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# CRYPTOCURRENCY: THE SOLUTION TO COMMON TRANSACTION PROBLEMS



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# Introduction

The future of online shopping is changing in a myriad of ways, with cryptocurrency leading the way. Since its inception, Bitcoin – the most popular type of cryptocurrency – has grown rapidly, with the number of user accounts expanding from 765,000 to 5.3 million from 2013 to 2014.<sup>1</sup>

Cryptocurrency promises solutions to a number of pain points among both merchants and consumers, so it's no wonder prominent news sources such as The Economist have claimed that the technology behind it could “support a revolution in the way people own and pay for things.”<sup>2</sup> That being said, there are several barriers standing in the way of mainstream adoption.

That's where Ziftr<sup>®</sup> comes in. Ziftr is and always has been at the forefront of online shopping innovation, beginning with its price-comparison tool in 2008 that has since expanded to more than 2 million users. And now, Ziftr's focus has shifted toward cryptocurrency – namely, simplifying the cryptocurrency transaction process for merchants and consumers.

In this white paper, we'll explore the many benefits of cryptocurrency, as well as Ziftr's strategy for bringing it into the mainstream and the significant advantages this has for merchants.

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# 1.0 Problems with Current Online Transactions

There are numerous problems with the current state of online transactions – problems that ultimately cost merchants their profit margins. The good news? Cryptocurrency provides a sensible solution to a handful of these common and costly problems.

## HIGH CREDIT CARD FEES & CHARGEBACKS

### THE PROBLEM

Credit cards are the most popular method for consumers to conduct transactions, with companies like Visa<sup>3</sup> and MasterCard<sup>4</sup> processing a combined total of 97 billion transactions in 2013. Unfortunately, with credit card transactions come high fees. In 2013, U.S. credit and debit card fees totaled \$72 billion.<sup>5</sup> For each individual sale, up to 3% of the total transaction value goes toward swipe fees alone, costing merchants a substantial portion of their profit margins. Plus, merchants still have to pay administrators to manage these transactions. When it comes down to it, merchants are essentially forfeiting part of their sale value to credit card companies with every single transaction.

Chargebacks are another costly problem associated with credit card transactions that merchants must constantly battle – and fighting these claims can quickly become expensive and time-consuming, often costing merchants more than the amount of the transaction in question. In spite of best efforts to counteract fraudulent and unjust chargebacks, merchants still lose a reported 60% of contested chargeback claims<sup>6</sup> and draw a \$279 loss for every \$100 of fraud loss.<sup>7</sup>



### THE CRYPTOCURRENCY SOLUTION

Cryptocurrency transactions have low to non-existent fees, enabling merchants to make more money per transaction than they do with credit cards. No need to worry about fraudulent chargebacks anymore, either, as cryptocurrency transactions allow the merchant complete control of all returns and legitimate chargebacks.



## INFORMATION SECURITY

### THE PROBLEM

Target. Home Depot. Michaels. These are just a few of the many brands that have fallen victim to credit card data breaches in recent years. Target has spent millions of dollars responding to its 2013 breach – and profit margins for its holiday shopping period fell a whopping 46% compared to the previous year.<sup>8</sup>

As mentioned above, credit cards are the most popular way for consumers to conduct transactions, but credit card data has become one of the most sought after pieces of information among hackers. As Target has learned, dealing with the repercussions of a massive data breach costs merchants an incredible amount of time and resources – not to mention all the negative press it brings to their brand.



### THE CRYPTOCURRENCY SOLUTION

Unlike credit card transactions, cryptocurrency transactions are secure, irreversible and they don't contain customers' sensitive information. This reduces risk for merchants and restores confidence in shoppers.

## HIGH SHOPPING CART ABANDONMENT RATES

### THE PROBLEM

In 2013, shoppers abandoned approximately 74% of online shopping carts – up from 72% in 2012 and 69% in 2011.<sup>9</sup> This rate is expected to increase as more and more consumers shift to online and mobile shopping. The reason behind this? Studies have found that shoppers are wary of handing over their sensitive information to yet another online merchant, especially in the wake of the recent information security disasters at Target, Home Depot and other large stores.



### THE CRYPTOCURRENCY SOLUTION

Once again, cryptocurrency transactions don't contain customers' sensitive information, giving them nothing to worry about when they're about to make a purchase. Because of this, the shopping cart abandonment rates associated with cryptocurrency transactions are expected to be significantly less than those associated with credit card transactions.



## UNAVAILABLE TO LARGE PORTIONS OF THE WORLD

### THE PROBLEM

Today's international payment process of transmitting money across borders remains extremely complex and largely unavailable to many parts of the world. Reports show that basic financial services are inaccessible to 74% of the world's population.<sup>10</sup> Take the Philippines, for example, where 97% of the people don't have access to credit cards.<sup>11</sup> Understandably, this poses a challenge for businesses that seek to expand to international markets.



### THE CRYPTOCURRENCY SOLUTION

Cryptocurrency is one simple solution to this problem, effectively modernizing an antiquated transaction system that isn't suitable for large parts of the world. The technology behind cryptocurrency enables it to cross borders in minutes without costing merchants and consumers steep transfer fees or delaying the transaction process for days or even weeks. Already, many countries around the world – such as Kenya<sup>12</sup> and the Philippines<sup>13</sup> – are seeing the value in digital currency and have moved toward utilizing it in everyday transactions.



## 2.0 Barriers to Cryptocurrency Adoption

If there are so many advantages to cryptocurrency, why hasn't it hit the mainstream? To better understand this, it's important to understand some of the barriers to adoption among both consumers and merchants.

### CONSUMERS...

- 1 Don't know how to get cryptocurrency
- 2 Don't know where to spend cryptocurrency
- 3 Don't know how to use cryptocurrency

### MERCHANTS...

- 1 Lack cryptocurrency education due to a dearth of credible resources
- 2 Fear the volatility/risk
- 3 Are wary of putting their internal resources toward something that is still in its infancy
- 4 Don't know which coin to bet on and most APIs to date are for Bitcoin only



## 3.0 Ziftr's Solution



Our goal is to bring cryptocurrency into the mainstream by putting it into the hands of online shoppers and working with merchants to help them accept it.

### FOR CONSUMERS

Ziftr has developed a suite of user-friendly tools that make it easy for everyday consumers to begin using cryptocurrency. There's [ziftrCOIN™](#), an innovative new digital coin that functions like a coupon; [ziftrWALLET™](#), a place to store their coins and [ziftrSHOP™](#), an online marketplace at which they can spend their coins.

Many consumers will even receive free ziftrCOINs, incentivizing them to begin using cryptocurrency and to become familiar with it as go-to method of payment.

### FOR MERCHANTS

To fuel the acceptance of cryptocurrency among merchants, Ziftr's world-class software developers have created a free payment platform called [ziftrPAY™](#) that enables merchants of all sizes to accept all major types of cryptocurrency – including ziftrCOIN, Bitcoin, Litecoin, Dogecoin and more.

But ziftrPAY is more than just a payment platform. It's also a customer loyalty program. When merchants sign on with ziftrPAY, we'll provide them with ziftrCOIN digital coupons that they can give to their customers for free to get them using cryptocurrency. This way they can become comfortable with cryptocurrency and eventually begin using it in place of credit cards.

By implementing ziftrPAY, merchants can benefit from all of the advantages of cryptocurrency listed above – minimal fees, reduced risk, lower shopping cart abandonment rates and access to a larger geological demographic – plus join the ever-expanding ziftrVERSE as an official Ziftr merchant.



## ZIFTRPAY INTEGRATES WITH CREDIT CARDS, TOO

We understand that not everyone is ready to ditch their credit cards and switch entirely to cryptocurrency overnight, so we've designed ziftrPAY to facilitate the process of credit card transactions as well as cryptocurrency transactions. In fact, ziftrPAY securely stores customers' credit card information so merchants no longer have to.



### WHAT ARE ZIFTRCOINS?

ziftrCOINS are digital coins designed specifically for online shoppers. They basically function as digital coupons. When consumers conduct transactions within Ziftr's merchant network, Ziftr will redeem each ziftrCOIN for at least \$1/coin, for up to 5% of the purchase. If ziftrCOINS are currently trading on the open market for more than \$1/coin, then we will use the market price and the 5% limit is removed. We can afford to do this because, when users spend ziftrCOINS using the Ziftr shopping cart, merchants pay us a small percentage of the transaction as a reward for bringing them new customers.





## ADOPTING ZIFTRPAY AND BECOMING A ZIFTR MERCHANT COME WITH THE FOLLOWING BENEFITS:



### MULTICOIN + CREDIT CARDS

Accept credit cards, Bitcoin, Litecoin, Dogecoin and ziftrCOIN. Additional altcoins to be added soon.



### BATCH PAYOUTS

Receive payouts in cryptocurrency, cash or a combination of both.



### TOKENIZED SECURITY

ziftrPAY features tokenized security so merchants no longer have to view or store credit card information, meaning a low risk of fraud.



### SIMPLE PRICING

Free to implement. Low fees.



### REDUCED TRANSACTION FEES

Cut down on transaction costs associated with credit card payments by accepting cryptocurrency.



### VOLATILITY RISK PROTECTION

Cryptocurrency automatically converted to USD using multiple exchanges for the best rate.

## ADDITIONAL FEATURES:

- **Receive FREE ziftrCOIN digital coupons and a FREE mobile wallet to give to your shoppers**
- Accept ziftrCOIN, Bitcoin, Litecoin, Dogecoin and all major credit cards
- Enjoy low transaction fees
- Get real-time pricing and inventory updates, customer information and more through our robust analytics dashboard
- Quickly fix discrepancies
- Maintain complete brand control
- No transaction limit
- Volatility risk protection
- Batch payouts
- Instant conversions
- Easy implementation and setup
- Compliant-ready right from the start



## 4.0 Lead the Way to the Future of Online Payments

As of September 2014, an estimated 80,000 businesses were accepting Bitcoin<sup>14</sup>, the most popular type of cryptocurrency. These merchants include big brands like Expedia, Dell, Overstock.com and Dish Network. At Ziftr, we're giving merchants the opportunity to be on the cutting edge of cryptocurrency adoption and help lead the way to the future of online payments while continuing to accept traditional credit card payments as well.

BE ON THE CUTTING EDGE OF  
CRYPTOCURRENCY ADOPTION.  
BECOME A ZIFTRPAY MERCHANT.

To become a [ziftrPAY](#) merchant – or to learn more about this exclusive, free opportunity – contact [info@ziftrPAY.com](mailto:info@ziftrPAY.com).



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