

EMV & Mobile: A Catalyst for Positive Change

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Introduction

It's 2015, the year of the "shift." In October, the EMV fraud liability shift goes into effect, which will punish the least-secure party—merchant or issuer—for most card-present fraudulent transactions. It is estimated that by the end of 2015, 1.1 billion EMV cards will be issued in the United States. And while that is no small task for issuers, it pales in comparison to the complexities involved in the upgrade or replacement of an estimated 13 million point-of-sale (POS) systems.

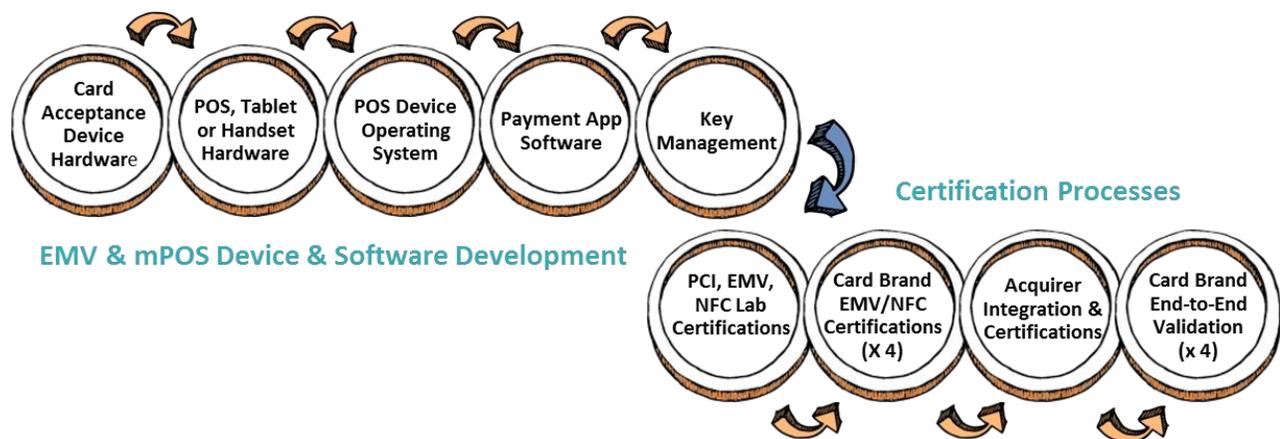


Instead of treating the migration to chip as solely a matter of compliance, many smart companies are using the technological disruption caused by EMV as a catalyst for positive change. They are examining the convergence of payments and mobile, envisioning what's possible, and embracing innovative solutions that become game-changers in the new world of connected commerce. The EMV liability shift will drive POS upgrades that will, in turn, create new mPOS and mCommerce engagement experiences influenced by advances in mobile technology.

EMV is hard to do

The US payment acceptance market is significantly different than most other markets that have already migrated to EMV. Throughout much of the world, stand-alone terminals are used to process payment transactions. Here in the US, it seems that every industry—such as retail, restaurant, lodging, beauty, healthcare, and automotive—has deployed specialized software, with payment functionality typically integrated into the overall solution. This is not a big deal for mag-stripe implementations; however, add EMV and NFC, and the stakes are magnified tenfold.

In the mag-stripe era, POS certifications were rather simple: The POS software provider would code to a message specification provided by the processor and then certify the payment transaction flow, which would be typically completed in just a few weeks. The processor did not need to know what was at the other end of the solution: The static card information was formatted into an authorization request, and the transaction response ended at the POS, or at a connected payment terminal.



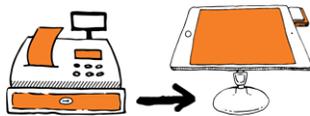
The EMV compliance process consists of multiple steps; summarized here:

- The card-accepting device must be ‘Type Approved’ to satisfy EMV and NFC Level 1 (two distinct hardware certifications) and Level 2 requirements for software, and must pass complex PCI, EMV, and NFC lab certifications with each of the card brands.
- For mPOS solutions using smartphones and tablets, an additional point of complexity is introduced with the need to support a variety of mobile Operating Systems and unique apps for iOS, Android, Windows 8 and Windows Mobile platforms.
- The payment application software must be validated to each card brand’s specifications.
- The connection between the POS terminal—fixed or mobile phone/tablet—and each acquirer must be certified to ensure that dynamic card-level data is being properly passed in the authorization and clearing messages.
- The entire end-to-end transaction flow must be validated from device, through POS solutions to each acquirer and every card brand, and then certified ADVT and Mtip as required by the brands of the member bank.

As a result of this onerous process, many POS VARs and ISVs are looking to get out of the business of developing payment functionality within their POS applications. They are searching for partners with global EMV expertise that can mitigate the burden of payment compliance, yet still provide a seamlessly integrated checkout experience for merchants and consumers. This, in turn, is creating a shift from proprietary fixed POS solutions, to cloud-based tablets and smartphones that can interact with consumers anywhere, anyhow. According to global research and advisory firm IHL, mobile in retail is now a \$7.8 billion business worldwide and is the single fastest moving trend in this sector since the introduction of Internet services.

What It Takes To Win

Leveraging the disruption caused by EMV gives solution providers an unprecedented opportunity to enable a new set of simple yet robust features that extend beyond the traditional confines of payment transactions to a much broader array of business opportunities. In making the shift to EMV, solution providers can combine or replace the POS with cloud-connected smartphones and tablets that help fuel a highly flexible ecosystem, one that goes far beyond accepting payments. The result doesn’t simply take the sting out of EMV compliance; it serves as a launch pad for introducing compelling omnichannel marketing and payment opportunities, all of which extend well beyond the traditional POS paradigm.



Responding to market trends requires focus and experience that can quickly and effectively be applied to the evolving demands of this new world of commerce. It’s time to break the cycle of legacy software development on proprietary systems and embrace a solutions delivery model that results in efficiencies for everyone involved. The good news is that both traditional and new-age POS players can embrace tablets and phones to develop innovative industry-specific solutions that help merchants connect with customers and manage their business, while leveraging tools and resources from mPOS payment experts to easily integrate proven and certified payment applications that support mag-stripe, EMV chip & signature, EMV chip & PIN, and NFC for digital wallets like Apple Pay.

mPowering The Possible

AnywhereCommerce has everything needed to help Acquirers, Processors, ISOs, ISVs, and merchants implement innovative, secure and certified mPOS solutions. Our easy-to-use solutions meet the needs of a variety of vertical markets, and our team of global EMV and mPOS experts understands the “messy bits” of payments, allowing developers to quickly and confidently integrate certified payment functionality across an enterprise.

AnywhereCommerce has a proven track record of delivering end-to-end capabilities, including:

- A flexible array of **certified card readers**—supporting mag-stripe, chip & signature, chip & PIN, NFC—to facilitate the rapid deployment of proven mPOS solutions for smartphones and tablets;
- MePOS, our unique 5-in-1 **tablet POS solution**, that supports a variety of in-store and mobile configurations
- Intuitive, turnkey **mobile payment apps** for iOS, Android and Windows smartphones and tablets that can reflect a client’s brand;
- CorePay **software development kit** (SDK) that quickly integrates end-to-end payment functionality via drag & drop tools, while reducing the complexity of EMV certification;
- Robust **application programming interfaces** (APIs) and toolsets that allow developers to deliver industry-specific front-end applications and quickly integrate them into pre-certified payment libraries, removing the burden of EMV from the delivery of their solutions;
- A secure **global gateway** engine with certified connections to a wide array of processors in the US, Canada and Latin America;
- Our aCommerce **management platform**, a powerful and secure cloud-based administration system to manage all payment transaction activity and deliver valuable insights;
- Robust **end-to-end security** featuring advanced encryption to protect card data;
- A flexible **white-label branding** philosophy that can be applied to devices, software and the aCommerce administrative and reporting portals.

AnywhereCommerce mSuite Solutions Family



Flexible Implementation Options

AnywhereCommerce understands that there is no one-size-fits-all model when it comes to mPOS solutions for tablets and phones. Customers must have the option to implement end-to-end capabilities as a turnkey system, or in combination with individual solution elements matched to their specific needs.

SimplePay is our packaged payment solution that allows clients to quickly configure and implement an end-to-end white-label solution. It connects card acceptance devices and an mPOS payment app to the aCommerce gateway, management and reporting platform.

CorePay SDK is an easy-to-use software development kit that allows developers to easily integrate payment features into POS solutions by leveraging an extensive array of APIs and payment libraries featuring simple drag-and-drop tools.

Custom Implementations utilize simple APIs to allow any of the components of our mSuite solutions family to be integrated into a client's mCommerce platform

Conclusion

While offering a comprehensive solutions portfolio is important; finding an mPOS partner with actual global EMV implementation experience is critical. The complexities of end-to-end certification are challenging enough; when you add in international processing, true field-level expertise becomes a game-changer. AnywhereCommerce brings a global experienced team of mPOS experts to the table to configure and deliver turnkey or customized solutions aligned with your needs.

It's a fascinating time to be a part of the payments ecosystem. The convergence of payments and mobile commerce is spawning a new array of possibilities. Companies that embrace EMV not as a burden but as a catalyst for positive change — and as opposed to screaming “uncle!” — will be best positioned to win the day.



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