Change is brewing in the world of merchant card processing technology that could have a fundamental impact on the way merchants process credit and debit cards. It has to do with switching from traditional, in-store point-of-sale (POS) systems to cloud-based POS systems that can be run from tablets (like an iPad®) or mobile devices.

Cloud-based computing refers to on-demand computing and data storage resources located on the Internet, instead of on a business’s physical premises. Companies entrust some or all of their data, software and computations to remote servers located online, or “in the cloud.” While cloud computing isn’t really all that new — online accounts with Amazon®, Google® and online photo services like Flickr® are located in the cloud — the use of cloud-based computing in the merchant card processing arena is relatively new.

Cloud-based merchant card processing is conducted via payment gateways — online POS systems linked to merchant accounts. The online POS or payment gateway facilitates communication of payment information between all of the backend players (i.e., networks and banks) involved in payment transactions.

**Benefits of Cloud-Based POS Systems**

There are a number of potential benefits of cloud computing for merchants:

> **Automated software updates and backup** — All payment data is backed up in the cloud continuously, instead of having to be backed up manually. And software updates are done automatically, so you’re always operating on the latest and most secure version of your payment processing system.

> **Increased payment mobility and flexibility** — Customers today are taking advantage of new types of payment options — in particular, mobile payments. True mobile payment acceptance systems are located in the cloud. Cloud processing removes the lines of distinction between countertop, online and mobile payments, all of which can be processed via a single integrated POS system leveraging the cloud.

> **Better data access** — Most cloud-based merchant card processing services include tablet and mobile apps that put access to live sales data and reports at the merchant’s fingertips anytime. This enables merchants to manage their POS systems remotely from wherever they might be.

> **More data collection capabilities** — There are limits to how much data traditional POS processing equipment can store on the merchant’s premises, but there are typically no limits on data storage in the cloud. Your entire POS system and the data that resides within it can be hosted in the cloud.¹

> **Easy integration** — Loyalty programs, gift cards and rewards can be seamlessly integrated into cloud platforms.

> **Greater business insight** — A cloud-based POS system provides improved and more timely business analytics, which helps you make better decisions and run your business more efficiently.

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¹ For more information

> Stop by any branch
> Call 1-800-742-5030
> Visit pnc.com/merchantservices
More security — Some business owners fear that payment information stored in the cloud is less secure than data stored locally on their premises, but the opposite is actually true. Cloud services providers incorporate the most advanced and sophisticated data security technology available today, which typically makes payment information stored in the cloud more secure than data stored on local servers. Plus, the Payments Card Industry (PCI) Security Standards Council has released new guidelines for how to apply PCI Data Security Standards (DSS) in the cloud. These can be found at www.pcisecuritystandards.org.

Making the Switch
You might be wondering exactly what’s involved in switching to a cloud-based POS system, and when might be a good time to make such a switch.

Your merchant services provider can help you make the switch from your traditional in-store POS system to a cloud-based system quickly and efficiently. You won’t have any payment processing downtime, so your business won’t lose out on any sales opportunities.

If you would like to learn more about the benefits of cloud-based payment processing and how to make the switch to a cloud-based POS system, call PNC Merchant Services at 800-742-5030.