A Post-Roundtable Report

Managing Travel Payments in an Era of Volatility

Location: Barcelona, Spain

Event: Phocuswright Europe 2026

Roundtable Synopsis:
"Managing Travel Payments in an Era of Volatility"

Industry experts:
Carolina Castillo, WEX General Manager, EMEA
Jorge Tamayo, Payments Director, eDreams ODIGEO
Kasia Pankowska, CEO, Hotel Treats

Moderator:
Mark Frary, Contributing Journalist, PhocusWire

Executive Overview

Leading payments professionals recently convened for a pivotal roundtable at Phocuswright Europe 2026 in Barcelona. Hosted against a backdrop of evolving consumer behaviors and macroeconomic shifts, the session, titled "Managing Travel Payments in an Era of Volatility," brought together senior executives from across the global travel, hospitality, OTAs, corporate travel management, and financial technology landscapes to discuss the intersection of macroeconomic pressure, changing consumer behavior, and supplier dynamics.

The roundtable panel featured expert perspectives from organisations including the Phocuswright insights team, eDreams ODIGEO, and Hotel Treats, alongside event sponsor WEX, represented by its General Manager, EMEA, **Carolina Castillo**.

The discussion, conducted under the Chatham House Rule, focused on how travel companies are leveraging their payment strategies to transform market friction into financial opportunity. Participants explored the delicate balance between managing operational risk, catering to fragmented consumer payment preferences, and mitigating supplier volatility.

OPERATIONAL RISK

CONSUMER PREFERENCE

SUPPLIER VOLATILITY

Key Themes and Discussion Insights

1. The Reality of Volatility: Shrinking Booking Windows and Capital Exposure

The roundtable opened with an analysis of current market dynamics. Travel anxiety—driven by macroeconomic pressures and systemic disruptions—has shifted consumer booking behavior. Industry research shared during the session and panelists feedback highlighted that travelers are increasingly booking closer to their departure dates.

Last-Minute Demand Spikes:

A participant observed intense compression in booking windows. In Western markets, standard summer booking patterns have evolved into immediate, last-minute decisions. One panelist noted a distinct trend of travelers making holiday bookings on Saturday mornings for immediate travel.

The liquidity Bottleneck:

The discussion revolved around severe operational challenges for travel intermediaries regarding working capital management during times of volatility. When systemic disruptions trigger mass travel cancellations, intermediaries face severe operational risk regarding how to refund clients efficiently without depleting their own working capital. The room agreed that handling multi-layered refund processes while waiting for supplier-side settlement represents a major threat to agency liquidity. Simultaneously, consumer demand for “peace of mind” has skyrocketed, prompting leading intermediaries to embed travel protection and flexible subscription benefits directly into their core offerings to build customer reassurance.

2. Strategic Flexibility: Scaling the Merchant of Record Model

To counter supply-side volatility, a significant portion of the debate centered on the structural design of B2B payment flows and the strategic advantages of the **Merchant of Record (MoR)** model.

For startups and scale-ups, establishing an MoR framework requires substantial upfront legal, operational, and contractual investment. However, a panelist highlighted that the modern travel ecosystem views this model as essential for scaling operations. By acting as the Merchant of Record, intermediaries capture complete control over the customer lifecycle, driving deeper brand loyalty and enabling the packaging of flexible subscription benefits. The panelist highlighted that the MoR model gives you the critical ability to manage refunds, cancellations, and disputes directly. The end-user experience remains tied to your brand standards rather than being subjected to the constraints, policies, or delays of individual third-party suppliers.

3. The Checkout Options and Local Feasibility

As digital wallets and alternative payment methods proliferate globally, travel intermediaries face a continuous optimisation challenge at the checkout screen.

The consensus among participants was clear: over-enabling payment methods creates as much friction as under-enabling them.

Demographic & Regional Nuances:

Looking at consumer trends, younger generations are increasingly pivoting toward Buy Now, Pay Later structures and alternative platforms, with direct credit card usage hovering around 8% to 13% for certain younger demographics. Conversely, traditional credit cards remain dominant among older and luxury travel segments, which historically yield significantly higher average basket sizes.

Mobile vs. Wallet Adoption:

Data shared from the hospitality sector underscored a stark gap between hardware capability and payment method adoption. While up to 70% of transactions on certain lodging platforms are executed via mobile devices, only 17% of those shoppers utilise integrated mobile wallets like Google Pay or Apple Pay.

Market-by-Market Feasibility:

From a corporate standpoint, a OTA representative emphasised that payment orchestration cannot simply be a global blanket policy. Companies must evaluate partnerships on a market-by-market basis, assessing whether an alternative method truly supports the underlying transaction infrastructure, chargeback defense, and overall business feasibility before implementation.

4. Overcoming the B2B Supplier Divide: The Value of Virtual Cards

A core point of friction within the travel value chain remains the relationship between travel intermediaries and major suppliers, particularly commercial airlines. The audience actively addressed the ongoing resistance from certain airlines regarding the adoption of **Virtual Card Numbers,** a tension primarily rooted in transaction interchange pricing.

However, experts in the room countered that focusing strictly on nominal transaction costs misses the broader strategic value. It was discussed that once an organisation gets past the initial price barrier, virtual cards can emerge as an ultimate tool for corporate cash management.

One of the panelists noted that VCNs allow treasurers to actively lock in foreign exchange (FX) rates at the exact moment of booking, removing currency volatility from cross-border settlements. Additionally, they provide a powerful mechanism to mitigate supplier insolvency risks. By replacing legacy cash settlement engines with transaction-specific, programmatic parameters, virtual cards can turn payment workflows into a cost-effective funding opportunity that helps stabilize relationships between intermediaries and suppliers.

5. Practical AI: Optimizing Efficiency Over Hype

The roundtable concluded with a pragmatic assessment of Artificial Intelligence within the travel payments ecosystem. While the broader tech industry remains focused on generative or agentic AI for search and booking recommendations, payment leaders are looking inward at control and optimization.

A participant summarised that from a payment perspective, AI is fundamentally about control and optimisation rather than rewriting the checkout interface. Multiple attendees noted that keeping the checkout page completely frictionless is vastly more important than any front-end AI experience. Ultimately, a smooth, reliable transaction journey is what drives consumer peace of mind, repeat business, and positive word-of-mouth recommendations.

Panelists agreed that the checkout interface must remain completely frictionless, as customer peace of mind is what ultimately drives repeat business and word-of-mouth recommendations.

Top Strategic Takeaways

01

Payments as Risk Management:
In a volatile economy, payment strategy must focus heavily on capital protection and hedging against supplier default.

02

Dismantle the Cost Barrier:
While B2B virtual cards face occasional supplier pushback over transaction fees, their ability to eliminate FX exposure and automate reconciliation can offer a net financial benefit to corporate treasuries.

03

Curated Checkout Experiences:
Avoid payment method bloat. Travel operators must analyze regional, demographic, and device-specific trends to offer a highly tailored selection of payment methods.

04

Deploy Practical Automation:
Focus AI on Internal Infrastructure: Prioritize backend AI deployments for automated fraud mitigation, predictive risk modeling, and operational triage over front-end consumer experimentation.

Closing Reflection

The insights uncovered at Phocuswright Europe 2026 demonstrate that the travel industry is moving away from treating payments as a passive administrative function. In an environment defined by rapid structural change and shifting consumer booking patterns, a sophisticated, resilient payment framework has become a critical differentiator. Intermediaries that successfully balance seamless customer checkout options with robust B2B virtual card strategies will be uniquely positioned to thrive amid ongoing market volatility.

This summary reflects the key themes discussed during a Phocuswright Europe 2026 Industry Roundtable. The session was held under the Chatham House Rule. Accordingly, the views and opinions expressed in this document are synthesized to protect the anonymity and institutional affiliation of all participants.