



Services



Unlocking Digital Transformation in Shipping and Airlines

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Shipping and airline operators are at the heart of the global economy. From moving goods across oceans to connecting people worldwide, these sectors power commerce, tourism, and supply chains across every continent.

As essential as they are, both industries have traditionally relied on legacy systems – particularly for payments – that are increasingly out of step with the needs of modern businesses and consumers.

While shipping and airlines differ significantly in structure and customer base, they share a common imperative: **to digitize the payment experience.** Both sectors are shifting away from manual and intermediary-heavy processes toward near **real-time, seamless and customer-centric transaction environments.**

At the center of this transformation is the growing adoption of **instant payments.** When combined with Application Programming Interface (API) connectivity, instant payments can streamline operations, reduce costs and enhance customer relationships.

From Manual to Digital

Traditionally, booking ocean freight was a slow and cumbersome process. Customers would call a carrier, provide details such as tonnage, destination and arrival date, then wait for a quote. Booking confirmation and payment required direct engagement with sales agents or in-person bank transfers – often needing physical proof like deposit slips or transfer confirmations before releasing Bill of Lading for cargo release.

The introduction of web portals marked the first wave of modernization, enabling customers to enter shipment details online, receive quotes, and await follow-ups to make payments. The next evolution integrated digital payments, allowing customers to complete bookings and payments digitally. This shift accelerated during the COVID-19 pandemic, when remote work and e-commerce boom forced shipping companies to fast-track digital solutions.

Today, shipping providers offer a streamlined, e-commerce-style experience:

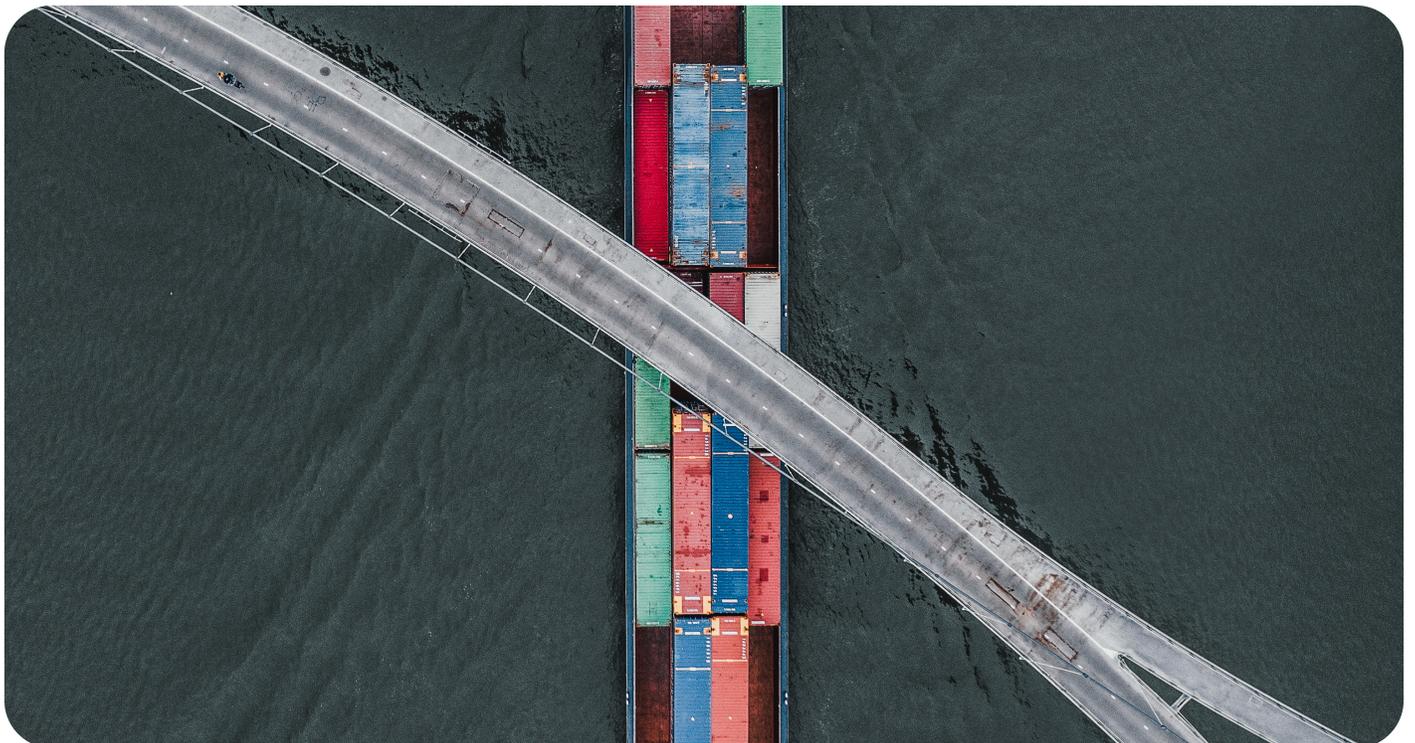
- Instant quotes and online booking
- Payments via instant bank transfers and, increasingly, credit cards and digital wallets
- Immediate confirmation and space allocation
- Automated release of documents like the bill of lading for goods clearance for import side

Smarter Reconciliation: Solving the Invoice Puzzle

Despite progress, shipping companies still face unique reconciliation challenges, especially when customers make partial payments across multiple invoices. For example, a company may be charged freight, taxes, and local port fees, but only choose to pay the most urgent items without informing shipping companies which invoices are being paid. This creates confusion, slows down processing, and increases back-office workloads.

Advanced payment portals now can help to solve this by allowing customers to select specific invoices before payment. For instance, Citi's payment solution can generate a QR code or reference number to ensure that incoming funds are accurately matched. This automation helps to reduce manual intervention and improve efficiency.

Additionally, by integrating credit card acceptance into digital platforms such as Spring by Citi®, carriers can have the opportunity to attract more customers and even extend credit options – potentially unlocking new revenue opportunities and expanding market share.



Airlines Take Flight with Instant Payments

The airline industry embraced digitization much earlier than shipping, with online ticketing becoming standard years ago. However, payment options have remained limited, typically requiring a credit card – a barrier for unbanked and underbanked consumers.

Instant payment capabilities are now reshaping that model. Customers can pay directly from their bank accounts, often with lower fees and greater convenience.

For airlines, this reduces reliance on costly card networks, where interchange fees can range from 3–4% per transaction. Instant payments typically cost less than a dollar per transaction, offering significant savings.

Beyond cost, instant payments provide airlines with faster access to funds, improving working capital and cash flow. As importantly, direct payments unlock transaction-level customer data, enabling personalized marketing, pricing optimization, and customer engagement.

Given these benefits, many airlines are shifting from third-party intermediaries to direct bank collection models. While some third-party intermediaries are rolling out instant payments in some markets, direct settlement remains faster and more-cost efficient as of now.

Changing Customers, Changing Expectations

A generational shift in consumer behavior is accelerating digital transformation. Millennials and Gen Z – as both travelers and shippers – expect real-time, mobile-first payment experiences. The same is true for small and medium-sized businesses who increasingly prefer mobile apps, credit cards, or digital wallets over checks or manual transfers.

To stay competitive, both airlines and shipping companies are expanding their payment options to meet these expectations. Today, digital payment acceptance is no longer optional – it is a baseline requirement for business growth.

Speed, Control, and Insight for Treasury Teams

For corporate treasury teams, digital payments offer more than just customer satisfaction.

By combining instant payments with near real-time API connectivity, treasury teams may:

- Reduce Days Sales Outstanding (DSO) and improve working capital
- Automate reconciliation and lower labor costs
- Gain near real-time visibility into cash positions
- Improve forecasting accuracy and liquidity planning

Citi is supporting this transformation by offering virtually real-time credit notification APIs, integration with major Enterprise Resources Planning (ERP) platforms, and innovative treasury solutions – including near real-time funding and tokenized cash management. Citi's suite of solutions helps clients manage front-end payments and back-end treasury operations.

As trade and travel evolve, Citi seeks to drive innovation – helping clients stay ahead of customer expectations and shaping the next era of digital commerce.

Citi's Advantage

Citi's global footprint and technological capabilities make it one of the leaders in enabling digital payment transformation. Citi supports instant payment schemes across a wide and growing number of markets and backs this with robust API infrastructure that is designed to help with near real time automation of processes. For clients, this means near real-time connectivity, faster collections, and smarter reconciliation.

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