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

 Payments Experts. Powerful Data.  
THE STRAWHECKER GROUP



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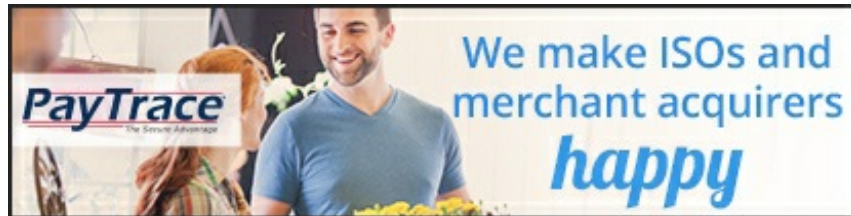
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## Trending This Week...

This week ETA hosted **TRANSACT 15**, bringing together payments, technology, and innovation, at the Moscone Center in San Francisco, CA. This year marked the industry's largest trade show with over 4,000 attendees. [Check out the key highlights from the conference.](#)

For more TRANSACT 15 coverage, be sure to read the [Payments Press](#) section of NewsFilter!

Other highlights this week include:

- [Trade Group Asks for Delay on Card-Security Plan](#)
- [Square Wants to Become a Platform - Here's Why That Matters for Small Businesses](#)
- [Apple Pay Users Running Into Checkout Problems](#)
- [Interest in Bitcoin Grows on Wall Street](#)
- [Winter Chill Took a Bite Out of U.S. Growth in First Quarter](#)

## \*\*Payments Madness Continues With FINALS\*\*

We have tallied the results and the winners are ready for the last round. Last week we saw an **upset** as mWallets overtook Data Breaches! The Final is between EMV and mWallets - who will win the top prize?

[Click here to see the updated bracket.](#)

[Click here to vote in the Finals.](#)

## Featured

[The Strawhecker Group @ TRANSACT 15](#)

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[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: 1860 Pony Express Debuts**

On this day in 1860, the first Pony Express mail, traveling by horse and rider relay teams, simultaneously leaves St. Joseph, Missouri, and Sacramento, California. Ten days later, on April 13, the westbound rider and mail packet completed the approximately 1,800-mile journey and arrived in Sacramento, beating the eastbound packet's arrival in St. Joseph by two days

4/03/15 TSG

The Strawhecker Group (TSG), a Silver Sponsor of TRANSACT 15, had a wide presence at the show this week in San Francisco.



See below for a wrap-up of press TSG released throughout the week:

- [TSG Releases EMV Readiness Infographic](#)
- [TSG/ETA Infographic - The Comeback of Consumer Spending](#)
- [The Strawhecker Group Unveils New Branding](#)

### **TRANSACT 15 Wraps Largest Show in History**

4/02/15 ETA

The Electronic Transactions Association (ETA), the global trade association representing the payments technology world, today wrapped TRANSACT 15, the most important annual gathering of payments technology professionals, at the Moscone Center in San Francisco, California. This year marked the industry's largest trade show, welcoming a record number of exhibitors across 45,000 square feet of expo floor space and hosting over 4,000 attendees.

### **Visa, Alipay, First Data Urge ISOs to Join the Digital Revolution**

4/02/15 ISO & Agent

As digital technology has reshaped the acquiring business, some of the industry's biggest names are making splashy investments in mobile payments and merchant marketing. "I'll give you a very specific word we don't use: ISO," said Frank Bisignano, chairman and chief executive of First Data. "It's a word I heard when I came here. We're not in business with ISOs, we're in business with sales partners."

### **Trade Group Asks for Delay on Card-Security Plan**

4/02/15 *The Wall Street Journal*

*May require a subscription.* A trade group representing thousands of retail food stores and pharmacies is asking the payment-card industry to delay an October plan that puts merchants on the hook for fraudulent transactions if they don't have equipment in place to accept more secure credit and debit cards. In a letter sent last week to Visa Inc., MasterCard Inc., American Express Co. and Discover Financial Services, the Food Marketing Institute said that merchants won't be ready to meet an October deadline that will shift liability for fraudulent transactions from card-issuing banks to merchants.

### **While EMV And Mobile Captivate the Industry, Big Retailers Express Frustrations**

4/01/15 *Digital Transactions*

EMV chip cards and mobile payments may be two abiding passions of the payments industry these days, but major merchants are far from sold on either technology, judging by comments from a number of them Tuesday at a payments-technology conference. Most big retailers are gearing up for EMV in an effort to beat an Oct. 1 deadline by which they will assume liability for counterfeit and lost-and-stolen point-of-sale fraud if they

and setting a new standard for speedy mail delivery.

Although ultimately short-lived and unprofitable, the Pony Express captivated America's imagination and helped win federal aid for a more economical overland postal system. It also contributed to the economy of the towns on its route and served the mail-service needs of the American West in the days before the telegraph or an efficient transcontinental railroad.

The Pony Express debuted at a time before radios and telephones, when California, which achieved statehood in 1850, was still largely cut off from the eastern part of the country. Letters sent from New York to the West Coast traveled by ship, which typically took at least a month, or by stagecoach on the recently established Butterfield Express overland route, which could take from three weeks to many months to arrive. Compared to the snail's pace of the existing delivery methods, the Pony Express' average delivery time of 10 days seemed like lightning speed.

[Click here to read more.](#)

can't accept chip transactions. But that doesn't mean they're happy about the way the technology is playing out.

## **Square Wants to Become a Platform - Here's Why That Matters For Small Businesses**

*3/31/15 StreetFight*

In 2013, Jessica Shalek left Wall Street to join Square, the upstart payments company with a billionaire founder and hot new product that seemed on the fast path to a public offering. Two years later, the company has narrowed its focus, eschewing its consumer initiatives in favor of its small business software suite, putting Shalek, the lead of its App Marketplace initiative, at the nexus of one of the more strategic products governing its future success.

## **Banks Need a 'Team America' Approach to Security: Tim Pawlenty**

*3/30/15 BTN*

Throughout the U.S., many companies are still not covering the essentials when protecting their systems, but the enemy is getting increasingly sophisticated and relentless, Visa's risk chief said. It is clear that companies are having a difficult time complying with the requirements of Payment Card Industry data security standards, said Ellen Richey, vice chairman of risk and public policy for Visa Inc. The PCI rules were established roughly a decade ago.

## **The PayPal Mafia's Golden Touch**

*4/01/15 DealBook*

The ride-hailing app Uber, the apartment rental site Airbnb and other darlings of the next generation of Silicon Valley start-ups are reshaping the way people use the web. They are also changing expectations about just how much money private companies can raise while still staying out of the public markets. Known as the unicorns, these private technology companies are worth \$1 billion or more, thanks to an influx of cash from venture capital firms, hedge funds, private equity firms and mutual funds.

## **Mobile Payments & Bitcoin**

### **Why Faster Payments Are Imperative, Not Just Cool**

*3/30/15 BTN*

The first payment Suresh Ramamurthi made with his bank's real-time system was only 25 cents. But that small transfer made a big impression. "You could see the money show up within minutes of pressing the send button," said Ramamurthi, chairman of CBW Bank in Weir, Kansas. "It was like magic." The \$14.5 million-asset bank's real-time payments tool OneCard, which rides the rails of major debit networks to clear transactions almost instantly, was set to launch in the first quarter for business clients.

### **Apple Pay Users Running Into Checkout Problems**

*3/31/15 Finextra*

Apple is seeing unusually high usage conversion rates, with 88% of those that bother to set up a wallet going on to use it. However, repeat usage figures are less impressive, with 48% of people using the system just once, in part because of problems faced by customers when they try to make payments with their iPhones.

### **Interest in Bitcoin Grows on Wall Street**

3/29/15 *The Wall Street Journal*

Corporate America is gradually warming to bitcoin. Amid a slew of deals involving prominent finance and tech companies lie signs that the U.S. business establishment is exploring innovative new enterprise uses for digital currencies. They are making early, tentative bets that the so-called blockchain-ledger technology behind bitcoin might one day transform how banks, businesses and even smart appliances circulate money, assets and sensitive data around the world.

### **Amazon's 'Dash' To Connected Commerce**

4/01/15 *PYMNTS*

Amazon has launched its own version of the Staples Easy Button for buying goods on its marketplace. The eCommerce giant rolled out Amazon Dash, the small device that offers consumers the chance to buy products they use frequently at the touch of a button - literally. The little device is aimed at connecting consumers to commerce in an entirely new way, while still helping Amazon go after one of its top goals: driving up their Prime membership.

### **The Number of Global Online Shoppers Will Grow 50% by 2018**

3/31/15 *Internet Retailer*

Online consumers will grow to 1.623 billion in 2018 from 1.079 billion in 2013, according to the United Nations Conference on Trade and Development. A new report and index from the United Nations Conference on Trade and Development examines e-commerce in 130 economies across the globe and finds East Asia poised for growth among developing and emerging economies.

### **Semble Transforms Androids Into Mobile Wallets in New Zealand**

3/31/15 *ZDNet*

New Zealand mobile wallet consortium Semble has launched an app that will allow Android-enabled devices around New Zealand to make secure mobile payments using only their smartphones. The free-to-download Semble app, together with a Semble Ready SIM card, which houses a chip that is similar to those used in credit and debit cards, allows users to hold their smartphone over any contactless terminal to conduct a tap-and-go transaction.



## **Regulation & Security**

### **PCI Council Publishes Tokenization Product Security Guidelines**

4/02/15 *BusinessWire*

Meeting with acquirers and payment technology leaders today at the TRANSACT15 conference, the PCI Security Standards Council (PCI SSC) announced Tokenization Product Security Guidelines. Vendors and solution providers can use the guidance to develop tokenization products that help acquirers and merchants reduce storage of card data in their systems. Tokenization products devalue payment card data

by replacing the Primary Account Number (PAN) with a token.

## **Banks Worry That Retailers Won't Be Ready for EMV**

*4/01/15 FierceRetailIT*

Banks are concerned that many retailers, especially smaller ones, won't be ready to transition to the EMV chip cards later this year. Liability will shift from the card issuers to the retailers and banks in October if retail point-of-sale systems and banking methods aren't EMV-compliant. Banks or retailers, the blame will fall upon the party that is least EMV-compliant, and while many large retailers will be ready, smaller businesses are becoming a cause of concern for the banks.

## **'Revolution' Crimeware & EMV Replay Attacks**

*4/01/15 Krebs on Security*

Recently, KrebsOnSecurity encountered a fraudster in a popular cybercrime forum selling a fairly sophisticated software-as-a-service package to do just that. The seller, a hacker who reportedly specializes in selling skimming products to help thieves steal card data from ATMs and point-of-sale devices, calls his product "Revolution" and offers to provide buyers with a list of U.S. financial institutions that have not fully or properly implemented systems for accepting and validating chip-card transactions.



## **Economy**

### **Winter Chill Took a Bite Out of U.S. Growth in First Quarter**

*4/02/15 Bloomberg*

The economy in the U.S. is experiencing déjà vu. For the second consecutive year, Old Man Winter nipped the economic expansion. Harsh weather subtracted 0.5 percentage point from growth in the first quarter, according to the median estimate in a Bloomberg survey of 37 economists conducted from March 30 to April 1. Gross domestic product expanded at a 1.5 percent annualized pace in the first three months of the year, the poll showed, after growing at a 2.2 percent rate at the end of 2014.

### **March Job Gains 126,000**

*4/03/15 USA Today*

Employers added a subpar 126,000 jobs in March as the labor market cooled off amid harsh weather and mounting oil company layoffs, the Labor Department said Friday. The unemployment rate was unchanged at 5.5%. The payroll total breaks a 12-month string of job gains above 200,000 and is the lowest tally in 15 months.

### **Bernanke Says Global Imbalances Bedevil the World Economy**

*4/02/15 The New York Times*

Ben Bernanke and Larry Summers are in the midst of a vigorous blog debate about why the world's economy is so messed up and how it can be fixed. Mr. Bernanke says a "global savings glut," caused by people and



governments overseas saving too much, has driven unemployment up in the United States, and driven wages, G.D.P. and interest rates down. The mechanisms are complicated, but one of the main reasons imbalances matter is that any country that's saving too much is not buying enough American exports.



## Payments Press

### Vantiv Becomes Second Largest Merchant Acquirer in the U.S.

*3/31/15 Vantiv*

Vantiv, Inc., a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes, announced new research by The Nilson Report indicates that Vantiv has become the second largest merchant acquirer in the United States based on number of purchase transactions\*. Analysis of the March 2015 issue shows that Vantiv increased purchase transactions to 15.5 billion in 2014, a 28% increase over 2013, taking the number two position in the U.S. market.

### AmEx CEO Says Firm Has Learned the Dangers of 1990s-Era Elitism

*3/31/15 Bloomberg*

During the 1980s and 1990s Amex "gained a reputation as being prestigious, elitist and expensive – and for years we reveled in those attributes," Chenault, 63, said in a speech Tuesday hosted by Boston College's Carroll School of Management, describing the firm's efforts to add cardholders and merchants. "We took our prestige so seriously that as a company we too became elitist and arrogant."

### Ingenico Group and Intel to Bring Payments to the Internet of Things

*4/02/15 BusinessWire*

Ingenico Group and Intel Corporation announced a collaboration to combine Intel technology and Ingenico Group secure payment acceptance for the Internet of Things. The companies will jointly develop a mobile tablet that supports EMV1 and NFC payment functionalities, a standard required by banks to help prevent credit card fraud.

### Visa and Airline Industry Collaborate on New Global Standard

*4/01/15 Visa*

After a multi-year collaboration with the airline industry, we've introduced a new set of global payment standards for "ancillary" transactions such as baggage fees, in-flight meals, and seat upgrades. These new standards have been specifically designed to support the industry's evolving business practices. Already one of the largest processors of payment card transactions, the airline industry's changing business model has increased sales of these types of purchases by nearly 400% since 2008.

## Mercury Launches New EMV Solutions at TRANSACT 15

*3/31/15 Nasdaq*

Mercury Payment Systems, a Vantiv company and an award-winning provider of payments technology and services for small and medium-sized businesses (SMBs), launched new EMV solutions for integrated software vendors (ISVs) and small and medium-sized businesses (SMBs) at ETA's TRANSACT 15 in San Francisco. "SMBs with integrated point-of-sale systems face different challenges implementing EMV than those using unintegrated systems," said Matt Ozvat, vice president of developer integrations at Mercury.

## FIS Opens Tech 'Garage' in (Where Else?) San Francisco

*4/01/15 American Banker*

FIS has designated a permanent area in its San Francisco office to test and showcase mobile banking and payment apps, highlighting the pressure on traditional vendors to stay current on emerging technologies and recruit young tech talent. Aside from financial staples like an ATM, this digital innovation lab - which FIS nicknamed "the garage" - features wearable devices, a high-definition display wall and playful decorations like a mock fuel pump. FIS will use the space to test ideas, demonstrate new technologies to bank clients and others, and build innovation street cred in a city of software developers courted by high-profile brands.

## Delta Buckles Up With Alipay as Airlines Tap Mobile Payments

*4/03/15 Mobile Commerce Daily*

Delta Air Lines is attempting to entice more Chinese consumers to book with its brand by teaming up with mobile and online payment solution Alipay, suggesting that parent company Alibaba may edge in on other payment options in the airline sector. The strategy will see Delta become the first United States-based carrier to integrate Alipay onto its Web and mobile site, proving the brand's ongoing efforts to better cater to Chinese customers.

## Heartland and Verifone Renew Alliance; Announce EMV and Encryption Initiative

*3/30/15 Verifone*

Heartland Payment Systems is the nation's fifth largest payments processor and a leading provider of merchant business solutions, serving more than 300,000 business and educational locations nationwide. It will immediately make available Verifone's EMV and NFC-enabled VX 520 payment terminal and VX 805 PIN pad with Heartland Secure™ E3 end-to-end encryption and tokenization. This offering will provide merchants with rigorous payment security as well as an easy migration to EMV as the mandated liability shift approaches.

## Global Payments' OpenEdge Division Integrates Secure Payments Solutions with Carolina Software's Wasteworks Software Suite

*3/31/15 Global Payments*

Global Payments Inc., a leading worldwide provider of payment technology services, is pleased to announce a partnership between OpenEdge, its integrated payments division, and Carolina Software, Inc., developer of the industry leading WasteWORKS software suite for the municipal waste market. WasteWORKS will be among the first applications to integrate the EdgeShield security bundle.

## Element Unveils New EMV Feature for its triPOS Solution

3/31/15 Vantiv

Element Payment Services, a Vantiv company and a provider of payments technology and services for SMBs, announced that it will showcase the newest feature of its triPOS payment processing application at ETA's TRANSACT 15 expo in San Francisco. Now with EMV support, the P2P enabled triPOS and Element's Express processing gateway provide software developers a single, simplified integration that helps to remove business software applications from PCI scope.

### **ProPay Announces ProFac Express for Payment Facilitators**

3/31/15 TSYS

ProPay®, a TSYS® company, announced today that it is launching ProFac ExpressSM - a suite of services designed to simplify and enable payment facilitators with aggregation and traditional payment processing services. With a long-standing and proven track record in supporting merchant aggregators, ProPay is uniquely suited to support the needs of software developers, service providers, online marketplaces and other businesses in need of merchant aggregation.

### **TransFirst® Certifies Verifone's Secure Commerce Architecture**

3/31/15 MarketWatch

Verifone PAY, announced that TransFirst®, a leading provider of transaction processing services and payment enabling technologies, has certified Verifone's Secure Commerce Architecture (SCA). Certification of SCA enables TransFirst and its merchants, financial institutions and independent sales organizations (ISOs) to connect Verifone's EMV and NFC-enabled VX 520 payment terminal and VX 805 PIN pad directly to TransFirst's web-based payment processing platform - Transaction Express®.

### **Moneris to Work With Verifone as Exclusive Provider for its Countertop Terminal Solutions in US**

3/31/15 EON

Moneris, one of North America's largest processors of debit and credit payments announced that Verifone will be the exclusive provider of EMV-enabled countertop terminals to Moneris' merchant clients in the United States. Moneris will offer merchants seeking countertop EMV-capable payment terminal solutions the Verifone VX 520.

### **Powa Technologies and Merchant e-Solutions Partner to Support POS Application Developers' Go-To-Market Strategies**

3/30/15 BusinessWire

Powa Technologies today announces a strategic partnership between its PowaPOS division and Merchant e-Solutions, a U.S.-based provider of end-to-end global payment solutions, and a company of the Cielo group. Through this partnership, the two companies will jointly market their complementary POS and payment solutions to help independent software vendors (ISVs) bring their apps to market, focusing particularly on accelerating the adoption of tablet-based payments in the U.S. and Latin America.

### **MasterCard Expands San Carlos Center of Excellence**

3/30/15 MasterCard

MasterCard announced the expansion of its San Carlos Center of Excellence and the relocation of senior vice president of Emerging



Merchants, Les Matthews, and his team to the company's West Coast office. MasterCard will also add global communications support in San Carlos with the relocation of vice president, Worldwide Communications, Brian Gendron. The moves enhance the company's presence on the ground in Silicon Valley - an important market for continuing to deepen MasterCard's footprint with the tech community.

### **Payment Fusion and Ingenico Group to Provide Semi-Integrated EMV Payment Integration Solution**

*3/31/15 PRWeb*

Payment Fusion, a cloud-based provider of payment integration services and Ingenico Group, the global leader in seamless payment, announced that they are working together to streamline the process of integrating to EMV certified payment terminals. Many software providers are currently struggling with EMV/Chip and PIN integration and certification.



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