



Comparison — Connected Payments versus Encryption-Only Products

ENCRYPTION-ONLY PRODUCTS MIGHT BE FINE FOR A TOY STORE DOWN AT THE MALL, BUT YOUR GROCERY OPERATION NEEDS MORE THAN JUST A CREDIT TERMINAL

“Encryption” is the latest buzz-word in electronic Payments, but independent grocers are seldom getting the full story.

Not only are these encryption-only products very expensive, but they are incompatible with your POS system and take away essential capabilities you’ve relied upon for years.

Fortunately, Connected Payments already gives you state-of-the-art encryption along with its outstanding payments engine, POS interfaces, reporting, system management, monitoring and everything else you need.

And there’s no point paying for something that you already have.

StoreNext

Several payments processors are touting new products that provide “encryption” for electronic transactions. While these products may be useful in simple retail shops, they cannot handle the electronic payment requirements of even the smallest grocery store.

ENCRYPTION BASICS

Make no mistake: encryption is a **very good thing!** And that’s exactly why every Connected Payments transaction is protected by state-of-the-art “strong” encryption — and has been for years.

Encryption is simply the process of scrambling data to make it unusable to fraudsters and data thieves. According to computer scientists, current “strong encryption” standards such as T-DES and 256-bit AES will keep data safe for decades into the future.

Connected Payments was the first system to immediately encrypt payments data right at the PIN pad, and keep it encrypted every step of the way during transmission to the processor and back. This “point-to-point” encryption has now become an industry buzz-word, taken up by everyone getting on the bandwagon and trying to sell data encryption/decryption products.

PCI, the Payments Card Industry group charged with protecting electronic transactions, recognizes encryption’s benefits. PCI is even considering a possible future policy that would dramatically simplify and lower the cost of PCI Compliance where encryption is employed.

IS ENCRYPTION ALL YOU NEED?

No. Encryption is important, but it’s just one component of a system that grocers need to handle electronic transactions today:

Point-of-Sale system interface — your sales transactions start in your POS system, which must be integrated with an electronic payments engine to manage the transaction, handle communications to the processor and deal with exceptions such as offline or declined transactions.

Without an integrated interface, only “stand-alone” transactions are possible. Such credit-only terminals are typically found in small specialty stores where credit card transactions are initially rung into the POS, and then rung once again into a credit terminal on a counter behind the register. There is no connection to the point of sale, and functions are extremely limited.

- ✓ ISS45 or ScanMaster electronic payments interfaces are included as an integral part of a Connected Payments system.
- ✗ Encryption-only products such as TransArmor®, VeriShield™, Voltage™ etc. are incompatible with, and cannot be connected to ISS45, ScanMaster and many other grocery POS products. **No payment interface is available to these POS systems from any encryption-only product, and so cannot be used together.**

Electronic payments engine — MTXEPS, Inc. has been the industry’s leading payments software provider for many years. The MTXEPS engine manages electronic payment transactions, and provides the capability to handle credit card transactions, and also signature debit, PIN debit, EBT, smart-card WIC, online WIC, gift cards, FSA, check conversion and so forth.

- ✓ Connected Payments includes the MTXEPS payments engine, which is tightly integrated with ISS45 and ScanMaster POS — as well as more than 20 other POS systems.
- ✗ Encryption-only products do not include a payments engine or integration to POS.

TAKING YOU BACKWARDS?

Connected Payments users benefit from vital capabilities that encryption-only products may take away. So remember that Connected Payments provides much more than encryption, with a host (literally!) of essential features that save you real money and give your shoppers real service.

- **POS/Payments integration:** Connected Payments keeps all your payments features automated with truly seamless integration with your POS system.
- **All-transaction support:** wall-to-wall handling of today's full scope of electronic transactions, including credit, PIN and signature debit, private and open-loop gift cards, WIC EBT, FSA and electronic check conversion.
- **Multi-processor:** encryption-only products handcuff you to that one processor for all transaction types. But if that processor doesn't support WIC EBT, ECC or another solution you prefer, you're stuck. Connected Payments lets you choose which processors handle which transactions.
- **Signature capture:** Connected Payments provides this essential cost-savings capability with either local or central storage options.
- **Offline transactions:** offline transactions are a standard feature of our payment engines, but unlike with encryption-only products, ours won't take a \$20 gift card for a \$100 credit amount or cost you the entire sale any time the shopper's card is expired.
- **Card and tender type recognition:** our payment engine recognizes every card's capabilities and automatically initiates the right transaction type. Otherwise, the cashier must the "debit or credit" answer from every shopper before a transaction can start.
- **Credit→debit conversion:** it's standard with Connected Payments, but there are no BIN file-related capabilities with encryption-only products. Losing this means your POS can't prompt your shopper for a PIN, costing you \$\$\$ on every such transaction.
- **Chargeback lookup:** a standard Connected Payments feature, you can instantly locate and transmit a customer transaction from your central location to the processor.
- **Automatic updates:** only Connected Payments keeps your payments software – and even your PIN pad code – up-to-date, so you get the latest regulatory and PCI changes without worrying and wondering (or waiting).
- **Feature-ettes:** for example, Visa and MasterCard no longer require you to obtain a shopper signature for credit transactions under \$25. Of course, Connected Payments handles this automatically for you, printing a signature receipt only when necessary.

Reporting and consolidation — managing your electronic payments and sales accounting requires a complete system of reports and tools to balance your stores, consolidate data across dates, or regions, understand performance, and isolate trends using your own historical data.

- ✓ Connected Payments provides the most comprehensive reporting and analysis capabilities available in any payment application.
- ✗ Encryption-only products do not provide any reporting capabilities; any data will be limited to the standard sheets typically provided by the processor.

Configuration and control — how do **you** want your payments transactions to flow and interact with the shopper? How do **you** want your transaction limits and flags set? What parameters do **you** want to use to control electronic payments in your stores? And how will you make all that happen – and change these setups when you need to?

- ✓ Connected Payments provides a comprehensive centralized configuration system that enables your authorized payments administrator to manage your entire electronic payments network — lane-by-lane, store-by-store, region-by-region or chain-wide.
- ✗ With no engine to configure, encryption-only products provide nothing of this kind.

System monitoring — what if your data communications act up? What if someone takes a lane off line? What if the card reader in lane #4 of store #15 is failing, requiring frequent manual entry by the clerk? What if your one of your processor's host centers has gone down?

- ✓ Connected Payments monitors your payments infrastructure end-to-end, providing alerts that help you manage your stores and keep ahead of potential or brewing trouble. Connected Payments can also route transactions to your processor over multiple lines to multiple processor nodes; this extraordinary redundancy makes communications far more reliable than only the single connection available with an encryption-only product.
- ✗ Encryption-only products only provide encryption. Comprehensive system monitoring and routing are exclusively provided by Connected Payments.

PIN pad security — Connected Payments provides a lot more than just encryption for your shopper's security. Several major retailers including Michaels® have been forced to alert shoppers that their personal data was stolen from fraudulent PIN pads in their stores.

- ✓ Connected Payments tracks every PIN pad in every store, always watching your installed inventory and sending alerts whenever a PIN pad is disconnected or changed.
- ✗ Encryption-only products provide just encryption. PIN pad monitoring and system-wide alerts are capabilities available only with Connected Payments.

WHAT ABOUT COST?

Connected Payment employs multiple encryption methods at every step to protect transaction data, using the strongest standards and science currently available. But this remarkable security is just one of Connected Payments' many facets we've described here — and you need them **all** to achieve a comprehensive payments system for your stores.

Depending upon the merchant's size, encryption-only products are currently priced between \$0.01 and \$0.03 per transaction. Using a \$0.02 average, the typical \$200,000/week grocer will spend almost \$5,000 annually **just for encryption** — with none of the other necessities that Connected Payments includes for only about one-third that cost.

So unless you sell dresses or jewelry at the mall, Connected Payments is your obvious choice.