Text2Pay

SIMPLE AND SECURE SMS PAYMENTS

Contents

The Innovations of Text2Pay SMS Payments

For the vast majority of human history, the way we have made payments or exchanges for goods and services was rudimentary. In most cases, a customer handed some form of physical money or goods to a merchant, and the merchant provided a return service or good in exchanges. It was about as simple as any payment process can occur.

Times and payments have undeniably changed. Exchanges in the economy have become unprecedently more complex and diverse. From digital currency to digital payments, the way we make payments has become considerably more dynamic and abstract. Consumers can now make payments using digital checks, credit cards, and a variety of other methods. Businesses can now accept payments in equally numerous ways. Methods can include electronic signature, ACH transfers, or batch many payments in a single process. Payments can be set in advanced, to recur, or made in real-time. These various options only begin to account for the complexities involved in modern payment processes.

One of the most powerful and rapidly growing markets is mobile payment processing. At the center of this growth is the ability for consumers and businesses to utilize text-based solutions for their payment methods. Modern consumers are demanding a diversity of options for paying bills. According to research from Aite Group, more than 90 percent of U.S. households use more than three methods for making bill payments. It is no longer enough for merchants to offer a single alternative to paper-based bill-payment processes.

The Innovations of Text2Pay SMS Payments Cont'd

A top demand for alternative payment methods is based on Short Messaging Service (SMS). SMS-based options are also referred to as text-based solutions and services. Text messaging has become so prevalent as to assume more popularity than browsing the internet. Estimates point to the average American sending and receiving around 94 text messages per day. Engagement with SMS texts is also remarkable. It is reported that 99 percent of text messages are opened. Such extraordinary analytics on usage and engagement leads to a force of demand that is undeniable for businesses. It is a demand necessitating an accurate and efficient response.

We examine this increasingly popular and wide-spread payment solutions category. This exploration covers a brief history and modernization of the transition to SMS-based payment solutions, including our Text2Pay solution's nuances and its benefits to diverse types of merchants. Our analysis shows how employing an SMS-based solution will empower merchants to meet the indisputable demands for this innovation in payment services for a modern market and consumer.

Historical Context & Modernization

Sending text-based messages has a history longer than many people might associate with it. As early as 1837, the first device to deliver an electronic message was the telegraph. Infamous for inventing the Morse Code, Samual Morse also sent the first telegram over a distance of two miles. Morse managed to increase the distance in 1844 when he sent a message 44 miles from Baltimore to Washington, D.C.

Nearly a century later, in 1933, a rudimentary system of telephones was established by the German postal service with the Telex. This public network of teleprinters would give rise to the invention of ALOHAnet by the University of Hawaii, transmitting ultra-high frequency (UHF) radio waves that could manage to transport messaging data. Innovating the UHF radio waves established the foundation for our modern wireless networks.

In recent decades, payment solution providers have developed electronic means of accepting and processing bills. Computer technologies that generate text messages simultaneously began to emerge as a form of electronic communication. In 1984, Friedhelm Hillebrand and Bernard Ghillebaert of the Franco-German GSM Corporation developed the SMS concept. In 1994, Neil Papworth, a developer at Sema Group Telecoms, sent the first modern text message to a colleague, wishing him a merry Christmas.

A few years later, Nokia then became the first manufacturer to produce a mobile phone with a full keyboard that supported texting. SMS technology was slow to gain popularity. The average American user sent only 0.4 texts per month in 1995. Phones and networks gradually adapted to accommodate SMS better. In 1999, text messaging technology eventually developed the capacity for exchange between senders and recipients whose mobile phones operated on different networks.

Historical Context & Modernization Cont'd

As a result, the average number of text messages sent in the U.S. by 2000 had increased to 35 per month per person. Texting has now become the most widely and frequently used smartphone application, with 97 percent of Americans using it at least once daily. According to Pew Internet, more than 80 percent of adults in the U.S. are now engaging in some form of texting. Forrester Research now estimates that more than six billion text messages are sent in the U.S. each day.

Traditional methods of payment acceptance have been plagued with numerous challenges and setbacks. Paper-based bill payment acceptance, for example, has posed a challenge to merchants and consumers for many years. Consumers commonly lose or forget to pay bills. Payments get lost in the mail and arrive late or not at all. Merchants see their cash flow suffer and are saddled with increasingly high postage costs along with the time-consuming job of hand-entering payments into computer systems.

The undeniable user growth in text-based bill payment created the foundation for payment solutions providers to introduce these modernized services. With the extraordinary breadth of texting in the world today, SMS-based solutions have become a new standard service for payment solutions providers like E-Complish's Text2Pay.

How Text-based Payment Systems & Services Work

Text-based payment systems or services come in two functions. The first function allows consumers to send payments via text. A second function will enable consumers to pay bills and receive payment reminders via text.

Systems in the first category use mobile phone service providers as an intermediary. Consumers pay for physical or virtual merchandise and services by sending a text message to their mobile phone service provider. This function clears the transaction. A transaction is then added to the individual customer's monthly mobile phone bill or deducted from a mobile phone operator's prepaid balance.

Text-based systems in the second category—such as Text2Pay—are designed primarily for implementation by businesses and in markets where customers receive bills on a recurring basis. Examples include utility companies, real estate rental and property management companies, financial lenders, rent-to-own retailers, insurance companies, and various others. In this scenario, consumers register to make payments using text messages and provide their payment information to the merchant.

Payment information is stored in a secure system maintained by the merchant's payment solutions provider. With some systems, including Text2Pay, the signup process includes a step where consumers create a personalized identification number (PIN).

Consumers who are registered for the service receive a text reminder when the bill comes due. They are provided a link to click and initiate payment via a return text. Consumers can make their text-based payment whenever they like, using their PIN for verification if the system requires it. Certain systems are set up so that consumers do not need to make a payment by text. Instead, they can sign up to receive a text reminder that payment is due. Our Text2Pay solution offers this viable option.

Benefits of Text2Pay Solutions from E-Complish

SMS-based payment systems and services address various pain points and offer several benefits.

These systems can be effortlessly integrated with other payment solutions. Such a benefit stands in stark contrast to the more complex mobile payment solutions that require special readers and downloaded smartphone applications. The deployment of Text2Pay is markedly more fluid and effortless.

Ease of use is a critical benefit from our Text2Pay service. The ability to send payments quickly and effortlessly via text, coupled with the option to receive automated payment reminders, increases the likelihood that consumers will pay their bill on time. This alone is a significant contribution to a business's bottom line. It becomes an even more tangible benefit given the time and money savings achieved when employees spend fewer hours chasing missed payments.

Text2Pay also reduces the need for employees to generate paper bills and process paper-based payments. This reduction occurs because the text-based payment option also conserves labor. Equally as significant, Text2Pay allows for a focus on other critical business tasks. Each of these benefits has a positive financial impact on companies of every size.

Benefits of Text2Pay Solutions from E-Complish Cont'd

Further cost savings can be obtained. One utility company discovered that it cost 76 cents to issue a single paper bill and send it to the customer by mail and 80 cents to issue that same bill electronically and receive payment. In contrast, with Text2Pay, the utility company's cost of sending and receiving bills electronically is 32 cents per piece.

Text-based payments also appeal to increasing consumer demand. Consumers crave convenience. Demand requires a quick and secure means of paying for goods and services. They want to complete transactions and handle bills whenever and wherever they desire. They want to do this in real-time, without worrying about exposing their data to hackers and other unsavory parties. Given the instantaneous nature of text delivery and built-in security, businesses can leverage SMS-based systems to meet these demands.

Customers can reduce or eliminate paper bills when they take advantage of a subscription-based payment system. There are no inconvenient trips to the post office or mailbox to send payments. Subscribers no longer have to hunt for misplaced bills. Fees associated with late or missed payments are reduced because invoices arrive via text. Issues related to late or missed payments are also reduced or eliminated with payment reminders and scheduling preemptive payments via SMS. All of this adds up to greater customer satisfaction and loyalty.

Text2Pay Solution Features

Businesses want to offer their customers a convenient form of payment using SMS services, while also ensuring that payments are delivered and delivered in the most secure manner possible. Text2Pay's feature-set allows merchants to achieve all these goals. This feature-set includes:

- **Designed based on best practices:**
  Text2Pay was developed in compliance with the Federal Communications Commission (FCC) and Mobile Marketing Association Best Practices.

- **Powerful SMS platform:**
  Guarantees text message delivery.

- **Level One PCI-compliant credit card processing:**
  Ensures maximum credit card payment security.

- **Easy, NACHA-compliant processing of ACH payments:**
  For hassle-free, secure processing of payments made from checking accounts.

- **Easy integration with other E-Complish solutions:**
  Text2Pay easily integrates with all E-Complish payment solutions using our VirtualPay all-in-one online payment system.

- **Flexible subscription options:**
  Consumers can sign up to use Text2Pay to pay their bills or to receive text-based reminders that payments are due.

- **Flexible messaging options:**
  Text messaging can be customized to fit individual merchants' needs. Text2Pay can also be designed to send other real-time alerts to customers, including service outage advisories, maintenance and emergency notifications, reminders (e.g., disconnection warnings and service installation scheduling information), and more.

Who Should Use Text2Pay Services?

Text2Pay is a viable solution for all companies that accept electronic and recurring payments.

This includes utility providers, telecommunications and mobile telephone service providers, financial lenders, insurance companies (personal and business), and real estate rental/property management companies. Merchants in the rent-to-own space can also benefit from using this solution.

Merchants that want to offer customers an additional in-person mobile payment option may also want to consider Text2Pay. Instead of making these payments through an employee armed with a mobile tablet or going to a kiosk, customers can receive a text with their transaction total and, via return text, make a payment from anywhere on the premises.

About E-Complish

E-Complish has more than two decades of commitment and experience refining the way businesses approach modern payment methods. Working with E-Complish to organize and implement SMS-based processing will free up any business to refocus its efforts and resources on growth.

Our service also provides in-house support staff dedicated to helping customers solve problems and make the most of their payment services. We accomplish our goals by remaining flexible to the variety of moving parts involved in payment processing.

E-Complish automates tasks so our customers can spend their time focusing on the more important things—like growing the business.

We continue a tradition and commitment to innovation and progressive technological solutions with our Text2Pay service.

info@e-complish.com

+1 888.847.7744

e-complish.com

228 Park Ave S.

Suite 89324

New York, NY 10003