Cómo las iniciativas de la IATA están remodelando la forma de viajar y la manera para pagarla
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Let’s start with the basics

What is IATA?

- Trade Association since 1945
- To represent, lead and serve the airline industry
- We build standards through expertise
- We champion the global big picture
- We have a role in Distribution and Payment
Distribution & Payments

- Gap between Direct sales and indirect sales
- Distribution operational differences between New Model Airlines and Network Airlines
- BSP legacy set-up
- The maze of alternative forms of payments
- Fraud and charge-backs
Customers ask, airlines reply with personalized offers
Airlines are in control of their product and of the way it is distributed
One Order

Enhanced Distribution:
- Merchandized Offers
- Personalization / Dynamic Pricing
- New Distribution Channel
- Optimize Payment
- Offers/Orders integrity

Simplified Distribution:
- Unique Customer Order Reference/Receipt
- Dispose of ticketing paper based processes
- Standardized retailing solutions
- Facilitate interlining with ticketless carriers
- Lighter Revenue Accounting
The BSP transformation

Through NewGen ISS, IATA aims to deliver a more relevant, secure and customer-centric BSP for both Agents and Airlines.
Agency Accreditation Models

Remittance Holding Capacity

IATA EasyPay

Global Default Insurance
Cards in BSP

PCI DSS compliance, the focus turns now on Agents
  • DPCs and GDSs have long been asked about their PCI compliance
  • Passenger Agency Conference to discuss more about Agents being mandated to show proof of PCI compliance, otherwise:
    • Risk of double irregularity to be invoked
    • Risk of de-activated ability to make BSP card sales

3D Secure in BSP
  • Spearheaded by ARC / Cardinal Commerce
Stage 1: GDS and Agent need to upgrade their interaction
  Agent initiates the cardholder authentication request, and pass result to the GDS - GDS to add the result to the ‘regular’ authorization request
Stage 2: BSP needs to roll out a DISH version supporting 3DS
Stage 3: ‘downstream’ from BSP
### Payment flow

**1. Direct Sales**
- **BSP Card**
- **BSP “Cash”**

**2. Indirect Sales: pass-through card sales**
- **Customer’s card: pass-through**
- **BSP Card**
- **Agent’s card or VAN**
- **33%**

**3. Indirect Sales**
- **Customer’s card: payment**
- **Bank transfer or any other form of payment used by the customer**
- **$$$$ Moneys held in trust**
- **BSP “Cash” 66%**
- **Bank transfer from the agent’s bank account to the airline’s bank account**

**33%** is allocated to the airline, while **66%** goes to the travel agency.
Payment cost

Average fee per transaction on a $400 value ticket

Customer payment

Agent transfer (from funds held in trust)

Airlines consent effective

Customer card: $8.60

eWallet: $7.90

BSP "Cash": $0.09

IATA EasyPay: $0.53

VANs: $12.70

ATPS LATAM 6 y 7 de diciembre, 2017
Transparency in Payment

Transparency In Payments – TIP solution

A1 Customer Payment
Pass-through of customer’s card

A2 Customer Payment
Customer’s card (or other instrument)

B1 BSP “Cash”
B2 IATA EasyPay
B3 Alternative Transfer Methods

Agent remittance to the Airlines ($$$)

Today

Tomorrow
Transparency in Payment

1. Transparency
   - Providers of Alternative Transfer Methods will need to enlist with IATA and enroll their products

2. Individual Airline consent
   - Each Airline will provide its individual consent to accept or not Alternative Transfer Methods

3. Transaction validation and monitoring
   - Two steps of validation:
     - Upfront validation
     - Post-ticketing monitoring

4. Infringement and consequences
   - In case of potential infringement, airlines follow-up with Agents
     - On bilateral basis
     - If pattern of abuse, via arbitrary party

ATPS LATAM 6 y 7 de diciembre, 2017
Provide to airlines and other travel industry suppliers with a consolidated **Payment Optimization Solution**
IFG also acts as a Neutral Payment Marketplace…

…and Payment Innovation Incubator open to all existing players and new comers.
IFG ENABLES A UNIQUE PAYMENT EXPERIENCE ACROSS THE ENTIRE TRAVEL VALUE CHAIN

- Global Reach
- Cost Efficiency
- Security
- Simplification
- In-Control
Q and A

Co-Host

UATP