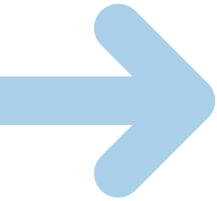


Think you know what it costs to accept payments? **Think again.**



  
Elavon



There are **THREE BIG THINGS** impacting the total cost of accepting payments.

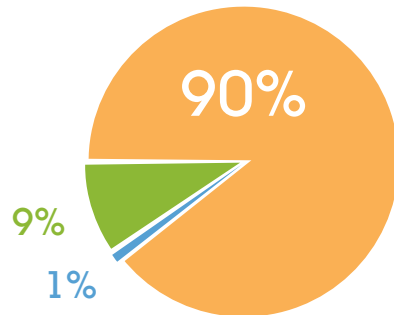
## 1 Interchange & Assessments

**Interchange Rates are set by the Card Brands**, and make up nearly **90%** of the direct cost of every transaction. In all, there are more than **300 interchange categories** impacting rates. These rates vary based on factors including:

- The type of card that's used
- Where the transaction occurs
- How the card data is captured
- What industry the business is in

**An additional 9% of the costs are the result of assessments** from the Card Brands such as:

- Brand usage fees
- Network access fees
- Cross-border charges
- High-ticket transaction fees



When combined, interchange and assessments contribute about **99%** of the rates and fees paid by an organization. Which leaves about **1%** of the costs for the processors and acquirers - who make the entire transaction possible.



## ② Chargebacks & Fraud

**Online merchants lost more than \$3.4 billion** to fraud in 2011. Fraud losses typically range from **50 to 90** basis points, with many companies writing off a full **1%** of sales due to fraud.



Nearly **7% of ALL** online transactions are automatically declined. Unfortunately, many legitimate transactions are declined in the process. These “false positives” result in further **lost sales, and lost customers.**

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**Managing risk also requires significant labor resources.**

**10% to 30%** of all online transactions result in an out-sort, requiring a manual review by a caseworker. On average, caseworkers earn **\$20 per hour**, and can review **6 cases** per hour.



So, if a company generates 1 million transactions per year, and has to review **30%** of them, it would take 24 caseworkers a full year to review all **300,000 cases**, at cost of **\$960,000.**

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**Chargebacks are another significant cost factor.**

Companies spend nearly **\$50** in labor and overhead just to process a chargeback, leading many companies to simply write off chargebacks below a certain floor limit.

## ③ PCI Compliance & Data Security

### ***Data security has become an enormous global challenge.***

In 2011 there were **855** incidents of breach, representing **174 million** compromised records. Cardholder data is the number one target of hackers because it is both valuable and portable, making up **78%** of all investigated breaches.

The average breach involves **28,000** records, costing **\$194** per record, resulting in a loss of nearly **\$5.5 million** per incident.

Companies often suffer **a loss** of customer trust, employee morale, investor confidence, and the value of their stock.

### ***Maintaining PCI compliance is a continuous and expensive endeavor.***

Companies spend **\$225,000 to \$500,000** or more for an annual audit. But worst of all, as recent headlines have proven, PCI compliance alone does not guarantee that your data is secure.





## The Payoff: Unleashed Savings

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**By implementing solutions that address the challenges found in the 3 BIG THINGS, businesses are able to lower the total cost of acceptance.**

- Every payments-related expense analyzed for efficiency and brought under management **drives money** straight to the bottom line.
- Proactively managing the total cost of payments provides a tremendous opportunity to **unleash savings**.

Risk transference, labor resources and **savings** can be directly applied to initiatives that **drive growth** and value for an organization. Businesses are now free to:

- Open new locations
- **Expand** to high-growth regions previously considered too risky
- Redeploy **human capital** to customer-facing roles
- **Invest** in infrastructure, and
- Return value to shareholders





## We are better at our business so you can be better at yours.

Experience Matters. Elavon has the people, processes and technology to help you **lower** your **total cost** of accepting payments.

### 1. Interchange Advisory and Optimization Solutions

- a. Our international processing platform provides a view into how your transactions are handled to ensure you get the best rates.

### 2. Advanced Fraud and Chargeback Management Tools

- a. Our solutions lower fraud and improve revenue; and our business processing outsource services optimize the costs associated with managing chargebacks.

### 3. End-to-End Security Solutions

- a. Our advanced point-to-point encryption and tokenization solutions protect data and mitigate the cost and complexities of PCI compliance.

Interested in lowering your total cost of accepting payments? **Talk to Elavon Today.**

**Learn more at:** [www.3bighings.elavon.com](http://www.3bighings.elavon.com)