

ENABLING UNIFIED COMMERCE

# Managed Omnichannel Solutions



# Onward from traditional retail

Mobile payments. Contactless shopping. Curbside pickup. People and businesses around the world are changing their behavior and embracing emerging digital capabilities in response to the global pandemic. Built on familiar omnichannel technologies, this new financial evolution promises an era of unified commerce—a way of doing business in which more informed, more mobile and ultimately more demanding customers are free to transact when, where and how they choose.

In fact, a recent Accenture survey revealed that 50 percent of consumers are changing their buying habits to reflect what's important to them in a post-pandemic world.<sup>1</sup> This change in mindset can be seen in the exponential growth of new checkout methods like digital wallets and tap-and-go transactions. According to Accenture, these new preferences are “powerful enough to drive both brand switching (‘should I stay?’) and willingness to spend more (‘would I pay?’).”

As the world searches for stability in 2022 and beyond, these new customer behaviors and expectations will likely grow. A full third of consumers are still trying to find their footing in this changing dynamic.<sup>2</sup> Merchants able to meet each of these customers where they are will be best positioned for fast and future growth.

Managed omnichannel solutions can help your business meet tomorrow's challenges today with targeted solutions built for the era of unified commerce.



## The reimagined consumer

Accenture defines the new breed of post-pandemic consumer as “reimagined.” Unlike the new minority of traditional consumers, whose mindsets were unchanged by the pandemic, reimagined consumers expect companies to understand and adapt to changing social priorities. Price and quality don't hold the sway they once did. There are new motivations driving consumer decisions.

*“Reimagined consumers will abandon brands that don't support their new values—and pay more to those that do.”*

Accenture, Life Reimagined

### Health and safety

About 63 percent of reimagined consumers want merchants to actively promote health and safety practices.<sup>3</sup> These consumers expect these practices to continue beyond the pandemic and will switch to a new company if they feel needs are not being met. Tap-and-go and mobile payments are proven ways merchants can attract and keep these consumers.

### Ease and convenience

Some 57 percent of reimagined consumers will switch merchants if they don't offer flexible pickup and delivery methods.<sup>4</sup> Interestingly, almost half of traditional consumers felt the same way. Click-and-collect, curbside pickup and contactless delivery provide the convenience consumers expect.

# The bottom line hasn't changed

Like all businesses, you want to drive revenue at every opportunity. Transactions should be quick, secure and seamless. Upgraded checkout experiences built on new in-store and digital capabilities that help drive unified commerce can help reduce payment friction and collect funds faster. From contactless payment methods and line-busting strategies to digital wallet enablement, new technologies are making it easier than ever to transact and collect.

Of course, new payment methods bring new challenges. Anything that distracts from the business of making money, whether directly or indirectly, limits profitability. Implementation and compliance overhead is complex. Multiple third parties may be involved in the setup, meaning multiple contracts and billing processes. Moreover, the same financial technology skillsets

available at the corporate level may not exist at the local store level. Failure to properly manage any one of these variables can be costly; multiple failures can be catastrophic.

Merchants with their own proprietary point-of-sale ecosystems must develop the integration code necessary to connect the internal system with the acquiring bank. The system must then be EMV®-certified, a lengthy process in which the merchant tests the chip-enabled card reader for compliance. Acquirers charge a hefty administrative fee for every test script run against the terminal. Merchants perform these tests using a per-user-based EMV® software toolkit. Add in the development budget for integration and the money to develop or purchase the required payment terminal application, and certification becomes an expensive and time-consuming exercise.



## EMV excels at fighting fraud

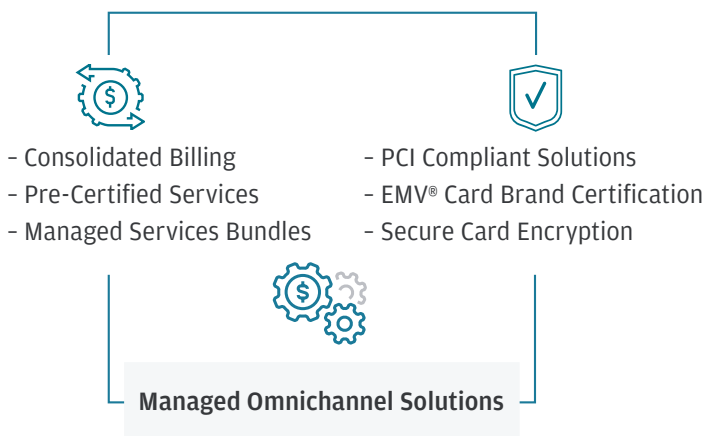
Introduced in the U.S. in 2015, chip-enabled EMV® (Europay, Mastercard and Visa) cards led to a 76 percent reduction in counterfeit fraud dollars in their first three years of use.<sup>5</sup> The number of EMV®-compliant merchants grew from 392,000 to over 3.5 million. By March 2019, 99 percent of U.S. payment volume was through chip-enabled credit and debit cards.

Given the staggering success of EMV®, there's no doubt this fraud-busting technology is here to stay. Which means so are the responsibilities associated with certification, updates and other EMV®-related merchant costs.

# Prioritize profits over payments

J.P. Morgan makes it easier for merchants to thrive in the coming era of unified commerce by building on existing relationships and skill sets across the payment lifecycle. Managed Omnichannel Solutions combine strategic solutions and services into one powerful managed solution that allows merchants to focus on what they do best—delivering goods and services to customers.

From EMV® certification, maintenance, encryption, tokenization, and support for innovative new payment methods, J.P. Morgan works effectively with key integrators to bring solutions to life. Merchants receive one consolidated contract and set of terms from J.P. Morgan and a PCI/P2PE-validated solution. The integrator has already put in the time and effort to become certified. As a result, you can reduce confusion, minimize contact points and avoid a heavy lift.



Merchants need more than a card reader and its local application. We enable a comprehensive solution that can bring the value of managed technology to all aspects of the payment ecosystem. This frees you up to re-focus on business objectives that have a direct impact on your bottom line.



Managed Omnichannel Solutions from J.P. Morgan can help you:

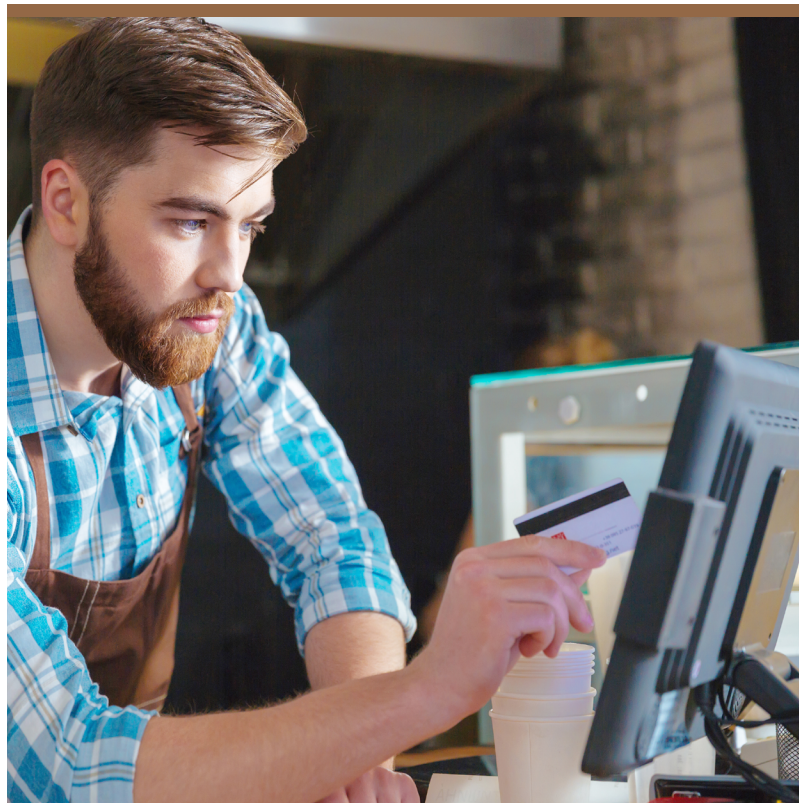
- ➔ Increase your speed to market.
- ➔ Simplify payment-related business processes.
- ➔ Offer more flexible payment options.



# Increase your speed to market

Merchant point-of-sale solutions vary as much as business models. Whether you are a national retailer with a custom point-of-sale solution, or a regional quick-service restaurant looking to upgrade your point-of-sale system for greater functionality and flexibility, we can help you get to market faster.

Working with our industry-leading network of carefully selected integrators, J.P. Morgan helps merchants identify the appropriate pre-approved, pre-certified solutions for their needs. Merchants can integrate these solutions with most point-of-sale systems using standard programming languages like JSON. This enables a sophisticated enough solution to meet headquarters' requirements, while maintaining the flexibility necessary for individual franchise locations to deploy and maintain.



## Success stories for multiple industries



A non-profit retailer wanted a solution that allowed them to focus more on their core competency—helping people in need. An early adopter of Managed Omnichannel Solutions, the retailer appreciated J.P. Morgan's ability to leverage existing integrator devices and add new payments features easily. The retailer was able to move quickly without the need for additional in-house technical expertise.



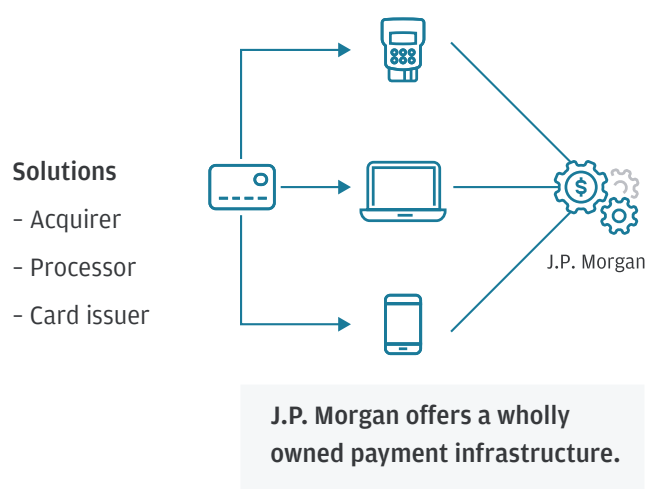
A high-fashion apparel brand needed to adapt to changing customer access and behavior during the global pandemic. J.P. Morgan helped them build a continuous experience from in-store to online. Improved customer tracking provided additional buying insights, while mobile point-of-sale devices helped convert browsers to buyers at the most opportune time—including when they were trying on footwear.



A quick-service restaurant chain wanted to build a strong e-commerce presence. J.P. Morgan helped them integrate smart devices into their payments process. Encryption and tokenization protected transactions. The solution also streamlined refunds and other two-way business processes between corporate and franchise locations.

# Simplify payment-related business processes

Keeping up in the new era requires speed. The goal of managed technology is to reduce payment overhead and allow merchants to focus efforts on what they do best—serving customers. With J.P. Morgan, merchants can conduct business confidently, knowing that a trusted industry leader is in control of their vital payment ecosystem.



The relationship begins by eliminating the complexity of working with multiple vendors. Merchants receive consolidated billing, as well as centralized client reporting and adjustments. J.P. Morgan curates all hardware and integrator relationships, giving merchants one resource for device recommendations, payment processing and customer service.

Managed Omnichannel Solutions are fully PCI/P2PE compliant right out of the box. In this way, J.P. Morgan helps you significantly lower PCI scope. J.P. Morgan also supports the latest encryption and tokenization technologies to help protect you and your customers.

According to LexisNexis® Risk Solutions, payment transactions receive the highest volume of security attacks each year.<sup>6</sup> From 2020 to 2021 alone, bot attacks on payment transactions rose by 18 percent. By bringing together the right integrator, the right hardware and the right services, J.P. Morgan enables merchants to significantly lower PCI scope and enjoy the peace of mind that payment transactions are secure and customer data is protected.

## LexisNexis® Risk Solutions cybercrime report

The growth of digital retail attracts both consumers and bad actors. A recent study by LexisNexis® Risk Solutions identified several trends relevant to the post-pandemic world:<sup>7</sup>

- Digital transformation accelerated at an unprecedented pace. Over a third of consumers used a new digital banking product or service; most of them plan to continue using it.
- Card-not-present (CNP) transactions rose to new levels. Omnichannel presence helped brick-and-mortar stores stay relevant with contactless delivery and curbside or contactless pickup.
- Fraudsters continue to industrialize. Human-initiated attacks fell by 29 percent; automated bot attacks grew by 41 percent.
- Collective coordination is an important tool in the fight against fraud. Consortium data sharing helps identify key elements in organized attacks.
- Predators prey on the weak. Fraud increased the most among businesses that were not as well protected before the pandemic.

# Offer more flexible payment options

As consumer buying habits shift, merchants must transform to meet them. Businesses that offer customers more ways to safely pay for goods and services will be at the forefront of unified commerce. J.P. Morgan helps merchants transact seamlessly across different payment methods and channels, so you never miss a chance to close a sale.

According to McKinsey, over three quarters of Americans use at least one form of digital payment.<sup>8</sup> Almost 60 percent of these consumers use two or more digital payments. These payments include online and in-app purchases, in-person checkout with a mobile device, and person-to-person transactions.

Consumers are also rapidly shifting toward tap-and-go retail transactions. The same McKinsey study showed the usage of contactless cards doubled between 2019 and 2020.<sup>9</sup> Another study by Visa revealed 65 percent of consumers will continue to use these contactless methods as much or more than they are now.<sup>10</sup> Almost half will not shop at merchants that don't offer contactless payments.

Managed Omnichannel Solutions by J.P. Morgan allow merchants to meet customers where they are. By optimizing contactless payments, you can speed up checkout times and help keep customers safe. Improved mobile checkout experiences help reduce friction and increase sales. Finally, integration with your company app helps drive loyalty and keeps customers within your ecosystem.



## Support business customers

Point-of-sale solutions that are pre-certified and vetted can help you reduce PCI scope, your go-to-market timing and operational overhead. Client-defined configurations can enable your business to potentially further reduce interchange fees and improve payments processing using important transaction-related information.

For example, a hotel that receives a lot of business travelers can amend check-in and check-out dates, folio numbers, and other detailed transaction information. Another business customer might require accounting codes be included on card statements for ease in tax preparation. Whatever the reason, Managed Omnichannel Solutions from J.P. Morgan can help.



# Embrace unified commerce

Managed Omnichannel Solutions from J.P. Morgan enable your business to embrace the opportunity of unified commerce. Working together, you can increase your speed to market, simplify payment-related business processes and offer your customers more flexible ways to pay. You'll also be ready to take advantage of new and emerging capabilities only an industry leader like J.P. Morgan can provide. Put your attention back where it belongs and let J.P. Morgan handle the rest.

- Increase your speed to market.
- Simplify payment-related business processes.
- Offer more flexible payment options.



## Take the next step

Contact your J.P. Morgan representative to learn how a solution built on Managed Omnichannel Solutions can work for your business.

[GET IN TOUCH](#)

- <sup>1</sup> Accenture, 2021, "[Life Reimagined.](#)"
- <sup>2</sup> Accenture, 2021, "[Life Reimagined.](#)"
- <sup>3</sup> Accenture, 2021, "[Life Reimagined.](#)"
- <sup>4</sup> Accenture, 2021, "[Life Reimagined.](#)"
- <sup>5</sup> Visa, 2019, "[Chip technology helps reduce counterfeit fraud by 76 percent.](#)"
- <sup>6</sup> LexisNexis® Risk Solutions, 2021, "Redefining Trust and Risk: Adapting to a Post-Pandemic World."
- <sup>7</sup> LexisNexis® Risk Solutions, 2021, "Redefining Trust and Risk: Adapting to a Post-Pandemic World."
- <sup>8</sup> McKinsey & Company, 2020, "[US digital payments: Achieving the next phase of consumer engagement.](#)"
- <sup>9</sup> McKinsey & Company, 2020, "[US digital payments: Achieving the next phase of consumer engagement.](#)"
- <sup>10</sup> Visa, "[The Visa Back to Business Study 2021.](#)"

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