

# How Payment Intermediaries Can Become Problem-Solving Partners

Solutions to the five most pressing challenges merchants are facing today



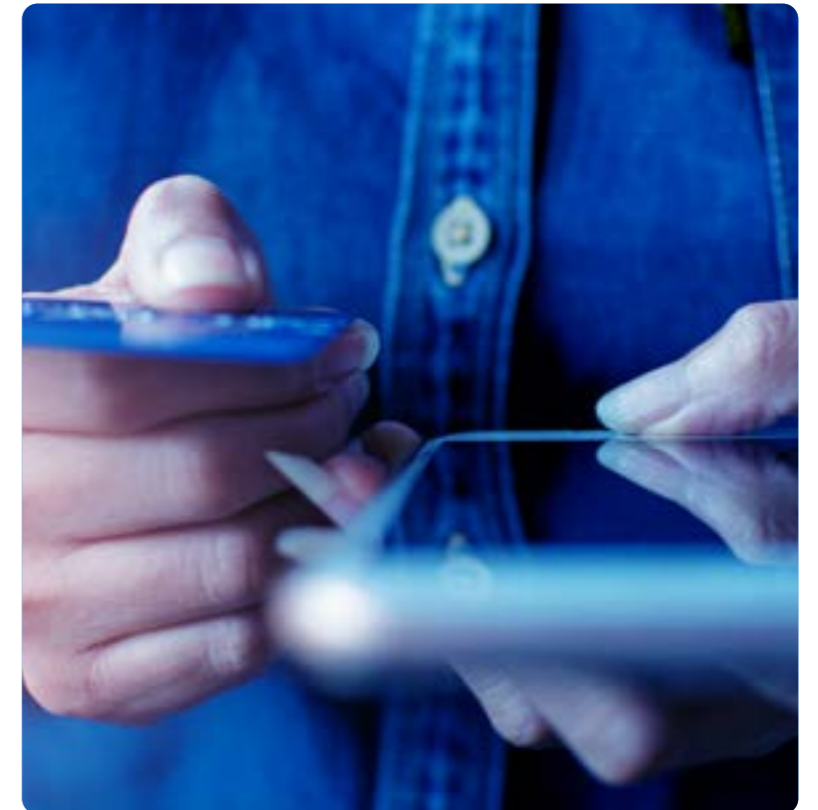
# Introduction

Merchant loyalty is hard to build and maintain — and payment intermediaries can find the task resource-intensive and expensive. Merchants will seek out and stay with payment intermediaries who can help them address these challenges with minimal effort and investment. Further, merchants will expect from their payment intermediaries a true partnership that provides them with proper consulting and support along their growth path.

Merchants seek expertise and help to:

- 1 **Deliver** a simple, seamless, frictionless omni-channel payments experience
- 2 **Grow** their revenues and market share
- 3 **Evolve** with customer needs and expectations
- 4 **Protect** their business and customers from risk
- 5 **Simplify** the payments landscape and operate cost-effectively

In the following pages, we outline each of these challenges and provide insight into how payment intermediaries can successfully, simply and profitably deliver the payment tools, technology and expertise that merchants require to be successful.



# 1 The Merchant Challenge: Deliver a Seamless Payments Experience

Speed, simplicity, security and a seamless, frictionless experience across multiple channels are all expected by today's consumers. Merchants need to deliver these "must-haves" while keeping tight control of costs in a highly competitive market.

"For us, the customer experience in terms of payments is all about faster and secure checkouts and timely settlement of transactions. Those are the three things that are crucial to customer satisfaction."

**Leading U.S. retailer**

"If people want to pay by mobile, we need to offer that possibility — and after that we think about costs."

**Major French retailer**

A significant number of merchants are struggling to balance the fundamentals of a seamless omni-channel payments experience in a cost-effective way — some sacrificing customer choice in favor of speed and security, others offering payment choices despite higher operational costs.

## The Payments Intermediary Answer: A Single Integration for Multiple Channels

**ACI insight:** Payment intermediaries should integrate within their offering a payments platform that is not only reliable, scalable and secure, but also able to deliver speed and flexibility through a single point of integration that supports multiple channels.

**The ACI solution:** ACI offers a single point of integration for multiple payment channels, allowing you to pick and choose which channels you want to enable for your merchant customers, giving you the ability to change or expand payment types so that they align with merchant demand — all without the need for technical redevelopment.

ACI's solution is also available as a white-label, multi-tenant solution that is built for both the developer portal and business intelligence platform. This allows you to differentiate your business and support your merchant's evolving payment requirements with no brand dilution or customer service disruption. Combined, this offers you a way to deliver a smooth, seamless omni-channel payments experience for your merchants. It provides the tools to create consistency across channels and by routing all transactions via a single platform.

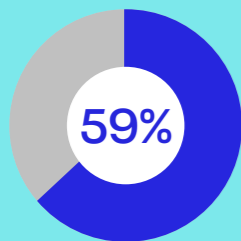


## 2 The Merchant Challenge: Grow Revenue and Market Share

Merchants need to increase conversions and extend their customer base; this requires the ability to:

- Quickly and easily expand across borders
- Offer the payment methods of choice to consumers in relevant geographies

Vital to merchant growth, this can be a costly and resource-intensive exercise for payment intermediaries to support.



**59%** of shoppers will abandon a transaction if their preferred payment method is not available.<sup>2</sup>

Offering the “right mix” of payment methods and local acquirers can open up specific customer segments and geographies. They can also help to drive higher transaction values and bring the purchasing decision forward, securing the sale sooner. For example, accepting Alipay (the preferred payment method in China) can give merchants easy access to their 450 million users to drive tourist and eCommerce sales.

“ More than 50% of millennials are already using or would prefer to use PayPal and Venmo over traditional payment methods.”

**The Financial Brand**

“ 61% of 25-34 year-olds in the U.K. would switch bank accounts to secure immediate payment capabilities.”

**YouGov Survey for ACI**

“ The preferences of millennials are definitely driving changes with increasing demands and expectations around smooth shopping on mobile devices.”

**Michael Rouse, Klarna**

### The Payments Intermediary Answer: Provide Easy Access to Local Alternative Payment Methods for Fast Cross-Border Expansion

**ACI insight:** Payment intermediary offerings should enable merchants to close all sales opportunities by keeping pace with consumer payment preferences and desired experiences. Access to global acquirers, digital wallets and alternative payment methods offers opportunity for exponential growth and makes acceptance of cross-border eCommerce payment methods a must to keep your relevance as service provider.

**The ACI solution:** The gateway element of our powerful, comprehensive ACI® Secure eCommerce™ solution provides instant access to an agnostic, global payments network of hundreds of acquirers, alternative payment methods and digital wallets almost anywhere in the world via a single API. Our gateway solution, combined with our multilayered, real-time fraud solution, enables you to empower your merchants to quickly adapt to market change, deploy new payment methods and access new markets with ease — all while increasing acceptance and reducing chargebacks — without additional infrastructure or costs.

### 3 The Merchant Challenge: Evolve and Transform

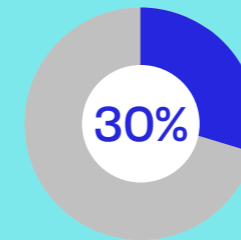
Merchants believe customer experiences will be underpinned by technology. They want the ability to introduce new technology to meet this demand, win new customers and evolve along with shoppers' needs and expectations.

Merchants agree that their main challenge will be to ensure that the latest payment technologies can be integrated seamlessly into their existing infrastructure, without compromising the speed or effectiveness of the overall system.

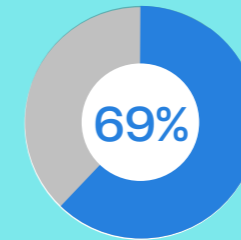
#### The Payments Intermediary Answer: An Open, Flexible Payments Platform Which Allows New Technologies to Be Easily Integrated Into the Existing Infrastructure

**ACI insight:** Payment intermediaries should provide their merchants with payment capabilities that keep their options open. They should support fast, cost-effective deployment of new innovations that enhance the customer experience and the merchant brand. Further, flexibility, control, scalability and acquirer independence should be key features of the payments infrastructure.

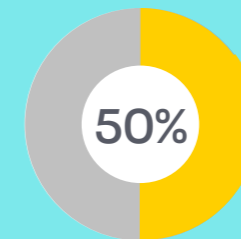
**The ACI solution:** ACI offers a comprehensive, acquirer-agnostic solution that allows payment intermediaries to provide merchants with flexible payments while still supporting all the opportunities for innovation that merchants need for the future. Our payment services are delivered in the cloud, providing the flexibility and scalability that merchants need, while reducing the investment requirements. All our systems are PCI-DSS-compliant, removing the burden from you and your merchants.



Offering three payment methods can improve conversion rates by 30%.<sup>2</sup>



69% of millennials are more likely to purchase items if a BNPL service is offered.<sup>3</sup>



50% of the world's population will use eWallets by 2024.<sup>4</sup>

## 4 The Merchant Challenge: Protect the Business

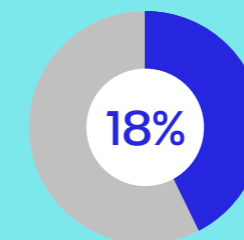
Merchants want to deliver, grow and innovate safely and securely, without exposing either their customers or themselves to fraud. This means they need sophisticated security measures as an integral part of their payments strategy and their technology solution.

### The Payments Intermediary Answer: Comprehensive, Integral Fraud and Security Tools

**ACI insight:** Effective fraud management must be a core component of any payments solution, and it must be tailored to the needs of each merchant, sector and business. Good fraud protection supports the customer experience, driving conversions and enabling revenue growth while preventing fraud. End-to-end data security is also a must, ensuring customer information is protected at every point.

**The ACI solution:** ACI offers end-to-end data security, including point-to-point encryption (P2PE) and tokenization, as an integral part of the overall payments solution.

Further, our ACI Secure eCommerce solution features the award-winning fraud management, which enables payment intermediaries to also provide merchants with a real-time, multilayered fraud solution. Additionally, ACI Secure eCommerce supports the latest global mandates, including 3DS2 v2.2. ACI Secure eCommerce fully integrates both the fraud management and gateway elements to provide merchants with a comprehensive payments orchestration solution.



According to research from Juniper, **eCommerce fraud is set to spike 18%** from 2020-2021 to top \$20 billion globally this year.<sup>5</sup>

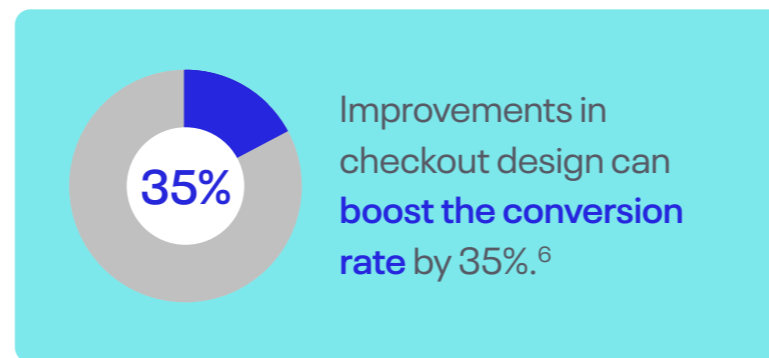
# 5 The Merchant Challenge: Simplify the Payments Landscape

As payments complexity continuously increases, merchants find themselves under great pressure to:

- Remain compliant with the latest payment standards
- Continue to provide the channels, payment methods and innovation their customers expect
- Cost-effectively manage all payment and processing systems

## The Payments Intermediary Answer: Underpin Technology With Expert Advice and Support

**ACI insight:** Payment intermediaries can support merchants with expert advice that helps them thoroughly understand the different options, challenges and opportunities out there. Rather than offer every possibility, it's important to select the technologies that best suit the merchant's business. It's also important that merchants have a seamless and simplified route so they can choose global acquirers, alternative payment methods and digital wallets that best suit their business.



**The ACI solution:** ACI can provide payment intermediaries with access to best-in-class fraud and payment solutions — and to experts who can guide and inform the addition of new payment methods, cross-border expansion efforts, new technology implementations, compliance issues and effective fraud management strategies that fully support merchant growth. Our global team of payment optimization specialists can also provide local market and sector-specific insight which helps intermediaries confidently aid merchants, whatever their domestic or international objectives.

" We need help to see the 'wood from the trees'. It's becoming increasingly difficult to make a calculated bet on what is coming next, on both the payments and wider technology front."

" ...simplification is a necessary step, following a period in which rapid investments in the customer experience have resulted in greater complexity..."

" ....payment systems modernization can hold the key to unlocking a new wave of service enhancements..."<sup>7</sup>

# Problem-Solving Payment Intermediaries Build More Profitable Payment Partnerships

Merchants in today's modern omni-channel landscape struggle to find the resources to cost-effectively support their business initiatives and implement new payment technologies that keep up with customer demand. Payment intermediaries who can help them successfully deliver, evolve, grow, protect and simplify their customer payments are those who will make themselves an invaluable partner and an integral part of a merchant's business operations. In a time when merchant loyalty is increasingly hard to maintain, forging strong partnerships based on solving merchant challenges is the key to retaining those relationships and building a stronger, more profitable customer base.

ACI can equip you with everything you need to address these key merchant challenges and build partnerships with your merchants. Our tools, technology and expertise are the result of decades of

experience in the global payments market and we invest heavily in continuously developing our solutions so you don't have to. Our modular payments platform is acquirer-agnostic and our tools are available with white-label functionality to ensure you have the flexibility to cater to the needs of your customer base while enhancing your own brand.

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**To find out more about ACI's solutions**  
and how we can help you build more profitable  
merchant partnerships, contact our team at:  
**[merchantpayments@aciworldwide.com](mailto:merchantpayments@aciworldwide.com)**.

<sup>1</sup> <https://www.barilliance.com/10-reasons-shopping-cart-abandonment/>

<sup>2</sup> <https://www.aciworldwide.com/blog/learn-how-the-payments-gateway-drives-ecommerce-and-mobile-commerce>

<sup>3</sup> <https://www.forbes.com/sites/andriacheng/2020/12/16/why-retailers-are-embracing-buy-now-pay-later-service-this-holiday-season/?sh=2e1c3ca39c82>

<sup>4</sup> <https://www.juniperresearch.com/press/half-worlds-population-to-use-digital-wallets-2024>

<sup>5</sup> <https://www.infosecurity-magazine.com/news/ecommerce-fraud-to-exceed-20>

<sup>6</sup> <https://www.aciworldwide.com/blog/learn-how-the-payments-gateway-drives-ecommerce-and-mobile-commerce>

<sup>7</sup> 2018 Global Payments Insight Survey: Merchants - Ovum and ACI Worldwide



# ACI Worldwide

Real-Time Payments

ACI Worldwide is a global software company that provides mission-critical real-time payment solutions to corporations. Customers use our proven, scalable and secure solutions to process and manage digital payments, enable omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with local presence to drive the real-time digital transformation of payments and commerce.

## LEARN MORE

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