



TRANSNATIONAL™
PAYMENTS • TECHNOLOGY • TRUST

THE ULTIMATE GUIDE TO MOBILE PAYMENTS

*HOW TO SAVE TIME AND MONEY
ON YOUR PAYMENT PROCESSING*



Phone :
888.998.6224

Website :
gotnpayments.com

Address :
**9550 W. Higgins Road • 8th Fl
Rosemont, IL 60018**

THE ULTIMATE GUIDE TO MOBILE PAYMENTS

CONTENTS

- 03 | CHAPTER 1: What Are Mobile Payments?
- 05 | CHAPTER 2: Types of Mobile Payments
- 07 | CHAPTER 3: How Do Mobile Payments Work?
- 08 | CHAPTER 4: Why You Should Adopt Mobile Payments
- 10 | CHAPTER 5: How to Choose a Mobile Payments Solution
- 12 | CHAPTER 6: The Future of Mobile Payments



CHAPTER ONE:

What Are Mobile Payments?



MOBILE PAYMENTS ARE
AN INCREASINGLY ATTRACTIVE
WAY TO PAY FOR GOODS AND
SERVICES BECAUSE THEY ARE
SECURE, FAST AND CONVENIENT.



Mobile payments, by definition, are payments for goods and services performed via a mobile device, such as a smartphone or a tablet.

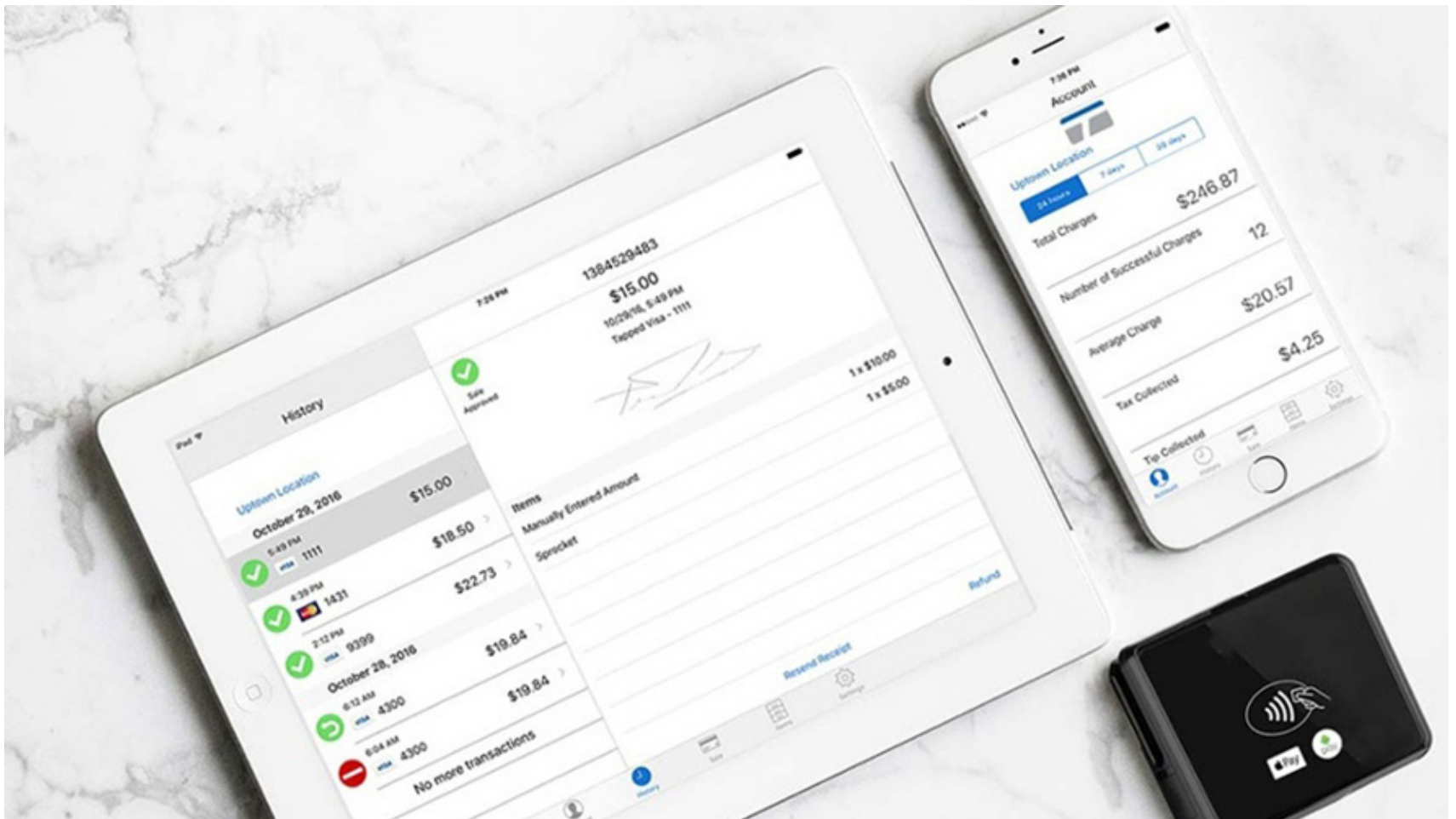
However, this simple explanation leaves much to be desired, which is why this e-book sets out to give you a better understanding of this concept. To begin, let's look at how mobile payments came about and why they're so popular today.

Prior to arriving in the United States, the mobile payments technology had first gained its popularity across Asia and Europe. In 1997, Coca Cola launched a limited number of vending machines in Helsinki, Finland, which allowed customers to purchase drinks via text. Later that year, Merita Bank adopted a similar approach by allowing text messaging for bank account transactions.

Fast-forward 20 years, and now global mobile payment revenue is expected to surpass the trillion-dollar mark in 2019. This is impressive but not too surprising, considering the growth of Apple Pay, Samsung Pay, Google Pay and other mobile payment methods that will be discussed later in this e-book. As more consumers become comfortable with mobile technology, adapting it as part of your payment processing will only bring more value to your business.



Mobile payments are an increasingly attractive way to pay for goods and services because they are secure, fast and convenient. Instead of having the customer pay with cash, checks or physical credit cards, mobile payment technology allows them to do so digitally. Making your payment processing seamless is one of the steps to greater customer satisfaction, and mobile payments play a key role in helping reach this goal.



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One might use mobile payments as an alternative to credit cards because they're more convenient and secure. Traditional credit cards store customer information on the merchant point-of-sale (POS) terminal, while mobile payments do not. When utilizing a mobile payment app, the customer's mobile device uses a method known as tokenization to create a random code for the transaction, thus making it more secure.

As a business owner, you would use a mobile payment app on your smartphone or tablet to accept payments for your customers' purchases. With mobile payments, you and your employees can run transactions anywhere, anytime!

PAYMENT
PROCESSING
*Doesn't
Have
To Be
Difficult*



*Learn More
About Mobile
Payments*

CHAPTER TWO:

Types of Mobile Payments

Knowledge is power! Although you may not encounter all of the following transaction methods in your day-to-day sales, knowing them is the key to understanding the scale of the mobile payments landscape. Here's a quick breakdown of what's out there:

Payments via mobile card readers

Card readers are likely one of the first things that come to mind when thinking of mobile payments. These compact devices can be attached to your mobile phone or tablet and used to swipe or dip cards at your store or out in the field. Praised for their portability and ease-of-use, they're an excellent mobile payment option for your business.

Sound-based payments

Instead of relying on radio frequency, this cutting-edge type of mobile payments uses unique sound waves to facilitate the transaction without requiring an internet connection. These sound waves contain encrypted information that, once successfully delivered from the terminal to a mobile device, is converted to an analog format to complete the payment. It processes the payment just as if the card were to be swiped. However, MST payments tend to be more secure compared to physical card transactions.

Magnetic secure transmission (MST) payments

MST payments use an approach similar to their NFC and sound-based counterparts, except the signal emitted from the phone is designed to imitate the card's magnetic strip. Once the terminal picks up this signal, it processes the payment just as if the card were to be swiped. However, MST payments tend to be more secure compared to physical card transactions. Cards in their pockets, your customers can store them in their mobile device. Mobile wallets are very secure, often utilizing two-step authentication, and typically rely on NFC technology to facilitate payments.

Near-field communication (NFC) payments

NFC payments are among the fastest forms of mobile payment processing today. They use radio frequency communication to establish a connection between a mobile device and an NFC-enabled terminal. It's worth noting that the two don't have to touch at any point during the transaction, which is why NFC payments are also called contactless payments.

Mobile wallets

What's better than a physical wallet? A mobile one! Apple Pay, Samsung Pay and Google Pay all fall under this type of mobile payment. The term is fairly self-explanatory: instead of carrying cards in their pockets, your customers can store them in their mobile device. Mobile wallets are very secure, often utilizing two-step authentication, and typically rely on NFC technology to facilitate payments.





Quick response (QR) code payments

Not everyone knows that QR codes can be used not only for marketing purposes but also to facilitate a payment. To make it work, your customer needs to open a specific app and scan the information by carefully aligning the QR code with the indicators on the screen. This can be a good feature to add to your existing payment app.

In-browser payments

It's important to remember that your customers don't need any app to purchase goods or services via their mobile devices. Instead, they can simply choose to manually enter their information on the payment page in the browser, just like they would on a desktop or a laptop. This option works just as well, but it can only be used for e-commerce purchases, not retail ones.

In-app payments

An essential element of platforms like iTunes and Google Play, in-app payments allow customers to make purchases without exiting the app. If their information is up-to-date and stored on their mobile device, an in-app transaction may only require something as simple as a finger scan to authorize the payment.

SMS payments

Do you recall SMS-enabled Coca Cola vending machines from Chapter 1? Well, it's still possible to pay this way today. All your customer needs to do is send a text with required information to the number you provide, and the payment amount will be added to their phone bill. Of course, this method calls for buyers to exercise caution to avoid falling victim to scammers and cybercriminals.

Direct carrier billing

Did you know that your customers can also pay for goods and services without entering their credit card information or using a bank? Instead, they can rely on direct carrier billing. The concept is simple: the customer enters their phone number on the payment page, confirms that it belongs to them (typically through a text message) and then has the amount added from their phone bill or prepaid SMS card.

Mobile banking

Mobile banking is not only a convenient way to manage your account transactions but it's also an increasingly popular option for peer-to-peer money transfers and bill payments. Each bank's app comes with varying limits and registration requirements, so your customers may have different capabilities when using mobile banking for day-to-day payments.

CHAPTER THREE:

How Do **Mobile Payments** Work?

As you can see from the previous section, mobile payments come in all shapes and forms. However, you don't need to be an expert in all of them to understand how they work. To learn how to use mobile payments effectively at your business, it can be enough to just focus on the two types of solutions you'll likely encounter most often — mobile card readers and NFC payments.



Paying Via Mobile Card Reader

To accept payments via a mobile card reader, you need three things: **a mobile device, a mobile payment app and a card reader itself**. In most cases, you'll be able to use your current smartphone or tablet, as long as the model and operating system are recent enough to support mobile payments. When it comes to the payment app, look for one that works with both iOS and Android.

Finally, make sure to select a card reader(s) that fit your needs. For instance, TransNational Payments currently offers three different types of card readers: Mobile EMV, Mobile EMV Bluetooth and Mobile EMV Bluetooth NFC. The great thing about these readers is that they let you both swipe and dip the cards, while the NFC version also supports contactless payments. Unlike the regular Mobile EMV model, Bluetooth ones don't need to be connected via the headphone jack or charging port. Just set it down, pair it and you're all set to run sales.

Once paired and ready, open the mobile payment app on your device and follow the prompts on the screen to swipe or dip the card. **TransNational Payments mobile app** also allows you to record cash or keyed transactions at times when your customer doesn't have the card or prefers not to use it.

Paying Via NFC Payments

NFC technology, the one used by mobile wallets, is growing in popularity and usability. If you have a customer who wants to pay using this method at the checkout counter, they need to hold their mobile device close to your NFC-enabled payment terminal. The reader should not be farther than 10 centimeters away from the source (the mobile device) to set the transaction in motion.

What happens then is that the mobile device and the terminal will essentially "talk" to each other. Using specific radio frequency, they'll pass encrypted information back and forth to process the transaction in a matter of seconds. Indeed, speed is one of the best parts of NFC payments, as they take a fraction of the time that magstripe and chip card transactions do, and remain light years ahead of cash-based sales.

On the security front, encryption and tokenization play an important part in safeguarding your customers' bank details in mobile payment apps. That's why you can feel comfortable assuring even those unfamiliar with NFC payments that their transactions are safer than ever.



CHAPTER FOUR:

Why You Should Adopt Mobile Payments



Mobile Payments Are Convenient

Whether it's running credit card transactions, keeping track of inventory or managing your sales, mobile payments can do it all. But then what makes them different from a typical point-of-sale (POS) system? Well, unlike a traditional POS, mobile payments don't require a large investment, they come with a low learning curve and, most importantly, mobile payments are easy to bring along anywhere your business takes you.

Mobile payments provide flexibility. With them, you and your staff can accept payments both at the checkout counter and away from it. This can be useful across a wide range of industries. If you work in retail, you can run sales anywhere within your store. If you're an HVAC, landscaping or pest control professional, you can generate electronic invoices and email them to your customers straight from your mobile device. And if your business is constantly on the move, be it in a food truck or at a farmer's market, mobile payments has your back even if the internet connection is spotty.

Mobile Payments Are Fast

Mobile payments are by far the fastest way to pay — they usually take about a second to complete. As the transition to the EMV standard in the U.S. continues, we're seeing large growth in the adoption of mobile payments and the reason is simple: they provide a far better, more cost-effective experience compared to older methods of payment processing. And for businesses that have checkout queues (QSRs, retailers), mobile payments can speed up lines, which in turn may lead to more sales in a shorter amount of time.

For example, let's look at Nordstrom. If you've visited their store lately, you've probably noticed sales associates walking around with mobile devices. Nordstrom has seen great success with the decrease in line size alone, not to mention an improved customer experience created based on the data obtained through mobile devices. For instance, Nordstrom's sales staff can now use their mobile POS devices to look up inventory without having to go back to the register, allowing them to help their customers find the correct size or color of an item and save valuable time in the process.



Mobile Payments Are Secure

Mobile payments have multiple layers of dynamic encryption, making them an extremely secure way to pay. They're far more secure than traditional magstripe payments and just as secure as chip card payments. More so, if you choose a processing partner that supports EMV for mobile payments, like TransNational Payments, you can protect yourself from fraud and chargebacks that you may otherwise be liable for. Considering that fraud levels continue to rise, while the total cost of chargebacks for merchants has already surpassed \$19 billion, payment security should always be one of your highest priorities, no matter which industry you operate in.



Your Employees Want It

Your customers aren't the only ones who enjoy the fact that mobile payments are fast, convenient and secure. If you manage a team of employees, you know that it's also important to keep them happy, and mobile payments can help you with just that. Being able to accept payments anywhere, instead of only at a cash register, keeps your staff engaged throughout the day.

It also gives them an opportunity for greater customer interaction and even upselling opportunities. When staff members are given tablets and other mobile payment devices, they can pull up information for customers and educate them on additional products that might interest them, thus creating a more memorable shopping experience.



Your Competitors Use It

Customers expect mobile payment options, which means that your competitors are likely already offering them. Even if that's not explicitly true in your industry, this assumption should always be there as a motivator to stay proactive. Moving to mobile payments alone has its own benefits, but doing so before your competitors helps show that your company cares about the needs of your customers, not to mention keeping up with the times.



CHAPTER FIVE:

How to Choose a Mobile Payments Solution

The growing demand for mobile payment apps has been fueled by a number of factors, including changing consumer behaviors and the impacts of the EMV Liability Shift. We have compiled a list of questions below to help you analyze your mobile credit card processing needs in order to select a solution that's best for your business:



DO YOU ALREADY HAVE A MERCHANT ACCOUNT?

If you don't have one, you'll want to find a mobile credit card app that comes bundled with a merchant account. This process can be confusing, so it's best to find a merchant account provider who will guide you through the application process.



WILL YOU, OR ANYONE IN YOUR OFFICE, PROCESS CREDIT CARDS OR MANAGE YOUR CUSTOMERS FROM A DESKTOP COMPUTER, AS OPPOSED TO JUST MOBILE DEVICE(S)?

If yes, look for a mobile app that includes a web application you can access from any computer browser. While it's become commonplace for mobile credit card apps to include a web application, many of them just have simple transaction history lists for exporting.



DO YOU WANT PAYMENT COMMUNICATIONS TO GO TO YOU AND YOUR CUSTOMERS?

If yes, be sure that the mobile app you select facilitates emailing or texting payment receipts.



DO YOU PLAN TO COLLECT PAYMENTS IN WAYS OTHER THAN SWIPING OR DIPPING CREDIT CARDS VIA YOUR SMARTPHONE?

If you have payment needs beyond simple credit card payments via your mobile device, be sure to find a payment solutions provider that offers multiple payment methods that are all integrated to work together.

***DO YOU HAVE MULTIPLE USERS?***

If so, be sure the mobile app you select supports multiple users.

***ARE ALL YOUR DEVICES COMPATIBLE WITH THE MOBILE PAYMENT APP YOU SELECTED?***

Check to see if all of the features of the mobile app work across all of the devices you use currently or intend to use in the future.

***IS IT SECURE?***

The last thing your business needs is to be the cause of credit card fraud for a customer. Be sure the mobile payment app you select is PCI compliant and EMV-ready.

***DOES IT ACCEPT CHIP CARDS?***

The EMV Liability Shift states that if chip card fraud happens to merchants without EMV-enabled hardware, the chargeback responsibility will fall on the merchant, not the issuer. Be sure that your mobile solution, as well as your entire payment ecosystem, has been upgraded according to the EMV standard.

***DOES THE MOBILE PAYMENT APP HAVE AN OFFLINE MODE?***

Offline mode allows you to accept transactions without cell service or an internet connection, however these transactions won't be processed until you're able to reconnect to either.



Simple payments are just a click away
Go Mobile Today

CHAPTER SIX:

The Future of Mobile Payments

It's hard to say for certain what lies ahead for mobile payments. Although their popularity is growing, their features and functionality are still being shaped by technological advances and changing market preferences influenced by younger generations of consumers. Despite these uncertainties, there are several trends that provide a pretty good idea about the future direction of mobile payments:

Mobile Adoption

A recent survey by PwC indicates that the number of mobile dominant consumers is increasing, with many shifting from online platforms to mobile ones. This, in addition to statistics pointing to the ongoing growth of smartphone usage in the U.S. and the world, is a positive sign for all of mobile payment processing.

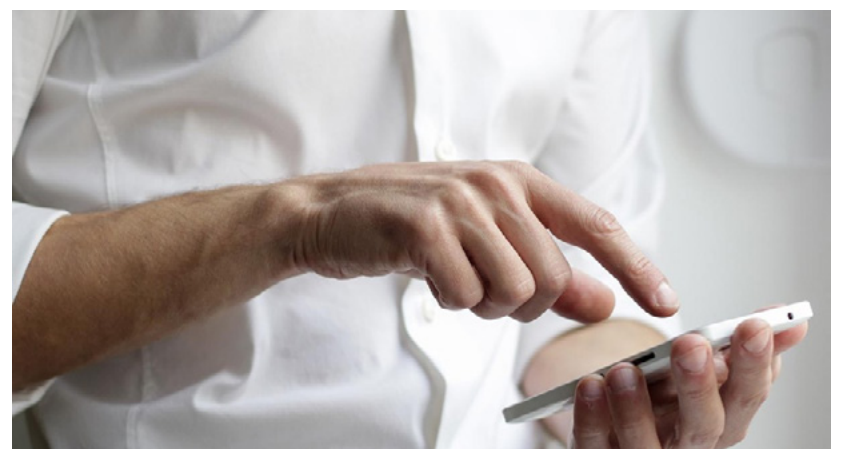
Mobile Banking

Earlier we mentioned mobile banking as one of the many mobile payment options available to your customers today. Soon, it may very well be one of the leading ones, thanks to the growing demand for banks without branches. Led by Millennials, the generation that most often relies on smartphones to manage their bank transactions, this shift will place an even greater emphasis on usability in mobile payment apps.

Biometric Authentication

Last year, Apple launched a smartphone equipped with facial recognition. Today, certain types of mobile payments, such as in-app ones, can be authenticated via a fingerprint. It's clear that the applications for biometric technology in mobile payment processing are aplenty, and the demand for extra layers of security to help thwart cyberattacks is likely to continue contributing to its rise.

STATISTICS POINT TO
THE ONGOING INCREASE IN
SMARTPHONE USAGE IN THE U.S.
AND THE WORLD AS A POSITIVE
SIGN FOR THE GROWTH OF
MOBILE PAYMENT PROCESSING.



Blockchain Implementation

Just like the desire for extra security, the demand for transparency is also expected to take central stage. By now, blockchain has proven to be one of the more transparent ways to manage transaction data because it relies on its members rather than a central entity to verify payments. Today, a number of companies are beginning to embrace the security benefits of blockchain, so it may only be a matter of time until it becomes a mainstream component of mobile payments.

Artificial Intelligence

Another hot topic of discussion that's already seeing widespread application in payment processing is artificial intelligence. Today, payment APIs adopt AI as part of their fraud monitoring and fraud mitigation efforts, while banks are starting to use chat bots to enhance customer experience. While mobile payments already offer plenty of speed, security and convenience, its users will likely continue to demand more. That's where AI will come in to help push the limits of technology and conquer new frontiers.



The Bottom Line

Mobile payments are clearly a powerful force to be reckoned with, not only in the payments space, but also across businesses of all types. Mobile devices have already become an extension of many people's lives, so it's only a matter of time until they outpace physical debit and credit cards to become the preferred medium for payment processing.

At TransNational Payments, we constantly have our finger on the pulse of mobile and other key methods of modern credit card processing that can help your business outpace your competition with better and cheaper solutions backed by world-class payment experts.

888.998.6224

**Make the move
to a better payment
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Contact TransNational
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