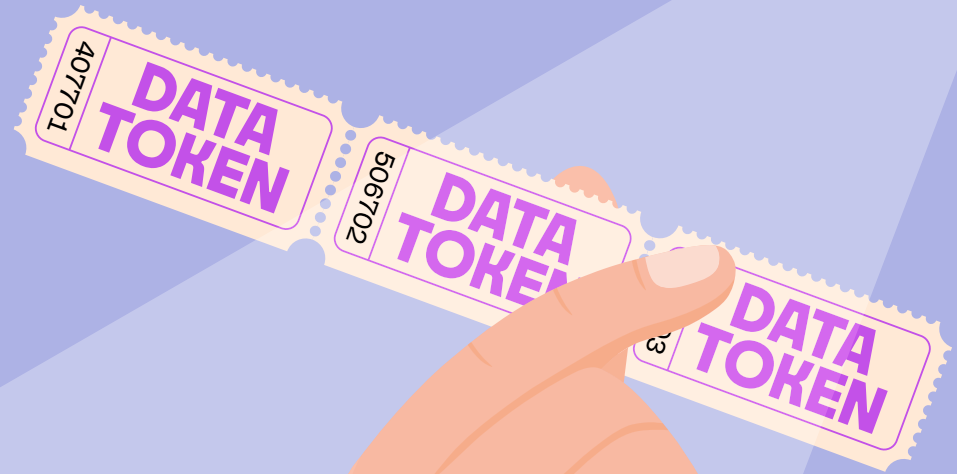


Payrix

from worldpay

Tokenization:
How to keep
payment data
out of the
spotlight

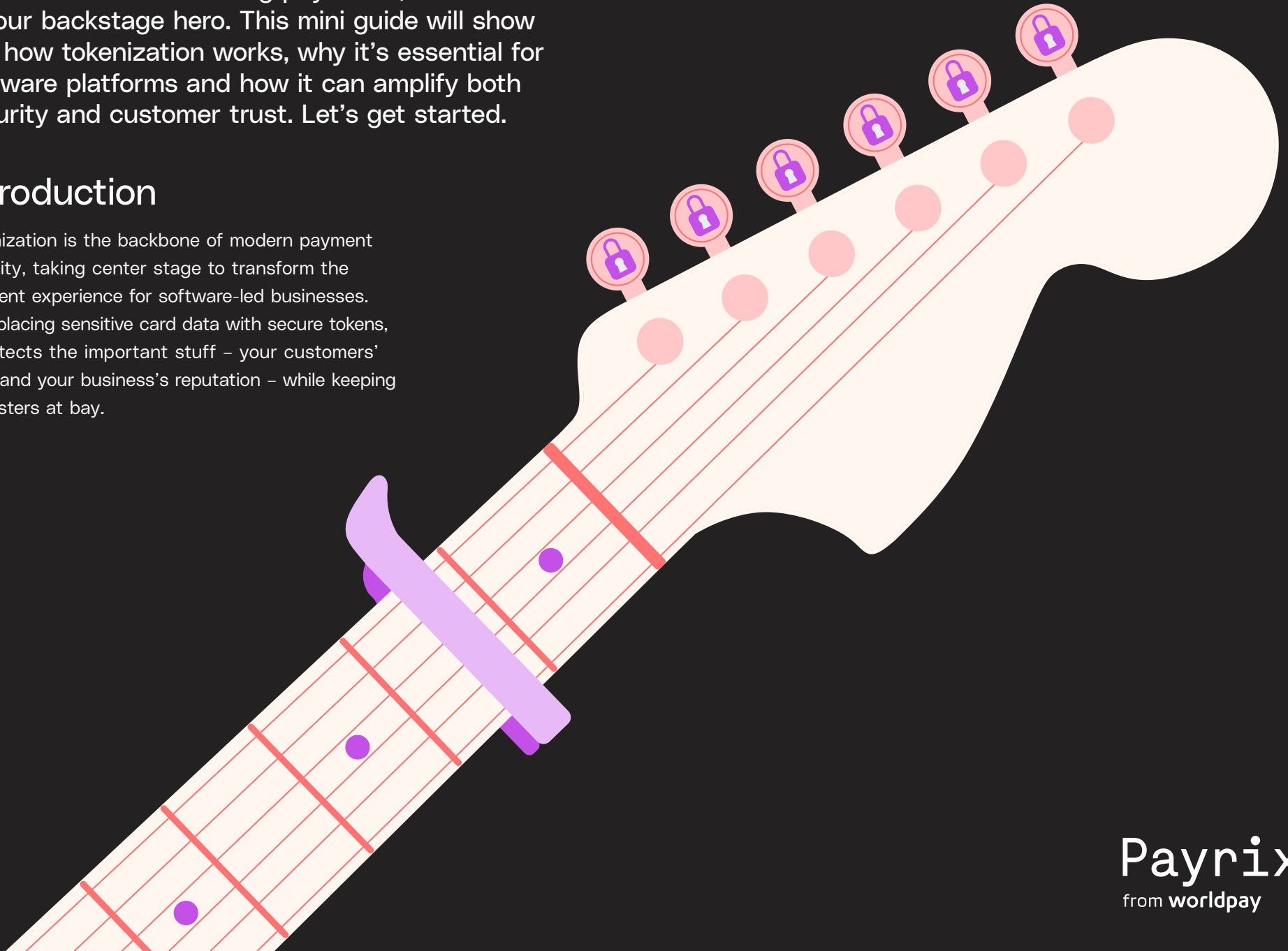


Tuning up

When it comes to securing payments, tokenization is your backstage hero. This mini guide will show you how tokenization works, why it's essential for software platforms and how it can amplify both security and customer trust. Let's get started.

Introduction

Tokenization is the backbone of modern payment security, taking center stage to transform the payment experience for software-led businesses. By replacing sensitive card data with secure tokens, it protects the important stuff – your customers' trust and your business's reputation – while keeping fraudsters at bay.



With the rise of online transactions, fraud is also climbing the charts

The digital payments stage is bigger than ever, but fraudsters are keen to steal the limelight. Just look at the numbers:

1

Fraud hits a high note

In 2023, U.S. consumers reported losing over \$10 billion to fraud – a 14% jump from 2022.

2

Credit card scams in the spotlight

In the first half of 2023, there were over 53,000 reports of fraudulent credit card payments in the US, racking up losses of more than \$123 million.

3

Businesses are losing out

Based on current trends, losses due to payment fraud are set to hit a staggering \$362 billion by 2028.

Fraud is on the rise, but there is a way to stop it from crashing your show. Tokenization gives platforms the tools to secure sensitive payments data, leaving fraudsters unable to gain access.

“ When you master payments security and keep regulators happy, you’re giving your business the green light to really take off. ”

HEAD OF RISK AND COMPLIANCE
AT PAYRIX FROM WORLDPAY



What is tokenization?

Here's The Riskettes with everything you need to know to get your 'Token to Ride'

Tokenization replaces sensitive card information with unique identifiers (also known as tokens) that have no value outside the issuing infrastructure. It's an added way of keeping customer data safe. Tokenization is a core strategy for software platforms looking to minimize risk in payment processing.



Hitting the high notes

Tokenization brings a host of benefits that hit all the right notes for software platforms and their customers:

1

Enhanced security

Tokens are like a rock star's secret alias, granting access without revealing sensitive information. If intercepted by fraudsters tokens are useless, keeping payment information safe from prying eyes.

2

PCI compliance

Tokenization takes the complexity out of PCI compliance when handling card-not-present (CNP) transactions. By reducing the compliance scope for your customers, it frees them up to focus on their performance, not having to worry about security slips and compliance checklists.

3

Operational efficiency

Tokenization ensures recurring payments run smoothly, eliminating disruptions and keeping the show on the road.

4

Improved customer trust

Tokens reassure cardholders that their payment information is secure, reducing false declines and providing a more seamless purchasing experience. This means your users are more likely to come back for more.



What are the tokenization options for software companies?

Let the Token Heads keep you on track for success.

Track 1: Cross-channel tokenization

Cross-channel tokenization is like a playlist that works for any gig. It allows storage of payment details across card-present and card-not-present (CNP) channels, bringing:

- i. **Seamless experiences**
One stored payment method performs flawlessly both in-store and online.
- ii. **PCI scope reduction**
Simplifies compliance efforts, keeping the backstage logistics smooth.
- iii. **Fraud reduction**
Enhances security, reducing the possibility of unexpected issues mid-show.

Example:

A software company enables customers to tokenize payment details once and use them across in-store, mobile, and online transactions. This improves the customer experience, eases the compliance burden, and enhances security.

Track 2: Network tokenization

Picture an engineer fine-tuning a sound system for peak performance. Network tokenization works similarly by optimizing the way card network tokens are managed. It delivers:

- i. **Higher authorization rates**
Tokens boost the likelihood of transaction approvals.
- ii. **Lower interchange fees**
Cuts operational costs, keeping more revenue in your pocket.

Example:

Software companies using network tokenization see fewer false declines and higher revenue – like having fewer no-shows and filling more seats at every show.



**TOKEN
HEADS**

Payrix
from worldpay

“ We’ve seen many software partners find success with a multi-prong tokenization strategy. Consider combining cross-channel and network tokenization to ensure seamless, secure, and efficient transactions every time. ”

SENIOR PRODUCT MANAGER
AT PAYRIX FROM WORLDPAY

The grand finale

Tokenization is not just a security to-do, it’s the headlining act for software companies. It amplifies customer experiences, simplifies compliance, and reduces risk, so that businesses can shine in the ever-evolving digital arena.

Building customer trust through tokenization

Tokenization helps you strike the right chord with your customers by:

Reducing false declines

Delivering smooth, frustration-free purchasing experiences.

Enhancing security

Giving cardholders peace of mind so they keep coming back for an encore.



Payrix
from worldpay

Ready to secure your payments and build customer trust?

Book a demo with Payrix from Worldpay and explore tokenization solutions that hit all the right notes for your business.

