

NewsFilter

Editor: Mike Strawhecker, VP & Director of TSG Metrics
Co-Editor: Andrew Nuss, Marketing Associate



THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



May 2nd, 2014
Edition #402

New to NewsFilter?



Want to Advertise
in NF?

[Click here to learn more.](#)

Categories

[Featured](#)

[Mobile Payments](#)

[Regulation & Security](#)

[Economy](#)

[Payments Press](#)

TSG Resources

[TheStrawGroup.com](#)

[TSG Resource Center](#)

[PaymentsPulse.com](#)

[TSG Overview](#)

DIGITAL BANKING SUMMIT

Creating Omnichannel Excellence

Hyatt Regency Century Plaza | Los Angeles | June 2-4, 2014

→ REGISTER NOW

[Save \\$200 with code TSG when you register.](#)

Trending This Week...

This week Target made headlines again as they [hired a new CIO](#) and [awarded their portfolio to MasterCard over Visa](#), stating that next year they will issue their branded credit/debit cards as MasterCard chip-and-pin.

In tech news, [PayPal unveiled a new logo](#) this week hinting at its more mobile future, while [Square announced](#) its order ahead and pickup tool (charging an 8% processing fee per order), offline mode, and inventory tracking for merchants.

Don't forget to check out TSG's free report - [Trends of Payments Industry Google Search Terms](#).

Other highlights include:

- [Tim Tynan New CEO, Kevin Race CFO at Bank of America Merchant Services](#)
- [Economy Adds 288K Jobs in April, Unemployment Rate down to 6.3%](#)
- [HCE vs BLE: Which has the Bigger In-Store Potential?](#)
- [Want to Lose Customers? Lose Their Data](#)

NEW REPORT: [NFC Survey Results: The Payment Industry's Perception of NFC in the U.S. Card Accepting Market](#)

[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 SmartPhone to Buy Things!](#)

[The Top Ten Ways Acquirers Can Block the Breach](#)

This Day in History: 1933

Loch Ness Monster Sighted

Although accounts of an aquatic beast living in Scotland's Loch Ness date back 1,500 years, the modern legend of the Loch Ness Monster is born when a sighting makes local news on May 2, 1933. The newspaper Inverness Courier related an account of a local couple who claimed to have seen "an enormous animal rolling and plunging on the surface." The story of the "monster" (a moniker chosen by

TSG's latest report offers a simple to read compilation of results from a survey of payments industry professionals on their perceptions and attitudes regarding NFC technology.

Reasons to Purchase:

- The response pool is comprised of payments professionals and not the general consumer market
- Reveals which attributes of NFC are viewed as beneficial promoters and which are viewed as barriers
- Offers a snapshot of NFC market statistics to provide context to the report

[See a preview of every page of this report.](#)

The price is \$349. Please email Info@TheStrawGroup.com with questions. Following payment, TSG will email a PDF copy of the report.

[Add to Cart](#)

Featured

[Trends of Payments Industry Google Search Terms](#)

TSG Metrics

This **FREE** report shows how certain payments industry companies and terms are trending on Google web searches.

Categories of research include: mobile card processing, bitcoin, mobile wallets, card brands, public/non-public merchant acquirers, public payments tech companies, retailers, and trending payments topics.



[Click here to see the trend graphs.](#)

All graphs are confined to searches done in the United States within the web search option (i.e. not Google News or Images) between April 21st and April 28th 2014. Graphs do not represent absolute search volume numbers, because the data is normalized and presented on a scale from 0-100. Each point on the graph is divided by the highest point, or 100. When there is not enough data, 0 is shown.

[MasterCard Strategy Seen Beating Visa in Target Win](#)

4/30/14 Bloomberg

MasterCard Inc. approach to making bank-card transactions more secure could give it a competitive edge, analysts said after Target Corp. awarded its portfolio to the company this week over larger rival Visa Inc. Target, which suffered a data breach during the holiday season, said its co-branded cards and in-house REDcards would use MasterCard's network and technology instead of Visa's.

[PayPal's New Logo Hints at Its More Mobile Future](#)

the Courier editor) became a media phenomenon, with London newspapers sending correspondents to Scotland and a circus offering a 20,000 pound sterling reward for capture of the beast.

Loch Ness, located in the Scottish Highlands, has the largest volume of fresh water in Great Britain; the body of water reaches a depth of nearly 800 feet and a length of about 23 miles. Scholars of the Loch Ness Monster find a dozen references to "Nessie" in Scottish history, dating back to around A.D. 500, when local Picts carved a strange aquatic creature into standing stones near Loch Ness. The earliest written reference to a monster in Loch Ness is a 7th-century biography of Saint Columba, the Irish missionary who introduced Christianity to Scotland. In 565, according to the biographer, Columba was on his way to visit the king of the northern Picts near Inverness when he stopped at Loch Ness to confront a beast that had been killing people in the lake. Seeing a large beast about to attack another man, Columba intervened, invoking the name of God and commanding the creature to "go back with all speed." The monster retreated and never killed another man.

[Click here to read more.](#)

4/30/14 Wired

In the 15 years PayPal has been handling our money, there's been little change in how it presents itself to the world. The company's technological advancements—things like Beacon and PayPal Here—have been downplayed by its visual steadfastness over the years. "If you stop people on the street and ask them if they know PayPal, invariably they will say yes," says David Marcus, president of PayPal. "But when you start asking questions about how it works or what it does for you, you start getting very different levels of understanding."



Square Now Lets Merchants Collect Payments Offline And In Advance For Order Pickup

4/29/14 TechCrunch

Square has long talked about adding more features to its point of sale system to make it more attractive for large and small merchants to use, and for their customers as well. The company even bought Bookfresh to offer booking services for merchants. Now, the payments company is debuting its order ahead and pickup tool, offline mode and inventory tracking for merchants.

Visa Promises Lower Fees, Fewer Rules

4/30/14 ISO & Agent

Visa Inc. is lowering or eliminating many of its merchant acquirer fees for merchants who generate less than \$15,000 in annual gross Visa sales. The card brand also plans to eliminate up to half of its operating rules, Visa CEO Charlie Scharf told analysts during the company's recent second-quarter earnings conference call. Meanwhile, Visa continues its push for industry collaboration on security and the EMV transition.

How Much Is Square Really Worth?

4/28/14 PYMNTS

Jack Dorsey was quite literally the face that launched millions of micro-merchants and an entirely new segment of payments in 2009. His Square device, initially branded Squirrel, was an ingenious way to turn a mobile phone into a cheap, wireless point of sale device. It has inspired hundreds of copycats around the world and given birth to a new payments vocabulary word - mPOS. PYMNTS tracks the activities of some 151 players in the mPOS space as part of our mPOS Tracker and the space is now quite active on a worldwide basis.



Mobile Payments

Meet Your Bitcoin ATM: Digital Currency Crazy Hits Seattle, With Help from Startup Vets

5/01/14 GeekWire

Seattleites have a new and easy way to buy and sell Bitcoin. The city's first-ever Bitcoin ATM went live today at the Spitfire Grill in Belltown, allowing people to make secure transactions with the volatile cryptocurrency that has been making headlines for the past year or

so. The ATM, open seven days a week from 11 a.m. to 10 p.m., scans your palm and allows you to exchange cash for Bitcoin, or do the reverse. Customers can make up to \$3,000 worth of Bitcoin exchanges per day.

HCE vs. BLE: Which has the Bigger In-Store Potential?

5/01/14 Mobile Commerce Daily

The battle is on to transform the in-store shopping experience leveraging mobile technology, with host card emulation-enabled NFC and Bluetooth Low Energy beacons at the forefront. A surge of new services using NFC to enable in-store payments and engagements are expected later this year following Android's introduction last year of the cloud-based HCE protocol, which does not require access a secure chip in phones.

Few Consumers Are Buying Promise of Mobile Wallets

4/27/14 The New York Times

Millions of Americans use smartphones for tasks like hailing a taxi or checking in for a flight. But for buying something in a store? That mostly remains a tech entrepreneur's dream. For years now, the promise of a so-called mobile wallet - in which paying in person can be as simple as hitting a button on a phone - has led to a host of American start-ups trying to cash in.

Walgreens Launches iBeacon Pilot to Bolster Coupon Personalization

5/02/14 Mobile Marketer

A Walgreens executive at the Mcommerce Summit: State of Mobile Commerce 2014 revealed that the company launched an iBeacon pilot program in several Duane Reade stores in New York earlier this week. One of the main takeaways from the "Earning Customer Loyalty in a Mobile World" session is the growing role that in-store experiences are playing in helping Walgreens build out a mobile strategy. The decision to launch the iBeacon pilot is based on findings from Walgreens that the average in-store, online and mobile shopper spends six times more than the average store-only shopper.

SIMalliance Speaks Out on Host Card Emulation

4/29/14 EssentialRetail

The advent of host card emulation (HCE) within the payments ecosystem will increase the breadth and number of near-field communication (NFC) services available and drive wider adoption of the technology, but security concerns remain. These are the views of SIMalliance, a not-for-profit organisation promoting the role of the secure element (SE) in delivering mobile applications and services, which published a new paper on Tuesday, discussing the areas where HCE is best suited within the mobile payments space.

Bitcoin's Promise Goes Far Beyond Payments

4/24/14 Harvard Business Review

Digital currencies like Bitcoin have captured the attention of the media, entrepreneurs, and regulators. The coverage has described exchange meltdowns, price volatility, and government crackdowns. However, the focus on Bitcoin as a currency may distract businesses and governments from its disruptive impact: as a technology.



NOMIS n
FORUM 2014

**LEARN MORE /
REGISTER**

**Join us to consider how to combat
the challenges of a Price War.**

May 28 - 29, 2014

Regulation & Security

Target Hires New CIO

4/29/14 Bank Info Security

Target Corp. on April 29 announced the appointment of a new CIO in the wake of the massive breach late last year that compromised 40 million credit card numbers and impacted personal information of an additional 70 million customers. Bob DeRodes will lead Target's information technology transformation, effective May 5, the company says. DeRodes will assume oversight of the Target technology team and operations, with responsibility for the ongoing data security enhancement efforts as well as the development of Target's long-term information technology and digital roadmap.

Want to Lose Customers? Lose Their Data

4/29/14 MarketWatch

When it comes to banks or financial institutions, the fallout from breaches is slightly less pronounced: Nearly a quarter of those affected will say goodbye and switch institutions, according to the study released Tuesday by Javelin Strategy & Research, which was commissioned by Identity Finder, a data management company. The research offers more evidence that customers do not take mishaps with their personal information lightly.

Is Personal Data Privacy Going, Going, Gone?

4/28/14 Portals & Rails

Since last December, it seems that not a week has gone by without a headline about another breach of consumers' payment or personal data. These articles-which are no longer limited to banking or IT industry publications-have created both weariness and concern among consumers. The market research firm GfK conducted a national survey of U.S. consumers in March 2014 to measure the impact of these breaches and better understand how consumers view and manage their personal data.

Facebook, U.S. Bank Say They Keep Customers in Control of Data

4/28/14 American Banker

Facebook knows that if it misuses consumer data, it will scare its users off. But the social network also knows that by keeping consumers aware of what it is doing and giving them a chance to opt out, it can fundamentally change the way advertisers such as card issuers do business. "You own your data. It's sharable, but it's yours," says Deepanjan De, client partner for financial services at Facebook.

'Dark Wallet' Wants to Make Bitcoin Even Harder to Trace

5/01/14 PCWorld

A group of coders has launched a Bitcoin wallet that will make it more difficult to trace transactions using the digital currency. Dark Wallet is a browser app for bitcoin payments that uses both encryption and CoinJoin technology. CoinJoin essentially mixes multiple bitcoin transactions, selected at random, as one transfer of funds and conceals the original payers.



Economy

Economy Adds 288,000 Jobs in April, Unemployment Rate Down to 6.3%

5/02/14 LA Times

Hiring surprisingly surged last month as the economy added 288,000 net new jobs – the best performance in more than two years – and the unemployment rate dropped to 6.3%, its lowest level since September 2008, the Labor Department said Friday. Job-creation figures for February and March were also revised upward by a combined 36,000, meaning the economy has added a monthly average of about 214,000 positions this year. The revised figure for March was 203,000.

[Check out this graph posted on The Washington Post](#) showing *Percent Job Losses in Post WWII Recessions*.

China Could (By One Measure) Pass U.S. As No. 1 Economy This Year

4/30/14 NPR

China is poised to surpass the United States this year as the world's biggest economy, says an estimate released Wednesday by the . The U.S. has held the top position since 1872, when it took the spot from Britain. Economists had previously estimated that China would overtake the U.S. sometime in the 2020 or later. So does this mean that China will henceforth be referred to as the world's largest economy? Not so fast.

How Not to Be Misled by the Jobs Report

5/01/14 The New York Times

We obsess far too much on the Labor Department's monthly jobs report. Think about it this way: It's the first Friday of the month, and the Labor Department has bad news: The economy has added a mere 64,000 jobs last month, a steep slowdown from 220,000 the month before. From Wall Street to Twitter, the reaction is swift and negative.



Payments Press

Tim Tynan New CEO, Kevin Race CFO at Bank of America Merchant Services

5/01/14 The Green Sheet

Bank of America Merchant Services, the No. 1-rated electronic payments processor in the United States, announces today the appointment of Tim Tynan as CEO and Kevin Race as CFO. Both will begin their new roles effective May 1. "We are pleased to add Tim and Kevin's strong financial services experience to our leadership team and their combined expertise will help drive Bank of America Merchant Services to the next level of

success," said Patricia Clement, Bank of America global corporate services executive and Bank of America Merchant Services' management committee member.

WorldPay Buys Cobre Bem Tecnologia

5/01/14 Finextra

Worldpay Group today announced that it has acquired Cobre Bem Tecnologia, a leading provider of payment solutions in Latin America, for an undisclosed amount. With this transaction, Worldpay's eCommerce division will further strengthen its global reach, giving its customers access to a wide range of payment products in Brazil, Argentina, Colombia, Chile and Mexico.



First Data Reduces Loss Despite Merchant-Acquiring and Debit Card Headwinds

4/30/14 Digital Transactions

Leading payment card processor First Data Corp. on Wednesday lost less money in the first quarter than it did a year earlier despite price compression in its merchant-acquiring business and slow debit card transaction growth. Atlanta-based First Data typically posts an operating profit but a net loss after paying interest on the massive debt it incurred from its \$29 billion leveraged buyout by Kohlberg Kravis Roberts & Co. in 2007. For 2014's first quarter, the net loss was \$200.5 million, a 41% improvement from \$337.4 million a year earlier.

MasterCard Incorporated Reports First-Quarter 2014 Financial Results

5/01/14 MasterCard

MasterCard Incorporated announced financial results for the first quarter of 2014. The company reported net income of \$870 million, up 14%, and earnings per diluted share of \$0.73, up 18%, in each case versus the year-ago period. Net revenue for the first quarter of 2014 was \$2.2 billion, a 14% increase versus the same period in 2013, both as-reported and adjusted for currency.

Heartland Payment Systems Reports First Quarter 2014 Adjusted Earnings Per Share Increase to \$0.52

4/30/14 Heartland Payment Systems

Heartland Payment Systems, Inc., one of the nation's largest payment processors, today announced Adjusted Net Income and Adjusted Earnings per Share from continuing operations of \$19.4 million and \$0.52, respectively, for the quarter ended March 31, 2014. Adjusted Net Income and Adjusted Earnings per Share from continuing operations for the quarter ended March 31, 2013 were \$19.4 million and \$0.51, respectively.

VeriFone and First Data Bring End-to-End Encryption and Tokenization to Gas Stations and Convenience Stores

4/29/14 VeriFone

VeriFone Systems, Inc. and First Data Corporation announced today the launch of the VeriFone edition of the First Data® TransArmor™ solution for U.S. multi-lane and petroleum merchants. The TransArmor, VeriFone edition, is an end-to-end encryption and tokenization solution that is a result of a partnership between VeriFone and First Data to address retailers' need for enhanced payment security.

Real-Time, ACH Payments Will Become Reality Within the Next Two Years

4/30/14 BusinessWire

Every day, billions of dollars are caught in non-real-time ACH money transfers across the globe. But according to a recent survey by ACI Worldwide, market experts believe real-time ACH payments will become a reality in the U.S. within the next two years. The survey of 120 financial industry professionals was conducted in April 2014 at the NACHA Payments conference.

Mobile App Security Giant Teams with North American Bancard

4/29/14 Mobile Marketing Watch

Ahead of the weekend, Mobile Marketing Watch was privy to news that only became official this morning. On Tuesday, Moki, a leader in mobile app security and operations, formally announced that it has partnered with North American Bancard (NAB) to secure and manage its mobile point-of-sale experience.

Small Bank Looks for Big Splash with Its Own Real-Time Payments System

4/30/14 BTN

As banks all over the country debate the merits of faster payments, Independence Bancshares of Greenville, S.C., is forging its own real-time payments platform. The real-time capability, which is scheduled to go live this summer, would put the \$109 million-asset bank ahead of most of its peers; the industry typically settles transactions in overnight batches. Many banks' core banking systems are more than 20 years old. Only a small number have systems that can handle straight-through, real-time transactions.

What is Paym? Banks Challenge PayPal with Mobile Payments Service

4/29/14 International Business Times

Look out PayPal - UK banks are getting serious about mobile payments and have launched Paym, a new mobile payments service that lets users send money instantly using just their mobile number. The most common way to pay friends back remotely is by using PayPal's app, which transmits money to the recipient's email address, which is tied to their bank account. But this only works if both the payer and the payee use PayPal and the service charges fees over a certain amount.

2Checkout, Shopify Enable Retailers to Expand into Foreign Markets

4/30/14 The Paypers

2Checkout, a global online payments provider, has been selected by Shopify, a commerce platform, to integrate its global payments option into the latter's platform. 2Checkout's payments service will be highlighted within Shopify's platform in countries where their own payment solution is not available. At the same time, Shopify's platform will be available to existing 2Checkout customers, providing a commerce system on which to build their online stores.

Robocoin Is Leading The Way With The First ATM-Based "Bitcoin Banks"

5/01/14 TechCrunch

Robocoin, a popular bitcoin ATM provider, is announcing that they're upgrading all of their ATMs to turn them into full service "banks" complete with account control, payment systems, and a method for handling multiple wallets. The ATMs will still support deposits and withdrawals into private Bitcoin wallets as well as manage transfers.

Qualcomm Spins Off its Gimbal Bluetooth Beacon Biz into

a Separate Company

5/01/14 GigaOM

Qualcomm only started selling Gimbal, its take on Apple's iBeacon, in December, but just a few months later it has decided to let the Bluetooth proximity beacon fend for itself as part of a separate company. Qualcomm said Wednesday it has found third-party investors for its Gimbal business and will spin it off into an independent company called Gimbal Inc., though it will remain a "substantial" investor.

FTS' Smart Payments Enabling Solution Selected to Support Global E-Commerce Merchant Acquirer

4/30/14 FTS-Soft

FTS, a global provider of billing and payments solutions, today announced that its Smart Payment Enabling™ Solution has been selected by a US-based international acquirer focused on the e-commerce and m-commerce payment processing arena. The new customer has selected FTS' Smart Payments Enabling Solution in order to revamp the commissioning and settlements processes at the heart of its payment processing and acquiring platform.

Ingenico: Outstanding Performance in the First Quarter of 2014

4/30/14 Nasdaq

Philippe Lazare, Chairman and CEO of Ingenico, commented: "In the first quarter, Ingenico's business activity has seen remarkable growth across all regions in which we operate. This performance is mostly based on our unique competitive positioning in a stronger market than expected.

Yelp Can Now Show if a Business Accepts Bitcoin

4/28/14 NewsBTC

For bitcoin users and enthusiasts eager to spend their coins at businesses they love, the feature is somewhat of a godsend. Scores of consumers scope reviews on businesses on Yelp (and competing websites) before forking over their money, and enthusiasts who see that a business accepts bitcoin may make them more likely to pay a visit.



THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



Copyright © 2014 The Strawhecker Group. All Rights Reserved. Unless noted, TSG does not take responsibility for content or opinions. Articles are sourced as appropriate throughout.

'SafeUnsubscribe' below will remove you from all TSG communications, this includes email blasts as well as NewsFilter. Please be aware of this before you choose to unsubscribe. Thank you, we appreciate your continued readership.