

The Benefits of Integrating with the Apriva Gateway

When a software solution provider needs to accept payments through their application, they are faced with many processing choices and industry complexities. Whether forming multiple direct integrations to processors or utilizing one-to-many processing solutions provided by middleware or gateways, an independent software vendor (ISV) has a lot to consider.

A payments integration to a gateway or processor takes a lot of resources and time. ISVs also need to assess ongoing maintenance and how to support multiple integrations. In addition, there are various industry, regulatory and compliance requirements (like EMV and PCI DSS) to follow, as well as value-added security features (such as end-to-end encryption and tokenization for recurring payments) to consider.

This paper will evaluate the benefits and drawbacks of integrating via a gateway versus direct connections, plus the value a partner like Apriva provides for ISVs and their merchants.

Gateways and Payment Processors Defined

With the payment landscape growing more complex every year, merchants are seeking more sophisticated technologies to help them accept diverse forms of payment and integrate payment data with their other systems, such as inventory management, accounting and more. Gateways and payment processors are two of the most widely used solutions for payment acceptance.

A gateway is essentially a robust and secure cloud-based platform that connects credit card payments from merchant points of sale (POS) to their

processors, thereby facilitating the authorization and settlement of payment transactions.

A payment processor is a company (often a third party) appointed by a merchant to handle transactions from various channels, such as credit cards and debit cards for merchant acquiring banks. They are usually broken down into two types: front-end and back-end. Front-end processors have connections to various card associations and supply authorization and settlement services to merchants. Back-end processors accept settlements from front-end processors and move money from the issuing bank to the merchant bank.

Pros and Cons of Leveraging a Gateway

Gateways provide several benefits to ISVs that are integrating payments into their offerings:

- A single connection to many processors, enabling ISVs to have more freedom to choose their preferred processor partners and accommodate a broader customer base with very different payment needs
- Access to the gateway provider's large reseller base, which gives ISVs connections to potential channel partners and greatly increases growth opportunities

- PCI DSS compliance of each processor connection, securely routing card data from the POS system to the processor of choice
- Access to PCI scope reduction tools, like end-to-end encryption, EMV and tokenization, which limit the ISV's exposure to handling sensitive card data and potential fraud
- Lower upkeep and maintenance expenses due to the fact that gateway providers handle bi-annual card brand releases and enhancements required by card brands and processors

The primary tradeoff of integrating via a gateway is the cost. Every payment that passes through the gateway incurs a transaction fee. While the fee is typically nominal, it can add up over time as transaction volume grows.

Pros and Cons of Direct Connections

The main benefit of direct connections is that they eliminate incremental transaction fees typically associated with gateways because they cut out the "middle man" and generally connect with only a few select processors.

However, these advantages come with several significant drawbacks:



- Merchants have fewer choices for payment processors.
- ISVs are personally responsible for PCI compliance, which is an ongoing and labor-intensive process. Even when using a PCI DSS-compliant level one service provider, like Apriva, the ISV will still need to adhere to any applicable PCI DSS obligations set forth by their acquirer, based on processing environment, volume of transactions and policies/procedures.
- It takes a substantial amount of work (and, therefore, budget) to certify and maintain each individual connection, comply with PCI data security standards and perform necessary updates for card brand and processor bi-annual releases. This typically results in a very costly, time-consuming and resource-intensive effort for ISVs who wish to handle payments processing development themselves.

Integrating with direct connections and certifying EMV transactions for every chosen processor requires several steps, which can each take weeks or months to complete:

1. Submitting and getting approval from the payment processors for an EMV Application Request
2. Assigning a Certification Analyst and acquiring Magnetic Stripe Reader (MSR) Certification
3. Completing pre-certification EMV testing
4. Completing subsequent EMV certification with individual card brands (These certifications are device- and processor-specific, and separate for Visa, MasterCard, Discover and AMEX.)

Repeating this process for each connection is extremely costly to initiate and maintain. ISVs must certify each desired hardware to each desired processor, and any alterations to the payment application requires a new EMV certificate.

Apriva's Gateway

While direct integration can be time-consuming and expensive, integrating with Apriva's Gateway provides ISVs with several key benefits that reduce ongoing operational costs, labor and maintenance.

More Options and Flexibility

Apriva's Gateway supports more processors than any other gateway provider so merchants have the freedom to choose the partners that work best for their business. With over 35 connections to processors, over 1,100 channel partners and flexible payment options including campus cards, gift cards and loyalty cards, merchants and their ISVs have more options than ever.

Top-Notch Security

Known for their background in secure government communications and strong track record of security as a Level 1 PCI DSS service provider, Apriva applies the same secure technology used in their government solutions to their payment solutions. These products and services include advanced security features like end-to-end encryption, tokenization and hosted payment screens, in addition to EMV compliance for a comprehensive layered security approach.

Industry-Specific Solutions

Apriva's Gateway technology supports niche verticals like vending, parking, car washes, golf courses, and ticketing, plus a wide array of traditional payments terminals.

Semi-Integrated Solutions to Save Time and Effort

Apriva also offers semi-integrated solutions that allow ISVs to add EMV support quickly and easily using their existing POS solutions, saving significant time, effort and resources.

Dynamic Routing for Fast and Easy Payment Device Management

Apriva's Gateway features dynamic routing across platforms and services, meaning devices are boarded once and can send transactions anywhere. This consolidates payments and data from different platforms into one simple, easy-to-use interface, and translates across reporting, risk management and billing for all devices, which dramatically reduces the work required to maintain these connections. Acquired portfolios of devices can easily be added, and functions like recurring billing are all supported through Apriva's flexible and dynamic Gateway solutions.

Preferred Rates

Apriva's Gateway connections include preferred rates for Visa and MasterCard debit transactions, further validating the ROI of connecting to a gateway.

Flexibility to Support New Technology

Additionally, Apriva continually adds support for new payments technologies as they emerge, which helps future-proof solutions and keeps them compliant with updated PCI regulations.

Access to Value-Added Products and Services

Apriva's collection of POS solutions provide additional opportunities for ISVs and their merchants to expand their business. For example, Apriva Vend, our cashless payment acceptance solution used on hundreds of campus across the US and Canada, is one of the best ways for vending machine operators to boost sales and reduce costs by accepting card payments—including campus cards—in addition to cash. Further, Apriva's EMV-certified, white-labeled

payments application, AprivaPay™ Plus, offers a mobile payment solution that can be used on Android, Apple and Amazon Fire devices.

Which Integration Path is Right for You?

Establishing and maintaining individual connections with processors may seem more empowering and cost-effective at first glance, but it is actually quite costly and resource-intensive over the long term. However, each provider must weigh the pros and cons, and choose an integration path that works for their business.

Countless payments solution providers are turning to gateways to provide their customers with more options while simplifying security, compliance and maintenance. Integrating with Apriva's Gateway provides the most choices for payment processors and dramatically lowers operating costs, while improving security and adaptability with easy upgrades and PCI, card brand and processor updates. By integrating with Apriva's Gateway, ISVs can provide better solutions to their merchants, have a trusted partner to turn to, and spend their time focusing on what they do best.

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