Welcome Reception Sponsor

ingenico
ePayments
Breakfast Sponsor

DISCOVER
GLOBAL NETWORK
2018 ATPS APAC SPONSORS
How do you deliver outstanding experiences without inviting fraud?

$858M  1-2%  72%

Cost of payment fraud to the airline industry each year
Of travel agency revenue is used to manage fraud
Of businesses worry about preventing fraud without turning away good customers

sift science
Machine learning can separate fraudsters from real travelers

It’s only when you apply behavioral analysis on a large scale, looking at all of a user’s activity and all activity of users across the travel industry, that you can get an accurate picture of whether someone is truly who they say they are.

At Sift Science, we have over 16,000 signals we look at to identify fraud. Here are just a few examples:

- Account age
- Time until event
- Seat selection
- Order size
- Destination
- Buyer location
- Device type / ID
- Fare class

Sources: Statista, eMarketer, Zozi, IATA, Phocuswright, Sift Science

To learn more about how Machine Learning can help you prevent fraud email: Tobias Abdon tobias@siftscience.com
Why the travel industry is about to enter a new era of payments innovation

Klein Wang
Regional Head of Merchant Solutions, Amadeus
“We are going to see more change in the financial services industry in the next three to five years than we have seen in the last 30”

Dan Schulman, CEO Paypal, 2016
How is the travel industry keeping up?
So we asked PYMNTS to conduct a study for us

**PYMNTS.com**
- Leading news site for payments industry
- Team economists, analytics experts, and journalists

**78 respondents**
- Responsible for payments
- Telephone
- Online survey

**Representative**
- **All sizes:** Revenue from $15m to $1bn
- **Key Travel sectors:** Airlines, Hotels, Travel agencies
- Worldwide
Complexity and cost are biggest payment pain points

- Managing all aspects of payments from multiple providers: 41%
- The overall cost of the systems: 40%
- Very hard for customers to pay how they want: 14%
- Too many people required to support: 5%

ATPS APAC, Phuket, 2018
Payments is a significant cost to the travel industry

74.5bn USD

Total acceptance cost (incl. all parts of the payment chain)

- Airlines: 5%
- Travel agencies: 7%
- Hotels: 6%
Elements Included in Payments Cost

- Indirect costs: 44.9%
- Capital spending: 56.4%
- Incremental employee costs: 59.0%
- Direct acquiring costs: 75.6%
- Provider costs: 83.3%
Travel companies expect payment innovation to drive profitability

Airlines are slightly more optimistic than other travel companies

Innovated payment products impact on travel providers profitability (next 3 years)

- Will significantly increase profitability:
  - Rest: 36%
  - Airlines: 44%
- Will somewhat increase profitability:
  - Rest: 57%
  - Airlines: 56%
- Will somewhat decrease profitability:
  - Rest: 8%
  - Airlines: 0%
- Will somewhat decrease profitability:
  - Rest: 0%
  - Airlines: 0%

ATPS APAC, Phuket, 2018
Key reasons to innovate in payments

Very or Extremely important reasons for investing in new payments technologies

- Customers' suggestions: 91%
- Loss of customers: 83%
- Employees suggestions: 69%
- Internal operational stress: 63%
- Competitors’ innovation: 47%
Security and complexity have been preventing travel companies from innovating

Very or extremely important things that inhibit successful innovation

- Consumer data security: 89%
- Card data security: 100%
- Fraud risk: 78%
- Complexity of existing payment systems: 56%
- Insufficient business case: 11%
- Technology readiness: 33%
- Time required to complete innovation: 33%
- Number of people involved: 22%

Source: PYMNTS.com
We are at a tipping point in payment innovation

15% Attempted new payments innovations in the past 3 years

81% Plan new innovation projects in the next 3 years
What advice does Amadeus have for airlines looking to innovate in payments?

Gain a holistic view of payments infrastructure:

• Technology
• Organisation

Ensure you have access to payments experience

Prioritise innovations which:

• Reduce complexity
• Reduce direct or indirect cost
• Improve customer experience
Travel companies must continue to invest in improving their payment infrastructure to maintain a competitive edge.
Thank you!

www.amadeus.com/payments-research