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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

This week TSG has released another free report for the industry, [a look at social media pages of the Top 25 U.S. Merchant Acquirers](#) - providing quick insight into their social media metrics.

In other news, [ETA released a mobile payments industry whitepaper](#) to advance the deployment of mobile wallets through industry best practices that can make mobile payment transactions a robustly secure and reliable means of making payments.

Other highlights include:

- [Why American Express Wants to Kill Credit Cards](#)
- [Square Now Lets Vendors Send Invoices to Collect Payments](#)
- [Shoppers Stop Buying Online After Breaches](#)
- [Yes, You Should Care About Reaching Profitability](#)

NEW REPORT: TSG's Gateway Analysis

TSG's latest report offers a side-by-side look at leading gateway providers. [See a preview of every page of this report.](#)

What is this report?

This report offers a detailed look at leading U.S. gateway providers, their feature/functionality, and other useful details.

How was it completed?

For this analysis, TSG utilized various industry contacts as well as its proprietary Merchant Processing Pricing Benchmark Study.

Why is this useful?

This report provides valuable insight for gateway providers, gateway users, and gateway partners.

The price is \$3,850. Please email Info@TheStrawGroup.com

[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](#)

[Analysis: Vantiv's Acquisition of Mercury](#)

This Day in History: 1944 D-Day

Although the term D-Day is used routinely as military lingo for the day an operation or event will take place, for many it is also synonymous with June 6, 1944, the day the Allied powers crossed the English Channel and landed on the beaches of Normandy, France, beginning the liberation of Western Europe from Nazi control during World War II. Within three months, the

with questions. Following payment, TSG will email a PDF copy of the report.

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Featured

[Social Media Pages of the Top 25 U.S. Merchant Acquirers](#)

6/06/14 TSG

This free report displays screenshots of social media pages managed by the top 25 U.S. merchant acquiring companies listed in TSG's Directory of U.S. Merchant Acquirers.

Purpose:

- To provide quick insight into the top merchant acquirers' social media metrics

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

Related:

- [Website Homepages of the Top 25 U.S. Merchant Acquirers](#)
- [Trends of Payments Industry Google Search Terms](#)

[Why American Express Wants to Kill Credit Cards](#)

6/05/14 Wired

Leslie Berland has a curious job. She's paid to think about all the ways to make her company's flagship product obsolete. Berland leads digital partnerships and development at American Express, the company that pioneered the notion that a piece of colored plastic could not only buy stuff but raise your social status. In the future that Berland anticipates, a black card or a gold card won't mean any more than a purple card, because you won't have a card at all. Even American Express believes the plastic in our wallets eventually will go away.

[Electronic Transactions Association Releases Mobile Payments Industry Whitepaper](#)

6/02/14 ETA

The Electronic Transactions Association's (ETA) Processor Council today announced publication of an industry whitepaper to advance the deployment of mobile wallets through industry best practices that can make mobile payment transactions a robustly secure and reliable means of making payments. "The Processor Council of the Electronic Transactions Association worked hard on this industry collaboration to advance mobile payments deployment, and ETA is proud to provide its member companies the valuable research and information included in this paper," said Jason Oxman, CEO of ETA.

[The Spectacular Decline of Checks](#)

6/05/14 The Atlantic

The usage of checks as a payment system has plummeted in the U.S. in recent years. In 2000, checks were used in more than 40 billion transactions, according to a recent report from the Federal Reserve's Cash Products Office. That number is down to less than 20 billion, according to the Fed's most recent numbers, which are based on a survey conducted in October 2012. When it comes to American payment preferences, checks run a distant fourth.

northern part of France would be freed and the invasion force would be preparing to enter Germany, where they would meet up with Soviet forces moving in from the east.

With Hitler's armies in control of most of mainland Europe, the Allies knew that a successful invasion of the continent was central to winning the war. Hitler knew this too, and was expecting an assault on northwestern Europe in the spring of 1944. He hoped to repel the Allies from the coast with a strong counterattack that would delay future invasion attempts, giving him time to throw the majority of his forces into defeating the Soviet Union in the east. Once that was accomplished, he believed an all-out victory would soon be his.

On the morning of June 5, 1944, U.S. General Dwight D. Eisenhower, the supreme commander of Allied forces in Europe gave the go-ahead for Operation Overlord, the largest amphibious military operation in history. On his orders, 6,000 landing craft, ships and other vessels carrying 176,000 troops began to leave England for the trip to France. That night, 822 aircraft filled with parachutists headed for drop zones in Normandy. An additional 13,000 aircraft were mobilized to provide air cover and support for the invasion. [Click here to read more.](#)

TSYS's Munto: For Acquirers and Merchants, It's a Good Time to Talk

6/05/14 PYMNTS

Merchant acquiring is going through a sea change. No longer is the goal simply to sign up new merchants. Independent sales organizations and others managing merchant relations now must have sophisticated conversations with their clients, essentially working with them as business-building partners. As such, the days of the one-dimensional, "show me your merchant statement and let me save you a couple tenths of a penny or let me provide a free terminal," strategy are over, according to Tim Munto, group executive, sales and client relations, at TSYS.

Though Facing Slim Odds, A Merchant Group Takes Its Durbin Case to the Supreme Court

6/03/14 Digital Transactions

Arguing that a federal appeals court "disregarded the plain letter of the statute," a group of merchants and merchant associations is preparing a request to the U.S. Supreme Court to review a case in which it is battling to overturn the Federal Reserve Board's interpretation of the Durbin Amendment's debit card interchange restrictions and routing rules. The merchant group on Friday filed a request with the high court asking for an additional 30 days to prepare its petition for a writ of certiorari, a technical requirement necessary for a Supreme Court review.

Goodbye To Simple Terminals?

6/04/14 ISO & Agent

The days of salespeople peddling point of sale terminals by simply pulling hardware out of a box are numbered. That model is being replaced by integrated payments from software developers who add payment capabilities to applications that run at the point of sale, in the back office or on mobile devices. When payment processor Vantiv Inc. acquired Mercury Payment Systems LLC this month, it made a \$1.65 billion bet in favor of the integrated payments model.



Mobile Payments

Square Now Lets Vendors Send Invoices to Collect Payments

6/05/14 Fast Company

Square started off with an easy-to-use dongle that allows merchants to accept credit cards with their mobile phones. But since 2009, the company has expanded beyond its original scope. Its line of products now includes Square Cash, which lets users email money to another person's bank account; Square Order, a feature that lets customers pick up purchases they ordered ahead of time; and Square Capital, cash advances for small businesses.

Safari in iOS 8 Uses Camera to Scan and Enter Credit Card Info

6/05/14 9to5 Mac

In iOS 8, Apple has a new feature in Safari that allows users to scan a credit card with the device's camera rather than manually entering the number when making a purchase online. When entering a credit card number into a form online to, for example, make a purchase, Safari already allowed users to quickly select credit cards stored in its Passwords & AutoFill settings.

Here's What Apple's iBeacon Really Is and Why It's Going to Change Everything

6/02/14 VentureBeat

Using Bluetooth to send ads between nearby devices sounds both boring and annoying. But that's exactly what Apple's iBeacon does - and Apple's not in the boring-and-annoying business. The ubiquitous iBeacon is Apple's portable, low-cost transmitter that notifies other iOS 7 devices of its presence. iBeacon has won raves because of its low power signatures and rapidity of sending push notifications to Apple hardware like the iPhone, iPad, and even iPods.

What Apple's Fingerprint ID Changes Mean for Its Big Mobile Payments Plans

6/03/14 Recode

No, Apple didn't unveil specific plans at yesterday's WWDC for how the iPhone will facilitate payments in stores and within other apps in the future. (That's likely because those plans are still very much a work in progress). But it did serve up an appetizer in the form of an update to how its Touch ID fingerprint authentication technology can be used going forward.

PayPal Moves Quickly To Integrate Apple's Fingerprint Reader Into Its Apps

6/05/14 Business Insider

PayPal is moving quickly to integrate the iPhone 5S fingerprint reader into its mobile payment apps. Yesterday, a team of PayPal developers attended a session on Touch ID, Apple's fingerprint-scanning system, at the company's annual Worldwide Developers Conference in San Francisco, a PayPal source told us. Touch ID would allow PayPal and other apps to authenticate users with a fingerprint scan rather than a typed password.

Apple Takes a Cautious Step Towards Bitcoin

6/03/14 TIME

As part of its ongoing developer conference this week, Apple has added a section to its developer guidelines regarding apps for virtual currencies, including, possibly, Bitcoin. If you look for Bitcoin apps in the App Store right now, you'll notice most of them are tickers that monitor Bitcoin's exchange rate. But if you use Bitcoin yourself and want to move some of that money around, there aren't any apps that'll let you do that just yet.

California Gets Hip to Bitcoin: Senate Banking Committee Approves Bill to Legalize Crypto-Currencies

6/05/14 Pando Daily

The state of California appears poised to become a lot more welcoming to bitcoin. A bill to officially legalize cryptocurrencies and other alternative forms of money, recently passed the California Assembly by a unanimous 75 to 0 vote and yesterday was approved by the state Senate Banking and Financial Institutions Committee by a 7 to 1 vote. The next step for the bill dubbed AB-129 Lawful Money is a full vote on the senate floor and then, possibly, a date with Governor Jerry Brown.

eBay CEO: PayPal Will Have to Integrate Digital Currencies

6/05/14 Coindesk

John Donahoe, CEO of online e-commerce marketplace eBay and its subsidiary PayPal, has once again hinted strongly that he sees the integration of bitcoin into his companies' offerings as inevitable. His new statements suggest that bitcoin may be more than simply on eBay's "radar screen" as he has previously suggested, and follow his May declaration at a shareholders' meeting that the company is "actively considering" integrating bitcoin into its online payment gateway, PayPal.



Regulation & Security

Going Beyond PCI Compliance

6/03/14 *Bank Info Security*

Ellen Richey, chief legal officer and enterprise risk officer at Visa, says card issuers, retailers, payments processors and others handling card data must go beyond PCI compliance if they expect to effectively fight fraud. "There are already best practices out there that go beyond the technical side of PCI," Richey says in an interview with Information Security Media Group.

Shoppers Stop Buying Online After Breaches

6/04/14 *FierceRetailIT*

Online retail sales may be hampered because of online and offline data breaches over the past few months, according to a new survey. Target's now infamous credit and debit card breach spooked many shoppers, as did hacks against online giants such as eBay, which compromised 112 million user accounts. Nearly 25 percent of Americans have temporarily stopped buying anything online in recent weeks, the USA TODAY survey found.

Target Board Defends its Role Before and After Data Breach

6/03/14 *StarTribune*

Under fire for its role in handling the data breach, Target's board defended itself to shareholders on Monday in a bid to hold on to its seats in voting at next week's annual meeting. In a letter sent to its largest investors, Roxanne Austin, the board's interim chairwoman, outlined the actions the Minneapolis retailer took before and after the data breach to protect customer data and asked them to re-elect the entire board.

Sam's Club to Use Security Chip in Credit Card

6/04/14 *Fox Business*

Sam's Club plans to launch a new credit card that uses chip-enabled security technology, as retailers put more focus on card safety after a recent string of data breaches. The card will be co-branded with MasterCard (MA) and issued by General Electric's (GE) retail finance unit. According to Sam's Club, it will be the first mass retailer to actively implement the chip technology.

Economy

[How the Recession Reshaped the Economy, in 255 Charts](#)

6/05/14 *The New York Times*

Five years since the end of the Great Recession, the private sector has finally regained the nine million jobs it lost. But not all industries recovered equally. Each line below shows how the number of jobs has changed for a particular industry over the past 10 years. Scroll down to see how the recession reshaped the nation's job market, industry by industry.

[Beige Book: Economic Growth Increases in All 12 Districts](#)

6/04/14 *CNBC*

Economic growth increased in all 12 Federal Reserve districts, a relatively upbeat Fed Beige Book showed on Wednesday. The pace of growth was described as "moderate" to "modest," according to the release, which details economic projections from the central bank's members.

Employment prospects "generally strengthened" across the country though some districts reported a shortage of skilled workers. Real estate conditions, meanwhile, were "mixed" even as home prices continued to rise, while "lack of inventory" was cited as one reason for slowness in sales.

[Modest Growth Trend Continues In Small Business Economy](#)

6/03/14 *Newtek*

Newtek Business Services, Inc. The Small Business Authority®, announced the release of the SB Authority Index of small business indicators for April 2014 reaching 126.91 points. The Russell Microcap Index, approved SBA lending volumes and new business formation led the increase. The SB Authority Index is up 0.46% from March 2014. On a year-over-year comparison, the SB Authority Index is up 7.48%.

[U.S. Payrolls Rose 217,000 in May, Unemployment at 6.3%, Nearly a 6-Year Low](#)

6/06/14 *Bloomberg*

Employers added 217,000 jobs in May to push U.S. payrolls past their pre-recession peak and the jobless rate held at an almost six-year low as the economy gained traction. The advance was broad-based and followed a 282,000 gain in April, figures from the Labor Department showed today in Washington. The median forecast in a Bloomberg survey of economists called for a 215,000 increase. Unemployment in May was unchanged at 6.3 percent.



[Payments Press](#)

[Yes, You Should Care About Reaching Profitability](#)

6/05/14 *Mashable*

Among tech startups today, there's a general belief that they'll never actually have to achieve profitability. But not every company can count on getting bought by Facebook for a cool \$19 billion. And, of course, those companies who don't get bought by Amazon, Google or Facebook will have to fend for themselves. The best way to do this? Become profitable.

Amex to Notify CA Customers of Card Dump Linked to Anonymous

6/03/14 SC Magazine

Nearly three months after Anonymous Ukraine claimed to expose roughly 7 million records, American Express has penned a letter to the California Attorney General's office saying that it will send breach notifications to 76,608 residents in the state affected by the disclosure. In accordance with California Civil Code s. 1798.29 and Calif. Civ. Code s. 1798.82, requiring companies to notify customers of breaches,

FIS and MasterCard Advance U.S. EMV Adoption with Common Debit Solution

6/04/14 MasterCard

FIS, the world's largest provider of banking and payments technology, its NYCE® Payments Network and MasterCard today announced a licensing agreement that will make MasterCard's EMV debit solution available to all NYCE participants. EMV chip card adoption is a common goal of the U.S. payments industry, designed to increase card transaction security and decrease card-based fraud.

Visa to Label Prepaid Cards That Have Lower Fees

6/03/14 ABC News

Visa wants to make it easier for people to spot a cheaper prepaid card. The payment processor said it will put labels on packages of cards that meet a new set of standards it unveiled Tuesday. Those standards include a flat monthly fee and no hidden charges. Companies that issue Visa prepaid cards will have to apply for the new label, and the program is voluntary. It could take up to a year before the seal of approval starts showing up on packaging.

First Data Expands Union Bank, N.A. Relationship with Long-Term Debit Processing Deal

6/03/14 First Data

First Data, the global leader in payment technology and services solutions, and Union Bank, N.A., a full-service commercial bank providing a broad mix of financial services to businesses and individuals, today announced the companies recently finalized a multi-year agreement for debit processing, ATM driving, and card fulfillment output services.

Bank of American Merchant Services Expands to Canada

6/05/14 Bank of America

Bank of America Merchant Services, the No. 1-rated electronic payments processor in the United States, announced today the creation of the company's new Canadian merchant services operation. "Our U.S.-based clients continue to expand globally, and we believe this new organization will best serve their needs by providing best-in-class solutions," said Tim Tynan, chief executive officer of Bank of America Merchant Services. "We are also honored and excited about servicing the needs of new, future clients in the Canadian market."

Ingenico Unveils its New Corporate Positioning to Support its Leadership in Seamless Payment

6/04/14 Ingenico Group

First Data, the global leader in payment technology and services solutions, and Union Bank, N.A., a full-service commercial bank providing a broad mix of financial services to businesses and individuals, today announced the companies recently finalized a multi-year agreement for debit processing, ATM driving, and card fulfillment output services.

SHAZAM Collaborates with D3 Banking to Provide Omnichannel SaaS Solution

6/04/14 Yahoo! Finance

D3 Banking, a leading innovator in omnichannel, data driven digital™ banking and the SHAZAM Network, a provider of financial services to community financial institutions across the U.S., have coordinated efforts to provide a comprehensive set of digital banking services to community financial institutions. Scott Dobesh, SHAZAM CFO said, "Our vision of the future for digital financial services aligns with the D3 Banking product strategy.

VeriFone Reports Results for the Second Quarter of Fiscal 2014

6/05/14 VeriFone

VeriFone Systems, Inc., the global leader in secure electronic payment solutions, announced financial results for the three months ended April 30, 2014 ("Q2 FY14"). GAAP net revenues were \$466 million, compared to \$426 million a year ago, a 9% increase. Non-GAAP net revenues for Q2 FY14 were \$467 million, compared to \$430 million a year ago, a 9% increase. GAAP net loss per diluted share was \$0.22, compared to a net loss of \$0.54 a year ago. Non-GAAP net income per diluted share was \$0.37, compared to \$0.42 a year ago.

NCR Launches Tablet-Based Teller Software

6/02/14 BTN

NCR Corporation (NCR) has launched tablet-based retail banking software designed to enable bank tellers to connect faster and in a more personalized way with customers. Interactive Banker software automates many branch functions, allowing banks and credit unions to remove teller counters, vaults and other non-consumer-facing infrastructure that typically takes up as much as 70% of a branch's floor space, NCR said in a press release. Instead branch staff can walk the floor and stream customer data into tablet PCs.

Monitise Appoints Former Visa Exec Elizabeth Buse as co-Chief Executive

6/04/14 The Green Sheet

Monitise plc, a global leader in Mobile Money solutions, announces a series of updates to its executive leadership team and Board of Directors.

Former Visa Inc. payments executive Elizabeth Buse has been appointed co-Chief Executive of Monitise Group, effective immediately. Elizabeth also joins the Company's Board of Directors. Elizabeth will work alongside Monitise founder Alastair Lukies in his capacity as CEO of the plc business. Lee Cameron continues his role as the Group's Chief Commercial Officer and Deputy CEO.

Charge Payment Builds Momentum with Completion of Three Acquisitions

6/04/14 Yahoo! Finance

Charge Payment, LLC, a rapidly growing technology and payment processing company, announced the completion of three acquisitions: Advanced Payment Solutions, headquartered in Nashville, Data Business Systems, headquartered in Denver, and Payment Systems, headquartered in Los Angeles. With these latest acquisitions, Charge Payment's annualized run rate for payment volume has grown to approximately \$4 billion per year, since the Company's initial acquisition in January 2013.

USA Technologies Celebrates Cashless Adoption in Self-

Serve Retail with a Milestone 250,000 Connections to its ePort Connect Service

6/05/14 Vending Times

USA Technologies, Inc., a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries, announced that connections to its end-to-end ePort Connect® service crossed 250,000 during its fourth fiscal quarter ended June 30, 2014. Stephen P. Herbert, chairman and chief executive officer of USAT, stated, "Achieving 250,000 connections is a meaningful milestone for USAT, as these connections support an approximate \$50 million annualized run rate as they are fully realized in our revenues during the first half of fiscal year 2015.

Mobile Payments Conference Seeks Speakers, Session Proposals

6/05/14 The Green Sheet

The Mobile Payments Conference (MPC), hosted in Chicago, IL from October 6-8, 2014. Mobile devices have quickly become integral parts of mobilizing retail, payments, marketing and social infrastructures. The Mobile Payments Conference Fall 2014 will bring together experts in these areas to discuss the industry's hottest topics, including the latest mobile platforms and standards shaping this exploding industry, which is predicted by Gartner to grow by nearly \$500 billion in the next three years!

CardFlight Announces Plans to Support Apple Touch ID for Mobile Payments

6/02/14 MarketWatch

CardFlight announced that it will incorporate Apple's Touch ID technology into their SwipeSimple mobile payments application. Launched earlier this year, SwipeSimple is a turn-key solution that empowers credit card processors, merchant service providers, ISOs, agents and other resellers to offer a mobile point of sale to their merchants. The SwipeSimple product offering includes native smartphone and tablet applications that allows merchants to accept credit card payments via their mobile devices.

American Express Serve® and Bluebird® Show You Where Your Money Goes With Free Tools that Track Spending and Budgets

6/05/14 American Express

American Express announced it will add free personal financial management tools to American Express Serve¹ and Bluebird starting this summer. These tools help customers monitor their spending by automatically sorting transactions into categories such as bills, food, fun, shopping and transportation so they can easily track where their money is going. When customers log in to their Serve and Bluebird accounts, they will also be able to create budgets, set spending limits and alerts, as well as set and track financial goals.

ACI Worldwide's Point to Point Encryption Solution Helps Protect South Africans' Cardholder Data at Point of Sale

6/05/14 ACI Worldwide

ACI Worldwide, a leading international provider of electronic payment and banking systems, announced that Ecentric Payment Systems, South Africa's leading payments processor, is utilizing ACI's Point to Point Encryption (P2PE) solution to provide a more secure path for consumer transactions initiated at many of the largest retailers in Africa.

Bytemark Launches Mobile Ticketing App for Commuter

Rail Connecting Chicago & South Bend

6/02/14 MarketWatch

Bytemark , a pioneer in mobile ticketing, today launched a new app that enables South Shore Line riders to purchase and store train tickets on their mobile devices. Bytemark partnered with the Northern Indiana Commuter Transportation District to develop the free South Shore App, which is available for both Apple iOS and Android Devices.

1stPayPOS® Introduces Merchants to Robust, Affordable Loyalty Capabilities in Version 2.2 Update

6/02/14 FAPS

First American Payment Systems announces that the latest software update to 1stPayPOS® will include a long anticipated customer loyalty suite. Designed to introduce the SMB segment to loyalty-based tools that have previously proved too cost-prohibitive for smaller retailers, First American is revolutionizing the retail industry by allowing merchants to reap the benefits of an affordable customer-focused loyalty program for the very first time.

AIB Merchant Services enables acceptance of Chinese card UnionPay

6/04/14 Business & Leadership

AIB Merchant Services (AIBMS), a merchant acquiring joint venture between Allied Irish Banks plc and First Data Corporation, today became the first Irish merchant acquirer to add the Chinese card UnionPay to its list of available card schemes. AIBMS has signed an agreement with UnionPay International to provide Irish businesses and retailers with the ability to accept transactions made using UnionPay debit and credit cards.



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