

Why you should care about mobile credit card processing:

Until now, home based and “on the road” businesses that processed debit and credit cards almost always did so in a “Card not present” manner. Typical practice required independent sales representatives, service technicians, (and on occasion, school children) to write down card numbers onto an order form or invoice that would be taken back to an office. These would then be manually entered into either a web page or an accounting system for approval. There are two major problems with this model:

- Writing down card numbers is insecure, and may also appear unprofessional to one’s customers.
- Hand keying payment information prevents merchants from receiving the best rates because processors charge a premium when cards aren’t swiped.

While mobile swipe solutions have existed for quite a while, their use has been limited because the hardware needed to run them can be prohibitively expensive, particularly for small and medium sized businesses. Smart phones with cellular data plans, however, make it possible to bring the entire cash register to customers without incurring a significant cost. Building a solution that takes advantage of mobile technology will allow your company or organization to benefit from the tremendous savings associated with swiped rates.

ProPay provides three options whereby a mobile processing solution may be built. The purpose of this document is to explore each, and to explain the pros and cons associated with them.

1 – Purchase swipe devices. Create your own mobile App:

An examination of ProPay’s technical documentation will reveal that our APIs accept track, or magnetic stripe, data as easily as they do card not present information. If you can secure swipe devices that plug in to a cellular phone, you can build an App whose purpose is to take that information and pass it on to ProPay via our API. Building such an App will require that you work with your chosen

hardware vendor to determine how data moves from the device to a mobile phone.

Understand also that ProPay will insist that any such application be certified as meeting the Payment Application Data Security Standard (PA DSS), and will actively monitor merchant activity to ensure that this rule continues to be followed. PA DSS compliance must be validated with each of the major card brands and can be a fairly expensive endeavor.

2 – Create an App that takes advantage of the ProPay JAK:

ProPay offers a device called the JAK, which is unique in that it provides card data to a mobile phone as an encrypted value. The card data is encrypted at the magnetic read head so that no cardholder data is retained by the device or the application in clear text. All of ProPay’s APIs accept this information as a replacement for standard parsed or track data, and ProPay can help you build an application for use with the JAK by providing documented sample code used to pull data off of the device.

If you build an application that uses the JAK, PA DSS may not be required, because the application does not store, process or transmit cardholder data. The application only handles encrypted values that cannot be decrypted by the device or by the merchant.

3 – Just use ProPay’s mobile App:

The third option is one that may create a bit of a shortcut for merchants who wish to take advantage of swipe, or card present, rates but lack the resources or time to create their own application.

ProPay’s Mobile Merchant Application provides a means for users whose login and password are supplied by a master merchant, to swipe, store, and upload credit cards into a collection of data specific to their parent company. It is then possible for a company to present stored cards to the user when they get back to the office or can visit the company website.

A model that takes advantage of ProPay’s Mobile Merchant Application can be thought of as very similar to the manual collection and entry process described in the first section of this document (a model commonly used today). Differences include a sales force using ProPay’s secure

application to collect magnetic stripe data while your organization benefits from card present transaction rates. Sections 3a, 3b, and 3c lay out exactly what is needed to build to take advantage of ProPay's Mobile Merchant App.

3a – You create the users for ProPay's mobile App:

It will be up to you to name those allowed to collect credit cards on your behalf. You can create users using a fairly simple API call, or by sending a properly formatted signup file to ProPay. Keep track of the usernames you create and to whom they belong! You will need them to perform the step described in 3b.

3b – Search ProPay's System for stored credit cards:

The work needed to make use of ProPay's Mobile Merchant App is limited to changes made on a shopping cart. Almost all checkout pages include one or more text boxes where payment card numbers are entered by a user. In order to transact with cards stored on your behalf, you need to modify this process so that instead of users' hand keying card numbers, they select them from a list which you obtain from ProPay.

Sometime after a sales representative logs in to your system, but before you present him or her with the final checkout page, you should make an API call to ProPay that asks for a list of credit cards stored for you by the logged-in sales rep. It is then up to you to design an interface that displays all of the cards to the user, allows them to choose one, and then processes a transaction against the payment method selected.

3c – Process using information returned for your search:

The information returned to the search described in 3b will always include an identifier called a token. This token will be used in place of a card number to make your transaction request. It's that easy! ProPay has made it so that you can immediately benefit from the mobile development work

that we have done such that there is no real need to create your own mobile Application.



For more information on how the flexible services of the ProPay Payment Network can help your organization reach its objectives, please call 1-888-227-9856 or visit www.propay.com.