

Ecommerce tokenization overview

North America—United States and Canada

What is tokenization

Tokenization is a powerful security measure used by merchants, payment processors, and banks to safeguard sensitive financial and personal information from cybercrime and fraud. Tokenization replaces a user's payment details, such as credit card numbers, expiration dates, and card verification values or codes (CVV or CVC), with non-specific identifiers called **tokens**. These tokens are randomly generated when a customer provides their payment information at the point of sale (POS) or on an ecommerce website.

Advantages of tokenization

- **Enhanced security**—Tokens prevent the exposure of sensitive data during transactions.
- **PCI DSS compliance**—Tokenization helps merchants meet [Payment Card Industry Data Security Standard \(PCI DSS\)](#) requirements, reducing the scope and cost of compliance efforts.
- **Secure storage**—Merchants can store tokens without risking customer account numbers or other sensitive data.
- **Fraud prevention**—Third parties can't reverse-engineer tokens to obtain payment information.
- **Improved authorization rates**—Payment tokens can enhance the gateway payment authorization rates, leading to fewer declined transactions.
- **Recurring payments**—Tokenization supports subscription billing and uninterrupted service for subscription-based businesses.

Clover Ecommerce token types

Clover supports various token types, including card tokens, ACH tokens for bank transactions, and gift card tokens.

Card token

Used to securely store and process credit card information with a unique token. The card token is used for future transactions such as for recurring payments and card-not-present (CNP) transactions.

→ [See the tutorial](#) → [Use the endpoint](#)

TransArmor token

Multilayered, end-to-end security to safeguard cardholder data at every stage of the payment process, using the TransArmor® solution from Fiserv.

→ [See the tutorial](#) → [Use the endpoint](#)

ACH token

Used for processing electronic payments directly from bank accounts. ACH (Automated Clearing House) tokens replace sensitive bank account information with a token to use for transactions.

→ [See the tutorial](#) → [Use the endpoint](#)

Gift card token

Used to manage and process gift card transactions. The gift card number is replaced with a token to use when activating a gift card, checking the balance and completing transactions with the gift card.



→ [See the tutorial](#) → [Use the endpoint](#)

Related topics

- [Blog: Ecommerce Tokenization: Understanding Methods that Keep Card Data Safe](#)
- [Ecommerce card tokenization](#)

← [Generate an Ecommerce API key \(PAKMS key\)](#)

[Ecommerce card tokenization](#) →

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