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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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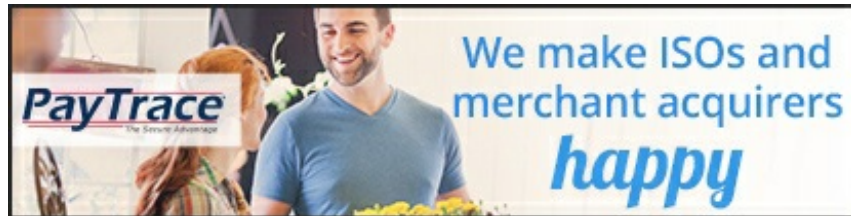
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Trending This Week...

As the holiday shopping season kicks into gear, [ETA & TSG have released new research](#) estimating 2014 Q4 electronic spending will increase 4.0% over 2013. See the [Main Street Holiday Spending Report Infographic](#) to view 2014 estimates for various merchant categories.

Square made more moves this week as [Snapchat partnered with them](#) to attempt to make it easy for users to send cash to one another. This week, [Square also made its Register app available worldwide](#) widening the availability of its point-of-sale and inventory app.

Apple Pay has now been in the wild for over a month, have you tried it out yet? [Please complete our poll and let us know!](#)

Other highlights include:

- [Contactless Makes Oxford Dictionaries Word of the Year Shortlist](#)
- [Mobile Payments to Tally Just 1% of All U.S. Consumer Spending in 2019](#)
- [Congress Queries Banks on Breaches](#)
- [Holiday Online Spending to Rise 16% to \\$61B](#)

Please Note: Due to the holiday we will not be releasing NewsFilter next week. Happy Thanksgiving!

[NEW TSG REPORT: Key Participants in the Payments Ecosystem](#)

[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: 1980

Millions Tune in to Find Out Who Shot J.R.

On this day in 1980, 350 million people around the world tune in to television's popular primetime drama "Dallas" to find out who shot J.R. Ewing, the character fans loved to hate. J.R. had been shot on the season-ending episode the previous March 21, which

What is this report?

This report is a guide to understanding third-party processors, acquirers, gateways, and new technology players. The latter half of the report provides readers with a detailed look at several internal and external forces impacting the merchant acquiring industry.

[Click here for a preview.](#)

Why is this useful?

This guide will provide newcomers, and industry veterans, with useful information into the various facets of the Payments Industry. This report is an excellent tool for competitive awareness, potential partner identification, and general reference purposes.

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Featured

[New ETA/TSG Research Estimates 2014 4Q Electronic Spending Will Increase 4.0% Over 2013 to \\$890B](#)

11/20/14 ETA

One occasion of note is on the payments horizon: the holiday shopping season. To meet it head-on, ETA is offering projections on holiday spending trends and has released important educational resources for merchants to navigate the evolving payments landscape. [Click here to read more.](#)

Payments consultancy firm The Strawhecker Group estimates that 2014 fourth quarter electronic spending will increase 4.0% over 2013 to \$887 billion.



[Click here to view the infographic.](#)

[Snapchat, Square, Want to Make it Easy for You to Send Cash](#)

11/17/14 CNET

Let's hope Snapchat's latest feature doesn't make your cash disappear. Snapchat, known for sending photos that immediately disappear after being viewed, has teamed with payment processing service Square to help users send money to one another. The unusual pairing gives Snapchat a new feature its larger competitors like Twitter and Facebook can't yet match.

[Contactless Makes Oxford Dictionaries Word of the Year Shortlist](#)

11/21/14 Finextra

After a breakout 12 months for tap and pay, 'contactless' has made Oxford Dictionaries' shortlist for international word of the year. Contactless was one of seven words - along with bae, budtender, indyref, normcore and slacktivism - to make the list but ultimately lost out on the

now stands as one of television's most famous cliffhangers. The plot twist inspired widespread media coverage and left America wondering "Who shot J.R.?" for the next eight months. The November 21 episode solved the mystery, identifying Kristin Shepard, J.R.'s wife's sister and his former mistress, as the culprit.

The CBS television network debuted the first five-episode pilot season of "Dallas" in 1978; it went on to run for another 12 full-length seasons. The first show of its kind, "Dallas" was dubbed a "primetime soap opera" for its serial plots and dramatic tales of moral excess. The show revolved around the relations of two Texas oil families: the wealthy, successful Ewing family and the perpetually down-on-their-luck Barnes family. The families' patriarchs, Jock Ewing and Digger Barnes, were former partners locked in a years-long feud over oil fields Barnes claimed had been stolen by Ewing. Ewing's youngest son Bobby (Patrick Duffy) and Barnes' daughter Pam (Victoria Principal) had married, linking the battling clans even more closely. The character of J.R. Ewing, Bobby's oldest brother and a greedy, conniving, womanizing scoundrel, was played by Larry Hagman. [Click here to read more.](#)

top spot to vape, which refers to electronic cigarettes. The last time a fintech-specific term made its way onto the Oxford shortlist was back in 2008, when credit crunch walked away with the word of the year award.

Apple Pay, By The Day

11/20/14 PYMNTS

Hard to believe it was just 30 days ago that Apple Pay officially launched and even harder to believe how different the ecosystem is today as opposed to what it was 31 days ago. Some are firmly in the camp that Apple's entrance into payments will be the thing that will finally ignite not only mobile, but mobile via NFC. Others are becoming more vocal in the opinion there is more enthusiasm than reason behind the increasingly widespread belief that the opportunity to pay with Apple will flip consumers and merchants en masse to tap-and-go payment.

Major Prepaid Card Providers Give a Polite Response to the CFPB's Proposed Regs

11/16/14 Digital Transactions

Some of the nation's largest prepaid card companies are either giving a public thumbs up to the Consumer Financial Protection Bureau's proposed regulations for prepaid card accounts or at least not saying they're spoiling for a fight with the federal government. Steve Streit, chairman and chief executive of Pasadena, Calif.-based Green Dot Corp., a big prepaid card program manager and issuer, likened the current prepaid industry to a wide-open sports contest. "I, as a person, and Green Dot, as a company, fully support the CFPB's mission," Streit said in written testimony Thursday at a CFPB field hearing.

Why Banks Fear Bitcoin

11/20/14 Fortune

Bitcoin heralds a new age more disruptive than that of today's Internet. Disruption can be a good thing, especially when it affects banking, a failing set of business models which, for all the tweaks, have been virtually unchanged for millennia. Paradoxically, some banks are afraid of Bitcoin because it would force them to innovate.



Mobile Payments & Bitcoin

Mobile Payments to Tally Just 1% of All U.S. Consumer Spending in 2019

11/17/14 ComputerWorld

The emergence of Apple Pay has led some technology early adopters to predict that mobile payments will dominate U.S. consumer spending in the next decade. Yet the idea that most Americans will use a mobile wallet in 2025 is still a pipe dream, according to some expert analysis. Forrester Research on Monday threw something of a wet blanket on mobile payment growth, calling it an "evolution - not a revolution."

Retailers With Digital Wallet Capabilities Will Win This Holiday Season: ADI

11/19/14 Adobe

While all retailers are hoping for a record year this holiday season, the savvy ones will open wide their digital wallets for customers. Analysis by Adobe Digital Index (ADI) has found that smartphone conversion rates are much higher when retailers offer digital wallet payment options, such as PayPal, Amazon Payments, Google Wallet, or Apple Pay.

Square Register App Now Available to Small Businesses Around the World

11/20/14 CNET

If you run a small business, you can now take advantage of an app that replaces your cash register no matter where you are in the world. Square, which makes a credit card reader that plugs into phones and tablets so small businesses can accept card payments, has made its Square Register app available worldwide. The news was announced today by Square founder and former Twitter co-founder Jack Dorsey at a London event organised by the Financial Times.

PayPal Challenges Apple Pay with an App for the Pebble Smartwatch

11/18/14 VentureBeat

PayPal's mobile payments app is now available for the Pebble smartwatch, the company announced in a blog post today. Pebble users can now check in to stores via the PayPal app and pay with an auto-generated payment code wherever PayPal is already accepted - no phone necessary. Users can pay one of two ways, either via the payment code mentioned above or, for certain retailers, by checking into a store on the PayPal app.

Apple is Coming to the Aid of Small Retailers

11/20/14 TechCrunch

Until today, most of the apps that SMBs have built for their clients faced a lot of hurdles to reach their intended audience. For customers they were hard to discover, there was no reason to use them in-store and using it for payments was a complicated and convoluted process. With Apple Pay, the biggest hurdle - getting the customer to enter their card details into the app - has vanished and the onboarding process got so much easier. This is encouraging for small businesses, and this is not all that Apple has done to help them.

Coin Is Finally Shipping To Early Backers

11/19/14 TechCrunch

One year after exploding on the scene, it looks like Coin, the YC-backed startup that wants to replace all your bank cards with a universal card, is finally shipping its product to some early backers after a long, long wait. The company previously said shipments would begin this summer. It is now the middle of November.

This Verbal Confrontation Shows Why Walmart Will Never Accept Apple Pay (Video)

11/10/14 Recode

If the debate over credit card fees isn't the main reason some of the nation's largest retailers are banning Apple Pay from their stores in favor of a competitor app called CurrentC, someone should tell Walmart exec Mike Cook. Execs from the consortium of retailers called MCX insisted recently that the group's backing of CurrentC - and ban of Apple Pay - had little to do with their issues with credit card fees, even though the beta version of the app doesn't accept traditional cards.

Regulation & Security

Congress Queries Banks on Breaches

11/19/14 Bank Info Security

Two Democratic members of Congress have sent letters to 16 financial institutions seeking information about any data breaches they've experienced and detailed briefings from corporate IT security officers as the House and Senate consider cybersecurity legislation. Rep. Elijah E. Cummings, D-Md., ranking member of the House Committee on Oversight and Government Reform, and Senator Elizabeth Warren, D-Mass., on Nov. 18 sent the letters to banks, investment firms and other financial service providers, including Bank of America, Goldman Sachs, HSBC and Wells Fargo.

Link Found in Staples, Michaels Breaches

11/17/14 KrebsOnSecurity

The breach at office supply chain Staples impacted roughly 100 stores and was powered by some of the same criminal infrastructure seen in the intrusion disclosed earlier this year at Michaels craft stores, according to sources close to the investigation. Multiple banks interviewed by this author say they've received alerts from Visa and MasterCard about cards impacted in the breach at Staples, and that to date those alerts suggest that a subset of Staples stores were compromised between July and September 2014.

PCI Council Looks for Ways to Stem Data Breaches After Bad Year

11/18/14 CSO Online

A consortium that develops guidelines for protecting payment card data is hoping that emerging security technologies will help prevent breaches that made this year one of the worst ever on the security front. "It's been a bad year," said Jeremy King, international director of the PCI Security Standards Council, at its Asia-Pacific Community Meeting in Sydney on Tuesday. "We hope to get better. Unfortunately, the criminals are getting better."

Data Breaches Continue To Cost Target and Home Depot a Bundle

11/19/14 Digital Transactions

Target Corp. reported Wednesday that expenses stemming from the big data breach it disclosed 11 months ago now total \$248 million. The Home Depot Inc., meanwhile, said Tuesday that the data breach it disclosed in September cost it \$28 million on a pre-tax basis in its recently ended third quarter. The home-improvement retailer expects to book \$34 million in net breach-related expenses for fiscal 2014, but more costs are likely next year.

Thumbs Down on a Palm Recognition Experiment

11/20/14 BTN

It's just never as easy as in the movies. Biometric authentication seems all the rage now that Apple uses fingerprint ID in its mobile wallet, but the Bitcoin ATM provider RoboCoin has concluded that biometrics can be more of a hassle than a help. Las Vegas-based RoboCoin started accepting pre-orders from ATM operators for its bidirectional machines (cash-in/Bitcoin-out or vice versa) in August 2013. The company touted its machine as more secure than competitors', in part because users scan their palm veins with a built-in Fujitsu PalmSecure system. The process was futuristic but too slow, so RoboCoin is eliminating it.



Economy

Holiday Online Spending to Rise 16% to \$61B

11/18/14 CSA

Total online retail spending for the November-December period will reach \$61.0 billion, a 16% gain versus year ago, according to comScore's 2014 holiday forecast. Spending using desktop computers for that period is expected to reach \$53.2 billion, up 14% year-over-year, which is 4 percentage points higher than last season's 10-percent growth rate.

Ink from Chase Survey Reveals Small Business Owners Feel Optimistic About Business Performance this Holiday Season

11/19/14 Yahoo! Finance

The second annual holiday survey of small business owners released today from Ink from Chase revealed that 40 percent of small business owners are planning for an uptick in business performance this holiday season compared with last year. In addition, 61 percent say increased consumer demand will drive better business performance during the holidays compared to just 31 percent in 2013. Forty-three percent of small business owners say expanded e-commerce and mobile/online sales are also expected to contribute to better performance this winter compared with 27 percent in 2013.

Together, PayPal and Ipsos Unveil Top Growth Areas for Global Merchants

11/20/14 PayPal

Just in time for the holiday season, PayPal has unveiled new global research that reveals growth areas for cross-border merchants. PayPal and Ipsos examined the online and cross-border shopping habits of 17,600 consumers in 22 countries to uncover opportunities and best practices for merchants who want to grow their international business this December and beyond.

Jobless Claims Stay Below 300,000 as Layoffs Remain Low

11/20/14 MarketWatch

The number of people who applied for new unemployment benefits totaled fewer than 300,000 for the 10th straight week, reflecting the low level of layoffs in the U.S. as the economy continues to strengthen. Initial jobless claims fell by 2,000 to a seasonally adjusted 291,000 in the week ended Nov. 15, the Labor Department said Thursday. Claims from two weeks ago were revised up to 293,000 from 290,000.

Low Inflation Replaces Joblessness as Reason Fed Won't Raise Rates

11/19/14 The New York Times

The sluggish pace of inflation is replacing unemployment as the main reason the Federal Reserve is not ready to start raising interest rates. The members of the Fed's policy-making committee saw little reason to shift course at their most recent meeting in late October,

according to an official account published Wednesday. Economic growth and job growth remain unusually steady, and Fed officials continued to predict both trends would continue.

Payments Press

The Ever-Changing Face of Payments: Trends and the Future

11/19/14 FTNI

As we take a look at recent trends, data and what we are seeing with our own customers, a few things are certain. As the payments landscape changes, we see more payment types and channels being added but not many (if any) being phased out. This translates into increased complexity of payments processing for businesses today and into the future.

ISOs Fuel Growth for Data-Driven Processor Swipely

11/21/14 ISO & Agent

An ISO that specializes in restaurants recently signed up just about every full-service eatery in its medium-sized home town, a vendor says. It happened in three or four months with the help of Swipely, a processor that emphasizes analytics it creates by combining information from transactions, the point of sale and social media, said Angus Davis, the company's CEO.

Picking Winners? Intuit Picks Revel For QuickBooks Point Of Sale

11/18/14 Forbes

Ecosystems are difficult. Platform vendors navigate a difficult path between treating all ecosystem members as equals, and picking winners who can help them meet their platform goals. Intuit faces this issue every day as it executes upon its opportunity to bring the QuickBooks small business accounting package into a world that is increasingly attracted to cloud solutions. Over the past six to 12 months Intuit has been aggressive in building its ecosystem, while at the same time making some strategic acquisitions and deep partnerships.

BlueSnap Taps First Data for Payments Processing Around the World

11/20/14 PR Newswire

Merchants often view selling globally to be too complicated and overwhelming. Understanding these challenges, BlueSnap today announced that they have partnered with First Data, the global leader in payment technology and services solutions, to provide safe and secure cross-border payment capabilities for the company's eCommerce merchants.

TSYS and linked2pay Offer Omni Payments for Merchants

11/20/14 TSYS

TSYS announced an agreement with linked2pay to offer TSYS merchants and its partners a feature-packed omni payments solution with more ways to accept payments. linked2pay allows customers to pay online or by mobile phone using a credit card or ACH with equal ease. Additionally, with linked2pay, merchants may provide their customers other ways to pay to include: mobile, online forms, email, a virtual terminal and a shopping cart checkout.

LevelUp Passbook Integration Is Live, Enabling Over 1.5MM Users to Pay With LevelUp From Their Digital

Wallet

11/19/14 MarketWired

The nation's leading mobile loyalty and payment platform, LevelUp, announced today that their Passbook integration is live for users and merchants. The integration is easy for customers to use, mimicking the in-app payment experience LevelUp users are familiar with, and has a number of advantages for LevelUp's nationwide network of partner merchants.

Oink Launches Prepaid Card for Teens

11/21/14 Oink

Virtual Piggy, Inc., provider of Oink, the award-winning online payment technology for families and teens, today announced that it has launched the Oink Discover prepaid card, a physical extension of the company's digital wallet. The new prepaid card allows teens to shop at any of the more than 25 million merchant locations that accept Discover, but within limits set and managed by parents.

Elan Financial Services Becomes One of First EFT Processors to Certify Automatic Biller Updater with MasterCard

11/19/14 BusinessWire

Elan Financial Services, a leader in EFT processing, announced today that it has been certified to offer MasterCard's Automatic Biller Updater (ABU) to its debit card issuing financial institutions. MasterCard ABU helps to update the card information for recurring payments. Recurring card payments can be negatively affected by new card numbers or changed expiration dates as the result of a reissue.

TriSource Moves Settlement and Processing Facility to Illinois

11/18/14 The Green Sheet

TriSource Solutions, LLC, announced that it is relocating its settlement and processing services office from Rock Island to East Moline, Illinois. TriSource has executed a two-year lease for its principal processing operation at 4550 Kennedy Drive, Suite 1, East Moline, IL 61244 and will continue to operate its main corporate office in Iowa. "This move allows us to take advantage of a newer city infrastructure which will provide us with a more consistent power supply along with a larger facility to accommodate our continued growth."

Coinbase and RewardsPay Bring Bitcoin to iTunes, Facebook and Groovespark

11/20/14 Cryptocoins News

Coinbase and RewardsPay are partnering to allow customers to pay for thousands of products at mainstream online retailers such as iTunes, Facebook, Boozt, Heels.com, World Golf Tour, Club Penguin, Groovespark and more.





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