



NFC - What's the Fuss?

One of the most exciting developments in the payments ecosystem is the introduction of Near-Field Communication (NFC), which enables smartphones to quickly and securely communicate payment information with other phones and point-of-sale (POS) devices.

How Does NFC Work?

In short, NFC is a chip in a phone that talks to payment terminals – taking the place of physical credit cards at the POS. To complete an in-person transaction, the customer simply holds the phone within a couple of inches of the terminal.

Hardware options for accepting NFC continue to grow, with solutions like the Ingenico® iCT250 that accepts NFC and EMV® transactions, and PIN-pad peripherals that can be used with Electric Cash Registers (ECRs) once POS software for NFC payment acceptance is enabled. Merchants using NFC-enabled terminals may consider adding PIN-pad peripherals that can be handed to consumers to complete NFC-initiated payments.

Benefits of Accepting NFC Transactions

NFC is versatile and ideally suited to a broad range of industries, environments and uses, so the big question is: What can NFC do for your business? The following are just a few key benefits.

Consumer Demand

- NFC is easy to use, requiring little more than a simple touch.
- Demand is coming.
 - According to Gartner, global mobile transaction value is expected to reach \$721 billion with more than 450 million users by 2017¹
 - ReportsnReports.com estimates the global NFC-enabled handset market will grow at 55% compound annual growth rate from 2014 to 2019²

Convenience

- Many consumers rarely leave the house without their smartphones. With this payment system, everything they need to make a payment is with them at all times.
- NFC can reduce transaction time, which may cut down the time a customer has to wait in line – and the time customers spend at the register. For businesses with few employees, this can be the difference between quickly serving a long line versus watching disgruntled customers leave before making a purchase.

Security

- NFC has built-in capabilities to support secure applications, and NFC transmissions are short-range – from a touch to a few centimeters. With solutions like Apple Pay™, security concerns have been addressed further, as sensitive payment information is securely stored on a mobile phone with the assistance of smart chip technology.
- This safeguard is protected by a unique digital signature. Apple Pay secures the process with a physical chip. Each time a transaction occurs, a random, one-time use code is used instead of transmitting the user's debit or credit card number.



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Changing the Payments Landscape

NFC is expected to become as commonplace as WiFi and GPS. According to market research firm IHS iSuppli, the number of NFC-enabled phones this year is expected to keep growing – reaching around 756 million devices³.

If you are not already equipped to accept NFC transactions, now is a great time to update. With EMV requirements looming, consider updating your system to accept both NFC and EMV together. Your merchant service provider can walk you through all the options to find the solution that works best for your business model.

WHO WE ARE

TSYS Merchant Solutions is a leading payment processor with more than 30 years of experience providing first-rate service and comprehensive end-to-end payment solutions to businesses accepting payments across North America. Our dedicated, experienced team of industry professionals provides innovative card-acceptance solutions and unparalleled customer service every day to meet the long-term needs of our customers.

TSYS Merchant Solutions is a wholly owned subsidiary of TSYS® (NYSE: TSS). TSYS delivers advanced technology and enhanced value to many of the world's leading companies, making it possible for hundreds of millions of consumers to use their credit, debit, commercial, private-label, prepaid and chip cards safely and securely.

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¹Gartner, Inc., "Forecast: Mobile Payment, Worldwide, 2013 Update," June 4, 2013. ²ReportsnReports.com, "Global NFC Transaction Market 2015-2019" and "Global NFC Enabled Handset Market 2015-2019," December 12, 2014. ³Technology.ihs.com, "NFC-enabled Handset Shipments to Reach Three-Quarters of a Billion in 2015" June 29, 2015. © 2015 Total System Services, Inc.®. All rights reserved worldwide. Total System Services, Inc., and TSYS® are federally registered service marks of Total System Services, Inc., in the United States. Total System Services, Inc., and its affiliates own a number of service marks that are registered in the United States and in other countries. All other products and company names are trademarks of their respective companies. TSYS Merchant Solutions is a registered ISO/MSP of both First National Bank of Omaha, Omaha, Nebraska, and Synovus Bank, Columbus, Georgia. Apple, the Apple logo, and iPhone are trademarks of Apple Inc., registered in the U.S. and other countries. Apple Pay and Touch ID are trademarks of Apple Inc. EMV is a registered trademark or trademark of EMVCo LLC in the United States and other countries. (5/2015)