



ARTICLE

JUMPSTART YOUR DIGITAL JOURNEY



Even before the COVID-19 pandemic and its effects on the economy and changing how consumers want to bank and make payments, research clearly showed that the move to digital banking was well underway. In fact, Juniper Research is forecasting a 54 percent increase in digital banking between now and 2024 as younger consumers opt for digital over traditional financial institutions.

In fact, a growing number of consumers are choosing to use various digital and mobile wallet options. That means the legacy payment card experience we have grown accustomed to may be vulnerable to becoming disconnected from the financial institution, and top-of-wallet status among cardholders could be in jeopardy. Indirect competition ranging from retailers such as Amazon and Walmart to fintech companies such as Facebook and Google are putting your business at risk.

Add to the mix that COVID-19 has forced even digitally reluctant consumers of all ages to change their transactional behavior. The more accustomed customers become to new ways of banking and finance, the more urgency will be placed on digitization of financial institutions. Because of the pandemic, increases are anticipated in:

- Using more online and mobile banking instead of banking in person
- Wanting in-store contactless payments and digital payment options
- Preferring online shopping in general instead of brick and mortar establishments

What if we told you that the path to offering your cardholders the kind of experience they want, and need, is right in front of you?

Modernize payments with tokenization

To remain competitive, you need to jumpstart the digital journey of your cardholders by tokenizing your BINS. What exactly does this mean? Tokenization is a process of replacing sensitive data with a unique identifier called a token. Payment tokenization replaces primary account number (PAN) and other “real” data with a substitute value that performs all the essential functions. That replacement value (the token) is worthless in any other context, essentially removing payment data from visibility.

Payment tokenization replaces sensitive data – like the customer’s primary account number, or PAN – with a unique token generated by complex algorithms that cannot be duplicated or decoded. The token can then be used in subsequent transactions for functions like adding a tip or for recurring billing.



How cardholders benefit

Tokenization contributes to better customer experiences. It enables merchants and retailers to remove the friction and risk that consumers experience with digital payment choices. It extends the ecosystem around payment credentials to the token level. For merchants who maintain the token data rather than payment card data, the token can easily be replaced, updated or removed for life cycle events by the token vault ecosystem, alleviating the dependency on the cardholder to reload or update card number data following physical card replacement.

When merchants keep your "Card on file" for subscription billing and recurring payments, a customer can then decide to order food delivery via a third-party for the first time, order groceries online or refill prescription at their neighborhood pharmacy via their mobile phone – they will be able to add their debit or credit card to the app and get what they need.

Tokenization is ideal for e-commerce sites that offer frequent, returning customers "one click" checkouts. Every customer desires a payment experience that basically requires them to do nothing. No hard steps, no friction, less data entry, and faster and without compromising security

Near-field communication mobile wallets like Apple Pay and Google Pay are being used more and more, especially by cardholders wishing to use contactless payments because of COVID-19. Tokenization enables this and allows you to offer cardholders a safe and secure payment method that utilizes a more frictionless and secure digital checkout for a true seamless experience.

Tokenization reduces the risk of having personal information exposed due to a data breach. Using the highest level of security available when paying with your card via a tokenized wallet, criminals can't steal your card data within a tokenized wallet because your card's information isn't stored.

Begin the journey

As cardholders continue to rapidly migrate toward digital payments – in-person and e-commerce – it's critical to adopt a "digital-first" mindset, one that provides your cardholders with a safe, secure and easy way to pay. We want your payment card to be their preferred choice of payment.

Tokenization is the foundation for secure, digital payments and is the first step to enabling a mobile wallet. It's a critical tool to modernizing your payments platform.

- Provides cardholders with an easy and secure way to pay for their essentials needs
- Allows cardholders to use their financial institution's cards every possible way there is to use them to ensure it stays top of wallet – physically or digitally
- Amplifies your brand, enabling your customers to live, to eat, to laugh and to help their families in these challenging times

START YOUR FINANCIAL INSTITUTION'S DIGITAL JOURNEY TODAY.





**ADVANCING THE WAY THE WORLD
PAYS, BANKS AND INVESTS™**



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