



Mar. 15th, 2013  
Edition #345

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](#)

[PaymentsPulse.com](#)

[TSG Overview](#)

[Transaction Advisory](#)

## This Week's NewsFilter...

### In Memoriam - Mike Duffy

Our thoughts and prayers go out to the family, friends and colleagues of Mike Duffy, who passed away last Thursday, March 7th. As President and CEO of Chase Paymentech for the past 13 years Mike was a major factor in the evolution of the payments industry for decades and will be missed by all who have known and worked with him.

This week [Samsung announced the S4](#), featuring technology that allows the device to beam barcodes to ordinary POS scanners. Will this beat the iPhone to the POS?

In other news, there have been notices on the [swipe-fee settlement in the back the Sports Illustrated swimsuit issue](#) - interesting.

Other highlights this week include:

- [VeriFone CEO Bergeron steps down](#)
- [iPad version of PayPal Here app makes debut](#)
- [First Data releases February SpendTrend](#)

Don't forget to wear green this weekend, or you may get pinched!



## Featured

[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?](#)

**This Day in History: 1965**

**Johnson calls for equal voting rights**

On this day in 1965, President Lyndon B. Johnson addressed a joint session of Congress to urge the passage of legislation guaranteeing voting rights for all.

Using the phrase "we shall overcome," borrowed from African-American leaders struggling for equal rights, Johnson declared that "every American citizen must have an equal right to vote." Johnson reminded the nation that the Fifteenth Amendment, which was passed after the Civil War, gave all citizens the right to vote regardless of race or color. But states had defied the Constitution and erected barriers. Discrimination had taken the form of literacy,

**Will Samsung S4 Beat Apple's iPhone To Become The U.S.' First Shopping Phone?**

*3/15/13 Forbes*

Samsung introduced its new Samsung Wallet app at the Mobile World Congress in Barcelona last month which seems to match but not surpass the iPhone's Passbook capabilities. But at yesterday's Samsung Unpacked event in New York City, the company showed off a new feature that really will move the ball forward. The Samsung S4 is the first phone to integrate with technology from a company called Mobeam which allows mobile devices to beam barcodes to ordinary POS scanners.

**PayPal, eBay Impact Of MasterCard Digital Wallet Fee?**

*3/14/13 Investors*

Shares of eBay rose Thursday on analysts' views that its fast-growing PayPal business won't be set back by MasterCard's plans to impose volume-based fees on its "digital wallet" transactions. eBay's stock had fallen 3.7% Wednesday on comments by a MasterCard executive. MasterCard plans to impose fees on some online merchants, including eBay, starting July 1. For PayPal, "the impact is very modest," Sena wrote.

**Mobile Banking Will Help the Poor Prosper**

*3/13/13 BankThink*

When it comes to strengthening our financial security, Americans' relative wealth means more access to banking and the kinds of innovative technologies that put financial management and security at our fingertips. In the U.S. and much of Europe, smartphone use is becoming ubiquitous, and virtually every major bank offers app-based banking services.

**Swipe-Fee Settlement Notice in Sports Illustrated Swimsuit Issue**

*3/11/13 ISO & Agent*

When you're finished admiring Kate Upton and the other super models who grace the pages of the 2013 Sports Illustrated swimsuit issue, turn to page 218 for important information regarding the proposed \$7.25 billion settlement of the ongoing swipe-fee antitrust lawsuit. In the back of the 222-page Sports Illustrated swimsuit issue, which hit newsstands Feb. 12, there's a court-authorized legal notice to merchants. It explains the nature of the lawsuit, the terms of the proposed settlement and how merchants can opt in (or out) of the proceedings.

**Duffy Led Chase Paymentech Through Industry and Ownership Changes**

*3/11/13 Digital Transactions*

Mike Duffy, president and chief executive of JPMorgan Chase & Co.'s Chase Paymentech merchant-acquiring subsidiary and one of the acquiring industry's most prominent figures, died last Thursday after a long illness. "It is difficult to put into words how much Mike will be missed," said Gordon Smith, chief executive of Chase Consumer and Community Banking, in an e-mail to Chase employees. "He was a brilliant leader, pioneer in the payment industry and fierce competitor.

**VeriFone CEO Bergeron to Step Down; Shares Jump**

*3/11/13 Fox Business*

knowledge or character tests administered solely to African-Americans to keep them from registering to vote.

"Their cause must be our cause too," Johnson said. "Because it is not just Negroes, but really it is all of us, who must overcome the crippling legacy of bigotry and injustice. And we shall overcome." [Click here to read more.](#)

VeriFone Systems Inc. Chief Executive Douglas Bergeron is stepping down after a dozen years at the helm of the card-payment systems maker, and will be succeeded on an interim basis by Chairman Richard McGinn. Shares jumped 8.8% to \$22.25 after hours. Through the close, the stock was down 31% since the start of the year.

### **Next VeriFone CEO faces hurdles; gets clean slate**

*3/12/13 MarketWatch*

The next chief executive of VeriFone Systems Inc. will face the task of transitioning the maker of credit-card terminals into more of a services-based business amid challenges to its core payment operations. Despite those hurdles, in the eyes of some analysts and investors, the new person will come into the job with at least one major advantage over the longtime predecessor: He or she won't be outgoing Chief Executive Doug Bergeron.



## **Mobile Payments**

### **One-Year Later: PayPal Here Catching Fire with Small Business Owners Worldwide, iPad Version of App Makes U.S. Debut**

*3/13/13 PayPal*

What a difference a year makes. Last year at this time we launched PayPal Here in the U.S., Hong Kong, Australia and Canada. Small business owners of all kinds, from non-profits to hair stylists, to roofers, landscapers and more, immediately embraced this new payments solution to help them get paid no matter where or how they were doing business. Now a year in and we're seeing fantastic momentum worldwide as small businesses everywhere adopt PayPal Here.

### **New All-in-One Solution Lets Small Businesses Accept Card Payments Face-to-Face and Over the Phone**

*3/14/13 Intuit*

Intuit Inc. has announced the general availability of Intuit Pay, giving anyone who sells products or services in the U.K. an easy and low cost way to accept credit and debit card payments anywhere. A first of its kind all-in-one solution, Intuit Pay enables businesses to take secure payments face-to-face and over the phone. It includes a free app - for iPhone, iPad and iPod touch - and chip & PIN card reader, which is available for free for a limited time.

### **FTC Warns of Mobile Payment Fraud**

*3/12/13 eCommerce Bytes*

Mobile payments may be one of the most buzzed-about issues in the ecommerce world, but consumer-protection authorities warn that the nascent, fast-moving market needs to improve policies to help consumers dispute fraudulent charges and bolster security and privacy protections.

For their report, entitled "Paper, Plastic ... or Mobile?", staffers at the FTC drew on the input they received from industry stakeholders and others at a workshop that the agency convened in April 2012.

### **KFC Discovers That Mobile Isn't Nice. It's Essential**

*3/11/13 StorefrontBacktalk*

When global chicken fast-food chain KFC launched a major mobile test in the U.K. this month, it has had to learn to deal with realities that are very different than its more mobile-famous corporate brother, Pizza Hut. Although the two chains are both owned by Yum Brands - along with Taco Bell-the mobile similarities pretty much end there. Some 40 percent of the pizza online orders come from desktops and laptops, with the remainder from mobile.

### **TippingCircle, A Rising Tech Startup, Offers Mobile Payments With No Fees Attached**

*3/15/13 SFGate*

TippingCircle's personal payment platform allows people to exchange money with friends without a processing fee. TippingCircle specializes in personal payment services making it easy and free to exchange money with friends. As more people stop using cash, there is a growing need for personal payments online. TippingCircle provides convenient apps-both mobile and desktop-that make personal payments simple, social, and secure.

**Your Advertisement Here**  
**Over 8,000 Industry Professionals Will See it.**  
[Learn More](#)

## **Regulation & Security**

### **More Banks Hit by Cyber Attacks than Initially Thought**

*3/13/13 BTN*

This week's cyber attacks against U.S. banks were more widespread than reported, industry experts say. Though JPMorgan Chase (JPM) and BB&T (BBT) are the only big banks to confirm a denial of service attack on Tuesday, roughly a half dozen institutions endured digital assaults at around the same time, according to Radware, a security firm that has investigated cyber intrusions on behalf of financial firms.

### **Enhanced Malware Targets Retailers**

*3/13/13 Bank Info Security*

More hackers are attacking payment processors and merchants with enhanced malware to compromise credit and debit card data. And fraudsters apparently are more quickly selling compromised card numbers in underground forums, some security experts say.

Organizations can help mitigate their card-exposure risks by focusing on intrusion monitoring and anomaly detection, rather than just relying solely on anti-virus systems to detect malware, the experts advise.

## **Economy**

## **US Consumers Power Ahead, Despite Headwinds...**

*3/13/13 CNBC*

The U.S. consumer is powering ahead at what could be the best levels since the financial crisis, despite economic headwinds and uncertainty in Washington. The February increase in retail sales of 1.1 percent was nearly double what many economists expected, and now they see economic growth at a better-than-expected pace in the first quarter. Retail sales rose the most in five months even with higher taxes and rising gasoline prices.

## **...But Michigan Consumer Sentiment Dropped to 71.8 in March from 77.6**

*3/15/13 BusinessWeek*

Confidence among American consumers unexpectedly slumped in March, which may signal a cooling in spending, the biggest part of the economy. The Thomson Reuters/University of Michigan preliminary sentiment index for March fell to 71.8, the lowest level since December 2011, from 77.6 in February. The gauge was projected to increase to 78, according to the median estimate of 67 economists surveyed by Bloomberg.

## **US eCommerce to Grow 13% in 2013**

*3/13/13 Internet Retailer*

E-commerce spending in the United States will hit approximately \$262 billion this year, up 13.4% from \$231 billion last year, according to a new projection from Forrester Research Inc. In 2017, online spending will reach \$370 billion, which represents a nearly 10% compound annual growth rate from 2012.

## **Payments Press**

### **First Data Releases February 2013 SpendTrend Analysis**

*3/12/13 First Data*

First Data Corporation, released its First Data SpendTrend® analysis for the full month of February 2013 compared to February 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. Dollar volume growth slowed to 4.6% year-over-year compared to January's growth of 6.2%. A combination of factors such as higher payroll taxes, a delay in federal tax refunds and high gasoline prices restrained spending and forced shoppers to reassess their spending budgets.

### **Elavon Launches Mobile Innovation Center**

*3/12/13 Elavon*

Elavon has opened a mobile innovation center at its Atlanta headquarters to focus on merchant-based mobile solutions. The center is expected to add at least 50 jobs in the next 12 to 18 months. Known internally as "The Grove," the center is focused on harvesting innovation around new technology and product development for mobile payments and expanding on Elavon's existing mobile solutions.

### **SHAZAM BOLT\$ Mobile App Hits Stride, Goes Live at 200+ Financial Institutions**



*3/11/13 Shazam*

After less than 60 days on the market, SHAZAM BOLT\$, the mobile app offered by the SHAZAM network, is live at more than 200 of the network's participating financial institutions. The app, available to smartphone and tablet users, allows debit cardholders to check balances, set parameters for email alerts, and eventually, initiate person-to-person (P2P) transfers.

### **Newtek Business Services Hires Edward Petrosky**

*3/11/13 Newtek*

Newtek Business Services, announced that it has attracted and retained the talent of Edward Petrosky. Edward will be joining Newtek as Chief Credit and Chief Risk Officer. Edward is the former President and CEO of Hanover Community Bank. Edward has over 35 years of experience in credit and risk management in the financial services industry, including money center, regional and community banks.

### **Connection of First Data Alums Leads to \$11.2m MeNetwork Acquisition**

*3/11/13 Silicon Prairie*

A LinkedIn message between two Omahans nine months ago resulted in an announcement today of an \$11.2 million acquisition. The company making the acquisition, Scottsdale, Ariz.-based mobile payments company Spindle, is run by Bill Clark, a former general manager of payment processing giant First Data. The company acquired, Denver-based mobile marketing startup The MeNetwork, is overseen by Craig Page, a former First Data senior vice president.

### **Tranzlogic Helps Merchants Leverage Transaction Data**

*3/12/13 The GreenSheet*

Data-driven marketing has been one of the biggest trends to hit the scenes in recent years. But with all the talk about "Big Data" these days, it seems very few businesses in the payment industry know how to actually use Big Data to see real benefits. Tranzlogic is changing that. The Westlake Village, CA company has developed a proprietary process that transforms a merchant's credit card transaction data into actionable customer intelligence that will revolutionize the way they market to clients.

### **RBS To Share in Worldpay Windfall**

*3/14/13 Sky*

One of the businesses carved out of Royal Bank of Scotland (RBS) as punishment for its rescue by taxpayers is preparing a refinancing that will pay its shareholders a handsome dividend that could run to hundreds of millions of pounds. People close to Worldpay said a refinancing was likely to take place during the first half of 2013, although they cautioned that the appointment of the three advisers had only just happened and that no decisions had been taken about how substantial it would be.

### **PayPal Buys Mobile App Developer Duff Research**

*3/13/13 Reuters*

PayPal said on Wednesday that it acquired mobile app developer Duff Research, part of an effort by the online payment giant to become more nimble and technology focused. PayPal, owned by e-commerce company

eBay Inc, did not disclose a purchase price. Duff Research has built about 40 mobile apps for companies that include TiVo Inc and Adidas AG.

### **FIS Completes Acquisition of mFoundry**

*3/14/13 FIS*

FIS announced it has completed the acquisition of mFoundry, a foremost provider of mobile banking and payment solutions for financial institutions and retailers. The resulting combination creates one of the leading mobile entities in the financial services space and enables FIS to leverage its technology assets across a broader client base.

### **RBS Launches Mobile Number-Based P2P Payments Service**

*3/14/13 Finextra*

Following in the footsteps of rival Barclays, RBS and NatWest have begun piloting a mobile payments tool that lets customers send money to anyone with a Visa card and UK phone number. Participants in a soft launch have begun trialling the service within the RBS and NatWest Android, iOS and BlackBerry apps ahead of a full roll out planned for after Easter.

### **Gemalto Full Year 2012 Results**

*3/14/13 Gemalto*

Gemalto, the world leader in digital security today announces its results for the full year 2012. Record revenue at over € 2.2 billion, up +9%, and double-digit growth anticipated in 2013. Profit from ongoing operations up +26%, surpassing the €300 million objective a year in advance. Platforms & Services revenue up +26%, with double-digit growth in all segments



Copyright ©2010 The Strawhecker Group. All Rights Reserved. Unless noted, TSG does not take responsibility for content or opinions. Articles are sourced as appropriate throughout.