



Modern Payment Acceptance.

Did you know that it is costing your dealership more NOT to change or upgrade your solution for payment acceptance?

That is right, the old saying of what's not broken, don't fix it, doesn't apply here.

When you think of modern payment acceptance, you may not think this is "necessary" for your dealership. You might assume it is too technical or advanced and even more expensive.

Unfortunately, that is not the case with payments processing.

Features that can be categorized as modern payments, using Point-of-Sale (POS) systems, include consumer conveniences for sure, but many are also designed to mitigate risk/fraud and reduce costs and provide greater visibility of your receivables.

Here are a few examples:

- Contact-less (NFC), Mobile Wallets
- Hosted Payments Links/Pages
- Enhanced Data for Interchange Optimization (Level 2 & Level 3)
- Address Verification (AVS)
- Token, SAFE/Vault with Account Updater
- Pay Share/Surcharge Options

Without having to be an expert in payment acceptance, let's review these in a little more detail.

Contact-less (NFC), otherwise known as Near Field Communication, which allow both a card and mobile wallet to communicate with a hardware payments device, without having to swipe or chip. Covid taught us all about "touching" objects, but even more than that, transactions are fast and if used with a mobile wallet, don't require you to have your actual card. **Mobile Wallets** are stored on both smartphones and watches, making the experience convenient, easy, and secure for both consumers and businesses alike.

Keeping with the theme of convenience, is the concept of **Hosted Payments**. These can come in several forms, both open online and direct links, specific to a consumer and a transaction. For example, Dealer Pay allows your dealership to accept payments on your website, using a hosted payment page. We also provide you the ability to send a specific link by text or email to a customer, for them to easily click to view, populate manually, or with a mobile wallet (Google as an example). If DMS integrated, other options can include copies of RO's and parts tickets, along with the payment links, which can even be electronically signed. The security aspect of this process is that these links can also expire and require the consumer to validate their address.

Next on the list is **Address Verification (AVS)**. This pertains to all card not present transactions, which include all payments not performed on an encrypted hardware device. AVS basically validates the consumer or business billing information (more specifically the numeric portion of the street address and the zip code). If using Dealer Pay's POS and the billing information does not match the issuing cardholder's address, this payment will be declined for risk. It could be a stolen card or card number, which could lead to a chargeback and ultimately loss in some cases. Either case, if AVS is turned on, you will have increased your security and reduced your risk on all card not present transactions. WIN WIN!

Everyone knows there are "rates and fees" for card processing, obviously some higher than others, but why can't it be simpler? The card brands have developed interchange rates and fees, based on the card type, risk, rewards and available data. If the most data available, is provided during the authorization process, for certain card types, the rates will be less, specifically for card not present transactions, corporate, business and purchasing cards. Dealer Pay's POS not only provides this data for all transactions that qualify, but we do it all "behind the scenes", without any additional steps for the user or customer. We calculate tax and provide the reference number (RO, VIN, Parts Ticket), a description of the transaction and other **Enhanced Data to Optimize Interchange** and reduce your costs. This is not an option on typical stand-alone terminals and requires more steps for other virtual terminals. How much can this save you? How does between 0.40% - 1% sound? This can add to hundreds or thousands of dollars each month!

Ok, not to burn out convenience and security, but these are big points with accepting electronic payments. So, what is a **Token**? A token converts a card number into a code, which can be stored and reused in a secure environment. For example, Dealer Pay's POS system has a "**SAFE**" or vault, to store your customers payment tokens. Tokens can be used for new sales, authorizations, and refunds. Having access to these tokens will give your dealership the ability to process these transactions securely, for repeat consumer business, B2B, and accounts on file/recurring payments. Used in conjunction with **Account Updater**, we will make sure each of the stored tokens in the SAFE are valid (not expired or closed). This way you can ensure you have the most up-to-date information, without having to contact the customer.

So far, everything we have discussed works together seamlessly in Dealer Pay's POS for maximum benefits to your customers and your dealership. And in addition to Interchange Optimization, which we reviewed first, there are new and exciting options to reduce or even mostly eliminate your processing fees in total. This concept in Dealer Pay's POS is called **Pay Share** or **Surcharging**, which is mostly referred to in the industry. We allow you to share some or all the processing fees, between 1-3% (in increments of 0.25%). You can share this percentage based on department, dollar threshold and/or presentation (card present vs. card not present). In addition to the obvious cost savings benefits, you are allowing your customer to pay, however they choose, even for a vehicle purchase or larger transaction, without assuming the fees. Many dealers have configurations for fixed operations and sales/finance,

that differ in rate and others share the same rate across the board, for all transactions. Our program allows you to stick your toe in the water and “reasonably” share these fees, all while protecting CSI and retention. The savings can be substantial! Please note that signage is required in each department and both debit and pre-paid cards are excluded from this program. To date this program is legal in all states, except for Connecticut, Maine, and Massachusetts.

Even if you're not an expert in the payment industry yet, rest assured that Dealer Pay is here for you and willing to customize a solution for your dealership. We will continue to provide our dealers with the latest technology and risk protection available to maximize benefits, and savings, to dealers across the country.

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We ♥ Dealers!
