



A Win-Win Situation

PGA Tour keeps payment processing up to par

by CRAIG GUILLOT

For retail operations with multiple revenue centers and mobile point-of-sale systems spread out over a large area, credit card processing can grow to be quite complex. Meeting the needs of each location in the most effective and cost-efficient manner can call for a host of payment processors and devices.

PGA Tour has simplified its card processing operations with a system that gives merchants the freedom to use any device or financial institution. The golf tour organizer (which is independent of the Professional Golfers Association of America) says the ability to use its preferred bank on any device has created a new level of choice, control and customization in payment processing.



DEVICE, PROCESSOR FREEDOM

While the company is best known for the tournaments it operates, PGA Tour has a solid hand in retail. The company's licensing operations are approaching \$1 billion in annual revenues and its dozens of tour events and golf courses feature numerous on-site retail operations. These revenue centers rely on a diverse mix of mobile POS devices and systems, ranging from pro shops and ticketing agents

to restaurants and pop-up cafes.

A couple of years ago the golfing organization joined forces with payment processing company Shift4 to test drive VT4, a flexible POS solution that offers merchants the ability to quickly and securely accept payments on any Internet-connected device.

Shift4 Systems Architect

Jeremy Fried says device selection freedom can significantly benefit users like PGA Tour because they often have specialized device needs. Unlike many processors, there is no "forced setup" to use, he says — users can choose what's best for their needs, be it a Bluetooth device or one that uses proprietary hardware like Apple's lightning ports.

Randall Kato, director of player technology for PGA Tour, says the

company is currently using VT4 for player registration fees for PGA Tour Canada and PGA Tour Latinoamérica. The system is allowing the organization to use its own preferred peripheral devices and avoid being locked into what a payment processor demands.

"It's just easy to operate," he says.

"That was really the key for us. You can run it on a mobile device, tablet, laptop or whatever. It's simple, secure and really fits into the way we do our backend processing."

Fried says VT4's "complete neutrality" is an important benefit of the system. Enabling users to choose any processor allows them to shop for the best rates and services without fear of losing transaction history.

He notes that many companies in the payments processing industry are being acquired, or are already owned or invested in, by banks which use the processing capabilities to steer customers to their institutions.

"We allow our merchants to shop around for the best rate, to find the best opportunities for them with the different banks and processors," he says.

Kato says the flexibility to select processors was another "main reason we went with Shift4." PGA Tour didn't have to change banks and could use its preferred institutions with a few simple configurations in the Shift4 architecture. Kato says it was a simple migration from the Shift4 system PGA Tour had been using to one that enables other e-commerce operations.

"We've used Shift4 for over 20 years for credit card processing on the tour, so it was a natural fit to try their solu-

tion to our problem," says Kato.

MEETING MARKET NEEDS

VT4 came about in response to market demands. Shift4 interviewed all of its customers to find out where the "holes" were in the point-of-sale industry and discovered a number of



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major gaps they could fill with a neutral, independent solution.

Fried says there were few enterprise systems, as most were either owned by banks, processors or their independent sales organizations. They immediately identified it as a problem for PGA Tour because there wasn't a system that catered to multiple revenue centers inside of one merchant.

Fried says VT4 allows managers to "centralize everything" under one account and one device, and that many

such operations are juggling multiple devices and systems because they're trying to capitalize on lower costs within each market. While food and drink may have lower processing costs through payment processing provider A, ticketing may have lower costs through provider B. Fried says it can

add a great deal of unnecessary complexity to operations.

"You have managers with five or six devices and five or six accounts. We found many revenue centers would have different banks or processors and it just seemed [cumbersome]," he says.

VT4 allows multiple, unlimited users, unlimited terminals and the ability to customize the application so merchants are

able to brand devices as they wish. It's especially beneficial in mobile POS applications where there is a lot of "back and forth" between customers and the devices.

ENHANCED SECURITY

Shift4 offers a level of security that goes above and beyond simple compliance. Through the use of proprietary technologies True P2PE and TrueTokenization, it fills security gaps often left open by other mobile payment apps, Fried says. True P2PE encrypts data at the swipe, keeping cardholder data out of the payment environment. TrueTokenization adds another level of security by replacing cardholder data with a random, unique, alphanumeric identification code and addressing the vulnerability issues associated with the long-term storage of sensitive data.

Kato says PGA Tour was impressed by the rigid security of VT4 through

tokenization and the fact that cardholder numbers cannot be compromised. At the point of sale, a payment card is swiped on an approved point-to-point encryption-enabled device attached to the merchant's mobile device. At that point, the swipe device immediately encrypts the card data.

From there, Shift4's application programming interface sends the encrypted data to the company's universal transaction gateway, which adds a second layer of encryption to the data using Shift4's proprietary algorithm. Encrypted cardholder data is then delivered to the Shift4 system; once the information is received, it is securely sent to the processor or bank of choice with an authorization request.

That information goes to the card association, which returns the authorization code to the processor; it's then sent back to the system over a secure private line. The system securely stores

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the payment data and generates a TrueToken to reference the transaction; the TrueToken is returned to the gateway with the authorization code gateway and is forwarded back to VT4 to complete the sale.

Because the TrueToken is used to expedite the transaction, actual cardholder data is never stored on a device or in the cloud. It's a complex process that happens within seconds, based on the concept that "they can't steal what you don't have."

"There is never any risk of card data being stolen because there is no direct

relationship to the card number with the token," Fried says. "The entire transaction is done with the token."

VT4 also offers an enhanced level of dependability by allowing users to conveniently transfer a sale from one device to another or even complete sales in a "no-signal" situation. If a user's device malfunctions or shuts off, users can easily log in from another device and continue the sale exactly where it left off. Fried says Shift4 also provides U.S.-based customer service around the clock.

PGA Tour "sort of started out as a test case but it has proven to be a great [system] that we've been using for two years now," says Kato.

STORES

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