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From Buzzword to Business Imperative:

The Payment Orchestration Journey

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It wasn't long ago that "payment orchestration" was a relatively obscure term — unfamiliar even to many in the payments industry. But over the past decade, it has quietly evolved from a niche technical concept into one of the most talked about ideas in commerce.

Now, it's hard to find a payment service provider, payment gateway, or fintech firm that isn't touting their orchestration capabilities. What Edgar Dunn & Co. once described as a "technical layer that sits between the merchant and the payment service providers and acquirers" has become a genuine phenomenon, one that has appeal for airlines and global travel merchants.

Payment orchestration has grown integral to how airlines and travel enterprises manage their payment ecosystems. Far from being just another industry term, payment orchestration has become essential for managing complex payment environments, lowering transaction costs, integrating alternative forms of payment (AFPs), optimizing international transactions, and adapting to rapidly changing payment trends.

How does it do this? Payment orchestration enables multi-acquirer strategies and streamlines cross-border payments, both of which help reduce payment costs through intelligent transaction routing.

It also supports the introduction of AFPs, allowing airlines and global travel merchants to grow revenue through increased conversions. Additionally, it addresses the complexity of the airline payment landscape, aids in the transition from legacy indirect sales channels to New Distribution Capability (NDC), and future-proofs airlines' approach to payment processes.

Perhaps for these very reasons, recent studies show that 60% of enterprises with revenues exceeding $500 million are considering payment orchestration platforms. But while the appeal of a single black-box platform that solves all an airline's payment challenges is undeniable, it's the sophisticated interplay of specific payment solutions and capabilities that increases security, scalability, and delivers results for airlines. Effective payment orchestration combines multiple elements working in concert to deliver optimal payment processing for the global commercial aviation industry.

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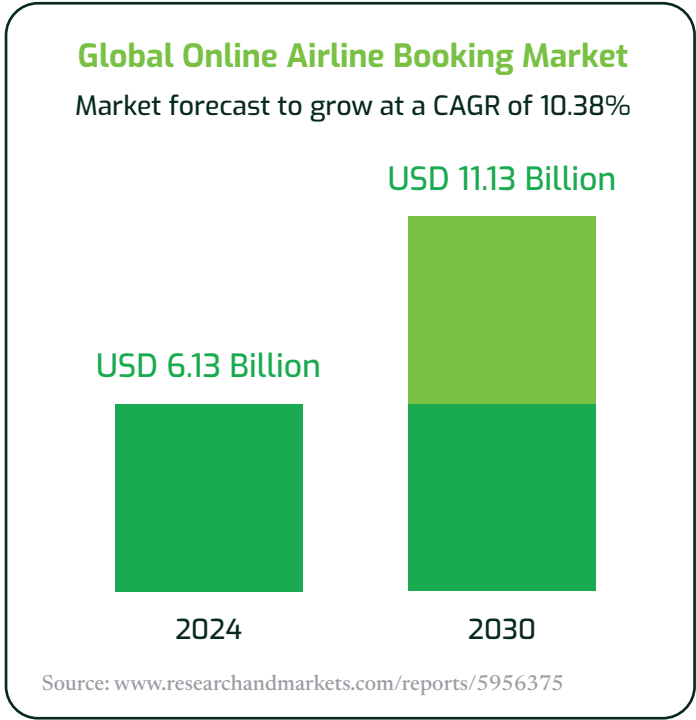
Complex Transactions Demand Comprehensive Payment Solutions

The airline payments ecosystem stands as one of the most complex payment environments across all merchant categories. It's also huge – and growing. The total online airline booking market size was estimated at $6.13 billion in 2024 and is expected to nearly double to $11.13 billion by 2030. The payment ecosystem underpinning this growth is a broad and intricate network comprised of many interdependent players (merchants, acquirers, banks, and processors) that must function in perfect harmony during every payment transaction.

Airlines must coordinate with issuers, acquirers, credit card networks, payment processors, payment gateways, independent sales organizations, and payment facilitators – all relying on each other to fulfill their roles securely and efficiently. This complexity is further compounded by the need to integrate with specialized airline systems, including ticketing platforms, passenger service systems, and an expanding array of AFPs.

Cross-border payments add another layer of nuance. Airlines operate globally, serving customers across diverse markets with varying payment preferences, currencies, regulations, and infrastructure capabilities. Each market presents unique requirements and

Global Online Airline Booking Market
Market forecast to grow at a CAGR of 10.38%

USD 6.13 Billion — 2024
USD 11.13 Billion — 2030

Source: www.researchandmarkets.com/reports/5956375

challenges that airlines must address to provide a consistent and reliable payment experience.

Payment processing accounts for 2–3% of airline revenue, representing a significant cost burden in a low-margin industry.

The consequences of this complexity are significant. Research shows that airlines face higher payment processing costs compared to many other industries due to this intricate ecosystem. According to industry data, airlines typically spend between 2–3% of their revenue on payment processing costs. This percentage may seem modest, but it represents substantial sums for an industry operating on thin margins. Across industries, keeping and maintaining legacy systems can drain as much as 70% of organizations' IT budgets; in the famously legacy-defined airline industry, this cost can be more pronounced.

Payment orchestration addresses these challenges by providing a centralized layer that manages interactions between various payment components. Rather than dealing with fragmented, point-to-point integrations, airlines can utilize payment orchestration to streamline connections, standardize processes, and gain greater visibility into their payment operations. Think of it as the hub-and-spoke model, but routing transactions instead of flight paths.

How Payment Orchestration Supports a Multi-Acquirer Strategy

Global merchants, particularly airlines, face costly challenges in managing fluctuating and inconsistent payment expenses. These costs include cross-border payment fees, foreign exchange fees, card acceptance fees, swipe fees, and local acquirer fees. The volatile nature of these expenses – both across markets and due to vendor rate changes – requires merchants to carefully manage their profitability by adjusting their pricing to match costs in each market they serve.

The most effective approach to managing these costs is to optimize the routing of each transaction to the acquiring bank or processor, offering the most competitive fee for that specific market. However, most merchants lack the extensive network of bilateral

relationships with individual acquirers in every market they serve. This is where an agnostic payment orchestration layer can deliver exceptional value.
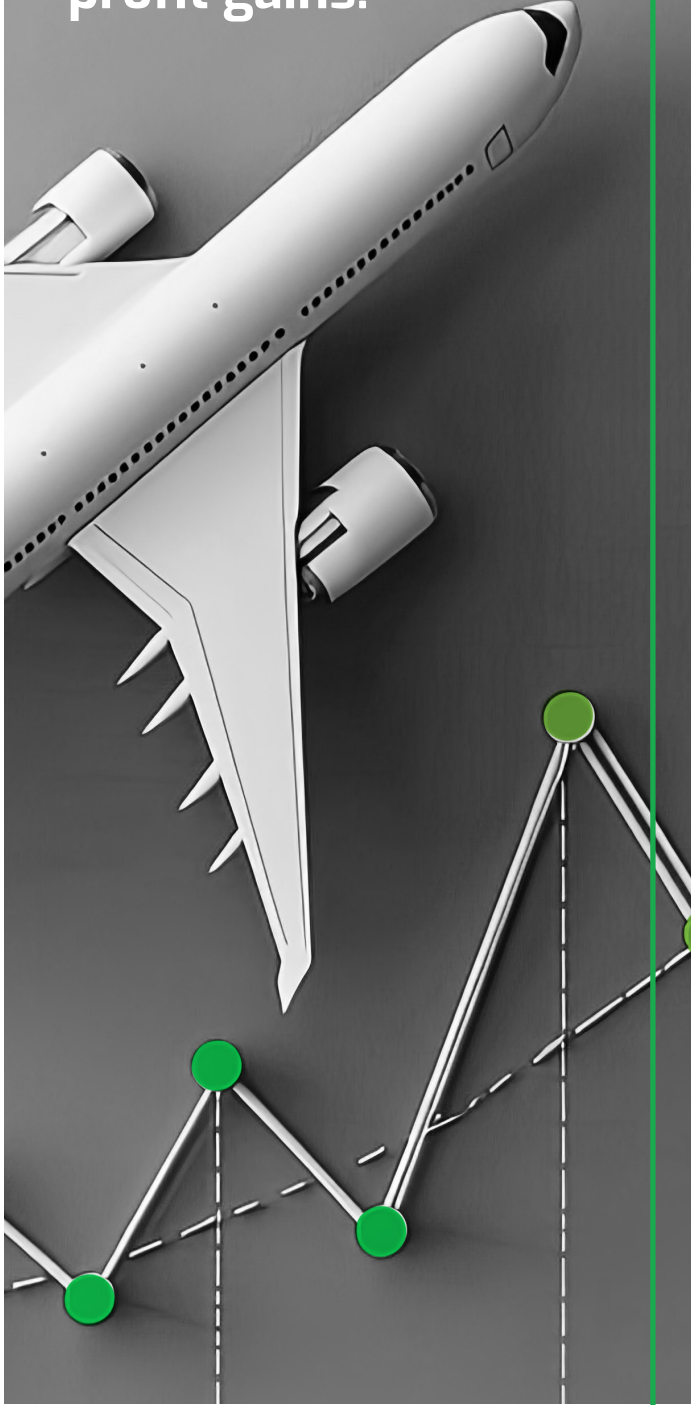
An acquirer-agnostic payment orchestration layer provides access to multiple acquirer connections, ensuring a variety of fee tiers are available for each transaction. This enables a multi-acquirer approach to transaction routing, which is considered best practice for global merchants and can help minimize transaction costs and reduce cost variability.

A payment orchestration layer that supports a multi-acquirer strategy delivers several key advantages:

Redundancy. If one acquirer experiences technical difficulties or downtime, the payment orchestration system automatically routes transactions to alternative acquirers, maintaining business continuity and minimizing revenue loss.

Competition. By creating competition among acquirers, an agnostic payment orchestration layer gives merchants leverage to negotiate better rates and terms, driving down costs and improving service quality.

Market-specific optimization. Different acquirers may offer better or higher approval rates in specific regions or for particular card types. Payment orchestration enables merchants to route transactions to the most advantageous acquirer based on multiple parameters.

Smart routing. Payment orchestration also allows airlines to make routing decisions beyond cost considerations. For instance, transactions can be routed to different acquirers based on approval likelihood, fraud risk, or customer experience factors.

For airlines specifically, the financial impact of implementing a multi-acquirer strategy through payment orchestration can be substantial. With profit margins often in the single digits – 3.6% in 2025, according to IATA – even small reductions in payment processing costs translate directly to improved bottom-line results.

With 2025 airline margins at just 3.6% (IATA), small savings in payment costs drive measurable profit gains.

Supporting Multiple Ways to Pay

Payment orchestration also impacts topline performance. Global merchants, especially airlines serving diverse international markets, must support various payment methods to meet the needs of their customers in each market. The reason is straightforward: travelers want convenient options and familiarity when making payments. In response to this demand, an expanding array of traditional and AFPs are now available to consumers worldwide.

Building and maintaining the technological infrastructure to support each desired payment method quickly becomes unwieldy for global merchants. Each payment method requires specific integrations, security protocols, reconciliation processes, and reporting capabilities. Payment orchestration addresses this challenge by providing a single integration point that supports multiple payment methods.

Beyond traditional credit cards, airlines should consider accepting Buy Now, Pay Later (BNPL) options, account-to-account payments, ACH debit, and similar financial instruments. These payment methods offer compelling advantages. Because banks often guarantee the funds for many of these fintech tools, they typically provide
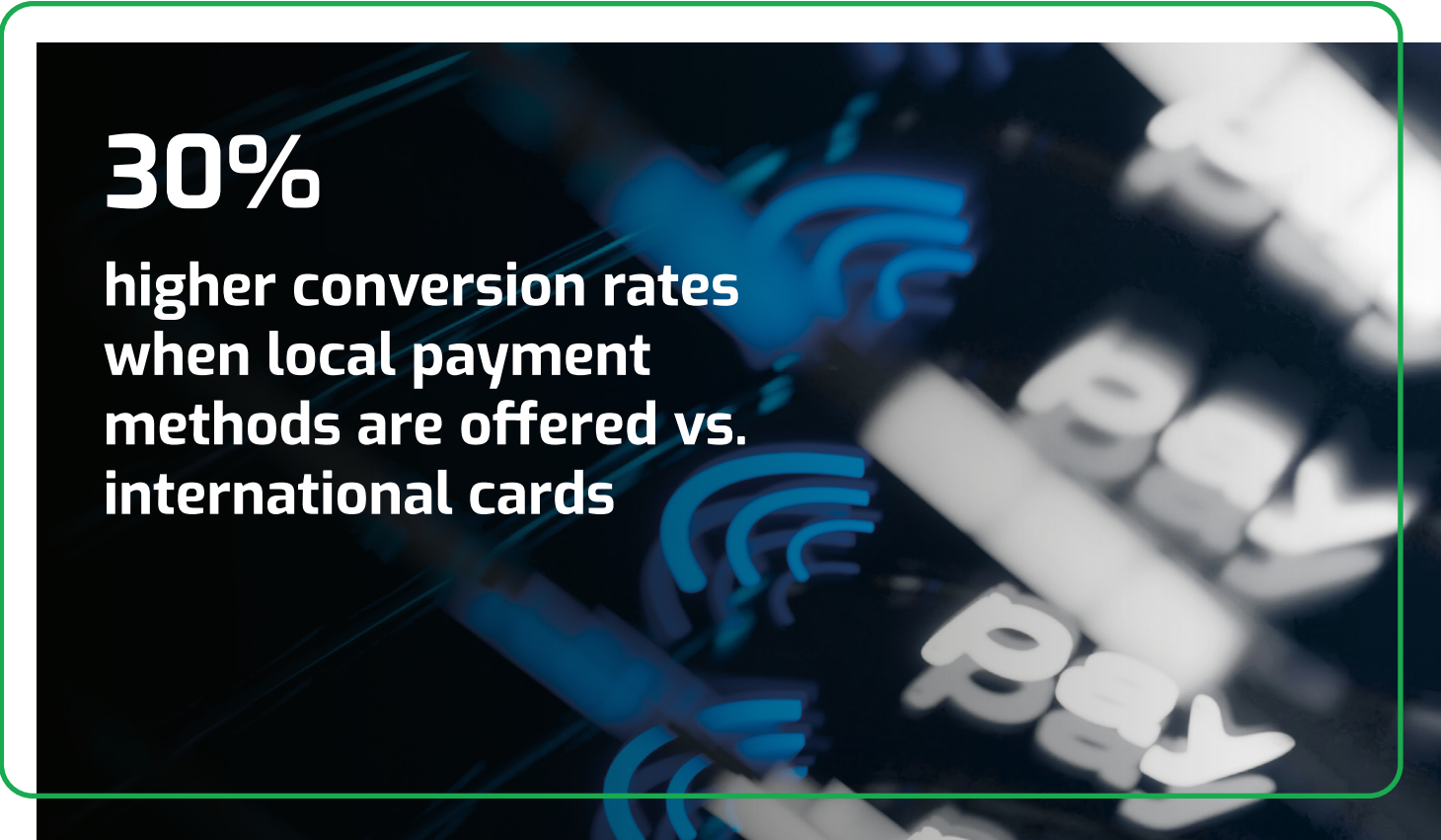
quicker settlement times, fewer fraud claims, and lower processing costs since they bypass card networks. Split payments, which allow travelers to pay with multiple cards or payment methods, have also become essential in meeting contemporary traveler expectations. Payment orchestration facilitates these complex payment scenarios that would otherwise require the allocation of development resources.

The adoption of diverse payment methods delivers tangible benefits for airlines. Different payment methods show varying conversion rates across markets. For example, offering local payment methods in specific regions can increase conversion rates by as much as 30% compared to offering only international credit cards. Payment orchestration enables airlines to easily add new payment methods as market demands evolve, without requiring extensive IT resources or project timelines.

Supporting multiple payment methods allows airlines to optimize payment acceptance costs. Alternative payment methods often carry lower processing fees compared to traditional credit cards. By strategically guiding customers toward these more cost-effective payment options, airlines can reduce their overall payment processing expenses.

30%
higher conversion rates when local payment methods are offered vs. international cards

Modern retailing and flexible payments could unlock up to $7 per passenger — or $40B annually — by 2030.

Realizing the Full Potential of Airline Retailing

Many airlines face limitations in their ability to influence travelers and successfully merchandise their products across the entire customer journey. These limitations stem from siloed data, insufficient customer insights, disconnected distribution strategies, and legacy technology systems. However, as the industry progresses toward NDC and offer-order frameworks, this dynamic is changing, with noticeable momentum toward direct sales channel dominance.

According to the Airlines Reporting Corporation (ARC), NDC transactions accounted for approximately 19.1% of the $8.6 billion in air ticket sales during February 2025, a significant increase over the prior year. This growth suggests that payment systems must adapt to this new framework, and orchestration solutions represent the most effective pathway to achieving this adaptation. The move to NDC fundamentally changes how airline products are presented, sold, and fulfilled. Traditional indirect distribution channels relied on limited product displays and standardized payment processes. In contrast, NDC enables rich content, personalized offers, and dynamic pricing – all of which require flexible payment capabilities.

Payment orchestration aligns perfectly with NDC objectives by providing the flexibility to support varied payment scenarios across different sales channels. As airlines create more personalized offers, payment options should similarly reflect customer preferences and behaviors. Payment orchestration enables this level of customization without requiring separate payment infrastructures for each sales channel.

The potential for increased ancillary revenue through improved retailing practices is substantial. McKinsey estimates that implementing modern retailing strategies, supported by flexible payment options, could be worth up to $7 per passenger, or up to $40

billion in new value annually by 2030. Payment orchestration plays a crucial role in this equation by removing payment friction that might otherwise impede ancillary purchases.

Moreover, payment orchestration provides valuable data that can inform retailing strategies. By consolidating payment information across channels and methods, airlines gain insights into customer payment preferences, conversion patterns, and purchasing behaviors. These insights can guide product development, pricing strategies, and promotional activities.

The Future of Payment Orchestration

The payment landscape is rapidly becoming the payment orchestration landscape, and several key trends are shaping its future direction. Artificial intelligence, automation, and predictive analytics will all play major roles in the next generation of payment orchestration platforms.

AI-driven systems will optimize transaction routing in real-time, considering multiple factors beyond simple cost metrics. These systems will analyze approval rates, fraud patterns, customer preferences, and regulatory requirements to determine the optimal payment path for each transaction. Machine learning algorithms will continuously improve these decisions based on transaction outcomes, creating increasingly efficient payment processes.

The emergence of new fintech companies and alternative payment providers will expand choices for travelers. Payment orchestration platforms must remain flexible and open to accommodate these new entrants, allowing airlines to quickly adopt promising payment innovations without onerous technical overhead.

Future platforms will also incorporate advanced security features. These include behavioral biometrics that identify suspicious patterns, sophisticated tokenization systems that secure payment data, and deepfake detection capabilities to combat AI-generated identity fraud. These security enhancements will be essential as payment fraud becomes more sophisticated and widespread.

Real-time analytics will become standard in payment orchestration platforms, providing immediate insights into payment performance across channels, markets, and customer segments. These analytics will guide both strategic decisions and day-to-day operations, ensuring optimal payment outcomes.

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Regulatory compliance will remain a critical concern, with payment orchestration platforms automating much of the compliance burden. As regulations like PSD3 and the European Union's Digital Operational Resilience Act (DORA) and similar frameworks in other regions come into effect, payment orchestration will help airlines navigate the complex regulatory landscape without diverting resources from their core business.

The consolidation of payment data across channels and methods will also enable more personalized payment experiences. Businesses will be able to offer payment options based on individual customer preferences, previous behaviors, and contextual factors. This personalization will improve conversion rates and customer satisfaction.

UATP and Your Journey Towards Payment Orchestration

UATP's suite of payment solutions positions airlines and global travel merchants on a path to payment orchestration with minimal disruption. Rather than requiring a complete overhaul of existing payment systems, UATP offers modular components that can be implemented progressively, allowing benefits to be realized at each stage of a payment orchestration journey.

UATP understands that payment orchestration is not a one-size-fits-all solution. Each business has unique requirements based on its business model, customer base, geographic footprint, and strategic objectives. UATP's approach acknowledges these differences and provides customized solutions that address specific airline and travel merchant needs.

The company's extensive experience in the airline and travel payment space gives it unique insights into the challenges and opportunities facing carriers. This industry-specific expertise ensures that UATP's payment solutions are directly aligned with airline requirements, rather than being generic solutions adapted from other industries.

UATP's network of payment partners provides airlines with immediate access to multiple acquirers, payment methods, and technologies. This established network allows airlines and travel merchants to quickly implement multi-acquirer strategies and expand payment options without negotiating individual agreements with each provider.

Additionally, UATP's focus on data security and regulatory compliance ensures that enterprises can manage the complex payment landscape while meeting all applicable standards and requirements. This focus is particularly valuable as regulatory requirements continue to evolve globally.

Payment orchestration has transitioned from an industry buzzword to a business imperative for airlines and global travel merchants seeking to optimize their payment operations, reduce costs, improve customer experiences, and prepare for future payment innovations.

As businesses continue their digital transformation journeys and embrace new retailing capabilities, payment orchestration will play an increasingly central role in their technology strategies. Those that successfully implement comprehensive payment orchestration solutions will gain competitive advantages through lower costs, higher conversion rates, improved customer experiences, and greater operational efficiency.

UATP stands ready to guide airlines through this transformation, offering industry-specific expertise and solutions that address the unique payment challenges facing the aviation sector. With UATP as a partner, airlines can confidently navigate the complex payment landscape and turn payment orchestration into a strategic asset for their businesses.

UATP

The technology trends identified in this whitepaper are designed to help merchants in any industry improve the speed, convenience, control, and security of their payment transactions. They also share one other quality: they are opportunities that can be best seized with the help of a trusted partner.

UATP works with some of the world's largest companies to deliver future-proof payment solutions for every industry. As one of the largest global and most secure closed-loop networks, UATP was built to maximize benefits for merchants and businesses. An industry leader in orchestrating complex payments solutions, UATP helps businesses simplify payment acceptance and replace manual, unreliable, fraud- and error-prone payment processes with technology trusted by some of the biggest brands in the world, including Etihad Airways, Turkish Airlines, United Airlines, and EVA Air.

UATP has been awarded three new patents in as many years for technology related to transaction processing. We are not only able to identify technology trends, but we're driving them — in 2025 and well beyond.

The UATP Advantage

As the world's most secure closed-loop network, UATP combines a proven reputation with extensive industry expertise to design, create, and implement high-performance payment solutions at a competitive cost, without sacrificing quality of service.

To learn how UATP can help improve your payments strategy, visit www.uatp.com.

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