Innovation in Travel Payment
From invoice to wireless payment

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Coffs Harbour – July 29th, 2015
AirPlus at a Glance

AirPlus is a specialised company for corporate travel payment

- More than 40,000 Corporate Customers
- Products and services in 60 countries
- Team of 1,240 staff
- 32 B AUD transacted volumes in 2014
- #2 market position worldwide
- Corporate HQs in Frankfurt, Germany

- 143 Million transactions in 2014
- Payment Institution regulated by banking authorities
- Member of UATP, MasterCard, Visa and Diners Club
- Issuer, Acquirer and Processor of credit cards
AirPlus offices around the world

- Johannesburg
- Singapore
- Hong Kong
- Beijing
- Washington D.C.
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“Travel buyers’ use of single-use virtual cards rose 7 percentage points year over year to 20 percent, according to a survey released by the Global Business Travel Association on Tuesday. … Central travel accounts were the second most frequently used form of payment for travel buyers (64 percent).

Of the travel buyers surveyed, 82 percent use two or more forms of payment. Two-thirds use virtual payment in addition corporate cards, and 69 percent of these respondents preferred CTAs.”

source GBTA travel buyers survey – 14th July 2015
What type of Card payments are available

- Lodged cards – a Payment Card issued in the name of the company/university, lodged in the TMC’s processes and automatically charged for Travel related purchases. No Physical card is provided. Usually provides at least 3rd level enhanced data.

- Corporate cards – Payment Cards issued in the name of an individual and a company/university. It is a physical card that is carried by the holder and used at Point of Sale to pay for any travel and non travel related purchases. Usually provides 1st level and occasionally with selected merchants 2nd level data.

- Virtual cards - single use Payment Cards associated to a master account. Usually provided via a web interface and/or software. Can be limited to specific merchant, to maximum amounts and other parameters. Usually provides 1st level and to some extent, 2nd or 3rd level data.
Trends in Travel Management 2015 Payments

Centralised settlement accounts for better control

- Enhanced data for better reconciliation and streamlined accounting processes
- All big ticket items on an account with large credit limits for better availability
- Centralised reporting dedicated to travel
- Gaps in acceptance (taxis, hotels, MICE)
- Only works with a TMC or Travel Agency environment
- Reduce out of pocket expenses and limits on Corporate cards
Trends in Travel Management 2015
Payments

Virtual Cards

- Unique card per transaction on a MasterCard network
- Limited Credit for a better control
- Targeted to Travel related Merchants for a limited fraud
- Enhanced data for better visibility
- Security features (limited validity, customised maximum authorisation, MasterCard SecureCode enabled)
AirPlus Business Cases
University of Nottingham

From 30 Corporate Cards to a full Card program and EMS

- The scope – saving 8 to 10% on £ 8.5m travel spent

- Project implemented:
  - 3 lodged cards with a data feed in an EMS and Carbon reporting per trip
  - 6,700 Corporate cards with data feed in an EMS
  - 1 reporting tool with all data consolidated across all travel suppliers

- Benefits
  - Greater transparency
  - Better control
  - Savings on Future suppliers negotiations
  - Streamlined accounting processes
AirPlus Business Cases
Monash University

From 2000 transactions manually receipted to 3 files upload in SAP

- The Scope – reduce administrative workload for Academics, streamline accounting processes and improve travel compliance

- Project Implemented:
  - 3 lodged cards with 3 different travel suppliers.
  - Customisation of the Statement file for direct upload in SAP.
  - Specific 3rd level data to improve FBT reporting.

- Benefits
  - Direct savings in accounting processes - From 4 FTR dedicated to travel accounting to 2 FTR managing data uploads and exceptions
  - Reduce Risk by reducing Credit Limit on corporate cards
  - Less leakage as new process is more efficient and requires less admin work
  - Better compliance
AirPlus Business Case
Università Ca’ Foscari Venice

From Cash advances and slow invoice settlement to Open Booking with enhanced data

- The Scope – No transparency, Personal Payment, Slow Reimbursement and Slow payments to suppliers

- Project Implemented:
  - Integration of the AirPlus A.I.D.A. Virtual Card solution in Pre Trip Approval tool using AirPlus API. The Approval of the trip triggers the generation of the AirPlus Virtual MasterCard which can be used with any Travel Related supplier and the Purchase Order creation in the Account Payable system

- Benefits
  - Supplier is paid faster thanks to MasterCard virtual card number
  - Payment is reconciled with Purchase Order in AP
  - No cash advance or personal payment for Business Trips
  - Compliance and transparency for all travel
Trends in Travel Payments
The Future

NFC, Tokenisation, more?

- Virtual Cards on Mobile phones with NFC
  - A.I.D.A is already available on Android and iOS. Next steps is NFC transmission with PIN for direct payment on PayWave terminals
  - Enhanced data through OCR for full folio data on MasterCard transactions
- Virtualization of Corporate Cards through mobile wallets
  - Accounting data captured with transaction
  - Using Mobile Phone NFC for Payment and access granting in Hotel rooms or rental cars
- Tokenisation
  - The token is stored in the receiving system while the actual cardholder data is mapped to the token in a secure tokenization system. Storage of tokens and payment card data must comply with current PCI standards, including the use of strong cryptography.
Before I go...