation, Worldline is the technology partner of choice for merchants, banks and third-party acquirers as well as public transport operators, government agencies and industrial companies in all sectors. Powered by over 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and secure solutions across the payment value chain, fostering their business growth wherever they are. Services offered by Worldline in the areas of Merchant Services; Terminals, Solutions & Services; Financial Services and Mobility & e-Transactional Services include domestic and cross-border commercial acquiring, both in-store and online, highly-secure payment transaction processing, a broad portfolio of payment terminals as well as e-ticketing and digital services in the industrial environment. In 2020 Worldline generated a proforma revenue of 4.8 billion euros.

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