

ONLINE POINT OF SALES WITH CARD ACQUIRING

Accepting card-present payment with Vend

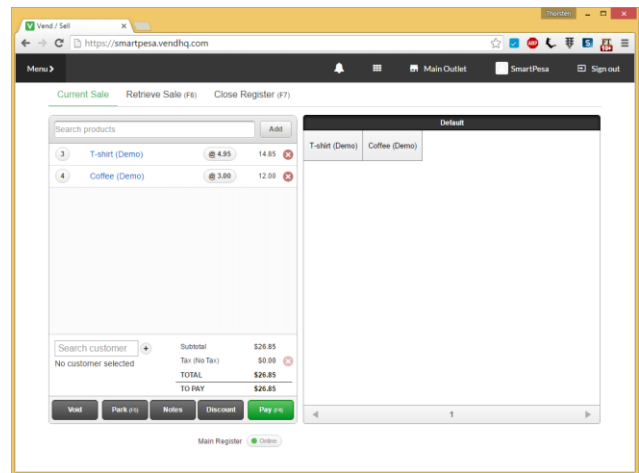
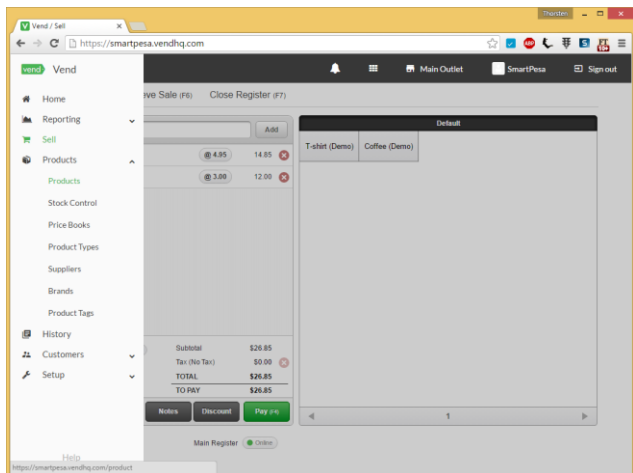
1. Traditional card-present payment

Retail has long embraced cards as an easy, convenient and secure means of payment. The behavior of *paying with plastic* is well established and adopted worldwide.

On paying for goods or services, the customer freely hand his (or her) card to the retailer to swipe, dip and now tap onto a convention EDC POS terminal. The transaction is sent to the acquirer bank and approved within seconds by the issuer. The terminal prints a few receipts of which both customer and merchant keep a copy – proof that the transaction took place.

2. Emergence of online point-of-sales

Now we see strong growth of online point-of-sales systems. These include Vend, Revel, Lavu, Moka, among many similarly strong contenders. These online platforms are accessed through the browser. These online point-of-sale offer inventory, price book, cash management and business reporting.



The option to for retailer is to accept card payment through online payment gateway. The retailer might punch in the card number, card expiry and CVV2 into an online gateway.

Card-not-present would however incur higher fees and carry chargeback risks for a card-not-present transaction. What would a client make of such customer experience?

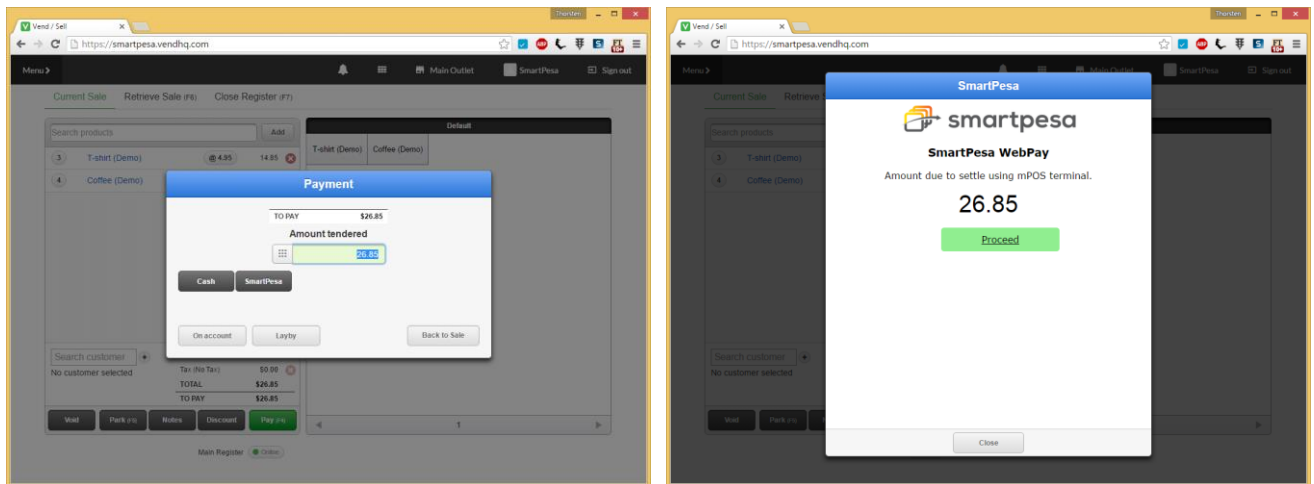
New obstacles also emerge for the retailer whose only option might be an acquirer clearing payments in a foreign country, or the issuer requiring the cardholder to enter a one-time-PIN (OTP) sent by SMS or generated by an RSA crypto token.

How would an online point-of-sales can integrate with a local on-premises payment terminal?

3. Integrating online point-of-sale with mPOS

SmartPesa enables a seamless solution with the use of its SDK; enabling online point-of-sales to initiate a standard card-present transaction – all within the browser.

The solution leverages the SmartPesa SDK to direct the payable amount to the mPOS device. While the point-of-sales operates in the browser, the transaction is performed locally with the on-premises mPOS device to accept card payment.



A smooth walk-through the merchant checkout experience:

1. Cashier is presented two payment options: Cash and SmartPesa
2. Cashier chooses SmartPesa option and guided within the browser to payment screen
3. Vend quickly connects over Bluetooth (or alternately over USB) to mPOS
4. Cashier hands the mPOS to the customer to insert/swipe/tap card and enter pin
5. Payment is processed by acquiring bank (running SmartPesa) and authorized in real-time



The issuer returned response is passed back to Vend to records the payment result. This completes the loop: from customer item selection to checkout, then payment and receipting. A smooth and simple payment experience using SmartPesa with Vend Point Of Sale.

About SmartPesa

SmartPesa is a specialist payments technology provider that aims to solve the last mile problem for financial institutions in emerging markets. SmartPesa directly addresses the dual needs of financial inclusion and cash reduction whilst eliminating the need for costly/risky changes to banks' proven systems. SmartPesa is deployed on-premises with full legal/regulatory compliances and industry leading security systems and fully integrates with any financial switch.

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