IBM

QENTA paymentsolutions secures huge market share with Payment Manager.

Overview

- **Application**
  Online payment transaction service for e-commerce merchants

- **Business Benefits**
  For QENTA: 5% to 10% of global market share for SET credit card transactions; 100% ROI expected within one year; European-wide market expansion within one year; reduced administration overhead; development of entire infrastructure in 6 months
  For merchants: up to 95% reduction in implementation costs; development cycle reduced from several months to as short as one day

- **Software**
  IBM WebSphere® Payment Manager; IBM DB2® Universal Database™ for AIX®; Java™ technology

- **Servers**
  IBM RS/6000®

QENTA offers online companies an easy, cost-effective solution for payment systems.

How does a start-up company sign blue-chip clients like Kraft Foods, Porsche and SAP, then claim a ten percent global market share—all within its first year of existence? The simple mixture of a great idea and a world-class, e-business infrastructure.

QENTA paymentsolutions (QENTA) is on the road to becoming a blue-chip itself with this formula. Based in Graz, Austria, QENTA is an application service provider (ASP) that supplies European companies

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– Georg Kristoferitsch, Co-founder and CEO, QENTA paymentsolutions

e business

It's so easy to buy online, but not if you have to download a large file to do it. QENTA has eliminated the need to download the large SET wallet.

in all industries with a hosted online payment service specially designed for credit cards and debit cards (such as Maestro). Online merchants use QENTA's service through the SET™ Secure Electronic Transaction and Secure Sockets Layer (SSL) protocols.

Before QENTA developed its payment solution, there were not many e-commerce sites using the SET protocol because of high implementation costs. Installing a SET-enabled Web storefront can cost up to $30,000 per site, not to mention the necessary IT skills that many small and mid-sized companies lack.

Sensing an opportunity, QENTA knew that online merchants could eliminate this considerable overhead by outsourcing their payment needs. QENTA searched for a payment service solution, but came up short, as many products could only handle one merchant per installation. Others lacked the security and reliability needed for large volumes of sensitive transactions.

There didn't seem to be a cost-effective infrastructure that would allow many merchants to concurrently use one system. QENTA was worried that any investment would be higher than the returns garnered. On top of this, the credit card companies required any consumer purchasing through a SET-enabled site to download a SET wallet. While this hedges the credit card company's risk, the four-megabyte download requirement discouraged many from purchasing from these sites.

But after previewing IBM WebSphere Payment Manager, the young company knew that it had found its solution. WebSphere Payment Manager not only offers a reliable e-business platform, support for multiple languages and currencies and flexibility to customize solutions for an unlimited number of merchants, it also comes packaged with today's leading data management system— IBM DB2 Universal Database.

Using WebSphere Payment Manager and DB2 Universal Database, QENTA developed—in just six months—a hosted online transaction service for online merchants that resides on an IBM RS/6000 server. The two product lines, QPAY and QTILL, are Java technology-based software packages that allow merchants to easily integrate QENTA's payment system into their existing Web sites.

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Outsourcing to QENTA drops the average investment by merchants for SET-enabled Web storefronts to $1,000. QENTA quickly acquired five to ten percent of the global market share for SET solutions. For merchants, the months of planning, designing and developing payment solutions are also gone—QENTA can get a store ready for transactions within a day or two. News of QENTA's offerings is spreading fast—the company has a list of 300 prospective customers. One customer, Telekom Austria, plans to launch an online mall with hundreds of stores—all using QENTA's payment service. At this growth rate, QENTA expects to achieve a 100 percent return on its investment within the year.

Georg Kristoferitsch, co-founder and CEO of QENTA, says, "The extraordinary costs of implementing these sites have kept this market from growing, but WebSphere Payment Manager paired with DB2 provides a cost-effective solution that changes everything."

Flexibility for a variety of needs
QENTA knew that if it wanted to serve a wide range of organizations, it needed to support its clients' varying requirements and preferences. That's why the company offers two flexible options. QPAY is a payment service hosted at QENTA that enables interaction between the consumer and the credit card company. On its Web site, QENTA provides online forms where e-commerce merchants can sign up for the outsourced payment service, entering different variables to tailor the service to their individual business requirements. For QPAY, QENTA developed a Java-technology layer on top of WebSphere Payment Manager that provides connectivity to any platform or existing code, such as PERL or CGI scripts.

QENTA also offers the QTILL software suite, which provides the same service as QPAY, except the payment application is completely integrated into the merchant's e-commerce site. The QTILL suite contains WebSphere Payment Manager, DB2 Universal Database and a set of Java-based executables that install the software and send the merchant's information to the credit card company. Both QTILL and QPAY route payment transactions through QENTA's system, but QTILL gives clients more control over their payment systems, and allows them to customize the business logic and presentation according to specific requirements.

"Having IBM's name and reputation behind us reassures clients that our infrastructure will be reliable and cutting edge for the long term."
–Georg Kristoferitsch
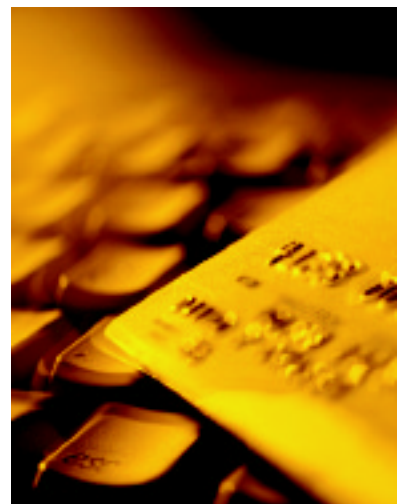
In the near future, QENTA will offer debit card services and other banking applications.

Customers are never aware that they are using QENTA's service. When customers reach a checkout page of one of QENTA's merchants, they are asked to choose a payment method. Customer and credit card information is then automatically and transparently routed to QENTA's backend system for processing. The page still maintains the merchant's logos and presentation. At the backend, WebSphere Payment Manager compiles the information, sends it to the credit card company for authentication and replies to the customer upon completion. QENTA keeps a record of each transaction in DB2 Universal Database.

"Having DB2 integrated with WebSphere Payment Manager cuts down on the administrative work we would normally have to do," says Kristoferitsch. "For example, if a client needs to cancel an order, we have all the data at our fingertips and can automatically provide this through the system."

Combining experience and innovation
Before starting QENTA, Kristoferitsch was a financial consultant and author of many books on Internet payment systems. So when he decided to start his own payment service, Kristoferitsch knew the challenges that lay ahead. The inconvenience

that customers were facing stood out in his mind. WebSphere Payment Manager eliminates the need to download the large SET wallet by providing support for both SET and SSL connectivity. But this wouldn't have mattered if major credit card companies had not agreed to accept SSL transactions in lieu of SET wallet transactions. By agreeing to do so, the companies are showing their trust in solutions such as QENTA's.

Using QENTA's service, merchants can also set up recurring charges, such as monthly subscription fees, as well as create credits for customers. Soon, QENTA will offer its clients support for debit cards and online banking applications.

As e-commerce continues its rapid growth, QENTA's success promises to follow suit. Kristoferitsch says, "For a start-up company, getting a reliable solution up quickly is pivotal. And having IBM's name and reputation behind us reassures clients that our infrastructure will be reliable and cutting edge for the long term."

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