» Ebook

Seven leading use cases for modern card issuing

How today's innovators are using modern card issuing platforms to build flexible, scalable, and secure payment offerings.

Introduction

Creating innovative payment experiences with modern card issuing

Today's digital builders are continuously pushing the envelope of what's possible. Everywhere you turn there's another industry being disrupted by a company with a new idea for how to make something easier, do something faster, or create something better.

» **Modern card issuing has become a common thread in many of these innovative companies, enabling a successful payment experience to meet the needs of complex business models.**

While legacy card issuing platforms relied on older, less flexible architectures, modern platforms are focused on accessibility, customization, and speed. Card programs can get up and running within a few months — rather than a year or potentially longer — and can create a competitive advantage for companies breaking into new markets.

From on-demand delivery to digital-first banking, many of the world's innovators are moving to modern card issuing for their complex use cases. In this ebook, we will explore seven of these leading use cases and how each benefits from differentiating features beyond what legacy platforms can typically offer.

Seven leading use cases:

1. On-demand delivery
2. Buy Now, Pay Later
3. Expense management
4. Digital banking
5. E-marketplaces
6. Disbursements
7. Embedded payments

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Part 1 | On demand services

Help ensure accurate payments and empower delivery drivers

As several large on-demand delivery companies have come to market, there is more focus today than ever before on the services they provide. Whether it's dropping off groceries at your doorstep or bringing your favorite breakfast on a Sunday morning, on-demand delivery has changed the way consumers can access local stores and restaurants.

Modern card issuing provides a flexible and secure way for these companies to quickly get physical, virtual, and tokenized cards into the hands of their delivery drivers. API integration into the card program's own systems enables on-demand program providers to verify transaction data against order information such as restaurant name, time of order, purchase amount, and more. This information is cross-checked against the purchase authorization request in real time to help ensure the driver is picking up the correct order and there is no question about the charges.

Additionally, real-time notifications are delivered to on-demand program providers to alert them when transactions are completed. Upon this notification, custom alerts can be delivered to the driver or consumer to let them know their order has been successfully picked up, the driver is on the way, and more. Modern card issuing creates a secure, fast, and scalable way for on-demand companies to build a strong payment experience between their drivers and merchant partners.
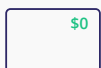
The modern card issuing difference for on-demand services

Quicker onboarding of drivers with instant issuance of virtual or tokenized cards embedded into digital wallets

Mitigate fraud with dynamic spend controls on driver purchases

Improved cash flow with $0 balance cards that are funded in real time

Real-time notifications delivered directly to the on-demand delivery system through webhooks

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On demand delivery companies leveraging modern card issuing with Marqeta

instacart

"Since partnering with Marqeta in 2016, Instacart's business has grown significantly and Marqeta has provided key functionality to help us scale our in-store payment operations and bridge the gap between online ordering and in-store payment. Marqeta's Just-In-Time Funding innovation plays an important role in each order by allowing shoppers to check out in-store with real-time funding allocated to the specific order they're shopping. Separately, their tokenization technology allows us to instantly issue payment cards to new shoppers, which has simplified the onboarding process for hundreds of thousands of shoppers. Marqeta combines innovative technology with excellent client service and we're proud to partner with them as a payments solution as we continue to focus on driving even more value for our customers, shoppers and partners across North America."

Mark Schaaf, Chief Technology Officer, Instacart

DOORDASH

"The relationship we have with Marqeta is a true partnership. Their solution is mission critical for DoorDash. Without Marqeta's platform and APIs there would be lots of use cases that we couldn't serve. A lot of restaurants require payments at the point of sale, and Marqeta allows us to do that and serve the needs of our restaurants the way they would like to be served."

Michael Kim, VP Finance, DoorDash

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Part 2 | Buy Now, Pay Later

Accelerate financing payments for an improved customer experience

Buy Now, Pay Later financing has been sweeping the consumer landscape, with customers around the world using it to buy everything from clothes to spin bikes. As the name suggests, consumers use this financing to purchase items and pay for them in small installments that break up the cost over a predefined time frame.

Modern card issuing provides an easy way for Buy Now, Pay Later companies to onboard new merchants and quickly provide payments via one-time use virtual cards. When a consumer initiates a purchase at a partnering merchant in-store or online, a card is created to immediately pay the merchant, and is accepted through a standard point-of-sale system. This leads to a much easier onboarding experience since there is no need for complex point-of-sale integration beforehand.

With just-in-time funding technology, these transactions can be reviewed in real time to help ensure they are being used for the correct amount, on an approved loan, and to the correct merchant. Upon meeting this criteria, the transaction is completed and the program manager is instantly notified of a successful purchase, authorizing the rest of the financing process. The consumer receives their goods, the supplier receives their payment, and the Buy Now, Pay Later company can deliver the payment installment terms.
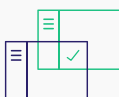
The modern card issuing difference for Buy Now, Pay Later financing

Onboard new merchants quicker without the need for complex point-of-sale integration

Mitigate fraud with spend controls on each purchase to help ensure the amount, merchant ID, location, etc. are correct before authorizing

Inject metadata into transactions to help reconcile payments with the lender's records and loan management system

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Buy Now, Pay Later companies leveraging modern card issuing with Marqeta

affirm

"Affirm is always creating innovative products that people love and Marqeta's unique technology provides us the platform and services to help make that possible."

Max Levchin, CEO, Affirm

afterpay

"Afterpay looked at the field of providers out there and really liked Marqeta from a technology reputation and its ability to deliver innovation. We focus on how we use Marqeta's capabilities to speed up access into merchants. We connect directly to most of our merchants. Through Marqeta, Afterpay will be able to more easily integrate into those merchants."

Kareem Al-Bassam, Chief Product Officer, Afterpay

Klarna.

"We love working with Marqeta. Their ability to work at speed, cut through complexity and always have the end consumer experience at heart perfectly matches how we work at Klarna. Our close collaboration in bringing an entirely new product offering and shopping experience to the Australian market in record time has been a big success. The positive reaction of Australian consumers is evident in just how many are downloading and using the app and ghost card each day."

Koen Köppen, CTO, Klarna

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Part 3 | Expense management

Power better corporate expense experiences for employers and employees

A new wave of innovation has taken place in corporate expense management as new software is breaking down old, stodgy technology that has historically made corporate expenses a painful experience for employees and employers alike. A significant portion of this change is how employees are able to transact and how employers can place controls to align employee spending to corporate policy.

Modern card issuing provides corporate expense providers with a superior payment offering to deliver to their customers. By issuing virtual cards, new employees and candidates can be onboarded swiftly and forego using a personal card while waiting for their physical expense card to be delivered. For both virtual and physical cards, dynamic spend controls can monitor spend and approve transactions in real time. These controls can be set by team or group, by individual cardholder, or by different amounts for different merchant category codes.

For example, a monthly spending limit of $2,000 can be set for airlines and hotels, but only $300 per month for restaurants. This level of customization and control can greatly improve the expense card experience while also helping to reduce fraud risk and erroneous spending.

The modern card issuing difference for expense management

Onboard new employees and candidates quicker with instantly issued virtual cards

Provide superior spending control for employees' travel, entertainment, and business needs through merchant category codes, velocity controls, and more

Increased visibility into employee and team spending patterns through in-depth data insights

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Expense management companies leveraging modern card issuing with Marqeta

RAMP

"Ramp allows customers to spin up everything from single-use virtual cards, to more traditional physical cards that can be used for corporate expenses, as well as issue as many cards as they need for their business. To bring this idea to life, we needed a platform that allowed for Ramp to build flexible spend controls at a very granular level. Marqeta's issuing platform provided the flexibility needed to set detailed rules around where, when and how often a card can be used."

Eric Glyman, Co-Founder and CEO, Ramp

J.P.Morgan

"Marqeta's push to wallet functionality will add a new dimension to virtual card payments. With Marqeta, our virtual cards can be expanded to new use cases like facilitating payments to disaster relief volunteers or for recruitment spend where interview candidates can be issued a card into their mobile wallets for travel expenses."

John Skinner, Head of Commercial Card, J.P. Morgan

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Part 4 | Digital banking and financial services

Digital-first banking requires a modern payment approach

With today's consumers expecting seamless, digital-led experiences, the banking industry has been undergoing a large transformation. Personal banking is now done primarily online or through mobile apps, and the importance of offering a strong digital platform is essential to attracting and retaining customers. Non-traditional verticals are also looking to fill the technology gaps of legacy banks by embedding digital-first financial products for loans, credit cards, and bank accounts into their overall offering.

Modern card issuing provides digital banks and fintechs the ability to disrupt traditional payment experiences and push the status quo of banking. Debit cards and credit cards built on open APIs enable custom controls and flexibility to create unique experiences. Debit cards can be issued to quickly disburse loan proceeds or give gig workers immediate access to their earnings. An individual's credit card rewards structure can adjust each month based on their spending patterns, and the APR can be lowered instantly to promote additional usage. To meet a new customer's personal banking needs while mitigating risk, a branded card can be issued with a custom set of controls.

Through modern card issuing, innovators can create next-generation payment experiences that set themselves apart.

The modern card issuing difference for digital banking

Deliver banking products to market faster through using a self-service, API-first platform

Enhanced security and adoption of cards through tokenization into digital wallets

Provide superior banking and credit products with a high-level of customization and flexibility

Receive in-depth data insights on customer behavior and usage patterns

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**Digital banking companies
leveraging modern card issuing with Marqeta**

◻ Square

"With Square Card we were looking to do something that hadn't been done before, providing small businesses instant access to their sales earnings through a business debit card. We needed the right flexible and modern card issuing platform, and the right future-focused network partnerships to make this happen. Marqeta and Mastercard were a huge part in helping us launch and scale this program so successfully, and we're excited to see them accelerate and grow this partnership globally."

Christoper Sweetland, Head of Industry Relations and Payments Operations at Square

◈ branch

"As the only challenger bank that partners with employers, Branch is focused on providing free, flexible financial services for working Americans, when they need them. Marqeta Powered provided us with both the technology and adaptability that could incorporate our preferred partners and better service the needs of our users."

Atif Siddiqi, CEO and Founder, Branch

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Part 5 | E-marketplaces

Streamline the e-marketplace-to-supplier payment experience

Alongside the push from brick and mortar stores to online channels, e-marketplaces have come to be a standard shopping experience. Companies like Etsy, Expedia, and Wayfair have built e-marketplace empires that allow consumers to shop from thousands of suppliers within one interface. This allows consumers to shop around for low prices, order from a vast catalog of different items, and still check out with a single experience. However, paying out these suppliers can pose a significant challenge for the marketplace.

Modern card issuing enables supplier payments through seller cards and one-time use virtual cards depending on their use case. Smaller sellers on platforms like Etsy benefit from a seller card that can be quickly delivered and available for use nearly immediately after a sale of goods.

For larger merchants, virtual cards enable instant payments that are processed via existing point-of-sale systems. This allows e-marketplaces to quickly onboard new merchant suppliers and reduce the amount of complexity in a typical payment process. The cards can be quickly issued and provide a great option for multi-supplier orders where a different card can be created for each separate supplier.

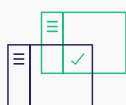## The modern card issuing difference for e-marketplaces

Onboard new suppliers quicker using payment cards as the vehicle for widely accepted payments

Provide separate virtual cards for each individual supplier in a transaction

Create seller cards that can provide quick access to sales on a physical card

Inject metadata into transactions to help e-marketplaces reconcile payments with specific suppliers and order numbers

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E-marketplace companies
leveraging modern card issuing with Marqeta

CONNEXPAY

"Prior to ConnexPay, [. . .] a traveler would see multiple different charges —
one from the airline, or from the hotel. ConnexPay enables our customers to
now bundle those things together and charge one fee. We then, working with
Marqeta, will create individual single-use cards to pay each one of those vendors.
It solves a whole bunch of pain points, streamlines the process, and makes it a
better payment process for the consumer."

– Bob Kaufman, CEO & Founder, ConnexPay

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Part 6 | Disbursements

Disburse funds with speed, control, and scale

Spanning across numerous verticals and industries, disbursements volume has continued to grow at a rapid pace. Many disbursement options including physical checks, legacy payment cards, Automated Clearing House (ACH), and electronic fund transfers have proven to be too slow, too complex, or too rigid for the needs of many of today's disruptive companies. They are in search of an experience that can be faster, more flexible, and provide superior control.

Modern card issuing provides disbursements with the necessary flexibility, control, and speed to help solve their payment challenges. For insurance, health care, gig economy, and other industries, modern card issuing platforms are being leveraged to disburse funds quickly. Business-to-business disbursements are quickly handled through virtual cards, which don't require the sharing of sensitive financial information or integration of payment systems. These one-time use cards can be issued instantly and spend controls placed to help ensure the payment is being accepted by the correct merchant and for the correct amount.

For business-to-consumer payments, issuing prepaid cards is a great option for many use cases including gig economy workers. A payroll card can have funds consistently added to it in real time, without sharing bank account information. The funds are available to the employee for use at any time, but the card will hold a $0 balance until the time of purchase authorization, helping to mitigate fraud.
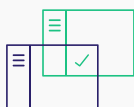
The modern card issuing difference for disbursements

Provide business to business payments instantly and securely with virtual cards

Provide disbursements to consumers on virtual or physical branded cards that can be used anywhere Visa and Mastercard are accepted

Inject metadata into transactions to help reconcile payments with system information and records

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Part 7 | Embedded payments

Stay at the center of your customers' financial lives

A growing trend in financial services over the past several years has been the inclusion of embedded payments within software and applications. Companies across numerous industries are focusing on payments as a core part of their business model to stay at the center of their customers' financial lives. For example, an accounts payable automation software can greatly benefit from modern card issuing. By embedding finance in the workflow, paying invoices and bills through the use of a card creates a seamless customer experience. The user of the software platform doesn't have to have knowledge of the underlying card, while the card itself provides an instant and robust way of payment. Leveraging embedded payments has also become a way to increase the bottom line for these businesses as they increase product usage by adding capabilities and creating additional streams of revenue.

Modern card issuing provides a unique and flexible embedded payment experience option that has been difficult to provide with legacy architecture. Built with open APIs and easy integration at the heart of the platform, companies can easily add a customizable, flexible payment experience directly into their application. This can be a debit card linked to a digital bank service, or a card used for instant payout for on-demand delivery and ride sharing. In fact, many of the use cases explained above also include embedded payments as part of their business model today, and that trend looks likely to continue to expand.

The modern card issuing difference for embedded payments

Build a customizable and seamless payments experience directly within an application

Deliver payments to businesses and consumers with or without exposing the card number

In-depth data insights to understand how users are interacting with the embedded payments experience and develop patterns

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Closing thoughts

The seven use cases within this ebook outline various ways that modern card issuing is working for some of the leading business models and organizations today. The simplicity, flexibility, and security of these platforms provide enhanced payment experiences trusted by startups and leading enterprises alike.

The potential for modern card issuing extends far outside these seven use cases and continues to grow alongside new innovative business models as they're created. The flexible and customizable nature of these platforms themselves helps ensure that when new ideas are sparked and new disruptive technologies emerge, modern card issuing will be there to facilitate the money movement.

Learn more about modern card issuing here.

About Marqeta

Marqeta is the modern card issuing platform empowering builders to bring the most innovative products to the world. Marqeta provides developers advanced infrastructure and tools for building highly configurable payment cards. With its open APIs, the Marqeta platform is designed for businesses who want to easily build tailored payment solutions to create best-in-class experiences and power new modes of money movement. Marqeta is headquartered in Oakland, California.

For more information, visit **www.marqeta.com**, **Twitter**, and **LinkedIn**.