

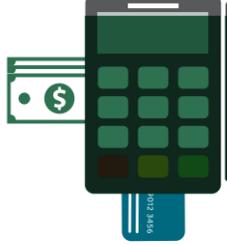
INTERCHANGE MANAGEMENT: 3 Steps to Optimize Card Acceptance



Credit card interchange rates are extensive and complicated



Rates are set by the card brands to cover the cost of accepting, processing and authorizing transactions



Fees can reach up to **90%** of the direct cost of every transaction¹

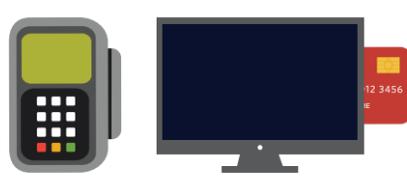
More than **700** INTERCHANGE CATEGORIES impact these rates¹

And rates can vary based on a variety of factors:

Type of card that's used



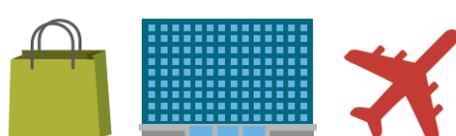
How the card data is captured



Where the transaction occurred



The industry in which the business operates (retail, hospitality, airline, etc.)



Ways to Optimize Card Payment Acceptance



1

Analyze the current environment and setup

Interchange rates are determined by complex variables, and you need to know what you're dealing with.



The interchange rate for a transaction is impacted by how it is processed and settled.



The amount of data collected to authenticate a transaction can influence the interchange rate.



Interchange rates differ for transactions where the card is physically present (in-store purchase) versus where it is not (online purchase).

2

Discover opportunities for improvement



Optimize POS and payment systems for Address Verification System (AVS) and PIN prompts



Review statements to monitor which transactions don't qualify for best rates

1 LEVEL 1

Is your basic Business-to-Business transaction which includes only narrow purchase data.

2 LEVEL 2

Includes the same data as level 1, but also includes six additional data fields, such as sales tax. This can be achieved with a physical terminal.

3 LEVEL 3

Processing must include line-item detail for purchasing/corporate/GSA cards. It also requires an enhanced virtual payment gateway and is eligible for lower interchange fees.

Ensure level 2/3 data is transmitted with commercial cards

3

Implement cost saving solutions

Every payments-related expense analyzed for efficiency and brought under management drives money straight to your bottom line. Your acquirer can help you:



Request interchange pass-through pricing for all markets



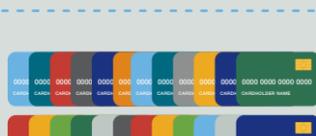
Get interchange credit on customer refunds and chargebacks



Consolidate your payments under one acquirer



Reduce fees for larger transaction volumes



Identifying opportunities to optimize payment card acceptance can be complex. That's where we can help. At Elavon, our payments professionals will work with you to analyze your unique business and payment data to find ways to efficiently process transactions while delivering a fast, convenient and secure payment experience to your customers.

¹ MAG 2017 Mid-Year Conference, "Optimizing Card Fees", February 2017
² <https://www.bigcommerce.com/ecommerce-answers/what-are-interchange-fees-and-how-are-they-calculated/>
³ <https://www.cardpaymentoptions.com/credit-card-processing/october-2018-interchange/>