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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

According to reports from First Data and MasterCard, Thanksgiving and Black Friday gave a significant jump-start to holiday spending. [According to First Data](#), year-over-year retail dollar volume growth was 9%, a significant increase over last year's 5.6%.

On the other side, [MasterCard's SpendingPulse illustrated](#) that due to early opens retail sales on Thanksgiving were up nearly 24%.

[Don't forget about Cyber Monday](#), however, as online shoppers spent record amounts of money, up 20% from last year, and did much of their shopping on mobile phones/tablets.

Other highlights include:

- [Consumer's Trust PayPal with Mobile Money](#) Rather than their Bank or Credit Card Company
- [First Data is Drowning in Debt](#)
- [Cynergy Data's New CEO Seeks Growth](#)
- [BofA: Bitcoin has Clear Potential for Growth](#)
- [2 Million Passwords Reportedly Stolen](#)

About to Renegotiate Your Contract?

TSG's Merchant Processing Pricing Benchmark can help!
TSG has released their seventh edition of this widely popular report which includes the detailed line-item cost of third-party processing to ISOs/MSPs.

[Click here to see a preview of the report.](#)

Please [click here](#) if you are interested in ordering the report. The price is \$4,900. Please email Info@TheStrawGroup.com with questions.

Interested in other reports too? Check out [TSG Metrics Subscription](#).

[Transaction Advisory](#)

[Acquisition Multiples & Attrition Summary](#)

[Merchant Aggregation](#)

[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?](#)

[Use a Smart Phone to Buy Things!](#)

This Day in History: 1884

Washington Monument Completed

On this day in 1884, in Washington, D.C., workers place a nine-inch aluminum pyramid atop a tower of white marble, completing the construction of an impressive monument to the city's namesake and the nation's first president, George Washington. As early as 1783, the infant U.S. Congress decided that a statue of George Washington, the great Revolutionary War general, should be placed near the site of the new Congressional building, wherever it might be. After then-President Washington

Featured

[Early Store Openings Jumpstart Retail Holiday Spending](#)

12/6/13 First Data

First Data Corporation, a global leader in payments processing and electronic commerce solutions, today released its First Data SpendTrend® analysis for Thanksgiving/Black Friday 2013 compared to Thanksgiving/Black Friday 2012. SpendTrend tracks same-store consumer spending by credit, signature debit, PIN debit, EBT, closed-loop prepaid cards and checks at U.S. merchant locations. Black Friday lost some of its luster as retailers opened their doors earlier this year in order to vie for a piece of the holiday spending pie, especially with this year's shorter-than-usual window between Thanksgiving and Christmas.

[Holiday Retail Sales Show Electronics Retailers Hit Jackpot with Early Thanksgiving Openings](#)

12/4/13 MasterCard

The saying "the early bird catches the worm" rang true for many U.S. retailers on Thanksgiving Day, as well as for consumers looking to grab doorbuster deals on tablets, TVs, and other electronics. According to the U.S. November report for MasterCard SpendingPulse, which tracks retail sales across all forms of payment (including credit cards, cash and check), sales for the Electronics category shot up into triple digit growth on Thanksgiving Day this year compared to 2012.

[Cyber Monday Shatters the Online Spending Record](#)

12/03/13 Internet Retailer

The retailer wasn't alone in seeing robust results yesterday. Online sales on the Monday following Thanksgiving weekend grew 20.6% compared to last year's Cyber Monday, according to IBM Corp., which bases its estimates on its analysis of purchases and activity on more than 800 client retail sites. Mobile sales helped drive that growth, as they accounted for 17% of total online sales yesterday. "We continue to see a dramatic movement of the new digitally savvy consumer as Cyber Monday once again proved to be the star of this holiday shopping season," says Jay Henderson, strategy director, IBM Smarter Commerce.

[Digital Wallets: PayPal, Amazon, and Credit Cards are Top Contenders \(Not Apple, Google\)](#)

12/02/13 VentureBeat

61 percent of us have heard of digital wallets, but only 11 percent of us have used one, according to a new survey by Forrester. Interestingly, most would rather trust PayPal with their mobile money - rather than their bank or credit card company. There are three types of mobile wallets, Forrester says: remote-only wallets, proximity-only wallets, and omnichannel digital wallets.

[ETA Hosts Payments Innovation Day on Capitol Hill](#)

12/02/13 PRNewswire

The Electronic Transactions Association (ETA), the global trade association representing the payments technology industry, is hosting a Payments Innovation Day on December 3 to educate lawmakers and their staff about mobile payments innovation that is revolutionizing commerce. The event will feature a panel of industry experts who will discuss new technologies that are creating more convenient, secure and rewarding payment options for consumers.

[First Data Is Drowning in Debt](#)

11/30/13 The Wall Street Journal

asked him to lay out a new federal capital on the Potomac River in 1791, architect Pierre L'Enfant left a place for the statue at the western end of the sweeping National Mall (near the monument's present location).

It wasn't until 1832, however--33 years after Washington's death--that anyone really did anything about the monument. That year, a private Washington National Monument Society was formed. After holding a design competition and choosing an elaborate Greek temple-like design by architect Robert Mills, the society began a fundraising drive to raise money for the statue's construction. These efforts--including appeals to the nation's schoolchildren--raised some \$230,000, far short of the \$1 million needed. Construction began anyway, on July 4, 1848, as representatives of the society laid the cornerstone of the monument: a 24,500-pound block of pure white marble. [Click here to read more.](#)

If you think your credit-card bill is high, check out the debt on the company that likely processes your credit-card transactions, runs your neighborhood ATMs or verifies that your checks will clear. First Data Corp. is drowning in about \$23 billion in debt, paying credit-card-type interest as high as 11.75% at a time when the yield on a 10-year Treasury note is 2.7%. The company recently announced it is cutting about 550 jobs in Denver--moving an unspecified number to other locations and dashing the rest.

Cynergy Data's New CEO Seeks Growth

11/27/13 ISO & Agent

With a new CEO and an infusion of private equity funding, Cynergy Data plans to grow organically and through acquisitions. That means signing up more ISOs and agents to solicit merchants for transaction services as well as buying ISOs' merchant portfolios and purchasing whole companies, says Afshin Yazdian, who's held the top spot at the company for all of three weeks.



A Rewarding Offer
for Providers and Merchants
100 Bonus Cards!
Gift & Loyalty Card Holiday Special

Global eTelecom, Inc.
GETI

Mobile Payments

Google Wallet Cards Arriving Now, But Consumer Benefits Remain Unclear

12/03/13 TechCrunch

Those who signed up for the new Google Wallet debit card at the end of November are now receiving their cards in the mail, following the Thanksgiving holiday here in the U.S. This MasterCard-powered prepaid debit card allows you to link your online Google Wallet balance to a real, plastic card you can use at point-of-sale, at ATMs, or anywhere else a MasterCard is accepted, stateside. To clarify, we're saying "stateside" because the Google Wallet debit card has a magstripe on the back - not the EMV technology which would allow the card to work in other countries.

A Chat with PayPal Tech Innovator James Barrese

11/29/13 San Jose Mercury News

It's been a busy year for PayPal, which has launched more digital payments products since the start of 2013 than in the previous five years combined. At the helm of many of these innovations is James Barrese, a former eBay executive who now is PayPal's chief technology officer. In a dramatic shift from being a Web-based payments processor, PayPal this year has rolled out new mobile applications and a Bluetooth hardware device that the company says will soon replace the traditional wallet in nearly every type of transaction.

Apple Guides Shoppers Inside Stores With iBeacon

12/06/13 ABC News

GPS will tell you how to get to the nearest Apple store. With iBeacon, Apple hopes to guide you around once you're inside, whether it's to pick up an order, upgrade to a new iPhone or shop for a pair of headphones. On Friday, Apple Inc. will begin using the technology at its 254 U.S. stores to send you messages about products, events and other information - tailored to where you are inside, provided you have downloaded the Apple Store app and have given Apple permission to

track you.

Bank of America: Bitcoin Has Clear Potential for Growth

12/05/13 CoinDesk

Bank of America has become the first US bank to talk openly about bitcoin, having issued a client note stating that the digital currency has "clear potential for growth". The news came in a 14-page note sent to clients by Bank of America currency strategist David Woo. He said he believes the maximum market cap of bitcoin is \$15bn, or about 1,300 USD per 1 BTC. In the note, Woo pointed out that bitcoin makes sense as a medium of exchange and has the potential to become a major means of payment for e-commerce.

[Click here to read Bank of America's assessment.](#)

Retailers Ignore Mobile at Their Own Risk

12/04/13 CIO Journal

If you don't think mobile is important to your business, think again. Even as overall retail sales sagged over the four-day U.S. Thanksgiving holiday, mobile sales surged by more than 40%. Mobile and Web revenues aren't adding new dollars to the pile - if they were, "you would see the overall numbers up," notes Forrester Research retail analyst Sucharita Mulpuru. But the numbers clearly show that online commerce is "taking share away from physical stores," she tells CIO Journal.

For Bitcoin, a Setback in China and an Endorsement on Wall Street

12/05/13 Dealbook

China has thrown some cold water on Bitcoin, the popular virtual currency that has gained many adherents in the country. The Chinese government on Thursday moved to restrict banks from using Bitcoin in transactions, declaring that it was not a true currency at all, The New York Times reports. A notice issued by the People's Bank of China and four other ministries and agencies said the step was needed to "protect the status of the renminbi as the statutory currency, prevent risks of money laundering and protect financial stability."

The Virtuous Circle Connecting Loyalty, Technology and Share of Wallet

12/04/13 American Banker

Consumers value convenience, and when you provide them with technology that lets them do what they want to do, when they want to do it, on their terms in the channel of their choice, that leads to loyalty and stickiness. So concludes an enormous study conducted by Bain & Company, in which it queried 177,937 banking customers around the world. "We've seen a very clear correlation between loyalty, digital usage and share of wallet - those three form a virtuous circle," says Gerard Du Toit, partner at Boston-based Bain.

Apple Hiring Developers for Next-Gen Payment Platform to Help Retail 'Enter New Markets'

11/27/13 9To5 Mac

Apple posted a job listing on its website looking for a Payments Software Engineer that will "help build a next generation payment platform." Apple says the payment system will consist of integration of payment devices, middleware and acquirers that will "push the boundaries in new markets for Apple Retail." Apple is interested in experts in eCommerce, banking, retail, and card industries and lists various payment technologies including Chip&Pin, bank messaging specifications, country specific technologies such as EFTPOS (AUS) and Interac (CAN), and testing

solutions used by Visa, Mastercard and others including ADVT, M-TIP, AEIPS, and Interac testing.

I Bought Everything on My Christmas List with Bitcoin

12/05/13 *TIME*

My editors thought the best present they could give me this holiday season was a bitcoin, the increasingly popular form of digital currency that uses cryptography instead of government regulation to validate transactions. It was a kind gesture, and it made me very worried about my reputation at the office. But never one to turn down free money, I happily obliged. If I secured a bitcoin, I had to make one promise: to use a bitcoin and only a bitcoin to purchase Christmas gifts for my family and friends.



Regulation & Security

Rising with Holiday Shopping, Chargebacks Are on the Naughty List for Most Merchants

12/04/13 *Digital Transactions*

Chargebacks may not be lumps of coal, but many merchants may consider them as such this holiday season. Risk-management provider Verifi Inc. says chargeback volumes among its clients increase by as much as 50% during the holiday-shopping season. Chargebacks are the process by which cardholders contest charges they didn't make or don't recognize when they receive their statement. A chargeback filing typically requires a merchant to dig up supporting documentation for the transaction, including such items as signed proof of delivery, and to respond according to rules that vary by card network.

2 Million Passwords Reportedly Stolen

12/05/13 *Bank Info Security*

Hackers have pilfered some 2 million user passwords and credentials from Facebook and other social media and Internet sites, according to IT security provider Trustwave. A Dec. 4 blog from Trustwave's SpiderLabs says the attack emanated from a single IP address in the Netherlands that functions as a gateway or reverse proxy between the infected machines and the Dutch-based command-and-control server.

JPMorgan Chase says 465,000 Prepaid Cards Compromised by Hackers

12/05/13 *Finextra*

JPMorgan Chase says hackers have compromised its network, putting the personal information of around 465,000 pre-paid cardholders at risk. According to Reuters, the bank discovered in September that Web servers used by its UCard Web site had been compromised. The affected cards were used by companies to pay employees and by government agencies to distribute benefits.

Accelerating EMV: Beyond The Card

12/04/13 *PYMNTS*

EMV, as commentators have noted, affects not only hardware and software, but every card payment system, device and application. Rather than focusing on any potential expenses, however, Philippe Benitez, vice president of Business Development at Gemalto, suggests that

stakeholders should instead consider the important elements they have to gain. Perhaps most notably, Benitez suggests that EMV is essential to bringing the U.S. in line with the world and its fraud prevention practices

Bomb Threats New Scam in Prepaid & Gift Card Fraud

12/04/13 StorefrontBacktalk

Like two peas in a pod, the holiday season rings in an increase in gift card fraud. Gift cards are being purchased in stores and online in record numbers and criminals see this as a prime time for skimming and online card fraud. Consumers loaded \$112.3 billion onto gift cards in 2012 alone, according to Mercator Advisory Group, representing a lucrative windfall not only for retailers but also for thieves.

Economy

Economy Adds 203,000 Jobs in November; Unemployment Rate Drops to 7%

12/06/13 LA Times

The U.S. economy added a surprisingly strong 203,000 net new jobs last month and the unemployment rate fell to 7%, the lowest level in five years, the Labor Department said Friday. The November figure, which beat analyst expectations of about 180,000 new jobs, along with slight revisions to the previous two months' figures mean the economy has added an average of 204,000 jobs over the past four months.

U.S. Growth Faster Than Estimated as Businesses Stock Up

12/05/13 The New York Times

The economy expanded much faster than first thought in the third quarter, as the government on Thursday revised its estimate of growth in the period to a 3.6 percent annual rate from 2.8 percent. That was significantly better than the 3.1 percent pace economists had been expecting, and it marked the best quarter for growth since the first quarter of 2012, when output jumped by 3.7 percent. It also marked the first time since then that growth had exceeded 3 percent.

Report: Online Sales to Reach \$508 Billion by 2020

12/02/13 Chain Store Age

U.S. online retail sales will reach \$508 billion by 2020, representing a market share of nearly 14% (or 17%, if food retailing is excluded), compared to expected online sales of \$260 billion in 2013. According to a new report from FTI Consulting, this represents a compound annual growth rate (CAGR) of nearly 11% from 2012 through 2020. FTI Consulting raised its previous online sales forecast by approximately 10% to reflect stronger than anticipated online sales beginning in late 2012.

Payments Press

Twitter's Dorsey Competes with Son of Softbank Over Japan Credit-Card Transactions

12/06/13 VC Post

In a report by Bloomberg, the news agency noted the price war between Twitter Inc. co-founder Jack Dorsey and SoftBank Corp's Masayoshi Son over credit card transactions in Japan. Barclays Plc Tokyo-based analyst Azuma Ohno said, "Japan's credit-card market still has significant potential to grow." Large merchants have already built settlement systems and it's not easy to grow sales to a significant volume by targeting small retailers."

RBS Sells Remaining WorldPay Stake to Advent, Bain Capital

11/27/13 Yahoo! Finance

Royal Bank of Scotland said it sold its remaining stake of about 20 percent in WorldPay to the payment processing firm's majority shareholders, private equity firms Advent International and Bain Capital. RBS, which is majority owned by the British government, said it would record a profit of 160 million pounds (\$259 million) on the disposal in its 2013 results.

KeyBank Selects EnCompass for Enhanced Commercial Card Management

12/03/13 Yahoo!

AOC Solutions, Inc. announced that Cleveland-based KeyBank has selected AOC's EnCompass payments platform for its customers' commercial card management and reporting. Under the agreement, KeyBank will offer its business customers AOC Solutions' fully hosted, PCI-compliant commercial payments solution, EnCompass, as a one-stop online payment tool to help their business customers manage corporate purchasing/accounts payable (A/P), fleet, travel and entertainment, and purchasing card programs.

Merchant Warehouse Teams up with CSI Enterprises to Lower Card Processing Fees

12/05/13 Merchant Warehouse

Merchant Warehouse®, a leading innovator of payment technologies and merchant account services, today announced a new partnership with CSI Enterprises to bring innovative, cost-effective credit card processing solutions to the marketplace. With a number of large customers operating across a variety of industries, the partnership with Merchant Warehouse enables CSI's thousands of corporate customers the opportunity to accept and to lower credit card processing fees.

PayAnywhere Signs Agreement with Discover to Offer PayPal Payment Card Acceptance

12/05/13 PRWeb

PayAnywhere, a leading mobile payment solution provider, announced today that they have teamed with Discover Financial Services, a direct banking and payment services company with one of the most recognized brands in U.S. financial services, to offer PayAnywhere merchants the ability to accept PayPal at the point of sale. This means that PayAnywhere merchants will be able to accept PayPal and will be able to tap into PayPal's rapidly growing customer base that has swelled to more than 55 million active customers in the U.S.

ACI Worldwide Strengthens Americas Leadership Team with Key Appointments

12/03/13 BusinessWire

ACI's new executive appointments include: Andreas Suma, vice president & general manager for Latin America; Jonathan Lerner, vice president & general manager for US Banks; and Cliff Elam, vice president of Americas operations and planning. They join recent appointments Rob Cameron, vice president and general manager for US retail, US processors & Canada; and Erik Golz, vice president of solution consulting. They will report to Jeremy Wilmot, senior vice president and managing director of Americas, ACI Worldwide.

Federated Payment Systems appoints Jim Mouzakiotis as VP

12/03/13 *The Green Sheet*

Federated Payment Systems, a leader in card processing and related merchant services, announced today that Jim Mouzakiotis has joined the company as Vice President of Business Development. With nearly two decades of experience and expertise in the merchant acquiring industry, Jim excels in interpersonal and "closer" sales skills with superior leadership and management talent. Possessing highly effective verbal and written communication skills, Jim creates and customizes sales and marketing materials that identify key product and relationship needs as well as effective strategies and solutions that provide his sales team with a competitive edge that produces results.

TSYS Named to The Civic 50

12/05/13 *TSYS*

TSYS announced that it has been recognized as one of America's most community-minded companies in The Civic 50, an annual initiative that identifies and recognizes companies for their commitment to improve the quality of life in the communities where they do business. The survey was conducted by the National Conference on Citizenship (NCoC) and Points of Light, the nation's definitive experts on civic engagement, and published by Bloomberg News.

Mozido Announces \$30 Million Institutional Capital Raise of \$70M Investment Commitment

12/05/13 *Mozido*

Mozido, Inc. announced today that it has received the first \$30 million of a committed \$70 million round of financing led by a Boston-based investment advisor with assets under management of over \$500 billion. This funding will allow Mozido to accelerate its growth both organically and through strategic acquisitions. The announcement brings total funding of the company to over \$100 million with participation from Brentwood Investments, TomorrowVentures, Atlanticus Corporation and Bob Turner personally of Turner Investments.

Digital Insight Purchase a 'Timely Move' for NCR

12/03/13 *BTN*

NCR Corp.'s agreement to purchase Digital Insight, announced Monday night, aims to give the ATM and hardware company instant credibility as a provider of mobile and online banking software. The deal gives NCR access to hundreds of new customers to pitch. The \$1.65 billion transaction is expected to close in the first quarter of 2014. "This is a historic day for our company," said Bill Nuti, chairman and chief executive of Duluth, Ga.-based NCR on an investors' call held late Monday night.

FTNI Adds PIN Debit Option to ETran

12/03/13 *FTNI*

Financial Transmission Network Inc. ("FTNI"), a provider of leading payment solutions, announced today that it has added PIN-Debit capabilities, for debit card processing, to its award-winning ETran payment. FTNI's ETran platform incorporates check scanning, ACH processing, credit and debit card processing and ID verification on a single, managed platform ("SaaS") to help clients reduce costs, accelerate timelines and improve transaction processing quality.

Digital Retail Apps Rolls Out In-Aisle Commerce App, SelfPay, at Lux Beauty Boutique

12/04/13 *Newsday*

Toronto-based company, Digital Retail Apps™, announced the launch of its ground breaking mobile app, SelfPay®, at LUX Beauty Boutique in Edmonton AB, Canada. With SelfPay, shoppers can make payment and

look up product information on their own devices, enabling shopper-controlled in-store checkout from anywhere within a brick-and-mortar store. LUX Beauty Boutique will host a SelfPay launch party at its store on Friday, December 6.

Blackhawk Network Acquires Germany-Based Prepaid Leader Retailo as Part of Ongoing International Expansion Strategy

12/02/13 Blackhawk Network

Blackhawk Network announced that it has completed the acquisition of Germany-based Retailo AG, a leading third-party gift card distribution network in Germany, Austria and Switzerland. The acquisition adds over 40,000 new distribution locations, bringing Blackhawk's total EMEA retail distribution network to approximately 70,000. The deal is part of Blackhawk's strategy to serve consumers' demand for gift cards and prepaid solutions across Europe, including Germany where Blackhawk has had limited presence to date.

TrustCommerce Welcomes New Director of Business Development, Bradley Jones

11/25/13 TrustCommerce

TrustCommerce, leading provider of secure electronic payment solutions, is pleased to announce Bradley Jones has joined the company as Director of Business Development. In this role, Jones will focus on developing new business, strategic relationships and partnerships. "A veteran of the electronic payments industry, Brad has an exceptional track record for developing strategic partnerships that drive growth," says Rob Caulfield, Chief Executive Officer, TrustCommerce.

Amazon Turned a Flaw into Gold with Advanced Problem-Solving

12/05/13 Harvard Business Review

Several years ago, Amazon was struggling with scaling its e-commerce infrastructure and realizing that many of its internal software projects took too long to implement, a major pain point from a competitive standpoint.

Andy Jassy, acting as a chief of staff for Amazon CEO Jeff Bezos, was assigned the task of figuring out why. What he realized was that what many of these teams were building wasn't scaling beyond their own projects. For each new project, a team would have to reinvent the wheel.



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