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THE STRAWHECKER GROUP  
The Trusted Advisor To The Payments Industry



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## Trending This Week...

According to a new survey [consumers view EMV as mysterious but useful](#), as nearly 90% of U.S. consumers don't know much about EMV. Consumers also mentioned a lack of trust in mobile wallet payments preferring the method of using a PIN with a plastic card. [EMVCo also published the latest EMV chip deployment figures this week.](#)

Another one bit the dust at Target this week as their [CEO abruptly resigned](#) in the wake of their massive data breach.

Other highlights include:

- [Square Turned Dollars into Data, Now it'll Turn that Data into Gold](#)
- [Fed Approves Bitcoins for Campaign Contributions](#)
- [Tweet to Buy: How Amazon and Twitter's Social Shopping Cart Works](#)
- [Putin Passes Law Requiring \\$3.8bln Security Payments from Visa, MasterCard](#)

## Featured

### [Website Homepages of the Top 25 U.S. Merchant Acquirers](#)

TSG Metrics

This free report displays [screenshots of the homepages of the top 25](#)

[Transaction Advisory](#)

[Acquisition Multiples & Attrition Summary](#)

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[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

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[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: 1950

[L. Ron Hubbard Publishes Dianetics](#)

On this day in 1950, Lafayette Ronald Hubbard (1911-1986) publishes Dianetics: The Modern Science of Mental Health. With this book, Hubbard introduced a branch of self-help psychology called Dianetics, which quickly caught fire and, over time, morphed into a belief system boasting millions of subscribers: Scientology.

Hubbard was already a

[U.S. merchant acquiring companies listed in TSG's Directory of U.S. Merchant Acquirers](#)

### Purpose:

- To provide quick insight to merchant acquirers on their top competitors' website homepages
- A website is one of the most public images of a company and can provide competitive awareness

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

## Square Turned Dollars Into Data. Now It'll Turn That Data Into Gold

*5/09/14 Wired*

If you want to build a sports stadium that generates lots of money not just for the team, but also for local businesses in the surrounding area, build it in a part of town that's pedestrian-friendly. At least that's what data from Square indicates. WIRED asked the payment-processing company to look at the sales data collected from the areas surrounding several baseball stadiums on opening day. Then, we cross-referenced the sales data with how well or poorly those stadiums performed in WalkScore, the website that ranks physical properties by how accessible they are to pedestrian foot traffic.

## Feds Approve Bitcoins for Campaign Contributions

*5/09/14 USA Today*

Bitcoin, the fast-growing digital currency, is coming to political campaigns. The Federal Election Commission (FEC) unanimously approved its use as a political donation Thursday, after months of debate on the issue. Commissioners imposed several conditions. Among them: No anonymous bitcoin contributions will be allowed, and campaign treasurers must scrutinize the donations for "evidence of illegality." Jim Harper, global policy counsel of the industry's Bitcoin Foundation, said the FEC's move lends further legitimacy to the computer-generated currency.

## The Target Breach, By the Numbers

*5/06/14 KrebsSecurity*

News that Target's CEO Gregg Steinhafe is stepping down has prompted a flurry of reports from media outlets trying to recap events since the company announced a data breach on Dec. 19, 2013. Sprinkled throughout those reports were lots of numbers, which got me to thinking about synthesizing them with some of the less-reported numbers associated with this epic breach.

## Public Finds EMV Mysterious But Useful

*5/07/14 ISO & Agent*

The Target data breach has sparked more awareness of card security issues, but nearly 90% of U.S. consumers responding to a Phoenix Marketing International survey don't know much about the EMV-chip cards Target and others are adopting to deter counterfeiting. In addition, consumers don't trust contactless or mobile wallet payments through smartphones, preferring the security method of using a PIN with a plastic card, according to Phoenix Marketing's recent research on credit card security and the impact of chip-based cards.

## The End of a Monopoly

*5/09/14 The Economist*

The Self-Service tills at Home Depot, an American home-improvement

prolific and frequently published writer by the time he penned the book that would change his life. Under several pseudonyms in the 1930s, he published a great amount of pulp fiction, particularly in the science fiction and fantasy genres. In late 1949, having returned from serving in the Navy in World War II, Hubbard began publishing articles in the pages of Astounding Science Fiction, a magazine that published works by the likes of Isaac Asimov and Jack Williamson. Out of these grew the elephantine text known as Dianetics: The Modern Science of Mental Health.

In Dianetics, Hubbard explained that phenomena known as "engrams" (i.e. memories) were the cause of all psychological pain, which in turn harmed mental and physical health. He went on to claim that people could become "clear," achieving an exquisite state of clarity and mental liberation, by exorcising their engrams to an "auditor," or a listener acting as therapist.

[Click here to read more.](#)

store, offer customers an unexpected payment option alongside cards and cash: PayPal, an online-payments service that is trying to muscle into the offline sort. Users simply enter their phone number and a personal code; electronic magic takes care of the rest. Money is deducted from the user's PayPal account and a receipt with details of the transaction is sent to their e-mail address. Purses or wallets do not come into it.



## Mobile Payments

### PayPal Is Quietly Killing Off A Confusing Way To Pay In Stores

*5/06/14 Readwrite*

PayPal has stopped promoting its Payment Card to consumers and erased most references to it from its website, and may soon discontinue it. The card, a magnetic-stripe plastic card similar to credit and debit cards in appearance but linked to a PayPal account, will still be honored by merchants who accept it, according to a company spokesperson. "If a customer chooses to use a PayPal payment card, they can easily request one through the PayPal.com site, or contact customer service," PayPal's Chris Morse told us.

### Tweet to Buy: How Amazon and Twitter's Social Shopping Cart Works

*5/05/14 The Wall Street Journal*

In a partnership between Amazon and Twitter, users of both get a unique-albeit fairly specific-ability: If you spot an Amazon product link on Twitter, you can now add it to your shopping cart just by responding to the tweet with the hashtag #AmazonCart. In order for this to work, of course, you have to connect your Amazon account to your Twitter account-which you can do at [amazon.com/AmazonCart](http://amazon.com/AmazonCart). Once you've replied to a link, the item will appear in your cart the next time you visit Amazon's site.

### LevelUp Moves to New Office, Adding Employees and Partners

*5/07/14 Boston Herald*

Mobile payments company LevelUp has increased its user base and headcount quickly in the past four months and has moved to a new office in Downtown Crossing. "Since January, we've grown about 15 percent and in the process moved to new offices in Downtown Crossing," said Matt Kiernan, marketing director for LevelUp. The company said it has 1.5 million users, and active users - users with five or more purchases in a month - have increased 35 percent since January, from 80,000 to 110,000.

### BitcoinWallet Aims to Make Digital Currency More Social, Transparent

*5/09/14 PaymentsSource*

Longtime friends and business partners Alex Charfen and Price Givens have formally launched BitcoinWallet.com, which they plan to market as a social, consumer-friendly and transparent digital currency wallet. "It's the first [Bitcoin] site where commerce and community connect," says Alex

Charfen, co-founder of BitcoinWallet. "Other sites that have done this, they're successful for a reason. Put a human connection to commerce and suddenly it becomes more intriguing."

### [Google Wallet is Said to be Landing on Google Glass](#)

5/05/14 CNET

With a couple of gestures and a voice command, Glass users could soon send money to friends via their wearable device. According to TechCrunch, Google is planning to debut Google Wallet on Google Glass. Inside sources told the news site that the company is already well into testing the system internally and reportedly has plans to rollout the service to all Glass users shortly.

### [Don't Trust Bitcoin Startups That Centralize Everything](#)

5/06/14 TechCrunch

Peter Smith of Blockchain.info and Susan Athey of Stanford University took the stage at Disrupt NY to update everyone on the state of bitcoin. In the last few months, Mt.Gox collapsed, bitcoin has lost half of its value. Can bitcoin survive following the current reality check? According to our two experts, bitcoin as a whole is here to stay. But Mt.Gox may have shown us that there is a wrong way of handling bitcoins - the Mt.Gox way.



## [Regulation & Security](#)

### [Steinhafel's Departure Leaves Target Looking for IT Redemption](#)

5/07/14 FierceRetailIT

Heads continue to roll at Target in the wake of its massive data breach. CEO Gregg Steinhafel abruptly resigned and while Target's data breach wasn't the only reason, it certainly was a contributing factor. Steinhafel's sudden departure helps reinforce the growing importance of IT security and systems in the upper reaches of the executive offices. A good many pundits are pointing to the data breach that compromised the account information for approximately 70 million Target shoppers as the reason for Steinhafel's departure.

### [U.S. Judge: DOJ Merchant Anti-trust Case Against Amex May Proceed](#)

5/08/14 PYMNTS

A federal judge on May 7, ruled that an antitrust lawsuit brought by the Justice Department and several states challenging merchant rules imposed by American Express Co. may proceed to trial. Filed in 2010, the lawsuit alleges Amex's rules prevent merchants from offering consumers discounts and incentives to use less-expensive forms of payment. The Justice Department also had sued Visa and MasterCard, and both quickly settled. In a statement, Amex noted that the court ruled that it would have to hear all the evidence at trial before making a decision in this case.

### [Putin Passes Law Requiring \\$3.8Bln Security Payments From Visa, MasterCard](#)

5/06/14 The Moscow Times

International payment systems Visa and MasterCard will be forced to provide Russian authorities with multi-billion dollar security deposits if they wish to continue working in the country beyond July 1, under a law signed by President Vladimir Putin, the Kremlin press service said Monday.

### Card Breaches Catalyst for More Info Sharing

*5/08/14 Bank Info Security*

Major breaches at retailers, including Target Corp. and Neiman Marcus, will likely be catalysts for enhanced information sharing across the retail and banking sectors, says Mike Braatz, senior vice president of payments risk management for ACI Worldwide, an electronic payments company. But Braatz says most industries aren't yet very close to implementing effective cross-sector information sharing.



## Economy

### Yellen Won't Be Pinned Down on Plans

*5/07/14 The New York Times*

Janet L. Yellen, the Federal Reserve chairwoman, told Congress on Wednesday that the economy was growing at a decent rate and that the Fed intended to continue the stimulus campaign that it considered at least partly responsible. Central bankers are paid to worry, and Ms. Yellen also delivered a laundry list of things that could go wrong: The housing recovery has stalled, geopolitical tensions are rising, some asset prices are perhaps a little too high.

### Labor Force Participation Rate for 25-29 Year Olds Hits Record Low

*5/06/14 CNSNews*

The labor force participation rate in April 2014 for Americans ages 25 to 29 hit the lowest level recorded since 1982, when the Bureau of Labor Statistics (BLS) started tracking such data. The labor force participation rate, which is the percentage of the civilian non-institutional population who participated in the labor force by either having a job during the month or actively seeking one, hit a record low in April 2014 of 79.8%.

### Three Signs the Economy's Still Hurting

*5/06/14 MSN Money*

To the uninitiated, Friday's jobs report probably looked pretty good. Payrolls jumped by 288,000 (vs. the 215,000 that was expected) while the unemployment rate dropped to 6.3 percent (from 6.7 percent previously). The payroll gain was strongest initial result in almost four years. But Braatz says most industries aren't yet very close to implementing effective cross-sector information sharing.



## Payments Press

### The Strawhecker Group Seeks ISO Owners Interested in Selling

The Strawhecker Group (TSG), a management consulting company focused on the payments industry, is seeking ISO owners interested in selling. The U.S. Merchant Acquiring transaction market is currently extremely active. TSG is assisting sellers and buyers connect as well as by providing transaction support services to assist both parties achieve their objectives.

TSG has recently been engaged by several firms to identify ISO and merchant acquiring business acquisitions and capital partnerships.

If you are interested in pursuing a potential transaction, please contact TSG at [Acquisitions@TheStrawGroup.com](mailto:Acquisitions@TheStrawGroup.com) and indicate number of merchants and front/back-end processor(s).

### EMVCo Publishes Latest EMV Chip Deployment Figures

*5/08/14 Payments Card & Mobile*

EMVCo, facilitates worldwide interoperability and acceptance of secure payment transactions by managing and evolving the EMV chip Specifications and related testing processes. The latest figures, which reflect data from Q4 2013, are the first to be released by EMVCo since welcoming Discover and UnionPay as new member-owners in 2013, and are based on a compilation of data submitted by each member financial institution.

### TSYS Chooses ShopKeep to Offer Simple, Smart Point-of-Sale Technology in the Cloud

*5/06/14 TSYS*

TSYS® announced expansion of its cloud and tablet-based point-of-sale technology offerings by forming a strategic partnership with ShopKeep® POS. Designed and built by an experienced small business owner, ShopKeep makes it simpler for active and aspiring retail shop and restaurant owners across the country to start, manage and grow a successful business all from an iPad.

### Chase Rolls Out Mobile Dashboard for Merchants

*5/08/14 Bank Systems & Technology*

Chase Paymentech a merchant acquirer, payment processor and subsidiary of JPMorgan Chase, announced the launch of its Mobile Dashboard, an interactive reporting display that provides merchants using an iPad with a snapshot of their payment account activity on the go. Using the dashboard, merchants can view historical transactions, settlement and funding overviews, chargebacks and fees as part of their Chase merchant account.

### Revel Systems iPad POS Launches First Pop-Up Store for Local Merchants and Makers in Ghirardelli Square

*5/08/14 PRNewswire*

Revel Systems, the leader in iPad point-of-sale (POS) solutions today announced the opening of their first pop-up store in historic Ghirardelli Square, San Francisco. The initiative is a joint effort between Revel Systems and PopUpShopUp. The Revel pop-up store will be a multi-use space hosting a variety of QSR & retail businesses that Revel has invited to be given the opportunity to have a physical store for the first time.

### Harbortouch POS System Featured on Spike TV's "Bar

## Rescue"

*5/05/14 HarborTouch*

Spike TV's hit series "Bar Rescue" features bar and nightclub authority Jon Taffer and his team of experts who revamp struggling bars nationwide. In the episode that aired on Sunday May 4, Jon and his team installed three Harbortouch Elite POS systems at Thirsty's Roadside Bar in Grand Prairie, TX in order to improve the bar's operations and help boost its bottom line.

## Worldpay US Launches New Brand Worldwide

*5/06/14 Worldpay*

Worldpay, one of the recognized leaders in the payments processing industry, announced today the launch of its new corporate brand. The rebranding, which will include a new website and an updated logo, will roll out in phases starting in the United States in May and ending in the United Kingdom later this year.

## FIS and Fiserv Say They're Studying Bitcoin

*5/07/14 BTN*

While Jamie Dimon and Warren Buffett express doubts about bitcoin, executives running the financial industry's back offices are looking at mimicking the virtual currency's methods of moving money quickly and cheaply. FIS, a provider of systems used by banks to handle payments, is examining whether a public ledger like bitcoin's could help securely move funds on existing networks, Fred Brothers, the firm's chief innovation officer, said in an interview. Fiserv Inc., a provider of technology for payments and accounts, is examining bitcoin's use of encryption to ensure transfers are secure, said Marc West, a senior vice president.

## PAAY Safeguards Your Mobile Wallet with USAePay Payment Gateway Integration

*5/07/14 PRWeb*

PAAY, the simple way to make purchases online, has integrated with USAePay's secure payment gateway to further safeguard online checkouts using the innovative mobile wallet service. Delivering a safe, fast and simple online payment service to merchants and a secure mobile wallet to consumers, using PAAY bypasses the often lengthy online checkout process while remaining mobile safe.

## CHARGE Anywhere mPOS Solutions Visa Ready Approved

*5/08/14 The Paypers*

CHARGE Anywhere, US provider of mobile payment and payment gateway services, has unveiled that its mPOS solutions have been approved by the Visa Ready Program. The Visa Ready Partner Program for mPOS is designed to enable device manufacturers, application developers, merchants and acquirers to build and implement an enhanced mobile point-of-sale experience. CHARGE Anywhere's mobile payment application with chip & PIN and magnetic stripe transaction capture meet Visa's requirements.

## Mobile POS, NCR Silver™ Makes Accounting Easy with Simple Tools and QuickBooks® Integration

*5/08/14 MarketWatch*

NCR Corporation, the global leader in consumer transaction technologies, today announced that the NCR Silver iPad® point-of-sale (POS) system for small business has been integrated with Retail Intel, a cloud-based service that automatically pulls sales data directly from the NCR Silver platform to QuickBooks®. By eliminating the need for time-consuming daily journal entries, the integration will save businesses countless hours on manual tasks and significantly improve operational

efficiency and accuracy.

### **iZettle - More Fuel for Growth**

*5/09/14 iZettle*

We're very happy to announce that we've closed a €40 million Series C funding round that will help us make iZettle better, more complete and more accessible than ever before. Lead investors Zouk Capital, and participating investors from Dawn Capital and Intel Capital are joining our team of Series A and B investors to make sure we're in the best place possible to continue growing iZettle.

### **Boku Signs Global Mobile Payments Partnership with Deutsche Telekom Group**

*5/08/14 BusinessWire*

Boku, Inc., the global leader in carrier billing-based mobile payments, announced an agreement with Deutsche Telekom Group, one of the leading mobile network operators in Europe. The partnership expands on a previous agreement between the two in Germany, Deutsche Telekom's primary market, to cover the MNO's entire user base in Europe of over 140 million subscribers across 14 different markets.

### **Leaf Names Sarah McCrary New CEO**

*5/06/14 The Green Sheet*

Leaf, creator of a mobile Point of Sale (POS) tablet specifically designed for commerce, today announced the appointment of Sarah McCrary as its CEO. Formerly COO of Leaf, McCrary succeeds CEO Aron Schwarzkopf as he departs Leaf for new ventures. McCrary will build on the company's recent success by further executing on its vision for delivering an open and flexible technology platform that simplifies the lives of small business owners.

### **BitPay Is Raising \$30M At A \$160M Valuation From Index, Richard Branson**

*5/08/14 TechCrunch*

We're hearing that BitPay, a platform that processes payments in bitcoin for merchants, is raising the field's biggest round yet. The company is raising \$30 million on a roughly \$160 million valuation in a round led by Index Ventures, with Richard Branson and Yahoo co-founder Jerry Yang participating. BitPay declined to comment.

### **Alibaba Bets on a Growing Chinese Economy and New Consumers**

*5/07/14 The New York Times*

When American tech upstarts float their companies on the stock market, they often sell investors on a familiar dream - "disrupting" an existing industry. It doesn't matter if the industry is advertising, software, commerce or some other sector. The start-up will usually claim that its business is a great technological leap forward that will greatly lower costs and improve service for customers and leave rivals unable to respond. Therefore, buy some stock.







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