



Merchant Services— Selecting the Right Vendor for Your Business’s Needs.

To help auto dealers stay competitive, merchant services vendors provide flexible, secure, client-friendly payments processing. Merchant services processing technology includes specialized point-of-sale (POS) equipment (including wireless terminal capabilities), solutions that turn desktop PCs into powerful POS payment processing equipment, and options to enable customers to purchase directly from dealership websites.

How merchant services can help your business

Merchant services products can improve your bottom line and enhance customer convenience.

- Electronic Check Services turn paper checks into electronic forms of payment at the point of sale, allowing your dealership to:
 - Deposit check and credit card transactions into a bank account by the next business day*
 - Verify or guarantee checks at the point of sale and convert them to electronic deposits for access to funds sooner
- Debit and Credit Card Processing can help increase the number and size of purchases.
- Electronic Gift Cards generate new business and retain existing customers with customizable options.
- Account Monitoring helps you safeguard your funds around the clock with online reporting tools.

Staying ahead of the curve with smart cards

The magnetic stripe on the back of a traditional credit or debit card provides all the financial information required to complete a purchase, enabling a merchant to quickly process a transaction. But that same ease and simplicity makes these cards susceptible to fraud: Information on mag stripes is easily accessed, and misappropriated information can be embedded into a new counterfeit card.

Key Takeaways



Merchant services providers offer auto dealers safe, efficient means to process payments.



The rollout of EMV chip technology in the U.S. makes customer payments more secure.



By approaching merchant services as part of an overall banking relationship, a dealer’s financial services provider can help them realize the best combination of pricing, technology, and ease of operations.

To create a more secure payments system, Europay, MasterCard, and Visa developed EMV.[®] Today, EMV serves as the global standard for interoperability of smart cards with POS terminals and automated teller machines (ATMs). Unlike mag-stripe cards, EMV cards use dynamic encryption that holds unique cardholder and transaction information in an embedded microchip. As a result, an EMV smart card is highly secure and nearly impossible to copy and use for fraudulent purposes.

U.S. migration to EMV technology is underway, having passed the key liability shift date of October 1, 2015. Forward-looking businesses are working with merchant services providers to migrate to chip-reading technology.

Leveraging your banking relationship

It's essential for dealers to approach merchant services as part of their overall banking relationship, including any floor planning and real estate financing. A bank that knows a dealer's business well can more effectively help manage expenses, control fraud risk, and boost profitability.

A close relationship and proactive communication with clients is also vital to their success. This helps to eliminate problems before they arise. Amber Porach, Controller at Bedford and Mentor Nissan, realized this when her former financial institution didn't provide the personal service she expected, resulting in a costly misunderstanding.

"Our previous provider withheld our funds without communicating the reason in a timely manner," said Amber. "We couldn't correct the holds and receive our funds." That helped her decide to make a change for the better. "We made the switch to Key Merchant Services so that we could have better control of daily reconciling as well as next-day funding. Key Merchant Services also offered much better pricing, and the level of service far exceeded our expectations."



*Next business day availability only applies to credits deposited to a KeyBank checking account. All credit products are subject to credit approval.

KeyBank is providing this brief overview to raise awareness concerning the changing economic landscape. The aforementioned represents the interpretations and comments of KeyBank and from sources believed to be reliable and represent the current opinion on the subject. Before entering into any financing arrangement, please consult your own financial, tax, and legal advisors.

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What dealers look for in a merchant services provider

While price is important in selecting a merchant services vendor, it's not the only or even most important consideration. In a recent survey, auto dealers reported basing their decisions on the following rationale when choosing a provider (ranked in order of importance):

1. Banking/credit relationship
2. Pricing
3. Online access to account information
4. Availability of funds
5. Reliable technology
6. Data security
7. Innovative technology
8. Electronic check acceptance

Source: KeyBank Merchant Services Survey, 2012

By choosing to simplify and go with a single merchant services provider—especially one with which they have a long-standing relationship in other areas—auto dealers can realize the best combination of pricing, technology, and ease of operations.

To learn more about how our expertise, business services, and commitment to your industry can provide your dealership with the resources you need to grow and succeed, go to key.com/dealer or call 1-888-288-6539.