

Faster Service. Happier Customers.

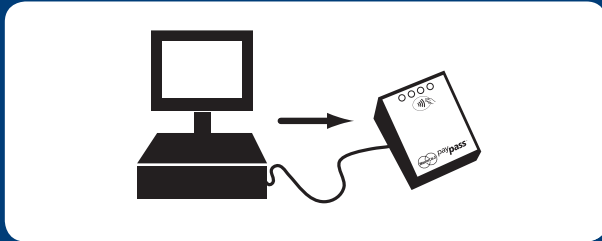


On any given day, consumers make quick purchases countless times. Research suggests that at quick-pay merchants, about 50 percent of those payments are made in cash.¹ In fact, cash and checks represent more than half of a USD 7.2 trillion market.² That's a trillion-dollar opportunity to replace cash with something faster and easier—something that could also increase your GDV significantly.

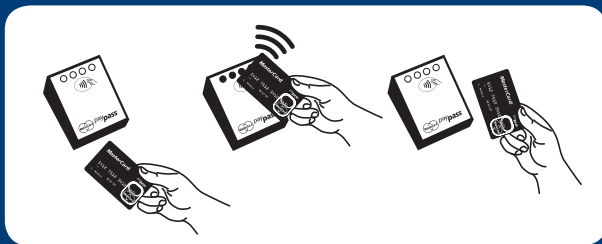
MasterCard® PayPass™ puts all the advantages of a MasterCard transaction into the ease and convenience of a contactless payment.

How MasterCard PayPass Works

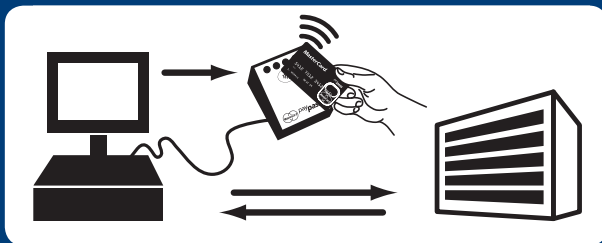
A computer chip in the payment card or device securely communicates with the merchant terminal. In seconds, a light or an electronic beep indicates an approved transaction, and the cardholder is on their way.



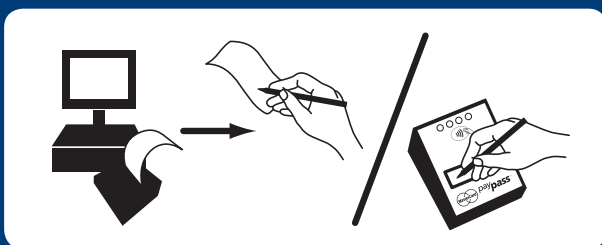
Transaction details are sent to the PayPass-enabled terminal from the electronic cash register (ECR).



Terminal recognizes and activates PayPass card or device and exchanges payment account details. PayPass card or device generates unique transaction data all in a fifth of a second.



Transaction data is transmitted to issuer along with payment account details via acquirer. Issuer receives data, checks unique transaction code, and authorizes transaction.



After the transaction is complete, the point-of-sale system stores transaction information. Later, records are transmitted to acquirer for batch submission to the MasterCard network for clearing and settlement.

Business-building benefits for merchants

MasterCard PayPass is more popular than ever, with tens of millions of MasterCard PayPass cards now in circulation globally. For consumers, it's a fast, convenient way to pay. But it's also a quick way to help pursue these advantages for your business:

- > Increase speed and number of transactions
- > Increase ticket size and GDV
- > Strengthen existing relationships
- > Reduce cash handling by employees
- > Reinforce your image as being current and sensitive to your customers' needs

It's easy to take advantage. We'll help you get up and running.

Start rolling out MasterCard PayPass in just six steps:

- 1 Meet with your acquirer or merchant processor and discuss the growth opportunity and the likely impact of MasterCard PayPass on your business.
- 2 Identify your specific POS needs and order appropriate MasterCard PayPass readers that plug directly into the POS terminal or electronic cash register (ECR). To make sure you have devices that work properly, use only MasterCard-tested and PayPass-approved equipment and vendors, listed at www.paypass.com.
- 3 Install your new equipment and upgrade POS software as required to support new data element values in the authorization message. Upgrade to high-speed authorization lines—this ensures that the maximum speed benefits of MasterCard PayPass are realized.
- 4 Order MasterCard PayPass marketing materials to show your customers that you accept PayPass and remind them how to use their PayPass cards.
- 5 Prepare to go live by educating your staff about accepting MasterCard PayPass and displaying MasterCard PayPass marketing materials at the store entrance and at the POS.
- 6 Go live.

These best practices help ensure a smooth, successful implementation.

In our extensive work with merchants, MasterCard has identified several best practices when it comes to implementing MasterCard PayPass.

MasterCard PayPass reader selection

- > Choose the reader that best suits your needs—either the PayPass-only reader and terminal that also support self-swiping, or a stand-alone reader.
- > Confirm that the selected readers carry appropriate PayPass branding.

Connectivity

- > Verify that your acquirer has completed testing. High-speed authorization connections are required.
- > To avoid double-key entry of purchase totals, use automatic amount transfer between electronic cash registers (ECRs) and terminals.
- > Use *PayPass* reader and terminal equipment that directly plugs into a terminal or ECR.
- > Although purchases under USD 25 do not require a signature, you should have a fast receipt printer in place for larger transactions, because a key advantage of *PayPass* lies in its speed.
- > Ensure that external power and connectivity lines are securely fastened.

Installation

- > *PayPass* readers should be configured to bypass the signature prompt for transactions below your floor limit.
- > Position the *PayPass* reader to ensure that lights are always visible to the customer.
- > If you offer customers drive-thru service, place *PayPass* readers and terminals so they are accessible to drivers in any height vehicle.
- > Assess the area available for your terminal and reader up front, and commit a space to it that will be consistent from location to location.
- > After installation and system restarts, retest readers and terminals.

Pilot program

- > A pilot can spare you unforeseen system-wide problems later. If you have more than one retail location, a trial run or pilot at one or two locations accepting *PayPass* can be useful in debugging your system ahead of a full rollout across all stores.

Training and customer service

- > Access our library of training documents at www.mastercardmerchant.com/paypass.
- > Assign a lead trainer who is likely to stay with you over the entire implementation.
- > Train your staff before acceptance of MasterCard *PayPass* begins.
- > Have MasterCard *PayPass* register cards at your inside checkout counter for easy reference.
- > Consider designating one checkout line as a MasterCard *PayPass* express lane.

Frequently asked questions

Q. What types of merchants will benefit the most from MasterCard *PayPass*?

- A. MasterCard *PayPass* is ideal for traditional, cash-only environments where speed is essential, such as fast-food restaurants, drive-thrus, convenience stores, movie theaters, self-serve gas stations, mass transit, vending, pharmacies, parking lots, and toll roads.

Q. How safe are these transactions? Can someone intercept the data or get incorrectly charged for purchases when carrying the card?

- A. These transactions are as safe as traditional card payment transactions, as the *PayPass* feature incorporates special security technology to help prevent replay fraud when a *PayPass* program is implemented as recommended by MasterCard.

Q. Is the signature requirement waived for MasterCard *PayPass* purchases? Is there a limit?

- A. MasterCard *PayPass* transactions are targeted at low-value purchases that were formerly paid with cash. Signature requirements are waived globally for *PayPass*-enabled transactions of USD 25 or below. For purchases above that limit, cardholder signature or PIN is still required.

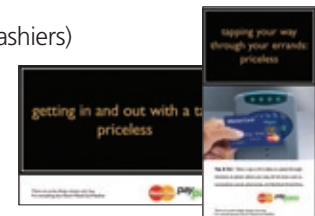
Q. How does this “non-verified” transaction change the payment guarantee for the merchant?

- A. The use of MasterCard *PayPass* does not change the payment guarantee for merchants. Existing rules in place for the product/merchant category in which the transaction takes place continue to apply when data is passed across a contactless interface. The exception is the extension of merchant chargeback protection for MasterCard *PayPass* purchases of up to USD 25 when cardholder signatures are not captured.

Ready-made marketing materials at your fingertips

Encourage your customers to use MasterCard *PayPass* with materials like these:

- > Register Card (for use by cashiers)
- > Door Decal
- > Window Cling Tear Pad
- > Register Decal
- > Tent Card
- > Troubleshooting Guide



Now is the time to implement MasterCard *PayPass*.

MasterCard *PayPass* has shown to help increase ticket amount and sales.¹ It's already tested and proven as the ideal solution to meet consumers where they are today.

To find out more, visit www.mastercard.com/paypass.

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