



How to Efficiently Recover Merchant Fees Using ATPCO's Ticketing Fees Solution

6 August 2013

ATPCO

Agenda

- Credit card fees in airline distribution costs
- A solution to recover merchant fees
- Current process
- New opportunities
- How to file
- Q&A

Credit card merchant fees facts

- Credit card merchant fees are the major distribution cost for airlines*
- Credit card companies charge airlines more than USD 2 billion annually
- Airlines pay a credit card merchant fee on about 40% of all bookings



* "Charge ahead" White Paper by BCD Travel

Do you recover merchant fees?

Example 1

- Ticket MAD-NYC-MIA \$2000
- Credit card fee 1.5–3%
- **Credit card fee \$30-60**

Example 2

- Airline sells 9 million tickets annually
- 40% of bookings are paid by credit cards
- Average credit card fee is 2%
- Average ticket price is \$150
- **Credit card fees = \$10M**

You need a solution to be able to recover these costs!

Solution

ATPCO's Ticketing Fees

- Enables the validating carrier to recoup either a portion of or the entire credit card merchant fee that is imposed at time of ticketing
- Allows carriers to recover the cost of ticketing through expensive channels

Flexibility

- ATPCO's Ticketing Fees allows you to design the recovery model that meets your needs and to control the application of the ticketing fees based on
 - Credit or debit card type
 - Point-of-sale geography
 - Ticketing channel
 - Passenger type
 - Fare basis/fare basis owner
 - Etc.

Market leaders

- 74 carriers file ticketing fees data with ATPCO for the following 18 markets:
 - Australia
 - Austria
 - Belgium
 - Denmark
 - Finland
 - Germany
 - Greece
 - India
 - Ireland
 - Italy
 - Jordan
 - Morocco
 - Norway
 - Spain
 - Sweden
 - Switzerland
 - Netherlands
 - United Kingdom
- Our research showed more countries may allow credit card surcharges

Current process

- Carriers need to be able to distinguish between a credit and a debit card
 - To apply different fee amounts
 - To not charge for debit cards
- Carriers file debit card exceptions in FC sub codes in ATPCO's Ticketing Fees application, which results in large amount of filings and affects response time during data maintenance



What's New?

Bank Identification Number (BIN) Answer Table

- Identify debit and credit card payments in Ticketing Fees processing
- Enable systems and other subscribers to distinguish these payments

Bank Identification Number (BIN) Answer Table

- Systems will implement on 20 August 2013



What's New?

Ticketing Fees FD Sub Codes

- New sub codes for debit cards will be available on 20 August 2013

SUB CODE	DEFINITION
FDA	Any debit card
FD1	Debit card numbers starting with 1
FD3	Debit card numbers starting with 3
FD4	Debit card numbers starting with 4
FD5	Debit card numbers starting with 5
FD6	Debit card numbers starting with 6

Filing is easy

- With ATPCO's BIN Answer Table and FD sub codes, you no longer have to code debit card exceptions in FC type sub codes



How it works

- If the BIN is defined as debit in the BIN Answer Table, then the card shall be processed against the Ticketing Fees FD sub codes
- If the card's BIN is defined as credit, charge, or blank (unknown), or does not exist in the BIN Answer Table, then systems will process this card as a credit card, therefore processing FC sub codes

If you do not want to charge a fee for a debit card

Option 1

- Do not file any FD data

Option 2

- File an FDA sequence that specifies no charge
 - Choose whether this is shown or not shown on the receipt

Row	ST	Sub Code	Travel		Journey		BIN	Amount/ Percent	CUR	Sequence Number
			Effective	Discontinue	LOC 1	LOC 2				
1		FDA	04SEP12				FREE - SHOWN ON RECEIPT		180500	
2										

If you **want** to charge a fee for a debit card

- File a charge in FD sub codes in ATPCO's Ticketing Fees application

Example

- Apply charge of EUR 5.50 for all debit cards except BIN numbers starting from 4666

Row	ST	Sub Code	Travel		Journey		BIN	Amount/ Percent	CUR	Sequence Number
			Effective	Discontinue	LOC 1	LOC 2				
1		FDA	04SEP12				4666**	FREE - SHOWN ON RECEIPT		180500
2		FDA	04SEP12					5.50	EUR	180750

Coordinate with ATPCO

- If you have debit card exceptions coded in FC sub codes
 - Please do not delete debit card exception data until you receive further instructions from ATPCO
 - ATPCO will coordinate the deletion with you after industry implementation date of 20 August 2013

Act now!

- It's time to recover merchant fees paid to charge card and credit card companies!
- We will be happy to assist you with any questions and requests
 - svcfees@atpco.net
Service Fees products mailbox
 - answertablebox@atpco.net
Answer Table product mailbox



Questions?



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