Top Improvements Merchants desire from Fin Tech solutions

1. **Improved customer experience:**
   a. **Reduce friction or eliminate the checkout experience** – Solutions that remove the burden of the checkout process help merchants provide a more customer friendly experience. As friction is eliminated from the process, standards on fraud prevention must continue at current levels as to not erode the value of the process.
   b. **Reduce friction for new customers using sites** – Purchasing for the first time on a merchant site usually involves a lengthy process of data entry for the customer. Solutions to expedite this process and increase purchase closure rates add value to the merchant and customer.
   c. **Enable customers to purchase through multiple retail channels** – Many merchants offer multiple ways for both the customer to purchase and receive delivery of the goods. Products that enable this to happen seamlessly for the customer increase retention and satisfaction. Merchants place a higher value on products that fulfill this need.

2. **Easier merchant integration/certification** – Merchants are concerned with the complexity to both integrate and maintain solutions. Today’s process to certify and maintain a contactless transaction is an example of a process that places a heavy burden on the merchants. Products that can be implemented via APIs and where the majority of main tenance is done in the cloud by the provider are preferred.

3. **Develop on an open-standards platform** – Merchants would like to participate in both the creation and main tenance of payment standards. Solutions built on standards that are provided by an open-standards body are preferred as it gives all parties equal input to future changes in the process.

4. **Reduce security burden on the merchant** – Today’s solutions rely on merchants to go through extraordinary efforts to prevent fraud. Solutions that remove the need for merchants to retain financial or personal information are preferred and add value. The flexibility of a solution that allows for two factor authentication and the option for merchants to opt out if they have developed better processes for preventing fraud are preferred.

5. **Enablement of competitive choices** – Currently the payment market is dominated by a few networks that have been determined by the courts to have market powers. Merchants would like to see creative ideas that would allow for alternative solutions including transaction routing, transaction processing and fraud prevention. An example of this would be using real-time payment rails to allow customers to push payments to the retailer.

6. **Increase transaction speed** – Throughput for most merchants is a critical measurement. Any new solution cannot add to the length of the transaction and those that actually reduce the time have a higher likelihood of being adopted.

7. **Fraud solutions that are transparent to the customer** – Merchants lose millions annually due to fraud, as in many cases the burden of validating the customer is on the merchants. Products that use data to validate the customer are preferred. One requirement for this process is to guarantee that the data provided by the merchants to improve fraud prevention is only used in the way approved by the merchant who provided the data.

8. **New systems must be reliable** – Even though a system may be in a startup mode it must be built in a way that guarantees high reliability to the merchant. Systems that have eliminated
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single points of failure give the merchants the reliability needed to ensure a frictionless checkout experience.

9. **Software versus hardware-based solution** – Requiring the replacement of either a customer’s device or a merchant’s terminal creates a slow adoption curve. Solutions should take advantage of the hardware already in place by creating software solutions. For example, NFC leads to a much longer adoption process than QR codes. Hardware solutions also lead to capital investments that result in higher return threshold levels to break even.

10. **Increase speed in settlement of transactions** – Merchants have a desire for products that can increase their cash flow by delivering funds quicker to their bank accounts. Today, settlement follows the purchase by several days. Speeding up this process avails cash to merchants and reduces their dependence on borrowed funds.

11. **Reduce labor** – One of the merchant’s highest costs is for labor. As the labor market continues to tighten and the cost of labor increases, those solutions that reduce the need for labor take on a higher value. An example of this is self-checkouts.