

# Flying Forward: Charting a Course for Airline Payment Strategies



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# Mastercard Travel Updates Airline Payments performance & Wholesale Travel Program

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# Travel Industry Trends 2023

## Key takeaways

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- **Global leisure travel remains robust, up roughly 31% in March 2023** compared to the same period in 2019, representing an impressive 25% year-over-year-to-date change from 2022 to 2023. <sup>1</sup>
- In the second half of 2022, global commercial flight bookings caught up to leisure bookings, driven by regions with a strong return to office culture. Leisure and business travel are now growing at the same rate, up **33%** from the same month in 2019 by the end of March 2023, a **42%** year-over-year-to-date change from 2022 to 2023.
- Travelers are increasingly seeking **unique experiences** in destinations across the world, with **spending on experiences up 65%**, while spending on things up 12%, compared to 2019 as of March 2023. <sup>2</sup>



<sup>1</sup> Corresponds with the number of flight bookings made by leisure travelers during reference period relative to the same time in 2019. Based on aggregated & anonymized Mastercard flight booking data provided by third party partners, sourced by Mastercard Economics Institute

<sup>2</sup> "Experiences" includes tourists spending at restaurants, amusement recreation activities, casinos, nightclubs, bars and other events, while "Things" includes convenience store chains, apparel, cosmetics, sporting goods, jewelry, footwear, bookstores, electronics, toys and department stores. Excludes transportation and lodging spending. Represents analysis of aggregated & anonymized switched volumes (nominal US dollars unadjusted for FX) for leisure travelers while in-destination.



## Economic Tides, Traveler Choices

The economy's mixed signals create a complex backdrop for global travel trends for both leisure and business trips.

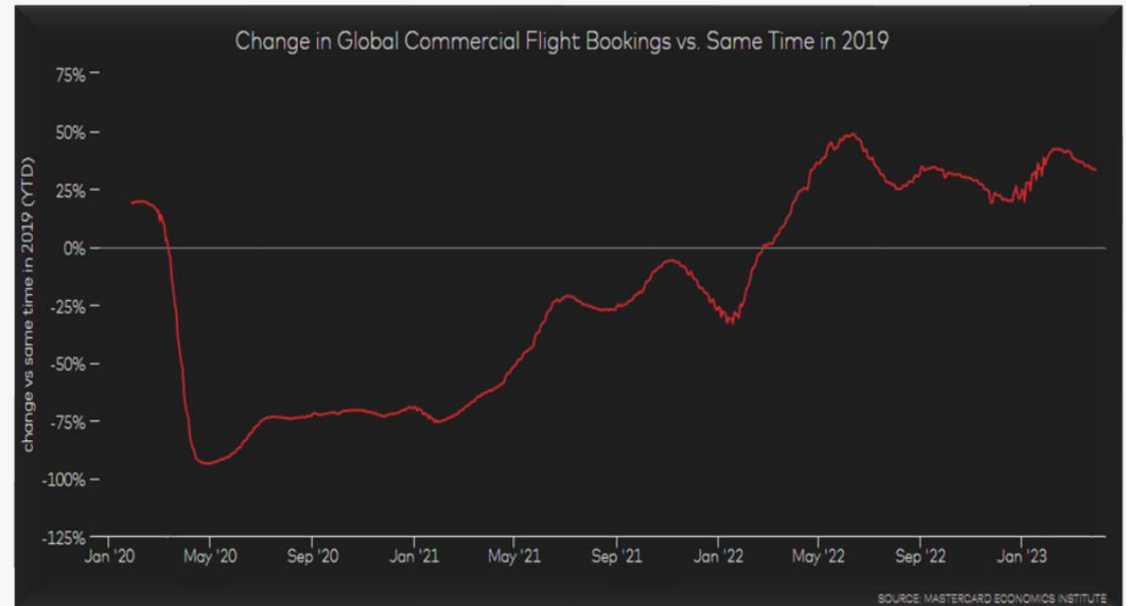
Leisure travel demand remains robust through the end of March 2023. Leisure travel bookings were up roughly 31% at the end of March compared to the same time in 2019, representing a 25% year-over-year-to-date growth between 2022 and 2023. 4.

An increased demand for in-person meetings is fuelling business travel recovery with a 42% increase in commercial bookings. Growth in commercial flight bookings exceeded leisure travel for a portion of 2022 and is now recovering in tandem with leisure travel in 2023

<sup>3</sup> Mastercard Economics Institute estimates of savings in excess of "normal" levels.

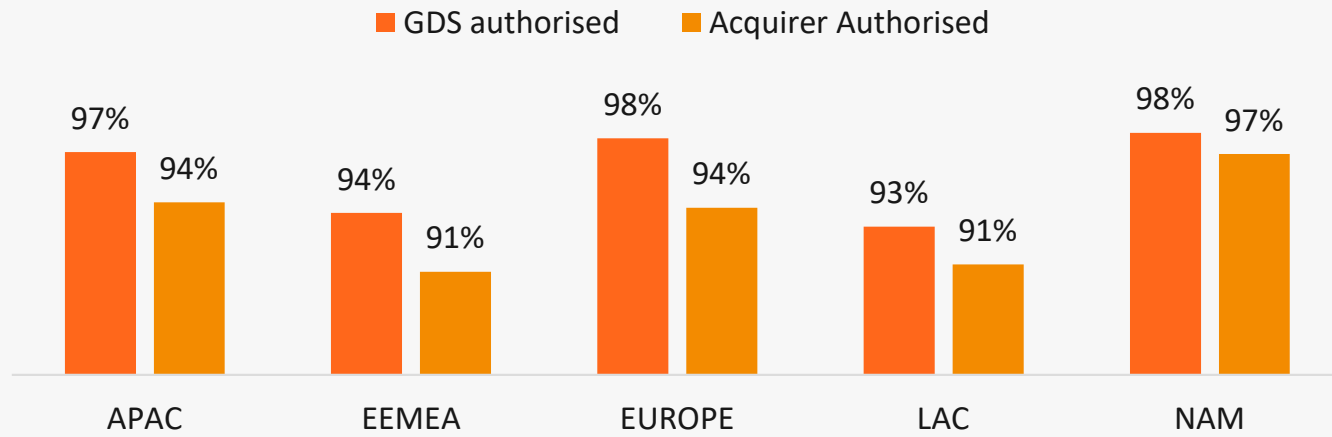
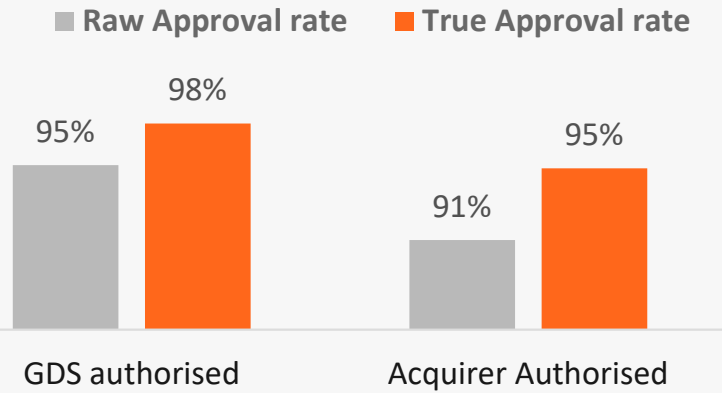
<sup>4</sup> Corresponds with the number of flight bookings made by leisure travelers during reference period relative to the same time in 2019. Based on aggregated & anonymized Mastercard flight booking data provided by third party partners, sourced by Mastercard Economics Institute.

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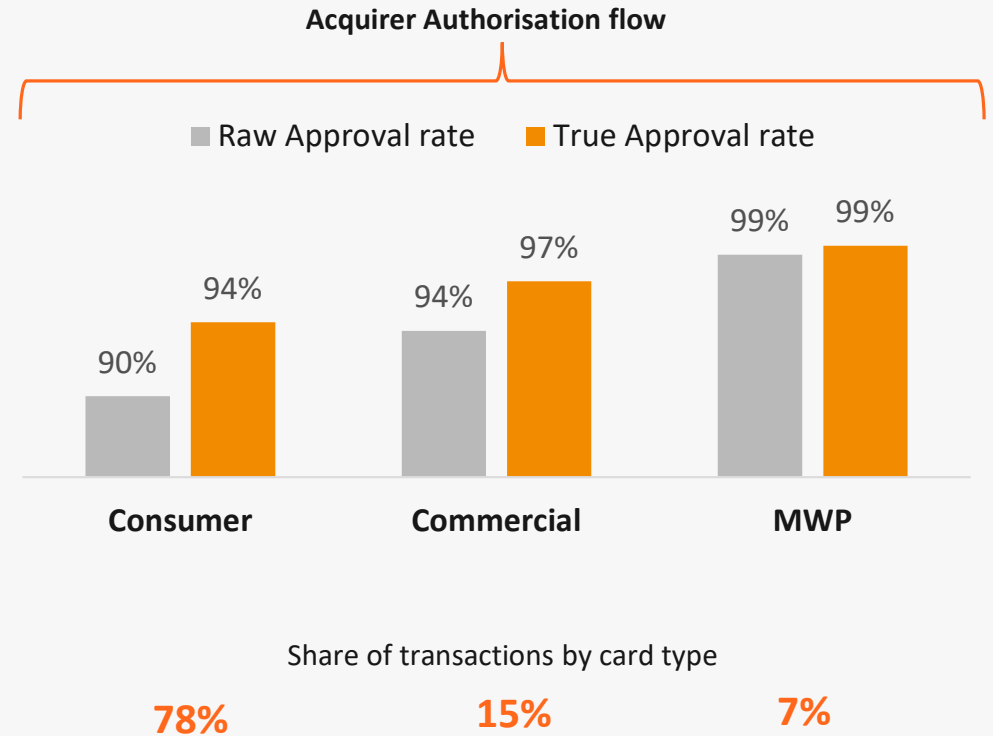
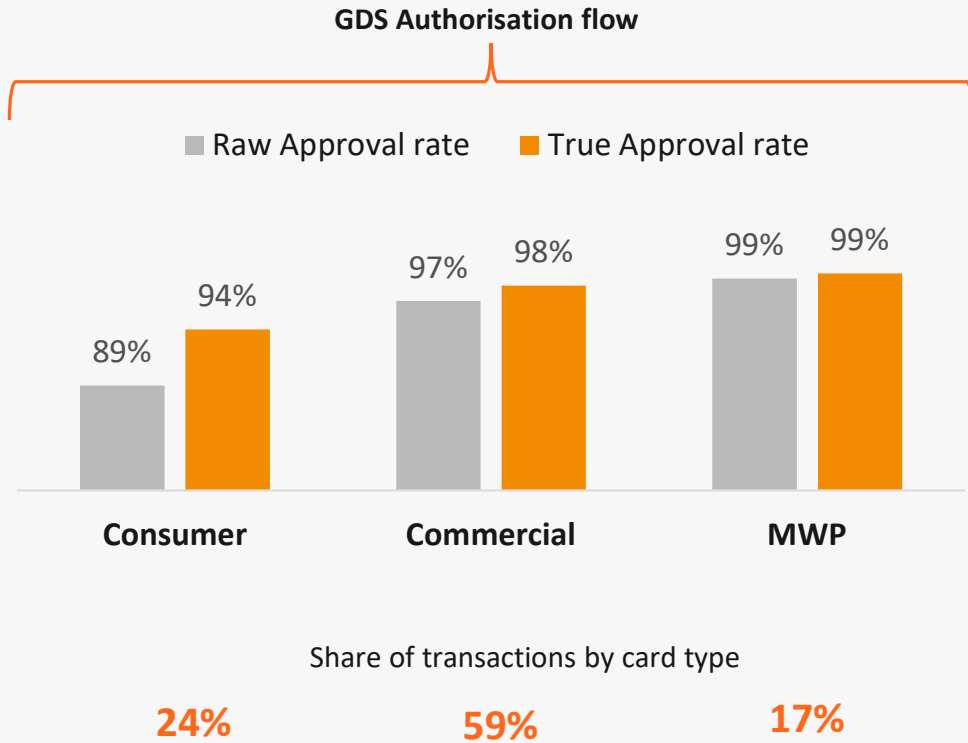
## Airline industry KPIs 1Q23- Approval rates

Source: Mastercard data Approval data 1Q-2023  
Airline Benchmark: 190 airlines  
Regions based on Merchant location.



# Airline industry approval rates by card type

Source: Mastercard data Approval data 1Q-2023  
 Airline Benchmark: 190 airlines



## Decline reason categories- Acquirer authorised transactions

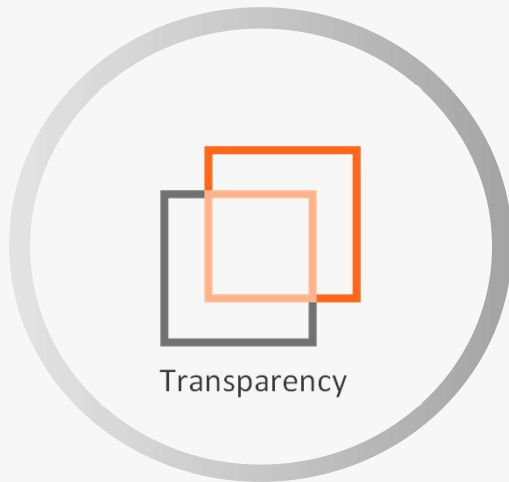
Decline category	APAC	EEMEA	Europe	LAC	NAM
Addressable Decline	5.77%	6.14%	5.57%	10.37%	11.24%
Cardholder Decline	10.15%	7.08%	6.90%	9.92%	18.21%
Credit Decline	33.50%	33.75%	44.36%	32.86%	38.69%
Sec/Policy Decline	32.65%	28.39%	28.50%	19.07%	16.64%
Technical Decline	17.94%	24.65%	14.68%	27.78%	15.23%

Technical declines. - 63 Security Violation- (incorrect CVV number) = 13% of total declines

Technical Decline	14.4%	12%	10%	23%	13%
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# Mastercard's commitment to the travel ecosystem

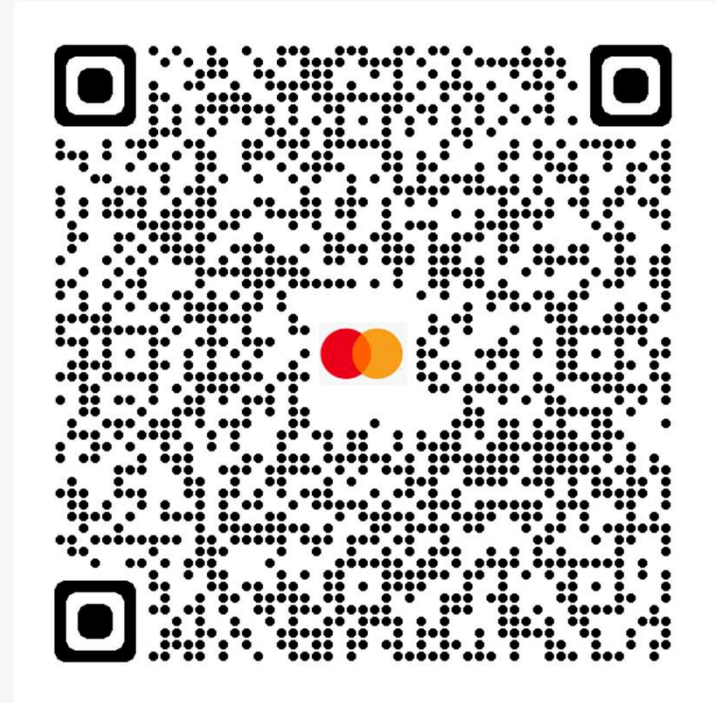


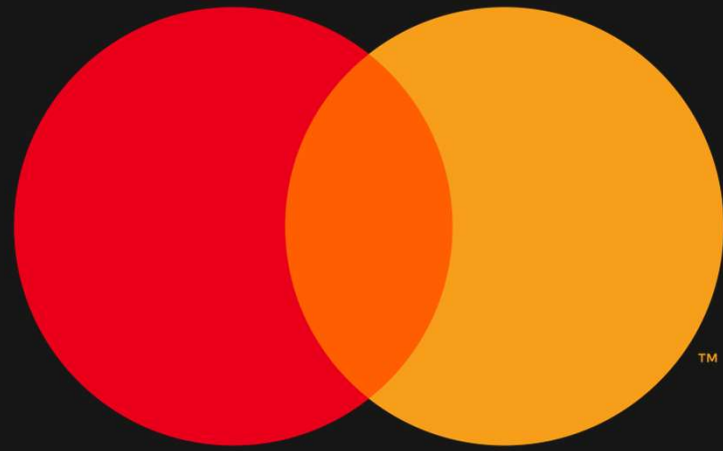


## Mastercard Economics Institute



## Mastercard B2B travel





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