

The Retailer's Guide to

Cutting Costs & Boosting Revenue

A premium, practical brief for retail business owners processing \$500K–\$5M annually.



What you'll learn:

- ✓ Your true effective rate
- ✓ How to reduce or offset processing costs
- ✓ Proven revenue levers that protect margin

 (888)909-0092

 info@aerpayments.com

 [Aerpayments.com](https://aerpayments.com)

Executive Summary



Retail margins are tightening due to inflation, labor increases, and shifting consumer expectations. Card acceptance is essential—but it is also one of the least examined controllable expenses on a retail P&L; Most retailers are quoted a rate, not shown the full picture.

This guide is designed to help you:

- ✓ Calculate your true effective rate (the only number that matters)
- ✓ Identify common statement traps and hidden fees
- ✓ Apply proven strategies to reduce or offset processing costs
- ✓ Use modern payment tools to increase average ticket size and repeat purchases
- ✓ Understand compliant cost-recovery frameworks like Aer0

The Hidden Cost of Accepting Cards



Start with your effective rate.

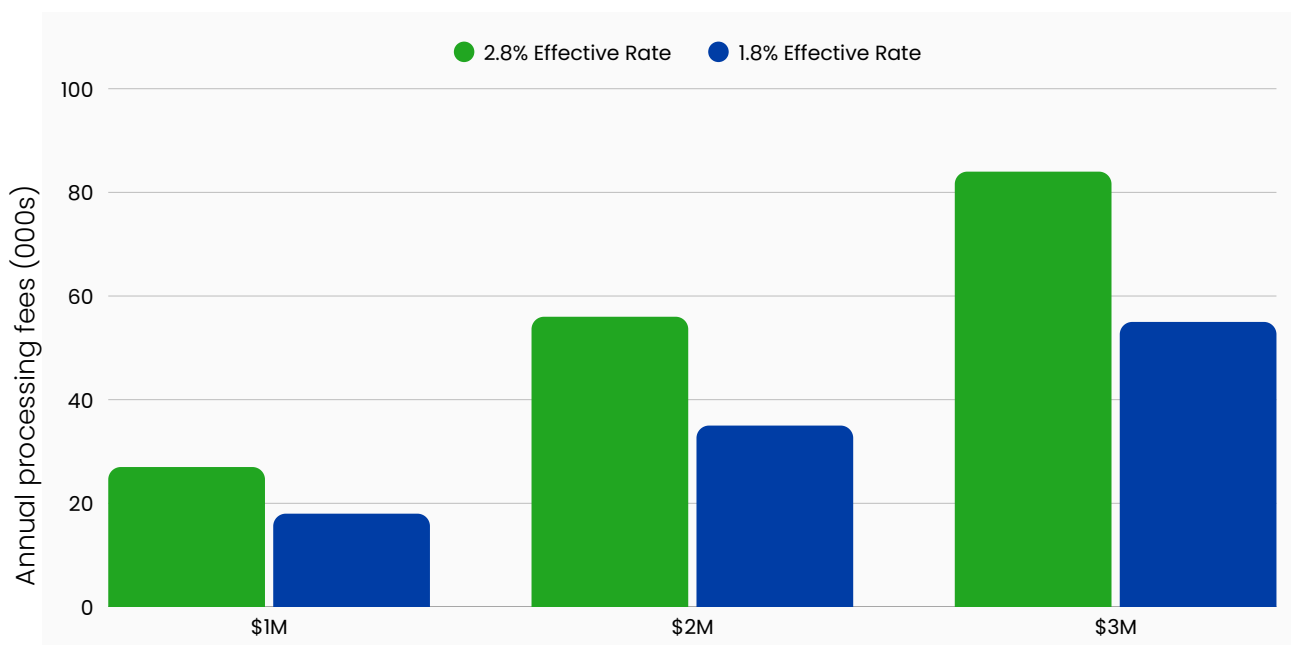
$$\text{Effective Rate} = \frac{\text{Total Processing Fees}}{\text{Total Card Volume}}$$

This blended number includes interchange, assessments, and your processor's markup. It cuts through marketing rates and shows what you actually pay.

See the difference:

Annual processing fees at two effective rates.

A one-point change (for example, 2.8% → 1.8%) can represent meaningful cash flow—especially at higher volumes.



Margin Impact Highlight



In retail, small percentages compound.

A single point of effective rate can fund labor, inventory turns, or marketing that drives repeat purchases.

The 1% Difference

A one-point effective rate change can unlock meaningful profit.

\$1,000,000

Annual card volume

\$2,000,000

Annual card volume

\$3,000,000

Annual card volume

\$10,000

Potential annual fee
reduction
(from 2.8%-1.8%)

\$20,000

Potential annual fee
reduction
(from 2.8%-1.8%)

\$30,000

Potential annual fee
reduction
(from 2.8%-1.8%)

+12.5%

Profit lift example
(assuming 8% net margin)

+12.5%

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Profit lift example
(assuming 8% net
margin)

How to Calculate Your True Effective Rate



A simple five-step method.

- 1 Pull your last full monthly statement
- 2 Identify total card volume processed
- 3 Identify total fees deducted (all fees, not just discount rate)
- 4 Divide total fees by total volume
- 5 Multiply by 100 to convert to a percent



What to look for:

- Monthly minimums
- PCI fees
- Batch fees
- Non-qualified surcharges
- Unexpected “network” pass-through charges



Red flags:

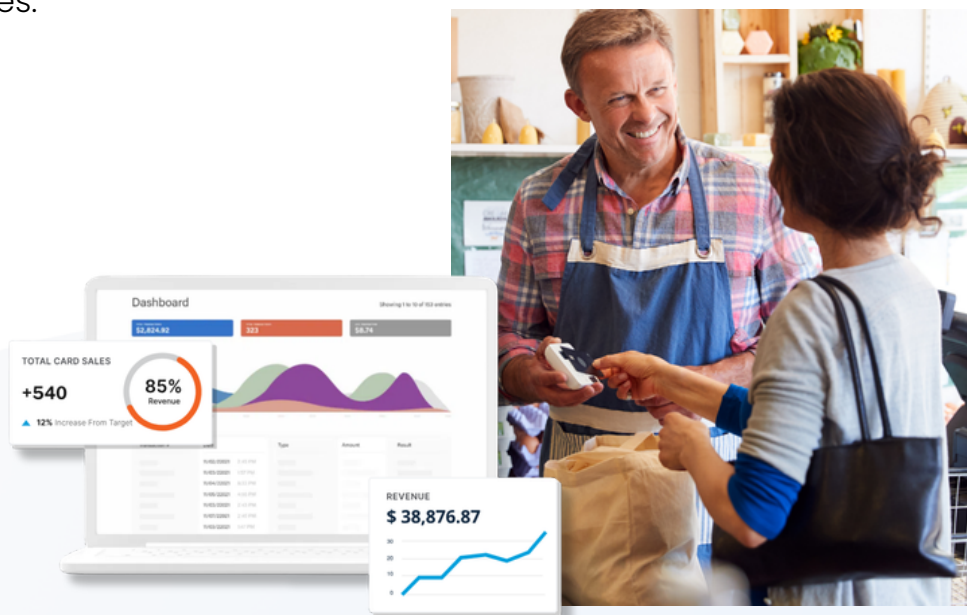
- Long auto-renew terms
- Liquidated damages
- Unclear basis-point markup
- A provider unwilling to explain your blended rate in plain language.

Smart Payment Strategies to Reduce or Offset Costs



Small changes now can save thousands later:

- 1 Move toward transparent interchange-plus pricing (when appropriate). This removes hidden markups and ensures you only pay the actual network cost plus a small processor margin.
- 2 Review processor markup annually and negotiate in basis points, not just “rates.”
- 3 Optimize debit routing and reduce downgrade risk with clean operational batching.
- 4 Remove unnecessary monthly fees and redundant add-ons.
- 5 Evaluate compliant cost-recovery frameworks. Modern payment models such as dual pricing or surcharge-compliant programs (like Aer0) allow retailers to offset or eliminate the cost of card acceptance while remaining compliant with network rules.



Revenue Boosters Retailers Overlook



Cost reduction is one lever. Revenue expansion is the other. The strongest retailers do both.

Checkout upsells

Simple prompts at checkout can increase basket size without adding labor.

Loyalty automation

Reward repeat behavior automatically and capture customer contact data.

Digital receipts

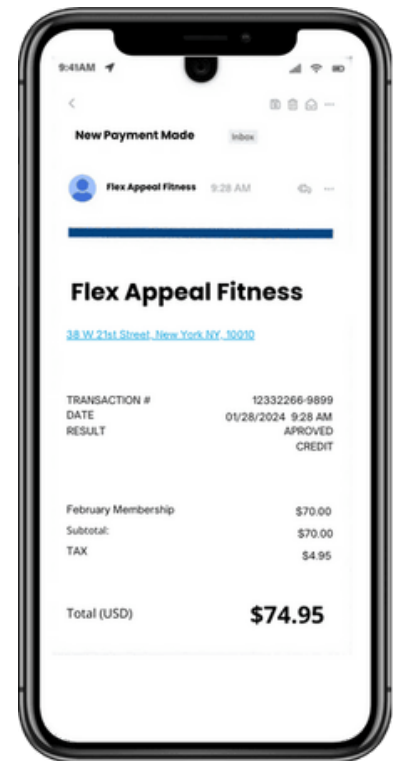
Use receipts to capture email/phone for follow-up offers.

SMS marketing

Time-sensitive campaigns drive traffic and increase repeat visits.

Gift cards

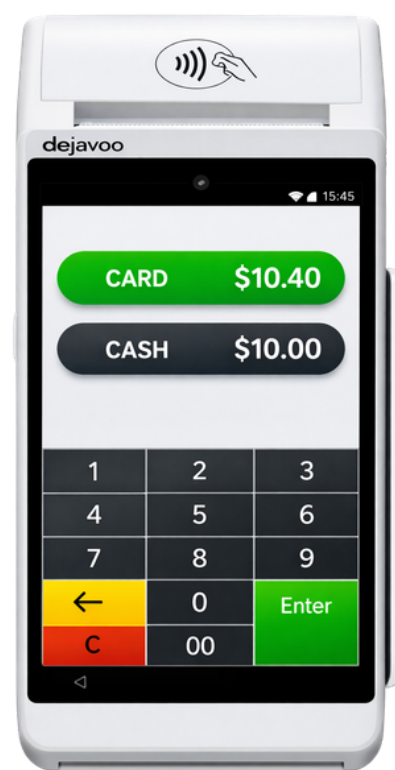
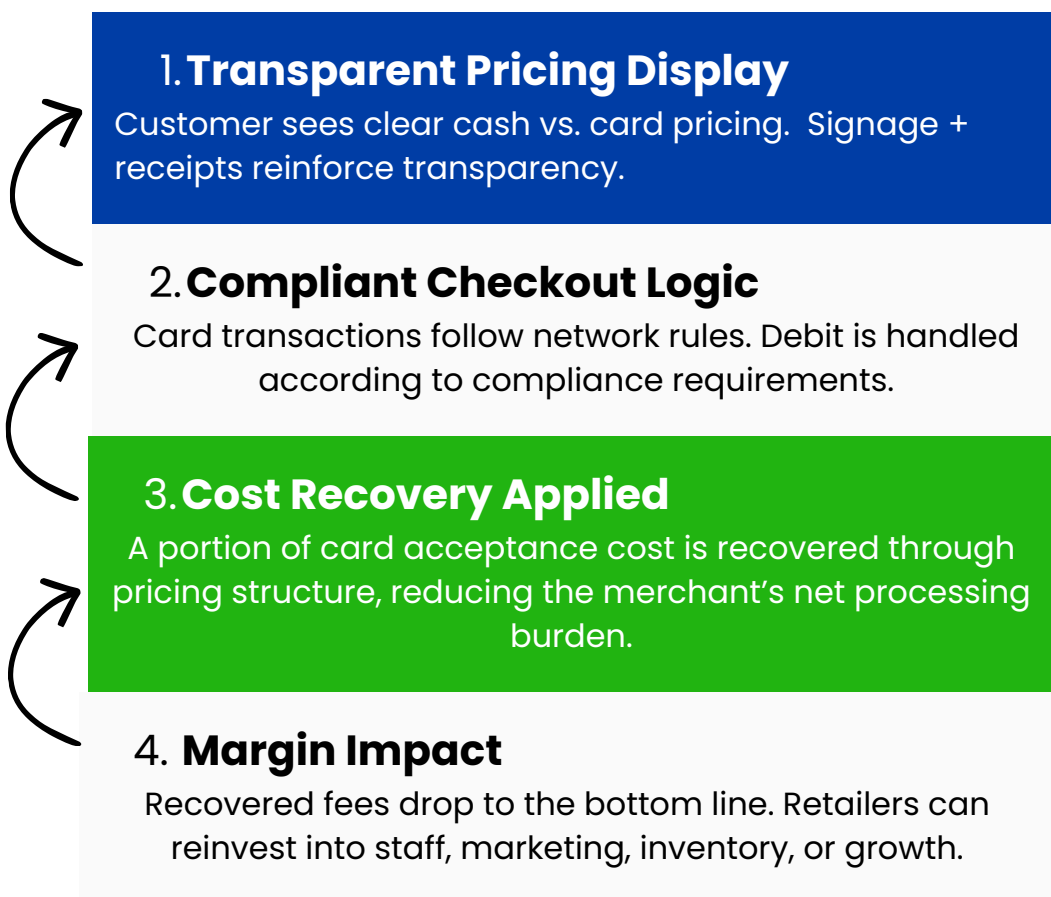
Prepaid revenue today; incremental spend later.



Aero Framework Overview



The diagram below explains Aero at a high level. Compliance varies by state and by network rules; AeroPay provides implementation guidance.



When Aero is a fit

- High card usage volume
- Need for margin relief
- Ability to deploy signage
- Staff can explain simply

When to be cautious

- Ultra-luxury sensitivity
- Highly priced-matched niches
- Poor signage execution
- Confusing customer messaging'

Compliance note: Requirements vary by state and by card network rules. AeroPay provides guidance on signage, receipts and pricing.

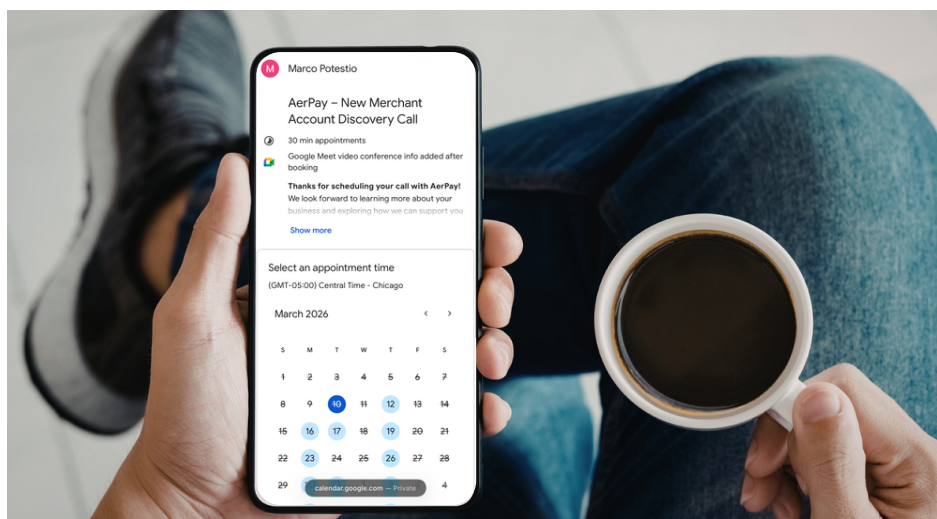
Schedule a Complimentary Margin Review



If you would like a no-obligation review of your current processing structure, we will analyze your effective rate, highlight cost drivers, and outline practical options to protect margin.

Scan to book your time now:

Tip: Have a recent statement handy for the fastest, most accurate review.



Or contact us now:

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PHONE: (888)909-0092

WEBSITE: www.aerpayments.com

