Convego®CloudPay eCOM
USE CASE FOR MERCHANTS and PSPs FOR ENABLING SECURE CARD-ON-FILE E-COMMERCE

INTRODUCTION

The health and success of a merchant's business correlates strongly with payment card authorization rates. The higher the rate, the greater likelihood for repeated customer transactions, and the higher the business revenue. And with the average conversion rate for e-commerce sites being less than 3%, this further underlines the fact that low friction and customer satisfaction when it comes to online payments is crucial.

And with the accelerated growth of online commerce globally, where markets such as those in Southern Europe are now closing the gap with more advanced Northern European economies alongside China, the competition is now more fierce than ever before. Competition is one of the top three challenges facing e-commerce today, alongside cybersecurity and order fulfillment.

A rapid build-out of omnichannel capabilities – which will bridge payments in any environment, physical or digital – will become an essential requirement for all payments players in most geographies. In 2024 60% of in-store and online merchants will accept multiple non-card retail payments operationalized by direct-from-bank-schemes, making the enablement of customer centric, easy to use, fast, and yet secure payments of paramount importance.

The online payment process is fragmented and online merchants can store or transmit payment credentials in a variety of ways. In the current ecosystem, card-on-file (CoF) tokenization is becoming a dominant payment method with 95% of e-commerce payments predicted to be tokenized in 2022.

1. Secure payments with Convego®CloudPay eCOM

With Convego®CloudPay eCOM solution you can offer secure payments without having to store sensitive customer data, avoiding the need for costly risk management tools, and removing the risk of data security breaches and cyber threats. Instead you can stay ahead of the competition by focussing on your core business and offer a state-of-the-art and convenient customer experience when it comes to fulfilling the payments at the checkout.

The security and convenience lies within the G+D technology!

The Convego® CloudPay eCOM solution provides a simple inbound REST based JSON API to receive input data (typically the token reference identifier, a client identifier and transaction amount) from the merchant and then the payment transaction specific cryptogram is generated and all payment data is returned in the API response. Optionally, G+D can also offer a Strong Customer Authentication layer based on FIDO biometrics which fully complies with PSD2 requirements and gives the end customer a smooth, passwordless authentication experience.

After the integration, the payment processing process will flow as normal - the authorization request with the corresponding data elements is sent into the scheme network but without the need to store any customer data, protecting you, your e-commerce site and most importantly your customers.

2. Connect your card-on-file (CoF) system
Connect to Convego®CloudPay eCOM and enable convenient and secure CoF tokenization with embedded Strong Customer Authentication (SCA) "as an optional add-on feature", for a state of the art customer experience when it comes to pay:
- Seamless payment with the option of Strong Customer Authentication, removing the need for additional 3D Secure verification (Delegated Authentication)
- Network derived cryptogram (delegated authentication according to PSD2)
- Easy Integration thanks to single server API combing SCA and cryptogram
- Optional 'tunneling' via client only (App + SDK)
- Smooth Migration Support

3. Why Convego®CloudPay eCOM
Our future-proof tokenization and authentication solutions are serving billions of users daily. As a premium partner of both Mastercard and Visa, G+D are a one-stop shop for secure provisioning of payment credentials. The customer experience is convenient and fast which will improve the card authorization rate.

Due to optimized Card Lifecycle Management where the network token is decoupled from funding card for automatic renewals, there is no need for the customer nor the merchant to update any card data if as/when cards expire as this is done automatically.

4. Why Network Tokenization?
Network tokenization offers significant benefits over proprietary solutions:
1. Higher security as the tokenization goes through a Token Service Provider and each transaction has a cryptogram
2. Network Tokenization covers a variety of use cases such as in-car payments, in-app and mobile e-commerce payments
3. Convego CloudPay eCOM offers multiple payment brands and network tokenization with a single integration – scalability and convenience!
4. Automatic token refresh at card renewal, no interruption to scheduled payments and no discontinuation of service

With the FIDO SCA option, Delegated Authentication means the customer can also pay more conveniently without the implication of 3DS, which is a conversion killer, but still with increased customer data protection due to safe provisioning of tokens. This encourages conversion rates as the payment experience is enhanced, which leads to customer loyalty and stickiness.

The fact that the funding PAN is not stored by the merchant or PSP (TSP only), each transaction is secured by a unique cryptogram, the network tokenization provides a unified global infrastructure and domain controls, the payment execution is secure by design with technology you can trust. Benefits in a nutshell:

- Lower Abandonment Rates
- Higher Conversion Rates
- Higher TRX Values
- Increased Revenue
- Enhanced Risk Mitigation
- Reduce of Fraud
- Less efforts in PCI certifications
- Less need of internal Compliance checks

Giesecke+Devrient

Follow us on: