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### Trending This Week...

This week marks another anniversary for TSG's NewsFilter, the publishing of our **350th edition**. NewsFilter has evolved significantly since its inception and will continue to do so going forward for the benefit of our subscribers.



From the start, TSG's goal has been to provide the industry with the most vital information each week. We feel this goal continues to be achieved and we will continue to push to the next level. Thank you for subscribing, we appreciate your support. **Four hundred here we come!**

### Highlights this week include:

- [ETA's Europe expansion plans](#)
- [VeriFone: "Mobile is the End Game"](#)
- [The 'world's oldest profession' is assisted by Square](#)
- [As many as 2.4M card numbers stolen from Schnuck's breach](#)
- [Payments Press - There's a lot this week!](#)

Enjoy your weekend.

[Acquisition Multiples & Attrition Summary](#)

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[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

[MPPS Example Report](#)

[ETA/TSG Economic Indicators Report](#)

[Case Study: Driving Value Through Competitive Bidding](#)

[Should Traditional Merchant Acquirers "Beware of Square"](#)

[What Benefits Me By Paying a Credit Card Swipe Fee?](#)

**This Day in History: 1775**

**The American Revolution Begins**

At about 5 a.m., 700 British troops, on a mission to capture Patriot leaders and seize a Patriot arsenal, march into Lexington to find 77 armed minutemen under Captain John Parker waiting for them on the town's common green. British Major John Pitcairn ordered the outnumbered Patriots to disperse, and after a moment's hesitation the Americans began to drift off the green. Suddenly, the "shot heard around the world" was fired from an undetermined gun, and a cloud of musket smoke soon covered the green. When the brief Battle of Lexington ended, eight Americans lay dead or dying and 10 others were wounded. Only one British soldier was injured,



**USE A SMARTPHONE TO BUY THINGS!** IN STORES OR ONLINE!

TSG, in partnership with the ETA Mobile Payments Committee, has developed a consumer-centric infographic to help educate and increase adoption among U.S. consumers. The infographic covers three main topics - mobile payments are fast, easy, and secure. This initiative is called **PaywithPhone** - a vendor-neutral information source for businesses and consumers to learn about mobile payments

[Click here to view the infographic.](#)

## Featured

### ETA May Expand Into Europe

*4/16/13 ISO & Agent*

The Washington-based Electronic Transactions Association is taking the first step in what could become a new mission as an international trade group. That initial move, a Sept. 17-19 gathering called the International Acquirers Forum, will convene in a London hotel conference center, says Jason Oxman, the association's CEO. "This is the ETA's first foray outside the U.S. in terms of doing an event, and this event will give us a lot of good intelligence about what the international landscape looks like for future activities," Oxman says,

### 2013 ETA Annual Meeting & Expo to Host Record Number of Exhibitors

*4/18/13 The Green Sheet*

The Electronic Transactions Association (ETA), the trade association for the global electronic payments industry, today announced an all time record-breaking number of exhibitors for the 2013 ETA Annual Meeting & Expo, taking place in New Orleans from April 30 to May 2, 2013. ETA has greatly expanded the scope and content of the 2013 Expo over previous years, increasing floor space to 150,000 square feet and securing its status as the world's largest hub for payments innovation.

### "Mobile is the End Game": VeriFone Discusses the Future of Payments as a Service

*4/18/13 My Retail Media*

Faced with a blockbuster queue and stretched shop floor staff, a shopper's patience to part with their money creeps closer to breaking point. Walking out of a bricks and mortar store and abandoning any attempt at purchasing a product already in hand is a retailing nightmare, yet it's something most customers have done at least once, and a trend likely to increase with the rise of multichannel operations and one-click purchases.

### The Real Opportunity for Payment Startups: Simplicity

*4/18/13 VentureBeat*

but the American Revolution had begun.

By 1775, tensions between the American colonies and the British government approached the breaking point, especially in Massachusetts, where Patriot leaders formed a shadow revolutionary government and trained militias to prepare for armed conflict with the British troops occupying Boston. In the spring of 1775, General Thomas Gage, the British governor of Massachusetts, received instructions from England to seize all stores of weapons and gunpowder accessible to the American insurgents. [Click here to read more.](#)

Payment-processing startup Paymill recently raised 10 million euros to drive expansion throughout Europe. As the lead investor from Blumberg Capital, I am positively biased about the opportunity, but the story is bigger than Paymill, Stripe, Braintree, or any of the new generation of payment processing companies. So before giving in to the hype around financial technology startups, it's worth examining the huge opportunities that lie in fixing broken processes.

### **Prepaid Debit Cards More Popular, Despite Fees**

*4/15/13 The New York Times*

An analysis of prepaid debit cards finds that even as more consumers use the cards as an alternative to checking accounts, fees on the cards still vary widely. "More consumers are looking at prepaid debit cards as a substitute for traditional checking accounts," said Greg McBride, senior financial analyst at Bankrate.com, which prepared the review.



## **Mobile Payments**

### **Mobile Users Well Aware of Fraud but, for Many, Convenience Trumps Security Concerns**

*4/18/13 MarketWatch*

According to the results of the 2013 Consumer Mobile Insights study released today by Jumio, Inc. and conducted online by Harris Interactive(R), the vast majority of consumers -- 83% of respondents worry about identity theft, but look the other way when given the option to use mobile services that put more convenient options at their fingertips.

### **Mobile Payments Poll - What Do You Think?**

As members of the payment industry TSG is interested in your opinion on the status of mobile payments. Please vote on the following poll question and the results will be published next month!

**Do you think 2013 is the year mobile payments will reach the 'tipping point' in the U.S., based on news, partnerships, and product developments since the start of the year?**

### **Digital Payments Servicing Exploited Sex Consultants in Silicon Valley**

*4/16/13 Examiner*

Of course, these nice young ladies extract payment for their services and that's gone high-tech too. Some of them were interviewed (on camera with identities and faces shown) and describe their clientele a little too well. Some of these "gents" provide payment via a credit card. So how do the GenX and other XXX-workers take the payments? They seem to prefer Square. Is this a new social phenomenon where the high-tech industry is an influencer on the "world's oldest profession"?

## **PayPal Hikes Offline Merchant Count by 11% with First-Quarter Jump**

*4/17/13 Digital Transactions*

Nearly 20,000 U.S. merchant locations now accept PayPal, up from 18,000 three months ago, according to data released on Wednesday in tandem with eBay Inc.'s quarterly earnings report. San Jose, Calif.-based PayPal Inc. is a unit of eBay. The roughly 11% jump in merchant acceptance for PayPal since eBay's last earnings release represents further progress for the e-commerce processor's year-old strategy to penetrate brick-and-mortar stores.

## **Amazon Patent Describes A Mobile Payment System That Keeps Transactions Anonymous**

*4/17/13 TechCrunch*

A new patent published by the USPTO today (via PhoneArena) indicates that Amazon is looking into a way to limit the amount of data exchanged when two parties engage in a mobile payment transaction. The patent describes a way to sub in unique identifiers for information like name and email address that would otherwise be used to verify the identities of buyer and seller.

## **US Retail Consortium MCX Picks Gemalto for Mobile Wallet**

*4/17/13 Finextra*

Merchant Customer Exchange (MCX), the mobile commerce joint venture put together by some of America's biggest retailers, has called in Gemalto to build its platform. Last year merchants - including 7-Eleven, Target and Wal-mart - decided to develop their own mobile system, contending that they could do better than the crowded field of banks, telcos and technology companies already in the ring.

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## **Regulation & Security.**

### **As Many As 2.4 Million Card Numbers Stolen in Breach at Regional Grocery Chain Schnuck's**

*4/17/13 StorefrontBacktalk*

Who says regional chains can't compete with the big boys? On Sunday (April 14), the 100-store Schnuck Markets grocery chain revealed more details about the breach it reported in March, and the numbers are impressive: 79 stores breached, with as many as 2.4 million payment card numbers potentially stolen over a four-month period. That puts it in the same class as breaches in recent years at Barnes & Noble, Michaels, Aldi and Hancock Fabrics stores.

### **Retail Breach Contained; Fraud Ongoing**

*4/19/13 Bank Info Security*

Federal investigators say a malware attack that targeted a select group of Kentucky and Southern Indiana merchants has been contained (see

Retailers Attacked by POS Malware). But the software vulnerability, which exposed those merchants' point-of-sale networks to compromise, could still have farther-reaching effects. "This is still ongoing," says Marjorie Meadors, assistant vice president and head of card fraud prevention for Louisville-based Republic Bank & Trust.

## **Economy**

### **Leading Index's Drop Points to Slower U.S. Growth**

*4/18/13 Boomborg*

The index of U.S. leading indicators unexpectedly declined in March, and manufacturing in the Philadelphia region slowed this month, adding to evidence the economy will cool. The Conference Board's gauge of the outlook for the next three to six months fell 0.1 percent last month, the first drop since August, the New York-based group said today. The Federal Reserve Bank of Philadelphia's factory index eased to 1.3 in April from 2 the prior month, another report showed.

### **Jobless Claims Rise Slightly**

*4/18/13 CNNMoney*

The number of Americans filing for their first week of unemployment benefits rose slightly last week. About 352,000 people filed claims for their first week of jobless benefits, up from a revised 348,000 the week before, the Labor Department said Thursday. The figure is slightly lower than expected. Economists had forecast the number to come in at 355,000.

## **Payments Press**

### **Discover, PayPal See In-Store Operating Rules Go Into Effect**

*4/19/13 Pymnts*

Discover and will see its PayPal operating rules go into effect for all offline transactions today, as part of a deal reached between the two payments giants last August. "Due to its collaboration with Discover, PayPal will be enabled, at participating merchant locations, as a form of payment on April 19."

### **Serve from American Express and Chegg Partner to Give College Students a New Way to Receive Payments for Selling Textbooks**

*4/16/13 Yahoo! Finance*

Serve® from American Express announced today it has entered into an agreement with Chegg, the student hub, to empower students to better manage their finances. Through this agreement, customers of Chegg, which connects students to the tools they need like homework help, scholarships, eTextbook and textbook options and more, will be able to receive payments through the company's textbook buyback program exclusively through Serve from American Express.

### **WorldPay US Successfully Completes Visa EMV Certification**

*4/17/13 PR Newswire*

WorldPay US, a leading payments acquirer, is pleased to announce it has successfully completed Visa EMV acquirer testing, a key milestone in preparing business owners to accept "chip" cards encrypted with the

EuroPay, MasterCard and Visa (EMV) standard. Additionally, WorldPay US is on track to complete similar EMV certifications with MasterCard, Discover and American Express in the coming months.

### **Fiserv Payments Network Gets New Name, New Look**

*4/16/13 Fiserv*

Fiserv, Inc., announced that its debit payments network, formerly known as ACCEL/Exchange®, has a new name - Accel™. The new name reflects the network's ability to accelerate funds transfers across retail, biller and social person-to-person payments, and positions the network within the Fiserv portfolio of payments capabilities to create the world's leading real-time network.

### **Bitcoin Buzz Draws Western Union, MoneyGram**

*4/18/13 Fox Business*

The fervor over the digital currency bitcoin has drawn interest from two of the world's largest movers of money. Western Union Co. (WU) and MoneyGram International Inc. (MGI) are studying ways their customers could use their services to send and receive money transfers denominated in bitcoins, the companies' executives say.

### **American Express Reports First Quarter EPS of \$1.15, up 7% From A Year Ago; Revenues and Cardmember Spending Rise, Credit Quality Remains Excellent**

*4/17/13 American Express*

American Express Company reported first-quarter net income of \$1.3 billion, up 2 percent from a year ago. Diluted earnings per share was \$1.15, up 7 percent from \$1.07 a year ago. Consolidated total revenues net of interest expense were \$7.9 billion, up 4 percent from \$7.6 billion a year ago. The increase reflected strong cardmember spending as well as higher net interest income and annual cardmember fees.

### **Moneris Solutions and LightSpeed to Provide Integrated Mobile Payment Solutions**

*4/18/13 Moneris*

Moneris Solutions Corporation, announced that they have partnered to provide Canadian retailers with an integrated mobile payment management solution. Moneris openly engages and works with emerging technology companies to provide its merchants with seamless payment processing solutions and best in class card processing. This new integration will be available in Spring 2013.

### **First Data Enhances its Vision Payment Solution's Global Capabilities with VisionPLUS® Flex**

*4/18/13 First Data*

First Data Corporation, a global leader in electronic commerce and payment processing, today announced it has enhanced its existing VisionPLUS® payment solution with the complementary capabilities of VisionPLUS Flex, a comprehensive software solution available for delivery to financial institutions all over the world as a server-based appliance.

### **Visa Europe Improves P2P Mobile Payments Service**

*4/18/13 Mobile Payments Today*

Visa Europe has announced major improvements to its mobile payment service Visa Personal Payments, including support for multiple currencies and "immediate payment" functionality. The pending upgrades will let customers make instant person-to-person payments to any Visa cardholder in Europe, in any European currency, just by using a mobile phone.

### **Anheuser-Busch Employees' Credit Union Selects Vantiv for Debit and Credit Processing**

*4/17/13 Vantiv*

Vantiv, Inc., announced that Anheuser-Busch Employees' Credit Union (ABECU) has selected Vantiv for debit and credit processing services under a multi-year agreement. With more than \$1.4 billion in assets, ABECU is a full-service financial institution offering a wide variety of products and services to its members nationwide and around the world both online and at its 27 U.S. locations.

### **eBay Reports \$3.7B in Q1 2013 Revenue**

*4/17/13 The Next Web*

Today eBay reported its first quarter financial performance, including revenue of \$3.7 billion, and non-GAAP earnings per share of \$0.63. The street had expected earnings per share of \$0.62, on revenue of 3.8 billion. On a GAAP basis, by which we mean based on normal accounting rules, eBay had net income of \$677 million, or \$0.51 per share. The company had revenue in Q1 2012 of \$3.3 billion. In the final quarter of 2012, its most recent sequential quarter, eBay had revenue of \$4 billion.

### **ACI Worldwide Empowers Financial Institutions to Increase Efficiency of Card Issuing and Account Management**

*4/17/13 ACI Payment Systems*

ACI Worldwide, a leading international provider of payment systems, is helping financial institutions ease the pressure on margins caused by spiraling IT costs with the latest version of ACI Issuer™. The combination of heightened regulation and antiquated systems is driving the cost to support issuing cards and managing the lifecycle of customer accounts.

### **Ingenico Introduces iWB Bio Series; Leverages Biometric Authentication**

*4/18/13 Ingenico*

Ingenico, leading worldwide provider of payment solutions introduces the iWB Bio Series. Leveraging biometric authentication through mobile and secure fingerprint solution, iWB Bio Series changes the way governments and financial institutions distribute services in emerging countries.

### **Sales Increase with Sterling's Stadium Payment Solution**

*4/17/13 Sterling Payment*

For a second season, Sterling Payment Technologies has implemented its Stadium Payment Solution at Hi Corbett Field in Tucson, Arizona. The stadium is the home of the University of Arizona's baseball team. Fans there spent 10-15 percent more on refreshments. Sterling's Stadium Payment Solution is designed to increase dollars per sale and move more people through concession lines faster with two-second credit card transactions.

## **DeviceFidelity Adds Multiple NFC Patents to its Extensive Portfolio, Totaling 40 Granted and Allowed Patents Worldwide**

*4/18/13 PRWeb*

DeviceFidelity, Inc., announced the company has now obtained a total of 40 patents covering the innovative and streamlined product portfolio that empowers apps utilizing NFC and security technologies. The latest edition to DeviceFidelity's patent portfolio is Patent #ZL200880107195.2 which is now newly issued in China. The patent enables an NFC based mobile wallet implementation that uses a microSD Secure Element with credentials issued from multiple different enterprises.

## **PayPros® Innovo™ Unveiled as Industry's Most Comprehensive "Payments as a Service" Platform**

*4/15/13 PayPros*

PayPros, the industry leader for integrated payment processing, is pleased to announce the deployment of PayPros® Innovo™, the industry's most comprehensive "Payments as a Service (PaaS)" platform, designed specifically for the rapidly expanding payments market. The swift growth of payment technologies and customer demands requires a platform solution that can accommodate a wide range of technologies and services in a well-architected fashion.



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