

Heartland

A Guide to No-Contact Commerce

Implementing payment strategies
for even more business agility

JULY 2020

TABLE OF CONTENTS

Introduction _____ 1

Adding no-contact commerce to your payments strategy.

Online Checkout _____ 3

From guest checkout to one-click shopping, learn why creating a positive online shopping experience is important.

Mobile Checkout _____ 7

Learn the benefits of accepting mobile payments via mobile wallets and get paid fast.

Payment Flexibility _____ 9

Learn how payment preferences vary by country and why you should provide options.

Payment Security _____ 12

Learn about PCI Compliance and the use of tokens for secure payments. Display your security badges and establish trust between your business and your customers.

Take Action _____ 16

Complete the checklist to identify the no-contact payment priorities in your business.

Adding No-Contact Commerce To Your Payments Strategy:

This year, businesses are having to be more agile than ever before as they are forced to adapt to meet changing customer payment preferences due to the global pandemic. It is disrupting billions of lives and impacting virtually all businesses across the world.

During times when customers and employees must keep physical distance between each other, there are payment solutions that enable both parties to exchange payments without exposing themselves to added risk. We've already seen an increased willingness to use contactless payments for the long haul. One-third of consumers have tried low-or-no-contact payment behaviors as a result of the pandemic, with nearly 25% saying they will continue to use these new methods after social distancing is behind us.

This guide will highlight the opportunities to refine your business to make buying easier and safer through no-contact commerce payments so you can continue to connect with your customers wherever they are. Let's begin by sharing those payment solutions that can make a meaningful difference in your business right now.



ACCEPT TELEPHONE ORDERS

Offer convenience to your customers and remain contact-free by taking orders over the phone with your existing point of sale. Many point of sale solutions can process phone payments by keying in account numbers, expiration dates and security codes along with the customer's ZIP code. Additionally, tools like Address Verification and CVV2 Codes can help minimize fraud when in-person payments are not possible.

In the United States and many other countries, signatures are no longer required. So in these times of social distancing, you can cut down on the physical interaction with customers by simply sending them a digital receipt.

USE A VIRTUAL TERMINAL

A virtual terminal offers much of the same functionality as your point-of-sale terminal, but allows you to accept payments remotely using a web browser on your personal computer.

With a virtual terminal, you can easily and securely authorize, process and manage card transactions in real time. Through this technology, you can also retain payment details for one-off or regular future transactions and issue refunds through a secure, hosted payment page in your browser.

ACCEPT IN-APP AND IN-BROWSER MOBILE WALLET PAYMENTS

If you're already accepting online payments, you can enhance your customers' experience with online mobile wallet payments. In fact, many of today's consumers are comfortable with – and even prefer – using mobile wallet payments like Apple Pay, Google Pay and Samsung Pay.

These types of payments offer a safe, secure and convenient way for your customers to pay online or via mobile. Through this transaction type, you can increase conversion and eliminate abandoned shopping carts by allowing your customers to check out seamlessly without needing to enter payment, shipping or contact information after their first purchase.

ACCEPT PAYMENTS ONLINE

If you're not already selling online, you are probably looking to do so quickly. To assist you, we offer hundreds of pre-integrated online shopping cart plug-ins. There's no coding required, and no need to go through a clunky setup process. Our team of payments experts will guide you through the set up process and get you transacting as soon as possible.

If you are looking for a more custom approach, you can consider building your own e-commerce website from scratch. Building an e-commerce site from the ground up is, of course, a much larger undertaking in terms of time, money and technical capability.

There are benefits to each option, which you can explore with your payments partner, but make sure in either scenario that your online payments solution comes equipped with robust fraud prevention capabilities and strong data security features to lower your risk and better protect your business.

Getting your business online is a big leap forward, but there's more to selling online than having a website that can process transactions. We've devoted the next sections to help you think through your strategy to transition to digital payments.

Build An Online Checkout With Less Friction

Once you're up and accepting payments online, reducing friction in the buying experience leads to fewer instances of shopping cart abandonment. Almost 70% of all online purchases are abandoned. In other words, only 3 in 10 of your potential customers actually end up buying from you.

It's no surprise then why creating a frictionless online checkout is one of the highest priorities for retailers who must sell online today. Over the years, advancements in payment technology have helped turn clunky, confusing and lengthy online checkout processes into simple and intuitive buying experiences for your customers. Those optimizations unquestionably improve shopping cart abandonment and can help you continue to operate your business. Implement these payment technology enhancements within your shopping cart to improve your online sales conversion rate:



“Almost 70% of all online purchases are abandoned.”



OFFER GUEST CHECKOUT

The fewer number of steps your customers have to take to make a purchase, the better, so requiring them to sign in before they can complete a purchase adds another potentially inconvenient step to the process. A study found that 35% of customers abandoned checkout if they were asked to register for an account to complete the purchase. Always give your customers the option to complete their purchase with a guest checkout to remove this barrier.

PROVIDE ONE-CLICK SHOPPING

If your customers do opt to create an account with you, you can extend the benefit of one-click shopping to them. One-click shopping refers to the action of quickly taking your customers from the shopping cart to a successful purchase in just one click. It's executed by storing their payment and personal details with you in their account. When they're ready to make a purchase from you, all they have to do is click a "buy-in-one-click" button.

MAKE CHECKOUT NAVIGATION EASY AND VISIBLE

It used to be that to complete an online sale, your customers would have to stumble through multiple inefficient steps to submit their payment to make a purchase. Not anymore. Shopping carts have gotten more effective at acquiring the information you need without making it burdensome on the customer. To this end, only ask for what's needed to get a positive purchase confirmation. And make sure to be clear about the steps in the process with visual cues to signal how much progress in the payment process your customer has made.

35% of customers abandoned checkout if they were asked to register first.

IMPLEMENT CARD STORAGE

If you're not asking your customers if they want you to pre-populate their payment details for them, then think about implementing card storage. Card storage is when you autofill your customer's payment details into the appropriate required fields of your e-commerce site. This feature cuts down the time your customer has to spend typing in their information. Applying this feature overcomes another obstacle to successfully checking out.

PROCESS ERRORS IN REAL TIME

It's bound to happen; in fact, more frequently than you may think. Your customer's payment details will change, which will interrupt any automated payments they have set up with you. To prevent this from happening, we advise our customers to take advantage of Account Updater services, which automatically refresh your customer's account information when it changes. Having this payment feature in place means there is no disruption to their service, reinforcing your seamless customer experience and shielding you from the hassle of chasing down payments to ensure you get paid on time.

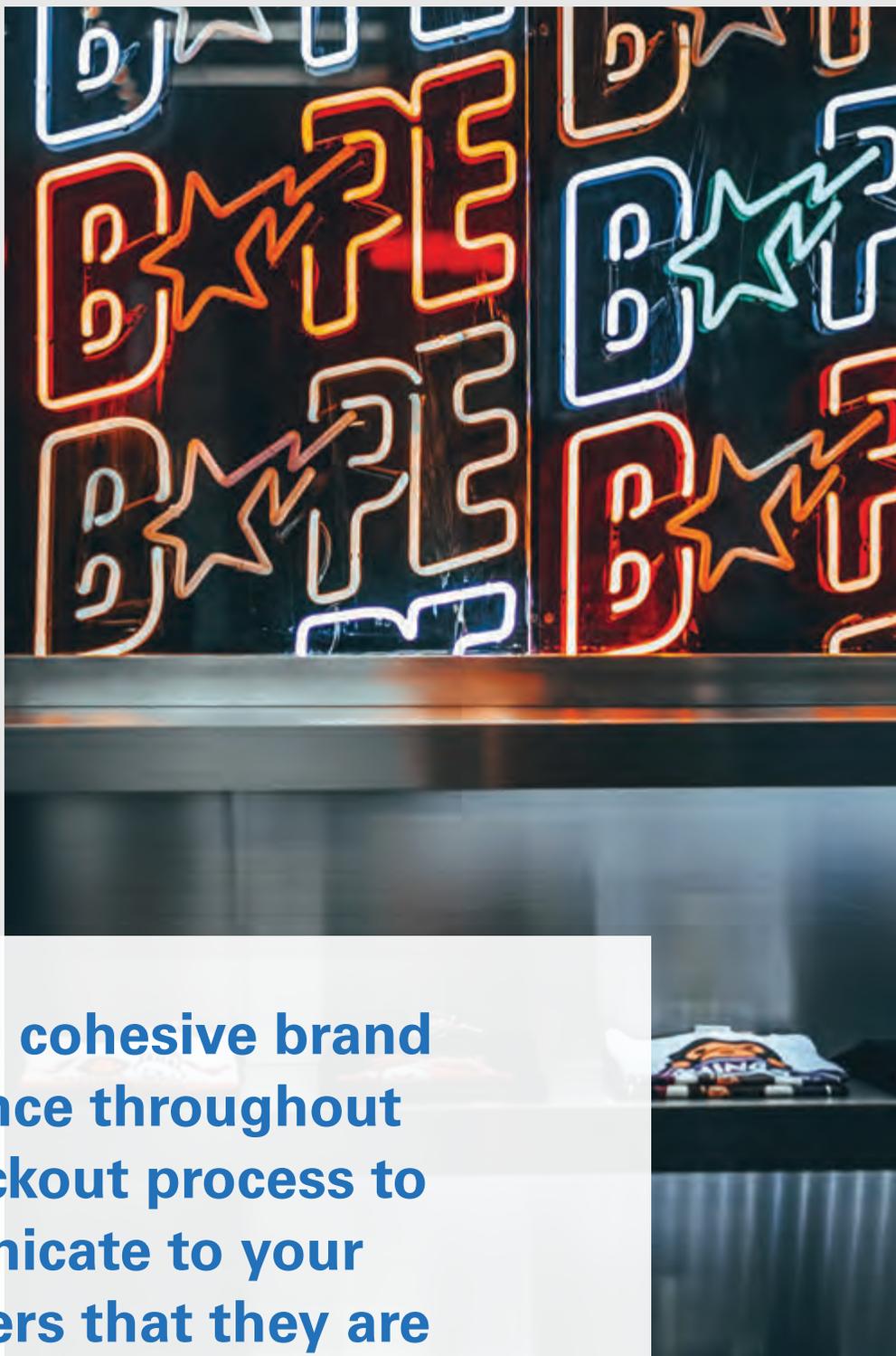
We advise our customers to take advantage of Account Updater services.

MAKE SURE YOUR BRAND IS CLEAR THROUGHOUT CHECKOUT

It's easy to forget to brand your checkout when it may not be hosted by you directly. Create a cohesive brand experience throughout the checkout process to communicate to your customers that they are making a legitimate purchase. Make sure your logo is marked on each page and that your brand colors and design elements are a part of the payment experience as well. This will give your customers confidence that they are buying from you, a trusted business, while in the background, the data is being collected by the payment processor's system and routed appropriately to deliver a positive purchase confirmation to your customer.

REMEMBER THEIR PURCHASE HISTORY

Businesses that track their customer's e-commerce buying history are at a great advantage to encourage repeat purchases. Once you know what your customers buy from you, you can curate a personalized experience just for them. You can offer similar products that complement their purchase or suggest they buy that same product again, send coupons to say thank you, provide exclusive first-looks – and the list goes on. A powerful reporting tool like Heartland Payment Systems Merchant Portal can help you unlock the customer data to create an even better experience and keep them coming back.



“

Create a cohesive brand experience throughout the checkout process to communicate to your customers that they are making a legitimate purchase.

Build A Better Mobile Checkout Experience

Similar to ensuring a frictionless checkout experience in your online channel, the same is true for mobile. Because of this, there are a few more **e-commerce best practices to employ** that are unique to the mobile channel.

ACCEPT MOBILE PAYMENTS VIA MOBILE WALLETS

Customers are less likely to stick around if they have to fumble through the mobile payment process. With the introduction of mobile wallets like Apple Pay, Samsung Pay and Google Pay, your customers can now easily pay with one click because all of their payment details are already stored in the mobile wallet, eliminating their need to enter these details again on your mobile checkout page. They can simply select the wallet from which they want to pay and click to buy. This is the type of seamless payment integration that accepting mobile payments brings to your customers, saving them frustration and time.

GET PAID WITH IN-APP MOBILE PAYMENTS

Providing a branded mobile app with in-app payment functionality gives you another way to connect with your customers. Increasingly, consumers are moving to the mobile channel to make purchases, and you have the opportunity to encourage them to spend their dollars with you. About 102 million people, or 40% of American shoppers, have downloaded a payment app onto their phone. One way to use in-app mobile payments to reap immense customer benefits is by tying in-app purchases to your loyalty program. In doing so, there are many enticing offers you can extend to your customers to strengthen their loyalty to your brand.

For example, you can encourage them to perform specific actions to receive a special benefit. You can reward them with valuable discounts or incentives. When you get to know their buying behaviors, you can send personalized offers directly to them. Incentives and rewards like those stated here create stickiness to your brand and as a result, you will be rewarded with more engaged customers and increased sales.

THINK MOBILE FIRST

Building your mobile site and checkout with a mobile-first mindset is extremely critical for improving your mobile sales conversion rate. Responsive design can help you optimize your website for a smaller screen, but that's only the start.

Mobile-first optimizations include keeping the navigation simple, reducing the amount of content on any one page and increasing your mobile site's speed. These are all important factors for encouraging your customers to shop with you via your mobile channel.

At checkout, simplify form fields, keep them short and straightforward and eliminate any other distractions from the page. When customers are filling out a form, they shouldn't see anything else. When they're ready to click "buy," the button should be easy to see and clickable from any part of the button.

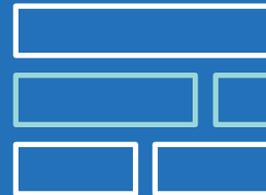
Additionally, avoid putting other calls to action nearby. The buy button should be prominent and encourage that customer to complete their purchase.

40% of American shoppers have downloaded a payment app onto their phone.



1

Keep the navigation simple and reduce the amount of content on any one page.



2

Keep form fields short and straightforward at checkout.



3

Ensure the button to "buy now" or "add to cart" stands out.



Accept Multiple Payment Methods

Nothing is more frustrating for your customers than reaching your checkout page only to learn that you don't offer their preferred payment method. But there are ways to address this before it becomes a barrier by starting with reporting. You can easily see how many different types of people your e-commerce business reaches by taking a look at your analytics. How many visitors do you get from other countries? How many age ranges? By understanding that your business reaches diverse consumers, you can begin to make informed choices around the payment methods you should be offering to grow your business.

PROVIDE PAYMENT FLEXIBILITY

Accepting multiple payment methods because of the choice it provides to your customers is another effective way to create a frictionless checkout experience. There are many different reasons that inform your customer's decision about which payment method they prefer to pay with. For example, the motivating factor of convenience could be the reason your customer pays with a mobile wallet. Maybe they don't want to deal with inputting all their card information when they can easily pay with their mobile wallet of choice where their payment details are already stored. Recognize that your customers likely have access to more than a debit or credit card and that everyone's payment preferences are unique.

INCREASE YOUR GLOBAL REACH WITH CROSS-BORDER PAYMENTS

Selling online opens your business up to the world at large. More and more, global consumers see no borders when making purchases. For example, 40% of French consumers, 38% of UK consumers and 32% of German consumers shop with online merchants based in other countries.

The globalization of online commerce can drastically help scale your business, but you need to accept payments from your customers in their own currency and in their preferred payment method.

Additionally, it's critical to work with a trusted payment provider with cross-border payments expertise to help you understand new markets, their payment preferences, currencies and regulations. In most markets, the majority of consumers use something other than a credit card to pay for their online shopping. In the US, over 60% of consumers pay for purchases by credit card. In Western Europe, the proportion paying with a credit card drops to 42%, in Asia 30% and in Eastern Europe just 20%.

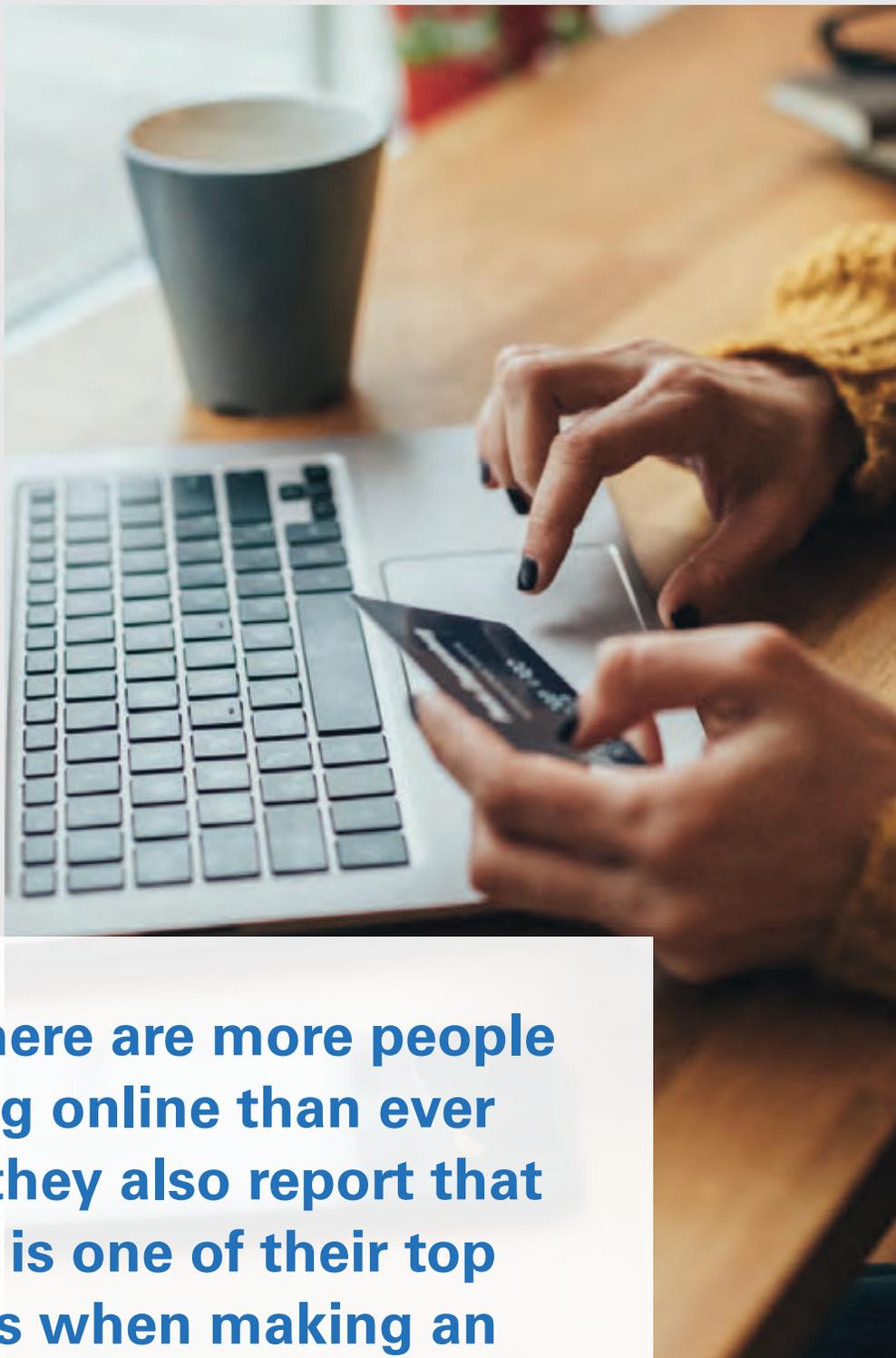
Without the right payment methods for the market, businesses will not be able to gain acceptance in an e-commerce setting. Cross-border customers also expect to be provided with a local experience. 75% of shoppers, according to one survey, prefer to use e-commerce sites that have been translated into their own language. Maybe a long-term goal, but one to think about.



Consider these facts about how online payment preferences vary by country:

- Alipay and WeChat Pay account for 93% of mobile sales in China.
- Boleto Bancário is responsible for 25% of online purchases in Brazil.
- iDEAL accounts for over half of e-commerce sales in the Netherlands.
- Apple Pay is the leading mobile wallet in the US and Canada.
- Dankort is the favorite credit and debit card in Denmark.

Often, these payment preferences are very different, even to those of close neighbors. In Peru, for instance, 29% of consumers pay for online purchases with bank transfers. In nearby Chile, it's just 5%.



“

While there are more people shopping online than ever before, they also report that security is one of their top concerns when making an e-commerce purchase.

Making Sense of Security

While there are more people shopping online than ever before, they also report that security is one of their top concerns when making an e-commerce purchase. Even during ordinary times, news of security breaches at some of the world's largest companies continue to dominate the headlines, making consumers doubt if their personal and financial information is really safe.

Not only are consumers abandoning their purchases at checkout, 73% of e-commerce retailers also report their fraudulent online sales have increased or remained the same over the prior year according to the same study. These two obstacles combined create a major roadblock for retailers trying to optimize their e-commerce channel for continued growth. However, implementing best-in-class security in your business can mitigate these negative outcomes. Take a two-phased approach to optimize your business' e-commerce security.



PHASE 1: STRENGTHEN YOUR SECURITY

Plan Your PCI Compliance

When you're formulating your e-commerce payments strategy, you have a decision to make around whether you want to host payment processing yourself or outsource it to a third party. In the self-hosted model, you take responsibility to manage the full scope of PCI compliance and go through an annual card security assessment. Depending on your size, you will also likely hire a Qualified Security Assessor to validate that you are in PCI compliance. In the fully-hosted model, you shift much of the burden of card security compliance to your trusted third party, who will manage many of your processing needs for you and narrow your PCI compliance burden. Your payment processor is responsible for protecting the cardholder data in its possession. It's a good idea to validate that your payment processor is PCI compliant during your evaluation process.

Use Tokenization

Tokenization is one of the most beneficial security approaches in e-commerce to date. Tokenization refers to the ability to replace sensitive data, which can include card details and personally identifiable information, with tokens. These tokens shield businesses from seeing or even having access to a customer's payment data. They only interact with the tokenized version of that information. Today, the most popular use for tokenization is to protect primary account numbers, but it is increasingly being used in other scenarios like protecting personally identifiable information. Tokenization is irreversible, meaning once the

A hand holding a Visa Debit card in front of a laptop screen. The card is a Visa Debit card with the word 'VISA' and 'Debit' visible. The background is a blurred laptop screen with a blue tint.

Choose a trusted third-party to manage card security compliance and narrow your PCI compliance burden.

data has been tokenized, it can't be reverted back to its original state. This makes it harder for fraudsters to gain access to sensitive customer information, so you can see why retailers are making the shift to using tokenization over previous security control.

Enable 3D

Secure3D Secure or 3DS is the umbrella name for each of the card schemes' branded online payment authentication solutions: Visa Secure, Mastercard Identity Check, American Express Safekey, J/Secure for JCB and ProtectBuy for Discover and Diners International. It is an authentication protocol that was designed to reduce fraud, increase customer security and decrease merchant liability to chargebacks.

An advanced version of 3D Secure is now available called 3D Secure 2, which was developed to meet the frictionless expectations of the modern payments environment. Enabling 3D Secure 2 in your business is an extra layer of protection. Not only is it a nice to have, now it's the only card authentication method that meets European Strong Customer Authentication regulation.

Offer Multi-Factor Authentication

Mobile phone account takeovers are on the rise, with more than 679,000 in 2018 in the United States, up from 380,000 in 2017. In many instances of account takeover fraud,

your customers do not use strong enough passwords which make them easy to compromise by fraudsters. Multi-factor authentication, MFA, is a verification measure that uses more than one factor to confirm your customer is who they say they are. MFA is one of the best protections available to prevent takeover fraud. It uses two or more factors to confirm a customer's identity. Those factors include "something you know", "something you have" and "something you are."

Most businesses think first to arm themselves with having their customers input a password to gain entry, but passwords alone are not an effective security measure for many reasons. "Something you have" could be a one-time token or something physical such as a unique card or even your phone. Biometrics such as fingerprints or facial recognition are the final factor category and are now practical to use as a second- or even third-factor authentication. When used correctly, MFA is a critical security component.

PHASE 2: HIGHLIGHT YOUR SECURITY

Ensuring your security and fraud measures are top-notch helps you process more authentic transactions. To leverage your enhanced security for greater business outcomes, you must now communicate your secure payment environment to your customers. In doing so, you will build their trust in your brand.

Here are some ways to market your security:

- **Display trust logos of verified financial brands like those of Visa, Mastercard, American Express, PayPal and WeChat Pay at your checkout and throughout your website.**
- **Communicate your business is PCI compliant at checkout with the PCI-DSS trust logo.**
- **Explain why you're asking your customers to verify their payment information with 3D Secure.**
- **Represent your SSL certificate with a lock in the URL bar of the browser.**
- **Show your customers that you're encrypting/tokenizing their data as they enter it in real-time.**

Making security a part of your e-commerce strategy will help you reduce vulnerabilities and set your customers' minds at ease.

Take Action

We hope this guide serves as your reference point for which **no-contact commerce** opportunities make sense for your business.

We explored:

- **Four options for pivoting your payment acceptance to meet evolving no-contact commerce needs.**
- **How to build frictionless online and mobile checkouts to reduce shopping cart abandonment.**
- **Why to accept multiple payment options.**
- **How to improve your e-commerce business' security for the benefit of you and your customers.**

It's our privilege to share the insight you need to adapt to this changed landscape with payment solutions that connect you to your customers wherever they are.

To discuss any of these no-contact commerce solutions, reach us [here](#) and we'll be in touch within one business day. In the meantime, the following checklist can help you prioritize which areas of your e-commerce buying process need your most immediate attention.

“**Let us manage the technical specs while you focus on giving customers a safe, enjoyable buying experience.**”

Your No-Contact Commerce Checklist

Use this checklist to identify the no-contact payment priorities in your business.

Your No-Contact Commerce Payment Engine

Call-in orders

Virtual terminal

Online payments

In-app & in-browser
mobile wallet payments

Your Online Checkout

Guest checkout

One-click shopping

Visible checkout navigation

Card storage

Real-time error processing

Branded checkout

Purchase history

Your Mobile Checkout

Mobile payments via mobile wallet

In-app mobile payments

Mobile-first web design

Your Payment Options

Payment choice

Cross-border payments

Your Security Controls

PCI compliance

Tokenization

3D Secure

Multi-factor authentication

Heartland

Heartland.us