

Hosted Order Automation

Compliance and Digital Commerce

Companies accepting credit cards online must provide a secure environment for their customers. The Payment Card Industry council has implemented a set of data security standards (PCI DSS) that adds significant cost and complexity for the entire digital commerce landscape. Even more intimidating is the fast approaching deadline for compliance. Any merchant expecting to accept Visa or MasterCard payment cards will need to ensure full compliance by July of 2010.

While the burden is large, the downside for non-compliance is worse. A recent study by the Ponemon Institute found that the average cost of a data breach was \$202 per compromised customer and the smallest data breach in 2009 cost over \$600,000. The largest breach cost over \$32 million even though it affected less than 100,000 customer accounts.

Complicating the equation are the many levels of solutions that address PCI DSS compliance, from tokenization to outsourcing your entire digital commerce operations. The broad security landscape, coupled with the plethora of different compliance strategies, can lead to considerable confusion and misunderstandings.

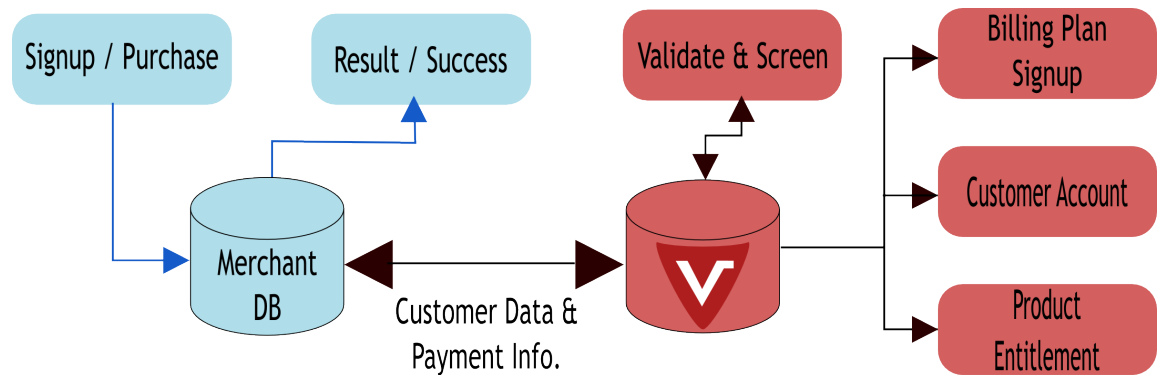
Easing the Burden of PCI DSS

Compliance with PCI DSS requires significant effort for merchants storing customer credit card information. CashBox has been helping merchants ease their compliance burden since 2006. However, while our direct API implementation reduces efforts for our merchants, it does not eliminate them. Vindicia CashBox and its Hosted Order Automation (HOA) capabilities takes the power of CashBox one step further for companies looking to avoid the PCI DSS compliance burden altogether.

Hosted Order Automation with Vindicia CashBox

Companies accepting credit card transactions online collect sensitive payment information before storing it in their billing system. Even if unencrypted payment data is not stored permanently, it passes through server RAM where it can potentially be swapped to the hard drive. This temporary storage imposes PCI DSS compliance regulations, even when using a billing solution with secure encryption and tokenization.

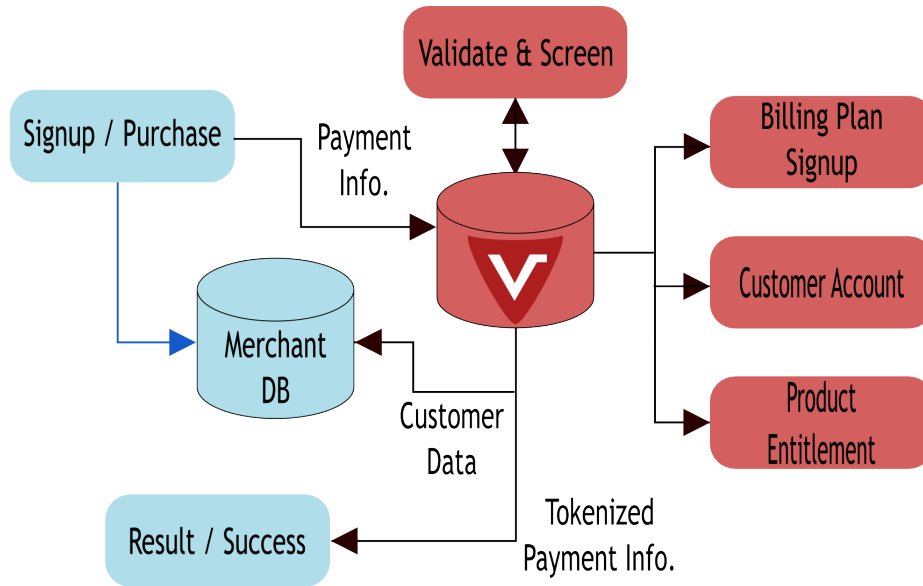
The figure below illustrates a typical transaction flow through CashBox using our SOAP API integration.



Transaction Flow of Typical CashBox Implementation

With Hosted Order Automation, the need to store sensitive payment data or collect it on corporate servers is eliminated entirely. This is accomplished by providing a secure, verified session for customers to enter their payment information. The form is then securely transmitted to CashBox without passing through internal servers.

The illustration below shows how the flow works with HOA.



Transaction Flow with HOA Capabilities

The steps below describe in more detail how a transaction happens using HOA.

1. Customers visit your website wanting to make a purchase or update their payment method. As they request the page, you initialize a secure session within CashBox that is locked to the IP address of the customer.
2. As the page is displayed, the session's unique ID is embedded into the form where customers enter their payment details. For security purposes, the session times out after a pre-configurable amount of time.
3. When the customer submits their information, it is sent directly to CashBox - completely bypassing your servers. CashBox validates the IP address as an additional security measure and stores the customer data and payment information with the requested action.
4. CashBox redirects the customer to your results page along with the unique session ID, confirming the information was received successfully. A final call is made to CashBox requesting the actions be performed (e.g., fraud screening, authorization, tokenization, new account signup, payment capture or update).
5. The success or failure of the requested action is returned immediately along with all of the necessary information (results, tokenized payment method, etc.) to display a detailed confirmation message to the customer on the results page.

Companies that Benefit from HOA

Hosted Order Automation is ideal for anyone who is looking to avoid the burden of PCI DSS compliance. Typical customers are larger companies launching new online initiatives and startups in the process of building their initial infrastructure, but HOA is useful for companies of any size.

► About Vindicia

Vindicia offers an on-demand strategic billing solution for marketing and sales that manages subscriptions and one-time payments for online merchants. We work with some of the best-known brands on the Internet, including Symantec, Activision Blizzard, Intuit, and Atari/Cryptic. As an externally audited PCI DSS Service Provider and a SAS 70 Type II company, Vindicia securely handles online revenue of over a billion dollars annually. For more information, visit www.vindicia.com.

Vindicia, Inc.
19 Davis Drive
Belmont, CA 94002
+1 888-846-3424
+1 650-264-4700
info@vindicia.com
www.vindicia.com