



E-Agent Magazine
"The Information Magazine for Home Based Agents"

The Whole Truth – What You Need to Know About Travel Industry Merchant Accounts

by Jerry Miller

Our company National Transaction Corporation (NTC) has been serving the Travel Industry for many years. In the last couple years we have been fortunate enough to become the preferred provider of merchant account services for OSSN, ASTA, ARTA, REZ Connect, and NACTA. In doing so we have approved well over 400 merchant accounts for Travel Agents and Tour Operators a like. We have come to understand the needs of the Travel Professional. My name is Jerry Miller and I wanted to write this article in order to outline some of the key points in selecting a Travel merchant account as well as the main things to look out for when doing so.

First and Foremost, most merchant account providers will not approve Travel Merchants. Of the companies that will approve Travel Merchants, several will not approve ALL types of Travel Industry charges. They will only approve charges for commissions and fees, car rentals, and hotel charges. They will not approve cruise packages, land tours, and airline travel. Also these companies will not always tell you they do not approve these sales and will instead hold your money in limbo after the fact until these customers have completed travel. Many of our current customers have come to NTC with this issue of held funds and we have helped them quickly recover their held funds and start accepting ALL Types of Travel Sales. NTC allows the travel merchant the ability to accept most if not all Travel related sales.

National Transaction Corporation (NTC) also does not limit the size of the transaction. Travel professionals can process single sales for \$1,000, \$5,000, \$10,000 or more. The merchant does need, however, to be approved for the proper monthly processing limit to do so. Many other companies do limit the size of each transaction typically between \$200 to \$1,000 for each sale.

Another pitfall with many merchant account offerings is hidden fees. Monthly Gateway fees of \$15 to \$50 per month, Annual fees of \$50-\$100 per year, Batch fees, and many other hidden charges. Also companies have monthly penalties if a merchant fails to process, or processes a low volume in a given month. This penalty known as a monthly minimum can range from \$15 to \$50 per month! We have had merchants come to our company that were paying \$50 to \$150 per month with their previous provider in months where they had not processed a single sale! We do NOT; at NTC have any of these hidden fees. If you do not process sales in a given month then we only charge you a \$10 service fee.

Many merchant account companies also try to sell expensive credit card equipment, either for purchase, or under a 48 month Non-cancelable lease. Most of this equipment ends up costing the merchant \$500 to \$1500 or more! As Travel professionals most sales are over the phone and therefore an expensive piece of equipment is not even necessary. We at NTC offer FREE software that serves as a credit card machine on your computer. You can print credit card receipts straight to your computers printer. This free software has many benefits in that it gives the Travel agent one year of transaction reporting history as well as a more comprehensive way to enter transactions. Our Transaction software will fit the needs of 95% of all travel merchants, but we have several other solutions including very inexpensive terminals if the merchant so desires.

Another pitfall to keep an eye on is what we call "Teaser Rates". These are rates that are offered to the merchant in order to entice or "Tease" the merchant in to doing business with a company. These are low rates that a company offers temporarily for several months and then increases once the customer is settled in. Beware of these very low rates they usually have penalties attached to them. We can look at your current statements and evaluate and point out these hidden penalties. Our company prides itself on offering real

rates that are competitive in the marketplace. We do offer differing rates based on processing volume discounts. But we do not try to mislead our merchants in any way.

All of these different hidden fees can add up to \$500 to \$1000 or more over the next five years. So do not be taken in by companies that offer no set up fee in exchange for all these additional fees. Typically NO SET-UP FEES means other hidden charges exist, we will assist the merchant in noting all other fees that other companies may be charging.

But approvals, pricing, and fees are not the only things to be aware of. Customer service is possibly the most important issue to a travel agency. How quickly do you receive your deposits? We provide your money to your bank electronically within 2 business days as cleared available funds. How quickly can you speak to a customer service representative? We answer our phones live at NTC, you are not sent to another country or put on hold for 20 minutes, nor do we have an endless loop of menus you need to go through to reach a customer service agent. I also provide all my customers with my cell phone so they can reach me anytime customer service is not providing them answers they need.

Also, with every approved account we offer an online gateway that allows merchants to look at their account history including their last 6 months statements and their last 30 days deposits, as well as several other key reporting features. This gateway is offered at no additional cost to the merchant.

We have well over 25 years experience in the payment processing field as well as more than 400 Travel agents and tour operators as current customers. We not only understand the needs of the Travel Professional, but also understand how to solve the problems and issues as they may arise in the day to day operations of a travel business in regards to credit card sales.

For this article we have also put together a list of frequently asked questions as well as a list of the different reasons a Travel Professional may want a Merchant Account,. If we can help you in any way please call me, Jerry Miller at 888-996-2273, or email me at jmiller@nationaltransaction.com.

Frequently Asked Questions

1. What are the basic charges on the Merchant Account?

A: The Merchant pays a set percent of the sale and a \$0.25 per transaction charge. There is a one time \$99.00 set-up fee which includes free PC based software which will be used to process all of the credit card transactions. There is also a \$10.00 per month service fee.

2. This PC Based software, how does it work, what does it do?

A: It replaces your conventional credit card machine and allows you to type in your customer's credit card information, card #, and expiration date. You can also look at a transaction history and settlement deposit history.

3. How easy is it to set up this software?

A: Very simple, you can usually install the software by yourself but if you have any questions during set-up just call our office and our service representative will assist you in the set up and training, it takes about 10 minutes. The program calls out over your phone line through your DSL, Cable, or computer modem to a toll free 800# for credit card authorizations.

4. Can we use online internet processing or a credit card machine?

A: Yes, depending on your needs, we supply support for all different types of requirements, but I usually suggest this software for over the phone orders.

5. Can We Access our account information over the internet?

A: Yes, for NO additional fee you can look at the last 6 months of processing statements and the last 30 days of batch deposits we made to your checking account for credit card sales.

6. What do you require to set up an account?

A: You will need a voided check of the business account, and we ask you for basic information on the agency and the principle owner / owners. We also ask about the type of travel you offer, when customers pay, and basic marketing materials such as a business card or a website. It is very simple.

7. Do I need good credit to set up a merchant account?

A: We do ask for the signer to have good credit. But if the principle owner does not have good credit then we will accept a co-signer with good credit. The co-signer does not need to be an owner of the company.

8. How long does it take to get set up?

A: Once we get your necessary information it takes about 3-5 days to approve the account and overnight the software to you.

9. Once I take a credit card from my customer how long does it take to be paid?

A: It takes 2 business days to receive your money; it is transferred directly in your checking account as cleared funds.

10. What credit cards can I accept under this program?

A: Visa, MasterCard, American Express, Discover, Diners Club. American Express is 2.75%, and Discover is 2.25%, they offer different rates than Visa / MC

11. What type of sales can I charge on my merchant account with your company?

A: Many Types, you can charge commission and fees, plus all types of travel, hotel, car rental, cruises, tour packages, group packages, airline tickets, day tours, and deposits to name a few.

12. When do we pay the transaction fees and monthly fee to you?

A: The Rates and Fees are all billed electronically out of your checking account at the beginning of the month. Please note that this makes your accounting for the deposits easy because your batch totals will match your bank deposits.

13. What will I be charged if I have no Visa / MasterCard Sales for the month?

A: You will only pay the \$10 customer service fee, we have no other annual fees or hidden monthly charges.

14. What do I get for the \$10 monthly customer service fee?

A: You get a statement mailed to you once a month reviewing your deposits and charges. You get online access to your account for all statements for the last 6 months as well as the last 30 days deposits. You also get our 24/7 customer 800#, and a personal account representative...we answer our phones directly there are no menu buttons to push.

15. I have seen rates out there as low as 1.59% your rates seem high, how do you explain this?

A: The rates you see for 1.59% are for card swiped rates where the customer is at your location and you swipe their card. Visa / MasterCard charge a higher rate for cards where the customer is not present and orders are taken over the phone, fax or internet. Also rates can be lower because companies are offering an introductory rate to get your business, and they will mark it up in a month or two. NTC does not want to trick their customers like this. Also most companies will not approve travel accounts so their rates do not even apply to your type of business.

Benefits of a Merchant Account For Travel Agencies

- **Bundled Travel Packages with Additional Margin**
- **Last Minute Travel**
- **Close Business by Collecting Money NOW
Don't Wait on the Check to Come**
- **Group Travel – Group Discounts**
- **Group Travel – Group Charities / Profit**
- **Collect Commissions and Fees**
- **Airline Tickets / Commissions and Fees**
- **Quicker Delivery of Commissions / Paid in 2 Days**
- **Offer Customer Payment Plans**
- **Collect Deposits Easily**
- **Your Business Name and Phone Number Appears on the Credit Card Statement
Not the Travel Provider Name**
- **Always Say Yes to Your Customer's Choice of Payment**

Please Contact Jerry Miller For More Information at:

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