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Modern Airline Retailing

Brain teaser

If the first one is ‚Share of Wallet‘, what are the others?

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The Promises of Modern Airline Retailing & How to Get There

- Airline
- OTA
- Aggregator

Who is taking the lead?

Who takes on the relationship with the customer?

- **Who is the Merchant of Record?**

  ... covering the (initial) payment costs

  ... taking on the fraud risk
  (incl. 1st party fraud)

  ... taking on the chargeback defending

  ... managing the funds for
  down-stream partners?

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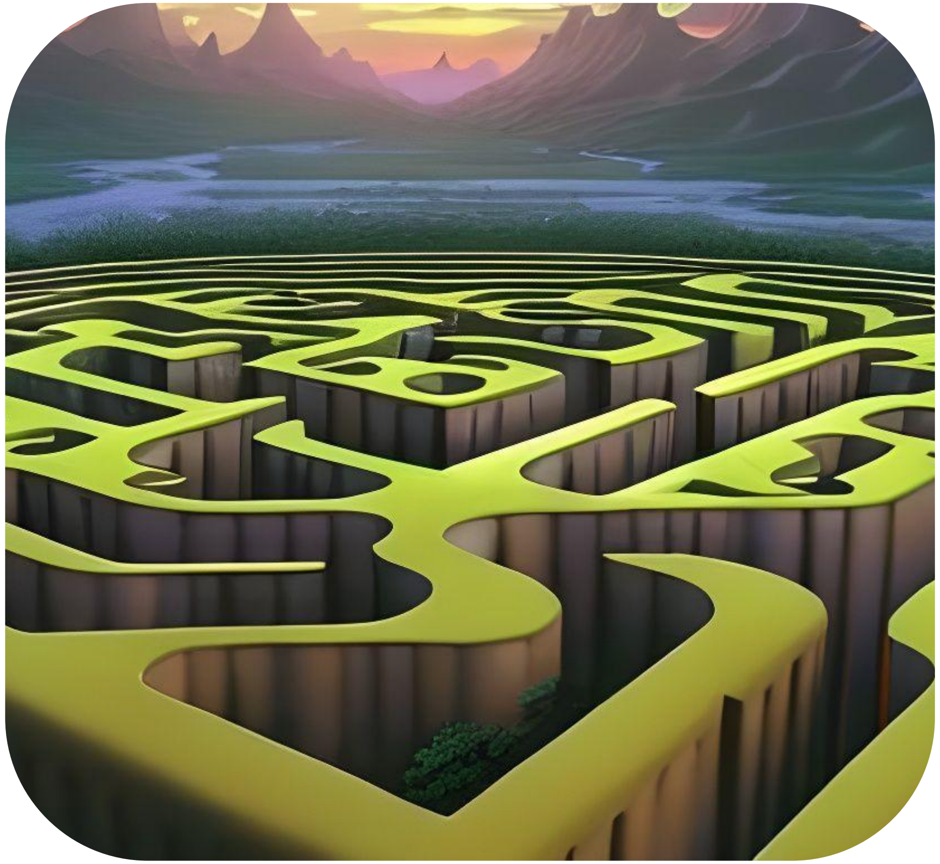
The legal and compliance labyrinth

How and what can I sell?

- Local laws (territory) e.g., Commercial Agent Exemption?*
- Scheme rules (customer support…)
- Industry standards can be influenced -> e.g., actively participating in workshops/discussions with IATA and other key industry players
- Customer-facing T&C s – they can be controlled*
- If I want to sell more than my own content, do I need a travel agency license? (e.g., the EU Package Travel Directive is changing)*



* (sources that need to be considered: Payment, Money movement, AML, Data protection)

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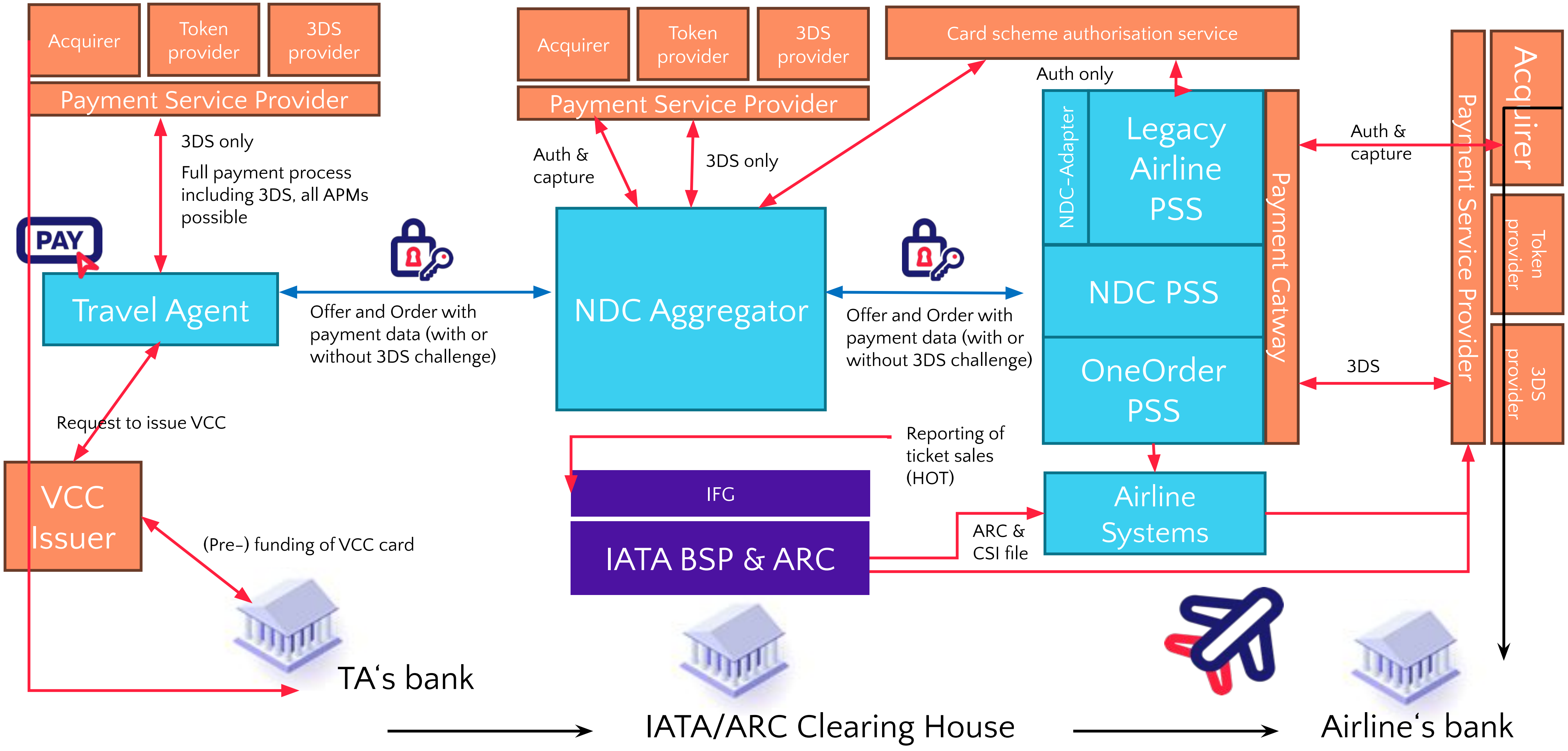
The technical jungle

288 ways to process an NDC payment transaction

- 4 x authentication options (initiated by agent, aggregator, PSS provider or airline)
- 4 x initiator of authorisation (initiated by agent, aggregator, PSS provider or airline)
- 3 x executor of the authorisation (directly with the card schemes or via a 3rd party gateway or the acquirer)
- 6 x paths for the capture process (directly to agent or aggregator's acquirer, IFG or ARC to the airline's acquirer, via airline PSP or via airline's own payment integrations)

The technical jungle – 288 Ways



Additional dangers on the way?

Known issues

- 3DS authentication vs. MOTO submission downgrades, penalties, additional charges and looming PSD3 (tightening the MOTO definitions)
- MIT transaction framework limited to merchant's own organisation
- PCI concerns along the message flow complex tokenisation and encryption required
- OneOrder payment records don't have ticket number, fare class, etc. (potentially missing out on preferential Interchange rates)

Current map?

- NDC standards include payments, but
  - For cash and cards only (plus IATA Pay) □ what about APMs?
  - Missing data elements (e.g. Transaction link identifier) leading to downgrades and data quality issues (and more fees)

- IATA Payment Day (21st June) started the discussion, however next steps yet to be defined with no clear resolution in sight.

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Worldpay, travel companion to help you get there

- Guide describing combinations and options with their challenges and opportunities
- Worldpay can process transactions from all NDC paths and can help you optimise them
- Learnings from setting up fully Offer and Order ready airlines
- Working with IATA and the card schemes to improve the process (map) to gain clear directions

Any Questions ???

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Thank you

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