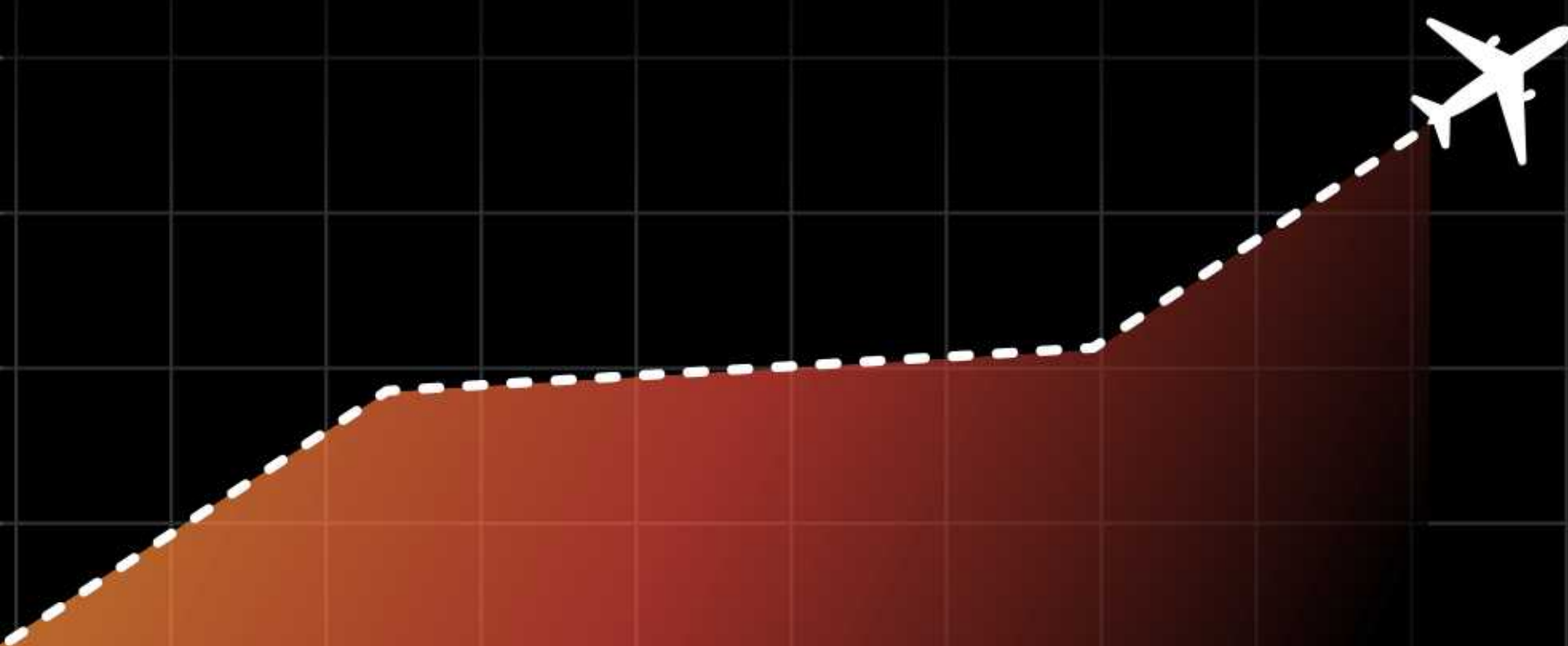




THE MARGIN FORTIFICATION PLAYBOOK:

Field notes from US travel leaders

How leading travel companies
are strengthening margins in 2026



In collaboration with the **Airwallex travel community**



Tenon Tours

NAVANA



HotelTrader



tripsite

Introduction

Travel demand remains remarkably resilient. Americans continue to prioritize vacations, domestic travel spending is holding firm, and global travel continues to grow. Entering 2026, travel and tourism accounted for roughly **one in every \$10** of global economic activity.



Yet beneath healthy booking numbers, many travel leaders remain uneasy.

“Travel demand remains resilient, but the booking cycle has become less predictable. We’re not facing cancellations, but we are seeing some hesitation in response to external uncertainty.”



Bryan Lewis
CEO and Founder of Tenon Tours

While clients of travel agencies and booking platforms aren't canceling existing trips, they are taking significantly longer to commit to new bookings.

Economic uncertainty, fluctuating exchange rates, rising operating costs, and global instability have made forecasting more difficult. Demand remains strong, but stronger demand doesn't automatically translate into greater profitability.

For international travel companies, the booking is only the beginning. Deposits may arrive months before a traveler departs. Suppliers are paid on different schedules. Employees, contractors, hotels, and local partners often operate in different currencies. Throughout that journey, small financial decisions – and seemingly small market movements – either erode or enhance the margin attached to every booking.

Field notes from the Airwallex travel community

To understand how leading operators are responding to these pressures, Airwallex spoke with leaders across four distinct parts of the US travel industry.



Tenon Tours: A US-based tour operator creating customized trips across Europe.

Tripsite: An active-travel company specializing in bike and boat tours around the world.

Hotel Trader: The complete distribution operating system, a self-regulating Exchange that aligns committed Hotels and Travel Buyers to drive performance at a global scale.

Navan: An AI-powered global travel and expense management platform serving businesses and their employees.

CHAPTER 1

The exchange rate effect

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Currency fluctuations quietly reshape the profitability of every booking.

Strong demand has helped many travel companies weather an unpredictable economic climate. US travel spending is projected to reach **\$1.37 trillion** in 2026, even as inflation, financial uncertainty, and geopolitical instability make profitability harder to predict.

That said, healthy bookings can create a false sense of security. Lewis estimates that shifts in underlying currency-adjusted costs increased the US-dollar equivalent of the company's overseas expenses by 12% to 15% year-over-year – a baseline cost movement prior to the mitigating effects of pricing adjustments and active FX management.

"Foreign exchange is a major factor in year-end profitability, and accurately forecasting its impact requires a disciplined currency strategy. It's a core operating variable that has to be understood and actively managed."



Bryan Lewis

CEO and Founder of Tenon Tours

To navigate this volatility, Lewis focuses on making currency impacts predictable. "Once you understand the exposure and manage the business by the math, forecasting becomes much more consistent."

For many US operators, FX exposure can be easy to underestimate. Customers often pay in dollars, creating the impression that exchange-rate volatility is someone else's problem. But overseas payroll, supplier contracts, hotels, guides, and local partners are frequently paid in local currencies, meaning even modest exchange-rate movements can affect profitability long after a booking is confirmed.

"Large multinational corporations that do billions, not millions, have people that manage FX because the swings in currency, even a couple percent, can have a huge effect on the profitability of the business."



Jan VandenHengel
CEO, Tripsite

Some operators incorporate conversion costs into pricing rather than quietly absorbing them.

"For us, it actually makes money because we mark it up enough to avoid being greedy but still cover our costs," VandenHengel says. "It's part of the service. We have to convert this stuff."

The point is not that every travel company should take the same approach. It is that exchange-rate exposure becomes easier to manage once it is visible, understood, and addressed intentionally.

CHAPTER 2 Time well spent

The months between booking and departure matter – and managing that float can build long-term value or create cash flow risk.

For travelers, a booking feels like the beginning of a countdown to departure.

For finance teams, it's the beginning of a much longer financial journey. Customer deposits can remain on the balance sheet for months before the trips take place. During that time, the business still needs sufficient liquidity to pay suppliers, absorb schedule changes, issue refunds, and meet obligations associated with future departures.

"There's an inherent risk. People are booking... six to nine months before they're traveling... then we pay most of our suppliers net 30, so it creates another month of volatility and fluctuation."



Bryan Lewis

CEO and Founder of Tenon Tours

Tripsite has built its approach around disciplined capital management. "We've never, ever used our client deposits to fund business expansion," says VandenHengel. "The way travel companies get really big is by using the float to fuel expansion – and perversely, the way they go bankrupt is by doing the same thing."

At Tripsite, customers typically pay a deposit of 30% to 40%, leaving the company holding roughly \$1,000 per traveler for about nine months. The remaining balance – often another \$1,500 – may arrive 60 days before supplier payments are due.

During peak payment periods, VandenHengel says, millions of dollars flow through Airwallex before moving into Treasury bonds and certificates of deposit, where the funds can earn a return while remaining available for future obligations. "That float is actually hugely valuable," he says. Managed carefully, that timing gap can allow travel companies to earn a return on funds while keeping future supplier obligations in view.

 CHAPTER 3

Where margin leaks

Every payment is a chance to protect profitability – or let bank fees, FX markups, and delayed payments chip away at it.

Travel companies obsess over the customer journey – from inspiration and booking through departure and return. But behind every itinerary is another journey: the movement of money.

What looks like a single customer payment often passes through banks, card networks, payment providers, intermediaries, suppliers, and multiple currencies before everyone gets paid. Every additional handoff introduces another opportunity for processing fees, FX spreads, delayed settlement, manual reconciliation, or unnecessary complexity.

"The payment, which on paper should seem very simple, gets very complex for everybody involved. The entire industry is built on an inefficient payment rail system. Hoteliers want to be paid when guests check in, while sales platforms often collect customer funds on a different timeline. We're the ones getting squeezed in the middle."



Mitul Gandhi

CTO and Co-Founder, Hotel Trader

According to Phocuswright, travel companies commonly pay between **2% and 3.9%** of each card transaction in processing fees – putting additional pressure on already-thin margins.

Another hidden source of leakage comes from traditional banking.

When cross-border payouts rely on legacy wire networks like SWIFT, intermediary banks subtract hidden fees and delay payments by days. For a business operating on single-digit margins, a delayed transfer can cause missed supplier deadlines, painful manual reconciliation, and trapped cash. Using local payment rails instead lets money arrive in local accounts within hours – cutting out bank markups and ensuring vendors receive the exact invoice amount on time.

"Traditional banks mark up rates and add conversion fees that can easily eat \$20,000 out of a single transaction. When operators leave cross-border payments on autopilot with traditional banks, that's a massive, silent leak on margins."



Jan VandenHengel
CEO, Tripsite

CHAPTER 4

Built for better margins

The best financial systems preserve more value from every booking by turning finance into a strategic growth partner.

The right technology and workflows can help stop profit leakage. With 52% of [North American CFOs surveyed](#) naming cost management as a "top concern," finance leaders are looking more closely at the financial systems supporting the business. Payments, treasury, reconciliation, and visibility are tools that can help businesses move faster, make better decisions, and expand with greater confidence.

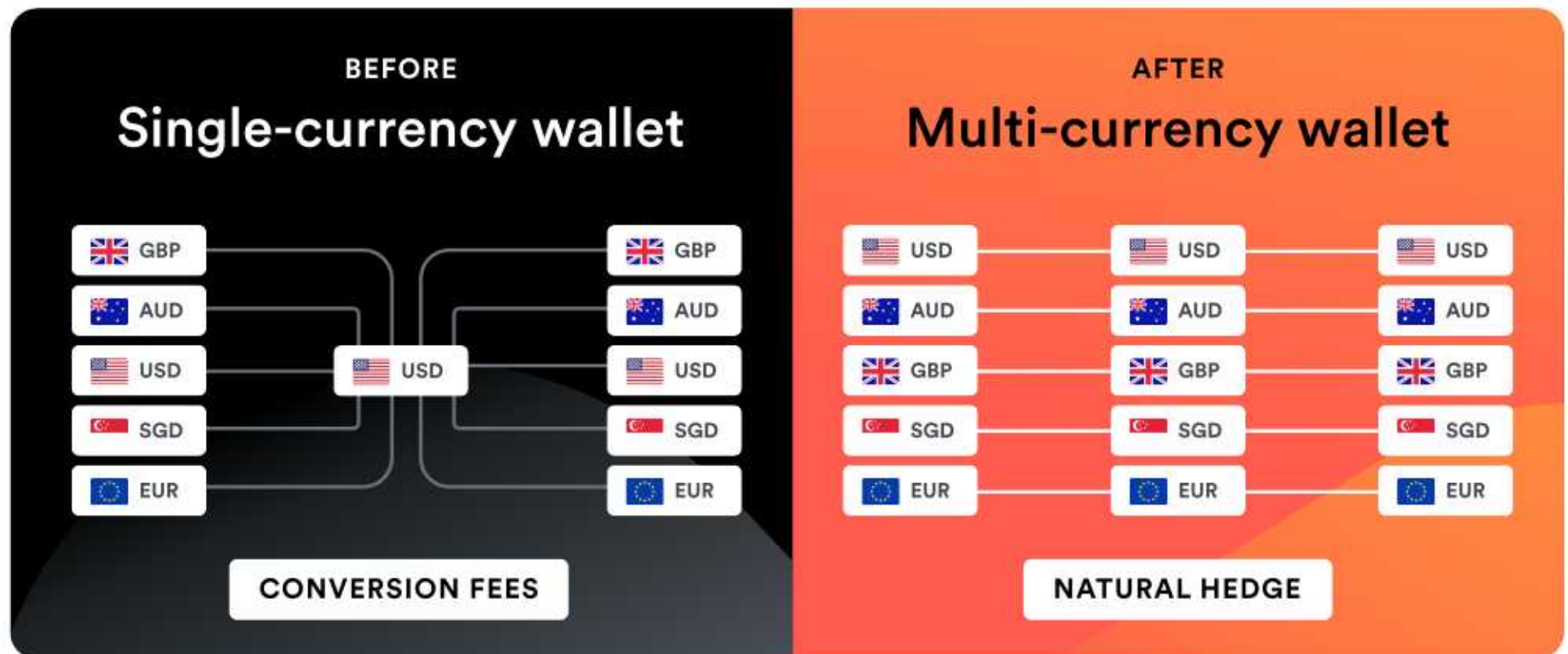
Hotel Trader has made finance central to its platform design. By building a wallet structure on Airwallex's international infrastructure, Hotel Trader can reduce margin erosion and improve its operating cash-flow position, rather than chasing invoice payments after the fact.

"We don't think of finance as an afterthought. Finance is usually front and center for all of our transactions, all of our discussions, and all of our contracts."



Mitul Gandhi
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This is the logic behind multi-currency wallets: Rather than converting every incoming currency into a single base currency and converting back out to pay suppliers, holding balances natively in each currency lets inflows and outflows offset each other directly, a practice known as natural hedging. Fewer conversions mean fewer opportunities for spread and fees to erode the margin on each booking.



Navan has taken a similar approach, embedding financial operations into its corporate travel platform.

"Legacy systems create enormous operational drag for finance teams. We've seen firsthand how payment delays and manual reconciliation consume valuable resources. By consolidating global travel spend onto a single platform, we provide real-time visibility and automate reconciliation."



Yuval Refua

CPO, Payments and Expense, Navan

When payments reconcile automatically and spending is visible in real time, finance teams spend less time chasing transactions and more time improving forecasting, strengthening spend controls, and supporting the business. Earlier visibility also helps organizations identify payment delays, reconciliation issues, and other operational inefficiencies before they become larger financial problems.

For travel companies, the next competitive advantage may lie in building financial operations that allow every booking to generate more value.

5 CHAPTER 5

Invisible improvements

The best margin boosters happen behind the scenes – protecting customer trust and operating margins without changing the traveler experience.

When margins come under pressure, the instinct is often to tighten the reins: reduce discretionary spending, delay investments, and cut anything that doesn't appear essential.

Instead of asking, "How do we save money?" travel leaders are asking, "How do we build a stronger financial operation without compromising what customers value?"

As Tenon Tours faced increased hesitation from travelers, one suggestion was to eliminate some of the personalized touches included with every trip – an idea Lewis rejected.

"Protecting margin shouldn't come at the expense of the customer experience. Personalized service is what keeps customers coming back and recommending us, so we focus on efficiencies behind the scenes rather than removing value from the trip."



Bryan Lewis

CEO and Founder of Tenon Tours

Instead, Lewis has focused on making financial decisions that customers never see: maintaining a disciplined foreign exchange strategy and carefully managing working capital.

Navan describes a similar evolution inside corporate travel. Rather than asking finance teams to spend more time processing payments and reconciling expenses, the company has focused on simplifying those tasks so organizations can spend more time supporting travelers and making better business decisions.

The strongest financial decisions are often invisible to the outside world. Travelers don't notice disciplined treasury management, efficient payment rails, or automated reconciliation. They notice when those systems fail. For the companies in this playbook, margin fortification isn't about asking customers to accept less. It's about building financial operations that quietly protect the experience they've promised.



CONCLUSION

Healthy demand is only half the story

Long-term profitability depends on what happens after the booking.

For years, travel companies have invested heavily in the front end of the business – refining marketing, pricing, distribution, and the traveler experience. As operations become more global and complex, profitability increasingly depends on the financial systems that underpin those experiences.

Currency conversion, working capital, supplier payments, and reconciliation may happen out of sight, but they determine how much value a company retains from every trip it sells. Every travel company sells journeys. The companies pulling ahead are the ones paying just as much attention to the financial journey happening behind the scenes.

FORTIFY YOUR TRAVEL MARGINS**8 ideas operators can put into practice right away****1****Identify where margin is being lost.**

Track payment costs, FX fees, banking charges, and reconciliation effort – not just revenue.

2**Treat foreign exchange as a strategic cost.**

Assign ownership, monitor exposure, and understand where FX is eroding margins.

3**Separate customer deposits from growth capital.**

Resist using down payments to finance expansion. Keep those funds liquid and consider conservative ways to earn a return until supplier payments come due.

4**Simplify how money moves through your business.**

Reduce unnecessary payment handoffs that add fees, delays, reconciliation work, and operational complexity.

5**Consolidate fragmented financial operations.**

Bring payments, FX, payouts, and reporting into fewer systems to improve oversight and reduce administrative burden.

6**Automate run-of-the-mill bookkeeping.**

Reduce manual reconciliation so that finance teams can focus on forecasting, compliance, and higher-value decisions.

7**Build financial flexibility before you need it.**

Maintain enough visibility, liquidity, and operational flexibility to respond when currencies, supplier terms, or demand patterns shift.

8**Strengthen financial operations for a better customer experience.**

Look for back-office efficiencies customers never see before reducing the services, flexibility, or personal touches they value.

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