MPE Awards 2018
Winners & Interviews

MPE Awards 2018
recognized innovation & excellence in merchant payments acceptance!

MPE 2018 Awards recognized TOP 14 European merchant payments providers at 11th annual MPE2018 (Merchant Payments Ecosystem) conference and exhibition during the Gala Dinner in front of 900 senior industry professionals.

For night years in a row, the MPE AWARDS serves as a quality benchmark in European merchant payments and helps merchants in decision making over the payment providers. For 2018, the categories have been fully updated to recognize and reward the areas that matter most to payment acceptance in today's market. New awards categories focused on:
Best On-boarding Process| POS Innovation/POS SW payment App| Alternative Payment Solution| Best Merchant Payments Partnership| Omnichannel Payment Solution| MPE Influencer of the Year

The MPE 2018 AWARDS Gala Dinner & Ceremony, took place on February 21, in the prestigious Five Star Intercontinental Hotel Berlin. Awards Gala Dinner was hosted by recognized payment industry advisors & speakers: Alex Rolfe & Neira Jones.

PEOPLE'S CHOICE AWARD
Category "MPE INFLUENCER OF THE YEAR AWARD" went to: **KACHING**

JUDGE'S CHOICE AWARDS
Winners listed in Categories below are:

ID, SECURITY & ANTI-FRAUD SOLUTION AWARD: **ACI Worldwide**

ALTERNATIVE PAYMENT SOLUTION AWARD: **Saxo Payments Banking Circle**

ACQUIRER OF THE YEAR AWARD: **First Data**

INTERNATIONAL PAYMENT SOLUTION AWARD: **LEMON WAY**

OMNICHANNEL PAYMENT SOLUTION AWARD: **AltaPay, a Valitor Company**

DATA ANALYTICS & SCIENCE AWARD: **Cybertonica**

START-UP INNOVATION AWARD: **ID-Pal**

PROCESSOR OF THE YEAR AWARD: **PPRO**

PSP AWARD: **GPN DATA – Connected Payment Platforms**

POS INNOVATION/POS SOFTWARE PAYMENT APPLICATIONS AWARD: **BS PAYONE**

ON-BOARDING PROCESS/SOLUTION AWARD: **BillPro**

MERCHANT PAYMENTS PARTNERSHIP AWARD: **Verifone**

MOBILE PAYMENT SOLUTION AWARD: **Yoyo**

"With over hundreds payment company's nominations pouring in this year, our judges had a tough time picking 13 clear winners. In 2018, there was one New Award Category added – MPE INFLUENCER OF THE YEAR that was decided by the payment industry in ONLINE PUBLIC VOTING.

We would like to congratulate to all of the winners and nominees of the MPE2018 Awards" said Natalia Ivanis, Head of Event Production, Empiria Group, the organizer of the MPE conferences.
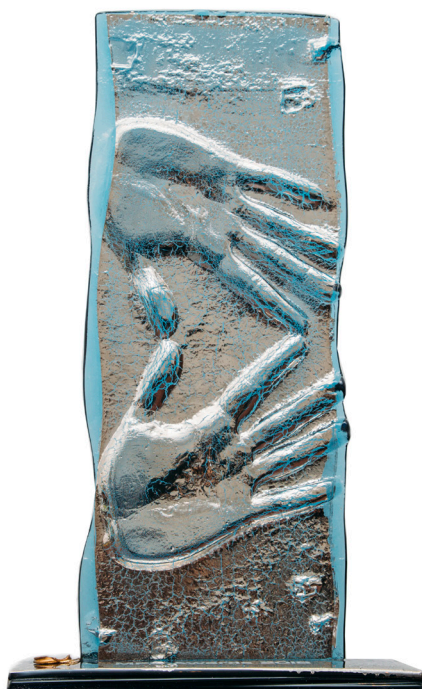
MPE Awards 2018 Sponsor

MPE Awards 2018 Media Partner

MPE Awards 2018 Statuette – Guiding Hand

KACHING

"MPE Influencer of the Year" Award will go to the most influential payment provider for the significant contribution to the growth and development of the merchant payments industry during the last year. The Winner will be decided in public voting of merchant payment industry professionals.

Click here to watch the interview

MATHIAS PLANK
Founder & CEO
KACHING

WINNER IN CATEGORY

BEST ACQUIRER OF THE YEAR AWARD

First Data

This Award will go to the outstanding Acquirer who has developed an excellent acquiring service for merchants throughout Europe.

MATTHEW PRIOR
Director, Business Development & Key Client Relationships
First Data

Click here to watch the interview

GPN DATA – Connected Payment Platforms

This Award will go to the PSP who o ers the best and most e cient mix of payment options, providing the best overall service to its customer base.

MAREK SALA
Executive President
GPN Data

Click here to watch the interview

PPRO

Goes to the processor or the network services provider, who o ered the most innovative services to acquirers, PSPs (and therefore, ultimately, to merchants) or to merchants directly.

RONNIE D ARIENZO
Chief Sales Officer
PPRO Group

*Click here to
watch the
interview*

WINNER IN CATEGORY

BEST START-UP INNOVATION AWARD

ID-Pal

This Award will go to the winner of the Innovation Corner competition for the most innovative start-up company in Merchant Payments Ecosystem.
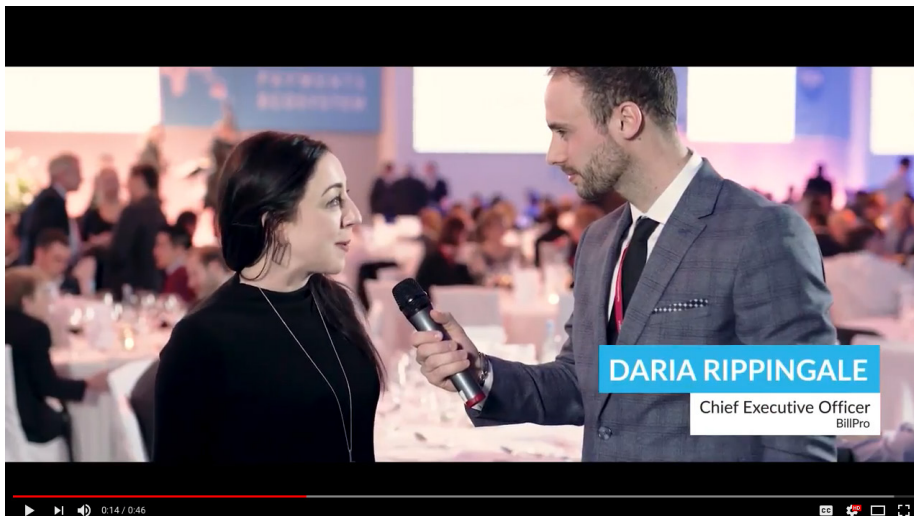

iDPal | **James O'Toole**
CEO & Co-Founder

0:17 / 2:24

Click here to watch the interview

BillPro

Goes to payment providers for customer-focused on-boarding process/solution meeting merchant demand for fast on-boarding.

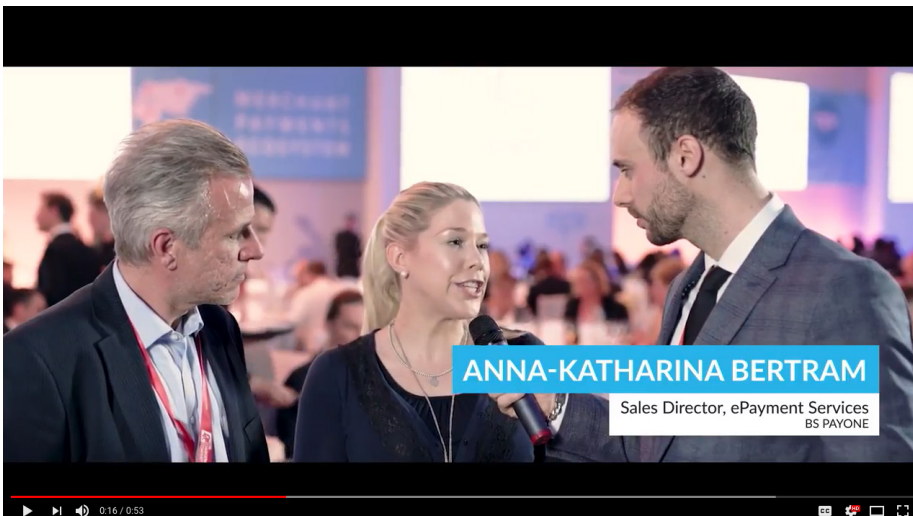**DARIA RIPPINGALE**
Chief Executive Officer
BillPro

0:14 / 0:46

Click here to watch the interview

BS PAYONE

Goes to provider for best use of integrated POS/ Smart POS/ Mobile POS solutions to merchants and/or SMB helping them to accept payments, improve business results with value added services and revolutionise the customer shopping experience in-store.

ANNA-KATHARINA BERTRAM
Sales Director, ePayment Services
BS PAYONE

0:16 / 0:53

Click here to watch the interview

BEST ALTERNATIVE PAYMENT SOLUTION OF THE YEAR AWARD

Saxo Payments Banking Circle

Provider or solution that most effectively facilitates merchant payment payment transactions without requiring the consumer to directly use a payment card.

Best Alternative Payment Solution Award

Saxo Payments Banking Circle

Click here to watch the interview

LEMON WAY

Goes to the provider who did set-up the best o er, programme, or system, to service international merchants.

SEBASTIEN BURLET
Executive Chairman - President
Lemonway

Click here to watch the interview

AltaPay, a Valitor Company

Goes to the acquirer, the processor, the network services provider, the payment services provider, the payment scheme, the MNO or the solution provider, who was able to o er innovative or the most complete offering regarding card, mobile or online acceptance in different channels.
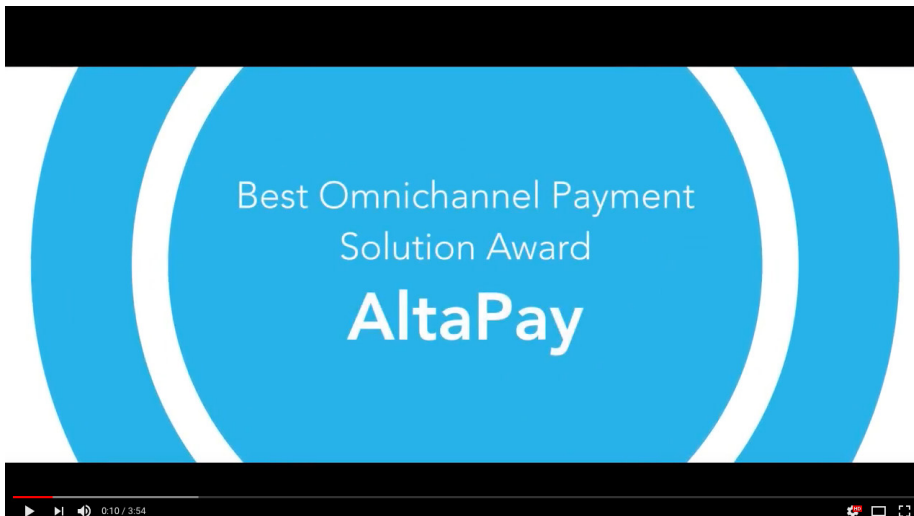
Best Omnichannel Payment Solution Award

AltaPay

Click here to watch the interview

0:10 / 3:54

ACI Worldwide

Goes to the provider, who has the best performing security system, Best Identity Verification and Authentication Solution as expressed by merchant satisfaction, fraud rates or security breaches.
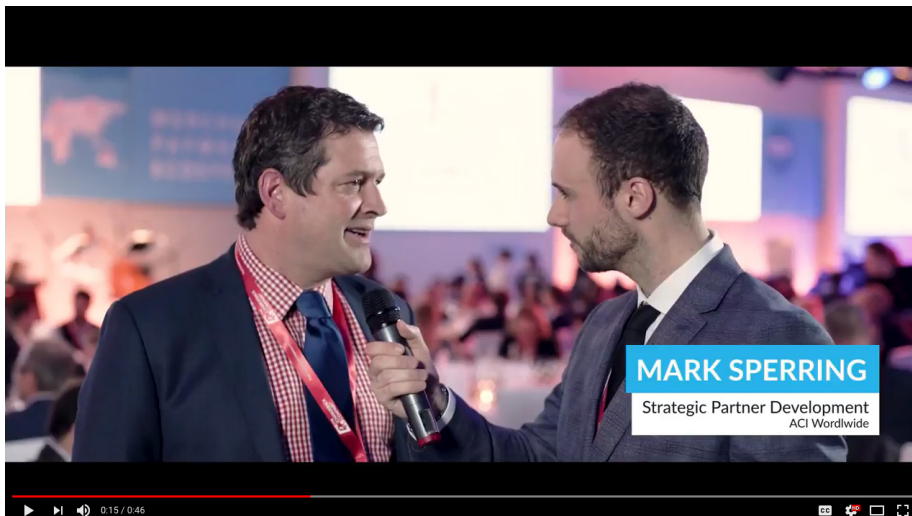
MARK SPERRING
Strategic Partner Development
ACI Worldwide

Click here to watch the interview

MPE AWARDS 2018

BEST DATA ANALYTICS AND SCIENCE AWARD

Cybertonica

Goes to the provider for Best Data Management and Infrastructure; Best Use of Data in a Merchant payment Product or Service delivery and Best advanced analytics & Data Science, Goes to the organisation which has shown how data can be turned into actionable information (insight) for the customer. It is speci cally targeted at increasing the e ective-ness of marketing campaigns (and/or customer retention) and creating an opportunity to enhance customer loyalty.
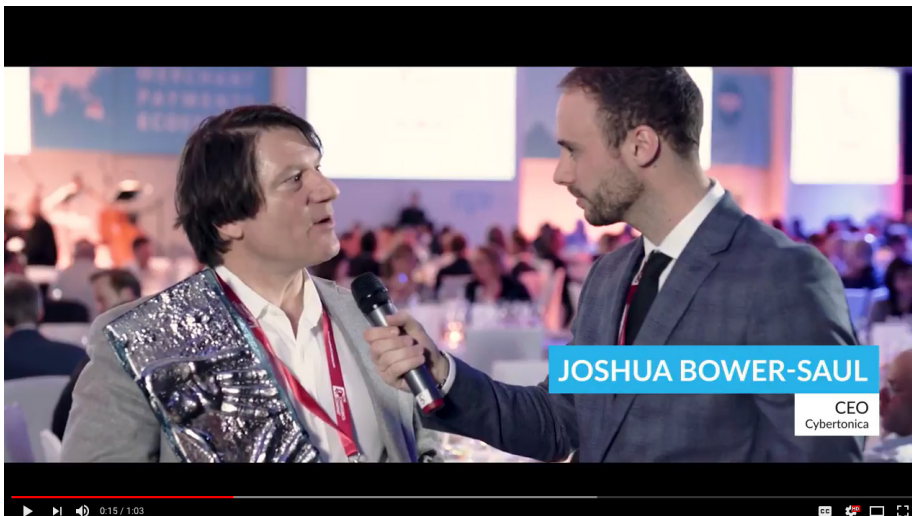
JOSHUA BOWER-SAUL
CEO
Cybertonica

0:15 / 1:03

Click here to watch the interview

BEST MOBILE PAYMENT SOLUTION OF THE YEAR AWARD

MPE AWARDS 2018

Yoyo

Goes to the Solution/ Provider that most e ectively facilitate digital customer purchases using a mobile device. Includes any method supporting mobile commerce, like open and closed wallets, apps, direct-carrier billing, etc.

MICHAEL ROLPH
CPO & Co-founder
Yoyo

0:15 / 0:56

Click here to watch the interview

BEST MERCHANT PAYMENTS PARTNERSHIP AWARD

Verifone

Best enhancement or design/ development of payment product/ solution/service prepared through acquisition, collaboration and, or partnerships by and between payment technology providers, payment companies, merchants and POS solution providers.

MARKUS HÖVEKAMP
Vice President, General Manager of Germany, Spain, Portugal & Italy
Verifone

0:15 / 1:37

Click here to watch the interview

Interviews with
MPE 2018 Awards Winners

Ronnie D´Arienzo
Chief Sales Officer
PPRO
(Best Processor of the Year award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

There are three key areas, the first of which is obvious, but all players need to be aware of and ensure adoption.
Firstly, PSD2, the second European revised payments directive, which I see as not a hindrance, but a significant opportunity for three constituents. The key word and requirement to make this work is collaboration. PSD2 will create huge changes in the relationships between Banks, FinTechs, and the consumer. Banks, who previously provided end to end services, are being challenged by FinTechs and Third Party Providers (TPPs) through the promotion of open systems that PSD2 is driving. Rather than competing, in which they may struggle, banks can become platform players, allowing FinTechs to work in collaboration with them. Adopting this new 'platform role' will allow Banks to not only retain their consumer base and market share but centralize their position in the new ecosystem. For FinTechs and TPPs, collaboration with established banks will accelerate consumer acquisition and allow them to scale faster. Finally, consumers will also be winners as real-time, agile and personalised payment services along with enhanced security will be delivered more quickly. Adopting these advanced technologies through open APIs, while it will drive speed and convenience, could see an increase in cybersecurity vulnerabilities that must be considered.

Which brings me on to the second point – Cybersecurity.

Driven by PSD2, open banking collaboration between payments players could affect data and security in the race for real-time and seamless payments. Incidents of cybersecurity breaches continue to increase as cybercriminals become smarter and adopt new technologies to attack businesses. Regulators across the world are bringing in a range of standards and regulations such as GDPR (EU General Data Protection Regulation), that are designed to protect the consumer. These important, but burdensome regulations, will take businesses significant resources to ensure compliance. Failure to do so could mean heavy fines, injunctions, audits or even criminal liability.

And finally, alternative payment methods are going to increase in prominence. With the growth of smartphone use, payment apps and mobile banking, contactless and wearables will gain further traction in key markets. Even in established markets such as the Netherlands, the so-called alternative payment method is, in fact, the prominent means of on-line payment. iDeal is used to pay for 2/3 of all on-line purchases, so merchants outside of the Netherlands, looking to encourage Dutch consumers to buy their goods, adding iDeal is a must. The Netherlands is not alone, by 2019 55% of worldwide online transactions will be based on alternative payment methods with Alipay and WeChat Pay leading the growth.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

Collaboration is again a keyword in order to meet this challenge. Emergence of the new payments ecosystem, as mentioned above, will impact the role of traditional players in payment processing. Collaboration, or in some cases consolidation (acquisition) will enable providers to embrace this change. Collaboration, Mergers and Acquisitions will expand reach (such as the recent Vantiv / Worldpay acquisition), increase the value proposition (for example by adding alternative payment methods through an aggregator) and create customised solutions (such as Mastercard's acquisition of VocaLink) that enables them to expand their services in areas of payment initiation, fraud management and analytics.

What are the specific challenges for innovators in merchant payments ecosystem?

An increasing tech-savvy population is driving the need for a better customer experience, seamless, real-time payments and lower costs. These needs have attracted a multitude of third party providers to this space such as FinTech start-ups, device manufacturers, established tech firms, and telecom players.

As I have spoken about, APIs are driving innovation and enabling FinTechs to provide easy to use, front-end solutions simply by leveraging the banking platform and existing infrastructure. Innovators need to focus on the growing smartphone and internet adoption which is enabling the widespread use of mobile / e-wallets as a payment tool. India, as a prime example, has seen a rise in mobile wallet adoption since the recently adopted demonetisation measures with the market forecast to reach $4.4 billion by 2022.

What future developments do you foresee for B2C payments in the fintech era?

There will be many, but in terms of adding to a theme above, whereby consumers will continue to drive demand for not just faster payments, but real-time payments, Robotic Process Automation (RPA) and Machine Learning will play a key development role. Consumers are looking for convenient, frictionless, and quick payments, which in turn adds to the risk of fraud and cybersecurity. Indeed, non-cash transactions have increased at their highest growth rate in the last decade, which means RPA, and Machine Learning will need to play an increasingly important role in the financial services industry in reducing risk, reducing costs, and increasing productivity. Faster processing systems and advancements in machine learning are enabling near real-time fraud detection, which is not possible manually. Banks and Payment Institutions can, therefore, check and monitor their processing systems for possible threats and through experience, establish a payments control centre to identify exceptional situations. Only by adopting Robots / AI / Machine Learning, will we be able to satisfy consumer demand for greater convenience, security and, speed of payment.

Joshua Bower-Saul
CEO and Co-Founder
Cybertonica
(Best Data Analytics and Science award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

The biggest impact for merchant payments is going to be the growth of Neo-Banks, mobile payments and alternative systems and currencies. What is most critical is that merchants are working with future-proofed platforms that can integrate these many different types of transactions without needing difficult and costly adaptation of their risk and fraud management systems. Weak merchants who are unprotected will be quickly targeted by sophisticated fraudsters, and the importance of providing anonymous but secure transactions will be more and more apparent.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

To embrace this future, the merchants and the payment platforms must accept that only a real-time, intelligent and dynamic authentication and risk management tool is adequate to the very complex payment scenarios. This cannot be built in-house or be designed with rules that only work on one channel or type of payment flow. Legacy systems need to be adaptively transformed into test data sources for more contemporary machine learning and AI led decision and risk measurement tools and the neo-banks, mobile payment and other forms all link to a single risk management tool.

What are the specific challenges for innovators in merchant payments ecosystem?

Primarily for incumbents the challenges are tied to slow internal processes of large, very risk-averse major companies. The legacy risk management and fraud management systems no longer can outsmart the contemporary big business of fraud, where people have access to full identities through hacked user data and can simulate 80% of an identity relatively cheaply. This is often enough to get account access.

For the innovators the challenges are managing to gain credibility when in fact the systems have not been built to deal with the large-scale fraud and risk that they can occasionally call forward. Also, innovators trying to find solutions to such problems face the credibility gap and the testability gap:

1.   At first a major organisation will prefer working with a

largish player in the innovation market for balance sheet, risk mitigation etc. and will only allow for limited data to be used with the new product, reducing its impact and reputation.

2.   Secondly, if the innovator gets over the credibility gap, then they have to make it through the testability gap, where existing data and regulatory make it hard to handle major data sets. There is a need for a generalised sandbox for data-focused firms. This is the testability gap.

3.   Thirdly, the willingness to pay for innovation. Both investors and strategic partners and investors need to understand that investing time and money in young businesses is the best means for seeing if their efficiencies can add value. We met one Neo-Bank that wished to conquer the world, and had raised the money to do so, but could not imagine paying even 6 pennies per month per user for security and fraud management.

What future developments do you foresee for B2C payments in the fintech era?

Crypto currencies will become the norm for international B2C payments and for a large portion of B2B and institutional transactions.

Special use tokens will become a popular way to pay for travel and other segments related to international exchange.

Currency exchange markets will be entirely transparent and online.

Daria Rippingale
CEO
BillPro
(Best On-boarding Process Solution award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

I believe that the customer experience is going to become the centre of the universe for our industry. It already is to an

extent, but I think that it will really start to be a key success factor. For some time, consumers have endured sub-standard customer service from many aspects of financial services, but with so many new options coming into play, this is going to change. If you are not delivering an excellent customer expe-

rience, you won't end up on top.

Blockchain ledger technology for onboarding will likely start to be applied to customer compliance and onboarding – as well as other underwriting aspects. This has the power to completely transform how KYC and AML screening is handled worldwide. It would allow for KYC to be done 'officially' only once per customer worldwide, with the information then stored against expiry data. That information could then be securely shared and accessed by financial parties in the future. This would save time and improve the quality of compliance to levels never seen before.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

Although the industry will take time to catch up, the PSD2 allows for a whole new payment ecosystem to be developed – one which is specifically aimed at providing consumer centric services, rather than centralising these to banking institutions. The introduction of AIS (Account Information Services) and PIS (Payment Information Services) will be integral to opening a new and competitive alternative to credit card payments for both businesses and individuals throughout Europe.

What are the specific challenges for innovators in merchant payments ecosystem?

We speak much about partnerships and open data, but the reality is that fintech innovators are finding it challenging to secure banking and payment technology to support their innovation, often needing to compromise on their ideal product offering or on their strategy, purely because they cannot find the banking offer that is flexible enough to match their requirement.

What future developments do you foresee for B2C payments in the fintech era?

I think we will start to see fintechs taking cybersecurity much more seriously. I expect to see a lot of development in this space and even the convergence of the two industries, to an extent. Particularly as consumers start to fully understand the openness of their data, they will be seeking increased protection.

Additionally, this openness of data is no doubt going to lead to much more development in the mobile payments space. I think we will start to see a lot of truly innovative payment options emerging.

Damien Guermonprez
Chairman
Lemonway
(Best International Payment Solution award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

Instant payment will certainly impact payment.
The pressure on payment margin will remain. The biggest retailers may decide to equip themselves with Payment Institutions, the same way they created banks in the 80's to provide consumer credit in their stores. This time, their purpose will be to create hubs of finance, to better negotiate with their acquiring banks.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

I would suggest they buy FinTechs specialized in e-payments if their systems are capable of scaling.

What are the specific challenges for innovators in merchant payments ecosystem?

To achieve the critical mass of payment in an industry

where margins are small is a major challenge for innovators. Another one is the time it takes to change the infrastructure when the innovation requires a change of equipment.

For example, regarding payment terminals, it took more than 15 years for them to accept contactless payments and much longer to accept chipcards before.

What future developments do you foresee for B2C payments in the fintech era?

Cardholders will get access to the bill linked to each transaction via websites.

Anders la Cour
CEO
Saxo Payments
Banking Circle
(Best Alternative Payment Solution award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

The interconnected nature of the modern world is breaking down barriers and borders. Even smaller merchants can now transact internationally in a way that would have been impossible pre-internet. As a result, competition for the delivery of services that support merchant payments is increasing significantly which, in turn, means innovation is accelerating. But such significant changes need robust regulation to ensure the market remains fair for all parties.

New regulation is already having an enormous impact payment providers and their merchant customers and there is no sign of this trend abating yet. But regulation isn't necessarily something to fear – the most recent regulation changes have opened the market, allowing Financial Tech businesses to provide payment solutions and other banking services to business and consumer customers.

Another factor which will have an increasing impact is the retrenching of global banks from foreign geographies. The traditional correspondent banking model, used for cross border payments since cross border payments first began, will soon be unable to support the industry. However, other solutions are beginning to step in and fill the gaps which, I am sure, means we will see the range of providers and solutions expand year by year.

One important advantage of this fast-moving innovation is that the latest solutions entering the market are built fit for purpose. Customer expectations are higher than ever, driving innovation to create a better service and frictionless solutions, in particular tackling the existing challenges of international transactions - high FX charges, poor FX rates and slow transfer times.

Within the next few years, new technology should mean the some of the traditional barriers to payments will disappear. We look forward to the day when payments are not defined by their country of origin and destination. There will no longer be local payments and international payments, there will simply be Payments.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

Salesforce recently reported that 52% of millennials prefer to carry out basic transactions through FinTechs rather than traditional banks, thanks to the convenience and simplicity of the tech. FinTech solutions, built as they are

with a specific need at the very heart of the product, are better able to provide a tailored, cost-effective solution.

This is the way forward. It's now pretty much accepted that the cost and resources needed to change and adapt legacy systems are simply too prohibitive. Much better to build solutions from the ground up to efficiently fill a gap. Of course, however, many payment and banking providers simply do not have the capability and resources required to build 'fit for purpose' solutions.

That's where third-party Financial Utilities like Banking Circle can step in. With a focus entirely on delivering an efficient and cost-effective solution, that leaves the bank or payment provider to focus internal resources on the all-important customer relationship and core product suite.

What are the specific challenges for innovators in merchant payments ecosystem?

The speed of change is probably the biggest challenge –

and opportunity - for many innovators in the payments ecosystem. It takes huge resources to build and deliver a new solution, and for many companies this means that by the time they are ready to deliver the product, it is out of date and more efficient and cost-effective solutions have already entered the market.

The level of competition in this space is unprecedented and continues to rise rapidly, presenting another significant challenge for all but the most well-equipped and dedicated innovators.

Across the market, there has been gradual acceptance of an ecosystem approach to cross border payments. Partnerships with third-party Financial Utilities help knock down existing legacy walls, allowing faster integration, smoother payments, and better customer service, with minimal risk and huge reward. For the first time, smaller institutions and challengers can enter the market to meet the growing need for corporate cross border payments and banking.

Angus Burrell
General Manager
AltaPay UK
(Best Omnichannel Payment Solution award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

A decade ago, no one was talking about payments, not even merchants. Now, with the decline of cash, businesses will have to change their focus and review their payment solutions far more frequently. Commerce is taking place across multiple channels and payments are becoming more and more complex. This is all being driven by the increasing demands of the digital consumer. People expect to purchase through a broader range of payment methods and retail giants like Amazon are set-

ting the bar high in terms of the customer experience. As a response to these increasing pressures, the next few years will see more established providers stepping up to the plate to deliver a more mature and complete experience for their customers.

This changing landscape will also need to be put in the context of increasing regulatory demands. As changes such as PSD2 and Open Banking take hold, businesses will have to become more customer-centric and innovative if they are to remain competitive.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

If payments providers are to negate the problems posed by legacy systems, there are some core considerations that they will need to keep front of mind. Firstly, it is crucial that any new payment systems can collaborate seamlessly with legacy systems in order to bridge the gap between old and new payment models. Organisations cannot change their infrastructure in one fell swoop - change needs to be manageable and sustainable if it is to be effective. Businesses also need to work closely together and consult each other on their fintech offerings in order to overcome the challenge of legacy systems and build a streamlined model that will make buying and selling easier. Without this element of co-operation, new entrants to the market will put existing providers under huge pressure.

What are the specific challenges for innovators in merchant payments ecosystem?

No one wakes up in the morning thinking "I hope I have a richer payments experience!" The fact of the matter is, consumers don't think about their payments process in detail and business decision-makers don't care about the technicalities behind transactions. Consumers just want to be able to purchase and return goods and businesses just care about selling. One of the main challenges for innovators, is therefore proving to decision-makers, the importance of a seamless, omnichannel solution and the broader benefits an innovative payments system can have on their business.

What future developments do you foresee for B2C payments in the fintech era?

The future of fintech lies in the hands of the consumers. Expectations are rising. Consumers are more inclined to exit a store if there is a card surcharge or minimum spend and are likely to abandon an online checkout if the merchant charges for click and collect. Apple's introduction of Touch ID to the iPhone has familiarised customers with using biometrics and, as a result, lots of customers are willing to use biometrics to authorise transactions. PINS and passwords will become a thing of the past.

Businesses must therefore focus all of their efforts on accommodating the consumer's demands and shopping preferences in order to keep ahead of the competition - offering true omnichannel solutions will be essential.

June Felix
President
Verifone Europe & Russia
(Merchant Payments Partnership award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

The strongest driver is the power of the consumer. Today, people are no longer behind the curve of development, they are familiar with the seamless, effective convenience of apps and social media, and they expect the same when they're paying. The call for speed, efficiency and context is rapidly becoming a need, but customers are also looking for new options and experiences when paying. This could include the ability to offer customers services to delay payments until payday, or providing

easy options for making charitable donations. The consumer plays a major part, but the other pressure point accelerating change is technology expanding beyond merchants' ability to pay. One thing is for sure, mobile payments are on the rise, there are set to be 977.2 million users of mobile payments globally by 2020, representing a global and unstoppable trend.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

This seismic shift has uncovered a world of new opportunities for payment providers like Verifone, and openness is the key. Collaboration breeds innovation, so more traditional payments providers should look to partner with nimbler, more agile providers like fintechs to provide customers with that next level of service or innovation. Within the payments industry, this includes biometrics, digital currency and blockchain - top tech trends set to deliver transformational disruption. Partnerships are important, but it is also about creating open platforms to allow developers to create apps, nurturing innovation. Implementing this approach means that the time to deliver on new ideas can be slashed from months to minutes.

What are the specific challenges for innovators in merchant payments ecosystem?

The first challenge is meeting the growing expectations of the consumer and creating seamless, connected experiences, while ensuring the most robust security possible. This means having to strike a balance between keeping security front of mind, while pushing the envelope of innovation. However, comprehensive security is essential for the innovator, and with GDPR on the near horizon, end-to-end data security is a must.

What future developments do you foresee for B2C payments in the fintech era?

The fintech era has given us a glimpse into a world of new opportunity where technology dismantles traditional barriers. The consumer banking world is become less physical, with a number of fintech challengers having already successfully provided customers with a mobile-only experience. These innovative ideas fit neatly into the connected, app-based lives of the modern consumer, contributing to the step-change we are observing and part of in the payments space. Cross-border payments will also be much smoother. This is currently a process that typically requires capital to be tied up in different markets, resulting in an inefficient and time-consuming process. However, the advent of blockchain will make this process more secure, and almost instantaneous.

Michael Rolph
CPO & Co-Founder
YoYo Wallet
(Best Mobile Payment Solution award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

Firstly and most obviously: Mobile. It is here to stay and has been proven to generate far more engaging custom-

er experiences. Merchants who embrace this will thrive, whilst those who ignore it will disappear. Secondly, the impact of PSD2/ Open Banking will lead to a revolution in payment services. As a start to this, domestic digital payment schemes that promote direct bank payments

will start to emerge, however unless they are providing 'value added' services to either consumers or retailers they will not have much impact. Lastly the trend to 0% payment fees. Payment is already seen as a commodity service and as the competition heats up via PSD2 and alternative payments competition amongst payment players will eat the margin away to the point where only value added services i will warrant a fee.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

Put simply, by embracing partnership opportunities with the new wave of payment enabled companies. The Open Banking/ PSD2 mandate is a big step in the right direction to make this easier but does not solve the problem. There has to be a cultural shift within the organisations and their approach to technology in order to fully maximise the art of the possible.

What are the specific challenges for innovators in merchant payments ecosystem?

Inertia. When all said and done, the payment world as we now it today works. This makes selling the future for today that bit harder.

Getting to scale. Not just a few hundred thousand card users or processing a few million transactions. Real scale. Millions of card users and hundreds of millions of transactions.

Revenue. Neat concepts are just that if they do not deliver revenue that enables innovators to build real businesses.

What future developments do you foresee for B2C payments in the fintech era

At Yoyo, we believe that there is vast amounts of value to be delivered to both consumers and retailers by unlocking the power of payment data. We think that enhancing payment experiences to encompass the automation of loyalty, digital receipts, rewards and other value add experiences delivered via seamless digital experiences will revolutionise how we buy.

Andy McDonald
Vice President,
Merchant Payments
ACI Worldwide
(Best ID, Security & Anti-Fraud Solution award)

What would you point to as key trends significantly impacting merchant payments in next 1-3 years?

Increasingly, merchants are realising that payments strategy plays an important part in the customer experience – capable of delivering far more commercial benefit than simply securing the value of the transaction. This is a trend that has emerged over the last couple of years,

but it isn't going away, as payment providers and merchants seek to optimize the customer experience while at the same time finding the optimal cost structure.

How can payments providers overcome the challenge of legacy systems, and embrace the future?

One of the reasons that customer experience – as it re-

lates to the payments experience – continues to be a key trend in our industry, is that striking a balance between frictionless customer experience and strong security remains a challenge. This is particularly the case when relying upon older legacy systems – something common amongst large retailers that have complex business models and systems inherited through acquisitions.

But the rewards of consolidating (and modernising) payment platforms outweigh the costs. Effectively striking the balance between customer experience and security requires using the full range of data – structured and unstructured – to gain a holistic view of the customer and make informed decisions about the fraud controls that are applied. As long as retailers are relying upon legacy systems, it will be difficult to fully realise seamless and secure.

One way that retailers are confronting this challenge, and embracing the future, is to entrust payment-related services to third-parties. In fact, 84% of European retailers would consider using third-party providers, up from 60% in 2014. In addition to gaining a more holistic view of the customer, or bringing payments and fraud prevention under one roof, third-parties can shorten time-to-market when expanding and address regulatory and compliance challenges.

What are the specific challenges for innovators in merchant payments ecosystem?

Striking the balance between customer experience and security requires constant fine-tuning of fraud measures, to ensure that trustworthy shoppers are recognised and progress with minimal friction. But as cybercrime and fraud techniques evolve and try to stay one step ahead, it remains crucial to identify new fraud trends and tweak rule-sets.

Adaptive machine learning holds a huge amount of promise in this regard. Machine learning applies pattern recognition techniques to transaction data, from both fraudulent and genuine transactions, to build algorithms that can predict the probability of a transaction being fraudulent. These predictive models, with their ability to extract meaning from complicated data, can identify patterns too complex for humans or automated techniques to flag. When these models are correctly 'trained' (using mass amounts of relevant transaction data) and configured correctly by experts, these techniques can be used to block fraud behind the scenes, invisible to shoppers, with no harm to conversion rates. Although expert human analysts remain critical to interpreting and acting upon the wealth of transaction data now available, effectively harnessing the possibilities of adaptive machine learning – and turning it into a busi-

ness benefit – will be central to innovation in payments and fraud over the next few years.

What future developments do you foresee for B2C payments in the fintech era?

On the fraud management side, payment providers and merchants need systems capable of capturing and collating massive amounts of data, so that it can be analysed for trends, even as those trends are still emerging or evolving. Data can be used to sketch out patterns within their customer base, but is also critical to building rich intelligence and a good understanding of emerging fraud trends within – and across – market segments and geographies. I think we'll continue to see big developments in this area of B2C payments.

On the payments side, one of the most important issues for merchants will be immediate, or real-time, payments. Immediate payments promise some significant benefits to merchants over card payments – including faster receipt of funds and potentially lower processing fees. As we move towards the 'Internet of Things' and a multitude of connected, payment-enabled devices, it is difficult to conclude exactly which payment form factors are going to emerge. However, open platform architecture will be at the heart of many developments, as it enables the speed and ongoing adaptability that will be needed in tomorrow's merchant payments ecosystem.

> INCREASINGLY, MERCHANTS ARE REALISING THAT PAYMENTS STRATEGY PLAYS AN IMPORTANT PART IN THE CUSTOMER EXPERIENCE — CAPABLE OF DELIVERING FAR MORE COMMERCIAL BENEFIT THAN SIMPLY SECURING THE VALUE OF THE TRANSACTION.

Who won 10 FREE Tickets to MPE 2019?

DATES ANNOUNCED! 19.-21. February

WINNERS OF 10 FREE TICKETS TO ATTEND MPE 2019 were selected from MPE 2018 participants who filled out our feedback forms at the event and provided their testimonials...

AND THE WINNERS ARE:

1. Arno Hietanen, Payment Highway

2. Ivo van Dulken, PostNL

3. **Paolo Marizza, SimplyCity Labs**

4. **Raymond Lee, Trustonic**

5. **Maik Bodden, G2A PAY**

6. **John Eagleton, ChargaCard**

7. **Hagay Elyakim, SPOT Paymentech**

8. **Jihan Rezwan,ticketmaster**

9. **Katarina Lezovicova, RCPR**

10. **Cristina Racu, Paysafe Group**

Your Feedback Matters! Thank you everyone who filled out the evaluation form and helped us to improve the MPE conference experience!

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Simply write about your biggest PAYMENT ACCEPTANCE challenges and why you should win a free ticket and send it to:

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Our production team will select two winners, who will be awarded 2 free tickets to MPE 2019 and their perspectives will appear in the MPE monthly conference magazine POSitivity.

Starling Bank
disrupting the industry

Julian Sawyer

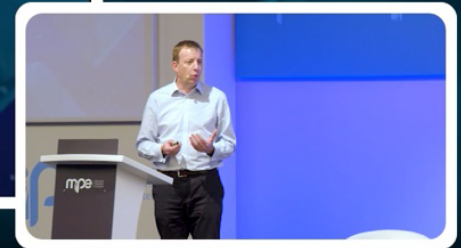STARLING BANK

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JULIAN SAWYER

CHIEF OPERATING OFFICER
STARLING BANK

WATCH NEW SERIES OF
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Haven't you attended MPE 2019 in person?

Never mind, MPE is bringing the Brand NEW series of TED Talk videos to you!

As of this week, during upcoming five months MPE will be sharing Inspiring TED Talks with MPE community. We will be filling our website with MPE's conference presentation and panel discussions.

Plus catch exclusive interviews with some of the Europe's top merchants and key payment solutions providers.

And whose talk will kick off the MPE TED Talk video series?

Julian Sawyer, COO of "Starling Bank" announced at MPE2018 its expansion into payment services offer to include Merchant Acquiring.

What you will in the TED VIDEO learn:

- Why did Starling decide to enter Merchant Acquiring?
- Why the rollout of Merchant Acquiring is an important milestone for Starling are Starling's goals in Merchant Acquiring?
- How does Starling see the next generation acquiring services?

Put your headphones on and see what you've missed.

See Julian's Keynote here

MPE Berlin 2018 Snapshot – Payments and ecommerce trends

PAYVISION
Global Card Processing

Attending MPE Berlin has become a tradition for us. It's the way we start the year properly: by meeting our peers and partners to talk about industry updates, common challenges and how we can help each other keep up with the needs and demands of merchants and consumers.

This year's edition of MPE Berlin was insightful, with many payments and ecommerce developments to debate. Just like every year, we discussed with some of the most inspiring speakers the main topics that the sector is currently obsessing about and compiled a snapshot summarizing the event. Here's a look.

Where are we now?

The current industry setting is in the process of being defined and aligned by regulation. As a result, we can see a new wave of innovation coming from new industry players attempting to challenge the established ones.

In terms of the main buzzwords that keep things inter-

esting right now, we have data, fraud and PSD2, dictating priorities for both payments and ecommerce players. However, as our COO, Gijs op de Weegh pointed out, we can't say they are disruptive since payments is considered a slow industry, with hardly any disruption having taken place so far. Instead, these trending topics are making the sector more efficient, enabling operators to better accommodate consumer needs and demands.

What's next in payments?

As Ron Kalifa argued at last year's edition of MPE Berlin, processing transactions only is a thing of the past for payments operators as we're shifting towards offering added value services meant to help merchants increase their revenues. On the same note, as Osama Bedier from Poynt explained: "payments have always been about increasing sales, so we have to go back to that value proposition". This means supporting merchants in improving their authorization rates, fighting fraud and offering them consumer journey insights that can enhance their strategies.

Certainly, technology is a constant fascination to all of us, especially when it comes to enhancing processes and providing a good shopping experience for consumers. Right now, however, the entire industry is focused on regulatory changes. "For the coming years, this means GDPR, PSD2, [and] the transition to open banking," as David Birch from Consult Hyperion explained.

When asked about what the future holds, our speakers referred to seamless and cashless. One of the top priorities of merchants is making sure that the checkout process is short, taking into account the fact that modern day consumers are used to–and demand–very quick and effortless checkouts as part of their shopping journey.

Another aspect that merchants consider important for the future is for PSPs to involve and allow them to experiment on the interface and scheme they provide, so as to customize the experience according to their particular needs.

What's challenging the payments and ecommerce space?

Regulation again took center stage, being considered one of priorities for everyone in the ecommerce and payments landscape. Of particular note was the way operators will work with customer data and have all the processes in place to be compliant with GDPR.

Another challenge that the speakers identified was understanding consumer behavior, such as why and where a customer is using a device, and use these insights to improve the customer journey. What we see now is that "consumers shift from one device to another, but it's really difficult to understand why and how you can tailor it on the technology," explained Tomasz Pieta from Booking.com.

This links to the third challenge that merchants are currently experiencing: technology. Why so? Technology has improved significantly on the consumers' side, in that their expectations of how a retail interaction should look like are extremely high. Conversely, as Osama Bedier argued, merchants find themselves on the opposite side, having old, aging technology that is holding them hostage from delivering the experience they want to provide for their customers,.

What are payments operators focusing on?

Bringing together all the interaction points in the consumer journey remains a top priority for payment operators. They are currently focused on ensuring a unified customer experience for consumers through the help of a secure solution. Offering a true omnichannel proposition means having "the overarching view and capabilities to bring all channels together".

At the same time, payment providers are working towards providing the proper data and tools to manage the payments process, chargebacks and fraud — the main areas of concern for merchants when it comes to payments.

Data, data, data

"Data is the new oil," argued Ghela Boskovich. It's something that we cannot do business without nowadays since everything is connected through data. However, as our COO, Gijs op de Weegh, mentioned, the industry is at the very beginning with putting it into practice by getting a good understanding of it and building the models and algorithms for making use of it.

What's crucial when starting to work with data is setting specific goals for using it to optimize your business. These could range from achieving a higher conversion rate, becoming more efficient, increasing the revenue or presenting yourself in a different way. Based on what merchants want to achieve, the data scientists can decide what to look for in the data and how to actually start using it to produce benefits.

Event themes: Innovation and Disruption

Very often we think of innovation as something strongly linked to technology. However, according to our speakers, modern-day innovation is not necessarily related to any specific technology. In fact, as Neira Jones told us, it "looks like something that's solving a real problem, helping businesses to either comply with the regulation or become stickier".

Next to innovation, disruption seemed to appear as well in most of the talks and sessions at MPE 2018. Our CPO, John Snoek, warned us that sometimes the term seems a bit overused as "we just call everything disruption". As a result, the new disruption "is not about the great innovation that will change the world", but actually "doing all the parts in the customer journey right".

What else is hot right now in the industry?

Collective intelligence. Meaning, the collaboration between industry players to help each other understand the current trends and challenges and how to properly cope with them to be successful. This has actually become a norm that keeps on repeating at every event we attend. Our guess is that it will never go out of style due to the continuous development and complexity of the sector, and the need to share our thoughts and experience to better understand what's going on.

The topics we discussed with the event speakers have definitely taken the center of attention and they most certainly are at the heart of all strategic plans of payments and ecommerce operators for this year, so all of us should keep a close eye on them.

MPE 2018 - Towards an open payments ecosystem

THE PAYPERS

The Paypers proudly presents the eleventh edition of MPE 2018 – three days of debates, key learnings and insights on the payments industry.

From 20 to 22 February, Berlin, once again, hosted the Merchant Payments Ecosystem, an event that I'm sure doesn't need a long introduction. Each year, MPE brings together payments professionals and merchants from all over the world to network, discuss and plan the future of the industry.

This year's edition had a lot of topics to focus on. We are officially living in the PSD2 era and GDPR is just around the corner – was there ever a better opportunity to talk about data? And data as well as everything it entails, customer experience, omnichannel offerings, artificial intelligence, was a key talking point.

There is also a change in attitude in the industry, and PSD2's influence no doubt played a role in driving this change, from competition to collaboration. It seems that

the key to success lies in the ability to find the right partners that can add value to your payments offering and solution.

We are still living in the Big Data age

Data – the one thing that everyone has but almost nobody knows what to do with it. As David Birch puts it, "we are still living in the Big Data age" – meaning that we have yet to design a valuable use for the data that we currently hold.

Susan Grossman is EVP, Retail and Commerce solutions at Mastercard Advisors and her presentation introduced two interesting concepts: Big Data and Actionable Big Data. The latter is the kind of data that drives action and adds value.

Another key takeaway is that Actionable Big Data can give merchants an edge over their digital competitors. It allows businesses to create or adapt their business models based on what customers expect. However, the issue of knowing what works is still a pressing one. In nature, as Susan Grossman began her analogy, Natural Selection determines which species are best suited for their environment. But whereas evolution can take its time, merchants do not have this luxury. The solution? "Business experimentation"- an innovative concept and solution that allows merchants to test business models and trial remodeling strategies in a secure test-like environment.

Omnichannel challenges for merchants

We love to talk about data as being the golden ticket merchants can use to survive and come on top in the digital age. Knowing your customers is the first step towards knowing what your customers want, which in turn, enables merchants to provide personalized experiences. It seem that in retail, the main battles will be fought in realm of user experience.

However, creating an omnichannel experience is still challenging for many merchants mainly because the online/offline systems do not interact. How can this be solved? Enter transaction data. As Susanne Steidl, CPO at Wirecard, noted, there is a change in the competition from transaction fees to a competition for transaction data. By being at the crossroads of the payments chain, PSPs can extract value from data, enabling merchants to offer a true omnichannel experience.

Collaboration not competition

The first C-Level Club discussion, called "Merchant Payments Ecosystem in 2020", was chaired by David Birch and featured the following speakers: Osama Bedier, Founder

& CEO, Poynt; Raymundo Leefmans, CEO & Co-Founder, Dimebox; Amy Parsons, SVP, Global Acceptance and CX, Discover Global Network; Ronnie d'Arienzo, Chief Sales Officer, PPRO Group; Niklaus Santschi, CEO, BS PAYONE.

It seems that the general feeling towards regulations such as PSD2 is a positive one. The panelists were optimistic that the new payments directive will promote openness and innovation. This of course, marks a change in attitude from competition to collaboration.

As banks gradually open up and move towards a platform-like model, this will provide many opportunities for fintechs to collaborate and develop better financial services. The word "disruption" seems to have been slowly… disrupted by a new keyword: "partnerships".

This opinion was also shared by June Felix, President Europe & Russia at Verifone, who in dialogue with David Birch, talked about the need for an open payments ecosystem in which partnerships will become a dominant force. She also noted that mobile payments will continue to play an increasingly important role – could this be the gateway to a cashless society?

BLOCKCHAIN IS THE FUTURE!

Now that I have grabbed your attention, I'd like to introduce some key points from the second C-Level Club Discussion panel, also chaired by David Birch and featuring: Suzan Kereere, Head, Global Merchant Client Group, Visa; Seamus Smith, EVP Global Payments & Banking, Sage; Gijs op de Weegh, COO, Payvision; Silvia Mensdorff-Pouilly, General Manager Europe, Processors & Networks, ACI Worldwide; Richard Harris, SVP International Sales, Feedzai.

Joking aside, the panelist made some good points about the state of innovation in payments. AI (artificial intelligence) and data analytics are much more advanced that we have initially thought and now we have the technology to allow data profiling.

Payments are also becoming more and more ubiquitous and embedded in almost every commercial activity. The need for a connected payments and financial ecosystem will lead to the growth in popularity of open APIs.

Will we all pay with cryptocurrency while shopping with a VR headset on? Not really, but there is a strong interest in Distributed Ledger Technology and no wonder – blockchain use-cases are always popping up and the technology has enjoyed the attention of big names from almost every industry. The general consensus is that, indeed, blockchain has a future.

A dragon's den style competition

On the second day of MPE 2018 Neira Jones chaired a dragon's den style competition in which five innovative start-ups had the opportunity to showcase their ground-breaking solutions. The demo was followed by "fierce questions" from the jury made up of Melisande Mual, Managing Director, Publisher at The Paypers, Don Ginsel, Founder & CEO at Holland Fintech and Diderik Schonheyder, Managing Director Schonheyder & Associates. The winner was decided by the audience who voted on the MPE app.

Introducing the contestants:

KACHING – Represented by Mathias Plank, Founder & CEO. KACHING develops mPOS solutions for retailers who can accept payments, manage warehouses and loyalty programs all via a single platform.

ID-Pal – Represented by James O'Toole, Founder and CEO. ID-Pal is a SaaS solution for KYC which enables business to verify their customer's identity simply, securely and conveniently.

divido – Represented by Christer Holloman, CEO and CO-founder. Divido is a retail finance platform that allows companies to offer instant customer finance at 0% interest.

CreditClick – Represented by Michael Tailleur, Global Partnership Manager. CreditClick is a new Pan-European alternative payment method that provides an instant credit facility to consumers, allowing merchants to process transactions against 0 MSC, PSPs get an extra revenue channel and Issuers get into an untapped market.

APEXX Fintech – Represented by Toreson Lloyd, CCO. APEXX Fintech makes technical integrations to all the payment suppliers a business needs and presents them as a single, comprehensive API.

And the winner is…

ID-Pal!

ID-Pal made a good impression on the jury (and on the audience) with their simple-to-use yet comprehensive on-boarding tool. KYC and onboarding are pain points of any payments business and their solution makes the entire process simpler both for the user and for the business.

Apart from the Innovation Corner competition, MPE 2018 also hosted the Gala Awards Ceremony which featured 13 categories. You can check the complete list of winners here.

I'll conclude this long article (which, by the way, only scratches the surface of the entire MPE 2018 event) with a warm and sincere thank you from the entire The Paypers' team to the folks at Empiria Group, who made this great event possible. We are all happy and grateful for the op-portunity and you can bet that you'll see us at the next year's event too!

Thanks for reading and see you next year at MPE 2019!

Innovation and regulation dominate
Merchant Payments Ecosystem 2018

The Merchant Payments Ecosystem Conference 2018 brought together payments professionals and merchants from across the globe to Berlin for three days of discussion panels around the payment ecosystem, the latest innova-tions and regulation, as well as exhibitions and network-ing sessions.

Discussion focused on how innovation in technology is disrupting the payments system, accelerating competi-tion. At the same time, PSD2 and the GDPR remain key talking points, and are expected to have a more signifi-cant impact throughout 2018. Consumers are demanding omnichannel experiences when making a purchase, push-ing the industry to innovate and create better services and products.

Susanne Steidl (CPO, Wirecard) spoke about the major challenges for retailers. The market has seen online play-ers entering the bricks-and-mortar market with agile tech-nology and offering a holistic experience.

The online market defines the price of goods and services – offering the best values available on the market (through comparison websites) – while bricks-and-mortar stores find it harder to compete due to the costs associated with location, maintenance, and staffing for physical shops. Consumers have also shifted their expectations and now-adays they are demanding more of a service-driven and customer-orientated experience in the offline retail sector.

There is still a gap in the market in terms of what mer-chants can provide, permitting a disruption between on-line and offline channels. There needs to be greater con-nection and interoperability between the two channels. Western markets may be able to learn from the Chinese example of WeChat.

WeChat is the most popular instant messaging app in China, and has leveraged that popularity to create a pay-ments network spanning the majority of consumers, merchants, and other businesses in the Chinese market. WeChat Pay users can make transactions at anytime and anywhere – whether in-store or online, including for taxi fares, at supermarkets, or even at hospitals.

This mobile-based ecosystem offers merchants the pos-sibility to connect with their consumers at the point of purchase and remotely within one platform. The app is available to download on any smartphone and offers the ability to buy and pay for almost anything a consumer could need, as well as the built-in messaging app to com-municate directly with vendors.

This all-encompassing network has proved to be very suc-cessful, making WeChat Pay one of the best examples of a complete payments experience today.

Susan Grossman (EVP, Retail and Commerce Solution at Mastercard) spoke about the retail landscape which is being disrupted by the growth of digital channels. Technol-

ogy has given rise to many factors that are disrupting the landscape, with growing digital channels and digitalisation of shopping and payments. Not only products, but new services have moved online, including transport, hotels, and insurance.

Susan spoke about two major trends that she sees in this ecosystem. First is the explosion of data, which is increasing exponentially. Given the reduced costs of storing data and the innovation of machine learning and AI, there is a massive opportunity for those payment companies and merchants that can best utilize the data.

The second major trend is the "Amazon effect" which has impacted bricks-and-mortar retailers. Consumers expect things to happen fast and seamlessly when making purchases.

For the first time, in 2017 the number of connected devices outnumbered the number of people in the world. These connected consumers expect seamless, omnichannel experiences, with payments becoming invisible and frictionless as part of the process.

Therefore, bricks-and-mortar retailers need to change the relationship with their customers in order to respond to these challenges. A few solutions have already been implemented by some merchants, for example increasing online investment, empowering employees, growing product selection, or introducing loyalty programs.

Julian Sawyer (COO, Starling Bank) explained the bank's new Merchant Services division's revenue model and how this could impact other sectors. Its quick and easy customer onboarding – currently a highlight of its consumer banking offering – is something the bank hopes will lead to success in the business banking world.

Entering merchant acquiring services presents its challenges, especially because it's hard to compete with incumbent players that can offer discounted rates due to economies of scale and have an established market presence. Entering the market and gaining customers will not be impossible, but growing its share in a saturated market could be challenging.

Starling Bank Merchant Services will aim to set new goals for the merchant acquiring industry, looking to provide a quicker implementation process which potentially reduces costs for merchants and lowers fraud risks. It aims to have an omnichannel presence across the European market. Whether Starling will be sustainable and profitable as an acquirer is remains to be seen.

Other discussions included topics like cross-border e-commerce expansion, where industry experts from PPRO, GlobalPayments, and Limonetik spoke about the barriers that acquirers need to overcome when expanding to cross-border acquiring. These barriers include customs, regulation, language, cultural behaviour, and making sure that the business is legally compliant in every country in which it operates.

On top of this, there are over 300 alternative payment methods worldwide, and research from PPRO revealed that 50% of customers will abandon their shopping carts if their preferred payment method isn't supported.

Overall, there was a lot of discussion around payments and the challenges the industry will face in 2018. Technology remains one of the main drivers for innovation, and change in the payments ecosystem and the retail sector needs to tackle the challenges driven by technology. An omnichannel presence for retailers and payments is essential for today's connected consumers. Using consumer data will be beneficial to companies that are looking to gain an edge by anticipating and meeting customer needs.

Ergi Sener
CEO
Bonbon Technology

Ergi Sener, who is indicated as one of the 20 Turkish people to be followed in the field of technology (*), received a BS in Microelectronics Engineering in 2005 and double MS in Telecommunications & Management in 2007 from Sabanci University. He is pursuing a PHD degree in Technology Management & Innovation.

Ergi began his career as the co-founder and business development director of New Tone Technology Solutions in 2007 with the partnership of Sabancı University's Venture Program. Between 2009 and 2013, he worked as a CRM specialist at Garanti Payment Systems and as a senior product manager in the New Technology Business Division of Turkcell. In 2013, he joined MasterCard as a business development and innovation manager for emerging markets and managed the SEE cluster. Her is currently acting as the CEO of Bonbon Tech, the biggest IoT focused new generation analytics company of Turkey.

During his career, among with many others Ergi received "Retail Innovation Award" in 2017, "Global Telecoms Business Innovation Award" in 2014, "MasterCard Europe President's Award for Innovation" in 2013, "Payment System of the Year Award" by Payment Systems Magazine in 2012, and "Best Mobile Transaction Solution Award" by SIMagine in 2011."

Ergi is selected for the Advisory Board of Sabancı School of Management MBA Program till 2011. He is also acting as a mentor for Sabancı University's Incubation Program, SuCool and managing consultant for WeMore Strategic Disrupters and CDO of IdeaField, a Holland based incubation center."

* Based on the list that was published on 2016/7 by Teknolo, the prominent IoT based tech- nology site.

Disrupting retail analysis with AI powered advanced analytics solution - BonAir

BonAir: Making Sense of Big Data with a unique IoT based advanced analytics solution

In recent years, the increasing importance of "big data" has also led to "big" expectations. Particularly with the introduction of the concept of Internet of Things (IoT), each

object is linked to the internet and with the continuous increase in mobile and digital applications and services, data has been gathered at a surprising rate from various sources. When used and evaluated correctly, data has become a crucial competitive weapon, so in the technology world, data is frequently expressed as "new gold". So far, the most referred reference to "big data" and objectively one of the best definitions has been made by Duke University Profes- sor Dan Ariely: "Big data is like teenage sex. Everyone talks about it, nobody really knows how to do it, everyone thinks everyone else is doing it, so everyone claims they are doing it..." 1

Indeed, while each and every company continues to aggregate customer data, few of them can use such data to improve customer relationships and create customer satisfaction. The truth is that data does not represent a value by itself; "value" is formed as a result of pro- cessing data to solve a unique problem or fulfill a need. 2

Big Data needs to be systematically developed

Big data has not been used enough to differentiate businesses and offer new and innovative value propositions till now. Rapid analysis and interpretation of data has become more and more important every day to create value and gain valuable information. In order to obtain meaningful and useful insight from "big data", businesses need to develop systematic pro- cesses based on their business processes. Although the methods and channels can be dif- ferentiated, it is quite critical to follow these three steps for "big data" processing: 3

- to determine the channels through which the data will be collected and stored
- to make sense of the data based on customer behaviors and create actionable in- sights via special algorithms and analyzes
- to provide easy-to-understand and useful reporting for business needs

Role of "Big Data" in customer communication

Appropriate use of data is also very important in order to

find out strategies that will increase revenues by understanding and analyzing the customers or that will provide new customer

acquisition methods. So, an additional step can be added to the above methodology: 4 Inter- action. Through interaction, companies can communicate with the customers by transmitting personalized messages in the right place, and at the right time.

Increasing importance of "predictive" analysis

In order to increase revenues, it is also necessary to be able to predict customer expecta- tions, behaviors and reactions. To do this, data must be parsed, examined in a personalized manner, and processed as jeweler's rigor. By analyzing the past behavior of a customer, it is possible to understand how to react in similar processes, which is called predictive analysis. It is necessary to analyze the data as it is in the series of Fibonacci ((1, 2, 3, 5, 8, 13, 21, ...) each number is the sum of the two preceding numbers): analyzing previous steps to predict

approximately exactly what the next step will be. 5

Improvement of Customer Experience

The omni-channel strategy is becoming increasingly important, and companies are trying to move into multi-channel structures to communicate with customers and maintain a balance between the traditional and digital channels.This balance of Big Data is very useful in order to guide organizations in terms of reaching the customer with the preferred channel. It is also necessary to use more of the big data to improve the inter-channel customer experience, hence gain a competitive advantage. 6

With Bonair, we make sense of Big Data

Bonbon Technology is a new generation technology company by design and a next genera- tion IoT company at heart with the aim of using data in the most efficient way that will give rise to increase in profits. With BonAir, the flagship solution of Bonbon Technology, we try to so- lidify all big data trends to uncover the potential of big data and lead to provide competitive advantages for our clients.

BonAir - New Generation Retail Analytics:

We aim to bring extra value to businesses with BonAir. We believe that we make sense of big data by analyzing the data collected from customer visits, customer behav-

iors and cus- tomer profiles.

BonAir is a disruptive technology innovation that understands and analyses in-store cus- tomer behavior (wait time, service time, visit frequencies etc.) without being connected to any wi-fi, or open Bluetooth or without having a smart phone application. With its unique technology, BonAir aims to perform real-time behavior-based analysis. Based on their needs, customers can be directed at the right time to the right location with an 'optional' app integration as well.

Data Collection: Data is collected from wi-fi mode-on mobile devices at the locations, where Bonbon sensors have been deployed. It is sufficient that wi-fi mode is ON in the user's de- vice. Customer data is collected without being connected to any wi-fi.

Data Processing: Various behavioral data is extracted and classified in detail with special Bonbon analysis and algorithms. With its special algorithms, it is easy to pinpoint locations of customers.

Data Reporting: Customized reporting with best-in-class dashboard is provided to each cus- tomer. Different analysis can be prepared based on customer and employee needs. We ana- lyze behavior and process realistic business data via heat maps.

It is also possible to interact with customers bundling location based campaigns via push notifications.

BonAir Product Features:

- Device Agnostic Passive Data Tracking: All data coming from customers' Wi-Fi en- abled devices (independent of their brands and models) are analyzed in detail by means of Bon-Air sensors deployed at the partner locations.
- Application Agnostic: No mobile application is needed for reporting the location and moving pattern of the customers.
- Real-time Analysis and User Friendly Dash Board: A dashboard is provided that is designed with best-in-class user experience, where customer movements are viewed in real time, campaign effects or specific time intervals are tracked, real-time heat maps are formed and monitored.
- Heat Map: The intensities of in-store visits are analyzed based on the factors like campaigns, special event days, display windows.
- Dynamic Data Query: Authorized users can easily change data queries and data classification in order to carry out diverse and detailed analysis.
- Remote Sensor Management: Remote management of installed sensors and notif- ication about the sensor status
- Employee Tracking: Employee badges are digitalized and employees are tracked based on their working hours with an integration of customers' HR systems
- Segmentation: detailed and need-based customer segmentation is provided based on data such as customer behavior, the brands and models of the devices, visiting and expending frequencies etc
- Real-time Direct Marketing: By integrating with the mobile applications, profile based messages are sent to customers at the right time, at the right place.
- Branch Efficiency Comparison and insight for branch openings / closings: Detailed comparisons based on branch efficiency can be provided with different parameters and analysis can also be used to determine new locations for opening up new stores or closing inefficient branches.
- Free wi-fi: With BonAir devices, free wi-fi support can also be offered to the customers.

BonAir Implementation:

- System Based on scalable, sustainable micro-services
- Connection between microservices are done by MQTT\ref{https://en.wikipedia.org/
- wiki/MQTT}
- When a probe request received , it is process by Bo-nAir Algorithm's
- Raw Data calculated after processed through Mac Randomization Defeat
- Algorithm\ref{https://hal.inria.fr/hal-01330476/document}, Distance Calculator Algo- rithm\ref{www.indjst.org/index.php/indjst/article/download/94675/70032} and Trilater- ation Algorithms\ref{https://en.wikipedia.org/wiki/Trilateration}
- After Raw Data saved to Database, via API and Sync Services, data is published to Dashboard
- Main Infastructure contains MongoDB \ref{https://en.wikipedia.org/wiki/MongoDB} , ElasticSearch \ref{https://en.wikipedia.org/wiki/Elasticsearch} , NodeJS \ref{https:// en.wikipedia.org/wiki/Node.js} , PHP \ref{https://en.wikipedia.org/wiki/PHP} , MQTT \ref{https://en.wikipedia.org/wiki/MQTT} , nginx \ref{https://en.wikipedia.org/wiki/Ng- inx} , mySQL \ref{https://en.wikipedia.org/wiki/MySQL} .

1 https://whatsthebigdata.com/2013/06/03/big-data-quotes/
2 https://www.forbes.com/sites/forbesinsights/2017/02/01/way-bigger-data-means-big-disruption-time-to-plan-for-the-internet-of-things/
3 http://www.appcessories.co.uk/predictions-future-big-data/
4 http://www.appcessories.co.uk/predictions-future-big-data/ 5 https://dzone.com/articles/10-big-data-trends-for-2017
6 https://dzone.com/articles/10-big-data-trends-for-2017

The power of partnerships for
payments success

June Felix
President of Verifone
Europe & Russia
Verifone

The rate of technology innovation has rapidly transformed the mindset of the average consumer. With apps and social media now deeply integrated in everyday life, intuitive, seamless experiences are no longer exciting surprises, they are expectations.

Payments is undergoing massive change with estimations of there being 977.2 million mobile payments users globally as early as 2020. Retailers now face the challenge of keeping up with their own customers, and to do this, businesses must harness the agility of FinTech's and other smaller providers that thrive at the cutting edge.

Customer experience is mission critical. Consumers are responsive to disruptive change and if the new solution streamlines a process and alleviates difficulty, they will take it on board. When you began making contactless payments, how natural did it feel? It is likely the process is now second nature and yet you may still worry about security and the safety of your data.

Keeping the consumer's information safe is part of Verifone's DNA. Whether it's the shop owner or the consumer, all our clients know that they can rely on and trust us to look after the security end, to ensure the payment is worry free.

News ways to pay

The offer of an easier, safer and more effective way to pay will always be a winning proposition, but there is also a growing call for more solutions or other options when paying. For instance, you would not be alone in

thinking it would be extremely useful to have the option to schedule a payment to be executed on payday. Well, this is a reality, and it is another area Verifone has explored in a highly valuable partnership, this time with Mash.

While providing consumers with this 'pay later' solution, Mash allows merchants to still collect payment immediately and achieve successful growth. Users of the solution can delay a payment for up to two weeks, removing the familiar lifestyle challenge of the days leading up to payday. The offer of this attractive and helpful capability is also a prime opportunity to generate significantly increased sales.

In terms of giving the consumer more options when making payments, the perfect opportunity has arisen to provide a service by which a customer could choose to make a simple donation. This also means there is a vast area of untapped potential for charities to be successful, there just needs to be a seamless, sophisticated enough option.

Aware of this chance to enhance the process, the digital charity box Pennies partnered with Verifone to allow consumers to easily 'round up' their bill, meaning that donations of a pound and under can be made with no inconvenience to the customer.

The resounding success of this award winning process is easy to see, with participating retailers generating 8 million micro-donations totaling an amount in excess of £1.9 million. Major charities have benefitted from this new and integrated option, including the likes of Cancer Research UK and Great Ormond Street Hospital

Children's Charity.

The global impact

Partnerships can also unlock massive new potential in another way. Via its app, Alipay commands 80% of all m-commerce activity and until recently had not bridged the gap into Europe and North America. Joining forces with Verifone, the Chinese users familiar with the convenience of using the Alipay app can use the platform in a much more global way. Opening new, exciting payment possibilities to boost economic growth from one side of the globe to the other.

Collaboration is the key to the future of the payments industry. Partnerships are a doorway to more than just disruption of a process, they provide access to entirely new opportunities for a business to improve the lives of consumers while symbiotically driving growth, jobs and ultimately success.

Toward a better payments ecosystem:
What can global acceptance standards do for merchants?

Normand Provost
MarCom & Liaison
Co- Chair
nexo standards

The global payments market is deeply fragmented. With rapidly evolving technologies, new regulations and increasing globalisation, this complex ecosystem can reap huge rewards from standardisation - its stakeholders just might not know it yet.

I heard a recurring question at the recent Merchant Payment Ecosystem (MPE) event in Berlin: 'What can global acceptance standards do for the merchant community?' In short: plenty. Standardisation holds the key to greater operational efficiency, and is the answer to a variety of core business challenges that, when overcome, enable merchants to get ahead of the competition, both domestically and in the international market.

Many of the challenges facing the payments ecosystem transcend sector and market, and are felt consistently across retailers, PSPs, processors, vendors and card schemes.

Achieving customer centricity

Standards add value to the offerings of all payments stakeholders, whoever their 'customer' may be. For merchants, payment standards make it simple to facilitate a consistent user experience at the point of interaction between multiple payment types and, crucially, across borders too. Such markers of familiarity can strengthen a merchant's brand significantly.

Once deployed, standardised systems are also hugely efficient. Rather than draining internal resources on payments 'firefighting', effort can be redirected into delivering new innovative services – like mobile payment services and value-added loyalty schemes. What's more, on a standardised system, the rollout and maintenance of these services across all platforms is quicker, slicker and, again, borderless.

Growing pains and breaking down borders

In this way, standardisation also dramatically simplifies global expansion. For merchants with international ambitions, to set up operations in new territories or to acquire overseas brands, merchants international acceptance standards enable payments integration to facilitate growth, not inhibit it with complexity.

For multinational retailers, implementing standards harmonises their existing systems globally, and enables them to deliver a fully interoperable, cross-border payments infrastructure.

Bringing it all together

Centralising and unifying payments management for any stakeholder can realise huge efficiencies and cost savings. By migrating systems to standards like nexo's protocols, international retailers can consolidate all their global payments into 'the same bucket'. Or, at least, far fewer buckets than they had before...

By enabling merchants to group payments together, retailers are empowered to negotiate volume-based deals via a smaller number of acquiring banks, driving down their total cost of payment acceptance even further.

With the use of global standards, merchants can also strengthen and consolidate their relationships with vendors and minimise expenditure on hardware and software solutions and maintenance. By standardising systems, merchants can establish a consistent baseline upon which they evaluate solutions from different vendors, migrate easily and efficiently between different solutions when change is required, and engage with vendors on a truly uninhibited, global scale.

Resisting vendor lock-in

In any industry where standards are prolific, greater innovation and a fairer playing field are defining factors. In payments, this is no different.

Merchants, in particular, struggle to resist vendor lock-in, which leaves them prohibited by, and vulnerable to, high

costs. An open, standardised market lets vendors compete on equal terms, meaning merchants gets a fairer deal and vendors are encouraged to deliver more innovative, competitive offerings.

Realizing a standardised payment ecosystem

As cards remain king in retail - whether that be 'card present' transactions, cards stored on a digital wallet or 'card on file'- having one global card payment acceptance system which standardises the exchange of payment information multilaterally can realised huge benefits for all players in the ecosystem.

Here, it helps to think of ISO 20022 as the 'lingua franca' for the whole financial ecosystem - a universal messaging language for all kinds of transactions, including those performed with cards. nexo standards' specifications and protocols are the card payments acceptance arm of ISO 20022.

Standardisation is the tool to help merchants achieve simplicity, efficiency and true consolidation in the payments market, in a domain plagued by fragmentation and complexity.

The collaborative power of industry standards bodies puts the various needs of the ecosystem's players on equal terms. Working towards a vision of a borderless, interoperable global payments system can empower the industry to keep tackling its challenges quickly and efficiently, whilst breaking down the fragmentation that's holding it back.

All nexo standards' messaging specifications and protocols are universally applicable and freely available globally. To find out more about how we're enabling a seamless payments acceptance ecosystem, contact us today.

WHAT CAN GLOBAL ACCEPTANCE STANDARDS DO FOR THE MERCHANT COMMUNITY?' " IN SHORT: PLENTY

LINE cooperates with NET-STARS, with LINE Pay aiming to attract 1 million merchants this year. LINE, Naver's Japanese branch, and NETSTARS, the QR code payment terminal developer, have signed a cooperation agreement. Through this cooperation, the usage of LINE Pay in Japan is expected to rise rapidly. Currently, 10,000 merchants in Japan are equipped with StarPay terminals developed by NETSTARS, most of which are used to provide WeChat Pay service for Chinese tourists. LINE plans to put the LINE logo on the StarPay terminals equipped at the offline merchants and unify the colour of terminals into green. LINE also plans to attract 1 million Japanese partner merchants this year.

Source: Line

iZettle expands from mobile payments into e-commerce and online sales for SMBs. iZettle, the startup out of Sweden that has been referred to as the Square of Europe, is today making a move that underscores its bigger strategy to build on its traction with small businesses in mobile payments, to expand into an ever-wider range of financial services to fill out its $950 million valuation.The company is launching a new e-commerce platform, where customers can build online inventory and check-out experiences either to complement the physical sales they are already making with iZettle itself, or as a standalone service as new customers to the company. The service is rolling out in Sweden and the U.K. first, with plans to extend to the rest of iZettle's footprint in Europe and Latin America over the coming months.

Source: TechCrunch

American Express will use ad targeting on NYC taxis

American Express plans to run ads on top of 125 taxis in New York City that will change messaging depending on the location of the cabs. Whenever a cab passes the location of an American Express merchant in the city, the technology will tap into the cab's GPS system and serve the correct ad for that company on top of the cab. This provides another line of revenue for American Express, which can charge these AmEx-accepting stores for these highly targeted ads. The ads are meant to send the message that American Express is connected with those businesses, the company said.

Source: DigiDay

Amazon Adds International Shopping Feature on Mobile App

Amazon announced the launch of an international mobile shopping feature that lets international customers browse and shop more than 45 million items that can be shipped to their country from the U.S. The new feature will be available through both a mobile browser and the Amazon Shopping mobile app. The international shopping feature will offer shopping in five languages (English, Spanish, simplified Chinese, German and Brazilian Portuguese) with the option to shop in 25 currencies. Purchasing in Brazil in particular might prove problematic, due to notoriously difficult regulations and restrictions in the largest Latin American market. Amazon competitor Alibaba, for instance, has had difficulties streamlining imports into Brazil in recent years, according to Reuters. "We're always innovating on behalf of our customers, and with today's launch, we're making the shopping experience on devices even better and more convenient for our customers who live outside of the U.S." said Samir Kumar, Vice President of Amazon Exports and Expansion in a statement. "Customers have been asking for a way to easily find and shop only for products available to be shipped to them."

Source: Multi Channel Merchant

Visa completes Fraedom acquisition. Visa has announced completions of the aquisition of Fraedom, a SaaS technology company providing payments and transaction management solutions for financial institutions.

Source: The Paypers

Mastercard Acquires Oltio to Accelerate Digital Payments Adoption in Middle East and Africa. Mastercard has completed its acquisition of mobile payments technology company Oltio from Standard Bank Group.

Source: Mastercard

NMI completes acquisition of Creditcall. NMI, a leading provider of payments enablement technology for independent sales organizations (ISOs), independent software vendors (ISVs), value-added resellers (VARs) and payment facilitators, today announced it has completed its acquisition of Creditcall, an omnichannel payment gateway and EMV solutions provider. This acquisition makes NMI a leader in omnichannel payments technology.

Source: NMI

LexisNexis closes the acquisition of ThreatMetric. ThreatMetrix is now officially part of RELX Group's risk and business analytics segment after successfully completing the acquisition last week – a transaction worth more than AU$1 billion.

Source: Security Brief

GDPR Section
Industry perspectives

Are The **Data Processors Ready For GDPR**?

After reading and re-reading the 99 articles and the numerous recitals in the General Data Protection Regulation (GDPR), one thing that is crystal clear is that, for the first time, it introduces direct obligations for data processors. The current legislation only holds data controllers liable for non-compliance with the current data protection laws. Data processors will now be subject to penalties and civil claims by data subjects for the first time. As we already

know the GDPR is the biggest shake-up of data protection laws for 20 years and Article 28(1) specifically spells out for the processors that:

Where processing is to be carried out on behalf of a controller, the controller shall use only processors providing sufficient guarantees to implement appropriate technical and organisational measures in such a manner that pro-

cessing will meet the requirements of this Regulation and ensure the protection of the rights of the data subject.

In other words, data controllers, i.e. customers of data processors, must choose data processors that comply with the GDPR. A data processor is anyone who processes personal data on behalf of the data controller. The supervisory authorities, across all 28 member states (Brexit doesn't mean the UK is outside the GDPR), will enforce penalties on controllers for a lack of proper evaluation and appropriate

contractual engagements of their data processors. Data processors are expected to find themselves obligated to be GPDR compliant and be able to provide the proper service to their data controllers.

For completeness, the definition of a data controller, is stated in the Regulation's Article 4 (7) which describes:

'controller' means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data; where the purposes and means of such processing are determined by Union or Member State law, the controller or the specific criteria for its nomination may be provided for by Union or Member State law.

At the end of 2017, Edgar, Dunn & Company (EDC) published the results of a survey of hotels to assess their readiness for GDPR. Hotels manage lots of 'personal data' as defined by the GDPR and they also work with lots of data processors. A significant finding from our survey (undertaken in November 2017) was that 57 percent of the respondents admitted that they have not started the process of GDPR implementation. Interestingly, our telephone interviews with data processors within the hotel sector implied that they were not responsible for GDPR compliance and responsibility was solely with the data controllers. Nonetheless, further questioning found that the majority of vendors did not know when they would become GDPR compliant.

There appears to be some confusion in this area and we would expect numerous cases of finger-pointing after 25 May 2018; cases where data controllers will declare that GDPR compliance is partially the responsibility of the processor, whereas data processors will claim something else.

The UK's Information Commissioner Elizabeth Denham, has been GDPR myth busting:

Myth: GDPR compliance is focused on a fixed point in time – it's like the Y2K Millennium Bug.

Fact: GDPR compliance will be an ongoing journey.
She went on to say "Unlike planning for the Y2K deadline, GDPR preparation doesn't end on 25 May 2018 – it requires ongoing effort". It's an evolutionary process for organisations – 25 May is the date the legislation takes effect but no business stands still. You will be expected to continue to identify and address emerging privacy and security risks in the weeks, months and years beyond May 2018.

Hetras, part of the Shiji Group, is a cloud based hotel management system, made an interesting comment. They said that the German and Austrian Hotels were more interested in the legal aspects of GDPR. In fact, the current focus is on other fiscal / legal implementations relating to the front of house rather operations than on GDPR which was considered back of house (or back office operations).

We found in our hotel survey and this is reflected in our client engagements and Guestline also confirmed that the priority is to conduct a series of briefings with staff, from the boardroom to the shop floor. These all staff briefings are necessary to explain the requirements of GDPR and offer guidance on how to meet its requirements.

The regulation also places responsibility on a data processor to maintain a record of data processing activities if any one of the following criteria (see Article 30) are met:

- Processes data that is "likely to result in a risk to the rights and freedoms of data subjects"
- Processes data more than occasionally
- Employs 250 or more persons
- Processes special categories of personal data as outlined in Article 9(1)
- Processes data relating to criminal convictions

Guestline, is a leading cloud-hosted property management, distribution and digital marketing technology company. Their General Counsel, Jeremy Espley, recently commented on GDPR:

"The new GDRP legislation is the most significant change in EU Data Protection Law in 20 years and as a result the financial penalties for failing to comply, as well as the risk of potential damage to a hotel's reputation are high".

Jeremy went on to say that it is imperative that the new obligations for both data controllers (hoteliers) and data processors (their suppliers, including companies such as Guestline) are met.

Furthermore, data processors, like controllers, are required to implement appropriate security measures. What is appropriate is assessed in terms of a variety of factors including the sensitivity of the data, the risks to individuals associated with any security breach, the costs of implementation and the nature of the processing.

The greatly increased responsibility of data processors under the GDPR means that the controller/processor contract becomes even more important to the data processor. So far, data controllers are more likely to be ensuring their potential liability by signing the processor up to specific obligations and contractual service level agreements. From now on, post go-live of the GDPR, we would expect the data processors will play a more active interest in making sure their obligations are precisely defined because they will be so much more exposed.

Counter intuitively, privacy by design, a key point in the regulations will best be achieved with cloud based technology by acting as an essential enabler in designing solutions that provide a high degree of privacy for citizens allowing:

- Data lakes that hold citizen data separate from commercial applications
- Process mapping that reconfigures with the changing data landscape
- Pseudo Data mapping for large scale profiling
- Consent management managed locally for commercial applications
- Interactive forms for legal compliance management
- PSD2 compliance which can citizen identification to the new financial digital economy

An unintended drawback of a data breach is that a company's reputation can be destroyed in a matter of weeks – with what can start with a trickle of requests and soon becomes an avalanche as derogatory social media which can quickly take damage mitigation out of the hand of the company. Reputational risk is the most damaging of all risks and GDPR accelerates its impact and consequence. So, don't just rely on your IT and compliance teams to implement, it's a board level and group wide responsibility.

Whatever the approach it unlikely that most organisations will be fully ready for the implementation of GDPR, there is no silver bullet that will make organisation compliant. Implementing legal notices and updating the data policy statement on your website in one thing; knowing where all the data is buried is quite another; being able to pro-

vide evidence and deliver that information to ex-customers in a timely manner is yet another challenge. Unlike the millennium bug this requirement is real and current and will not disappear after 25 May 2018, its implementation will take longer than demanded by the regulators, and its impact will be felt in many years to come as data subjects start to adjust to the management of their own digital footprint and demand superior data management.

How Can Edgar, Dunn & Company Help?

By working with EDC, there are three steps to follow for getting ready for GDPR, fast-tracking your strategies to ensure GDPR compliance or improving your existing plans:

1. A **light-touch health check** – we suggest no more than a few days to assess your current roadmap and readiness against the GDPR requirements – essentially, this is a gap-analysis. In some cases, where there is an on-going in-house GDPR project, it is advisable to gain an outside independent perspective of your plans
2. An **in-depth data mapping** of the current processes, people, platforms and places – as required by Article 30 in the GDPR – we use a range of sophisticated GDPR-ready documentation tools which best suit your business to perform this step
3. **Change management project** – creation of new policies, such as Subject Access Request (SARs) policy, retention policy, privacy policy across all customer touch points. This step will include staff awareness and training. We work with lawyers and solution vendors where necessary to conduct this step.

Based on our conversations with a range of clients and their suppliers, the GDPR challenges they are experiencing today can be found in a range of travel-related businesses, such as hotels, train operators and airlines. The higher the propensity for personal data required in the booking and servicing of guests and travellers, the greater the need for a clear GDPR strategy and the need to embrace privacy by design.

We have found that most hoteliers and merchants that process personal data are focusing their limited resources on the processes to be compliant with GDPR. At this stage, this is appropriate and to be expected. However, at Edgar, Dunn & Company, we believe that the next wave of GDPR frenzy (i.e. post 25 May 2018) will be driven by the need to be more visionary in the identification of new business opportunities that will leverage data portability, access to centralised customer data and the monetisation of data.

By: Mark Beresford, Director, Edgar, Dunn & Company
Source: Edgar, Dunn & Company

GDPR Challenges

Interview with
David Parker
Director
Polymath Consulting

What are the main GDPR changes for merchant payment providers?

It sits very much around the management and control of data, GDPR is very much about the putting the data owners interests at the heart of any processing, controls and being able to track data can be a quick change for merchant payment providers.

How is the merchant payments ecosystem getting ready for upcoming GDPR?

I see the data mapping and flow of data being done along with focus on data management and security of the data. The ecosystem has taken a collective and pragmatic view on implementing GDPR.

What are the actions payment providers are taking to prepare for May 2018?

It's a focus for all businesses with core GDOR project teams having been set up and running through businesses. The tracking of data and the statements and contracts being updated with GDPR wording to ensure compliance.

PSD II came into the effect across the EU in January 2018. Do you see both regulations as complementary and consistent for payment providers?

The regulations I see as complimentary to PSD2 as a lot of the compliance functionality GDPR requires you to do can be delivered as part of PSD2 such as data portability and erasure which are two GDPR requirement but delivered through PSD2.

When it comes to B2C payments, Do you seen any negative GDPR implications on customer experience?

Interesting question as I'm not sure what the customers may feel about a change or two imposed due to GDPR if it means their data is more secure. But customers being customers will expect the same speed and experience as before.,however there may be more paperwork in the initial set up processes due to GDPR privacy and consent statements.

GDPR Compliance for Bin Sponsors, Programme Managers and Wallet/Card Processors

BIN Sponsors
- Ensure you have contracts in place with all your programme managers and Wallet/Card Processors inside and outside of the EU.
- Ensure you work towards complying with GDPR over security and transparency

Programme Managers
- Keep records of any processing taking place.
- Ensure consent is in place for marketing messages and processing taking place
- Update privacy statements
- Identify all EU residents

Wallet/Card Processors
- Ensure all your contracts with Data Controllers includes Data Protection wording and joint liabilities
- Data Controllers to sign revised contracts and send them back.
- Ensure breach policy and process has been tested and validated
- Keep records of all processing taking place

BIN Sponsors
- Review data security features
- Test Subject Access Request process along with deletion of data
- Test data breach process in tandem with PMs

Programme Managers
- Test data breach process
- Test Subject Access Request process along with deletion of data.
- Start keeping records of all data coming into and out and destination
- Use DPIA for new schemes using data in connection with BIN sponsors

Wallet/Card Processors
- Keep copies of what processing has taken place
- Test security processes
- Test Subject Access Requests and breach reporting

BIN Sponsors
- Self audit all GDPR processes and policies to ensure you can prove the level of GDPR compliance is correct if asked to in conjunction with PMs
- Continue to review processing and privacy statements
- Review contracts as new PM's and Wallet/Card Processors come on board

Programme Manager
- Self audit all GDPR processes and policies to ensure you can prove the level of GDPR compliance is correct if asked to, in conjunction with BIN sponsors
- Continue to review processing and privacy statements
- Submit practise audit of Wallet/Card Processors

Wallet/Card Processors
- Continue to keep records of all processing and be available for audit
- Continue to keep security up to date with the latest security updates
- Test security features as part of an ongoing assessment

Q1 2018

GDPR — 25th May 2018

Post GDPR

Ongoing

Development Phase

Existing customers
- Can you prove you have clear explicit permission
- for all uses of the data you hold?
- Have you informed them of their rights to:
    - I.   Object to profiling?
    - II.   Erase data?
    - III. Transfer their data to someone new?
- If the answer is No to any of these questions you
- may need to 'refresh' your consents

New customers
- Start sending the new data protection policy
- setting out the new rights and a new fair processing
- notice
- Data protection safeguards must be built into products and services from the earliest stage of development

(Privacy by Design) (See also step 3 if additional IT functionality required)

Annual contracts
- Start sending customers new data protection
- policies which set out their new rights and a new
- fair processing notice

Checking Phase

Consider & review:
1. What consents do you have and are they GDPR
2. compliant?
3. Customer journeys and terms and conditions
4. Marketing, competitions and promotions
5. Fair processing notices
6. Privacy Policies
7. Website terms
8. Who is your current DPO

Existing customers
- Can you prove you have clear explicit permission
- for all uses of the data you hold?
    - I.   Have you informed them of their rights to:
    - II.   Object to profiling?
    - III. Erase data?
    - IV.   Transfer their data to someone new?
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New customers
- Continue sending the new data protection policy setting out with the new rights and a new fair processing notice
- Data protection safeguards must be built into products and services from the earliest stage of Development (Privacy by Design)

12 Step 24HR Data Breach Response Plan

1. Mobilise crisis management team with support from communications and legal advisers,
2. Record the date and time when the breach was discovered, as well as the current date and time when response efforts began, i.e. when someone on the response team is alerted to the breach
3. Alert & activate everyone on the response team
4. resources, to begin executing your incident response plan
5. Secure the IT systems affected by the cyber attack to help preserve evidence
6. Stop additional data loss. Take affected equipment offline but do not turn them off or start probing into the computer until your forensics team arrives
7. Document everything known so far about the attack
8. Protect your reputation with an internal and external communications
9. strategy, supported as necessary by crisis communications specialists and/or reputation lawyers
10. Interview those involved in discovering the breach and anyone else who may know about it
11. Review protocols regarding disseminating information about the breach for everyone involved in this early stage
12. Notify ICO, if needed, after consulting with legal counsel and upper management and insurance broker(s) to ensure compliance with policy terms
13. Report to police, if/when considered appropriate

polymath consulting

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33 000+ annual visitors
180 000+ page views

Online Community

8 000+ LinkedIn group members
20 000+ industry professionals receiving email campaigns

POSitivity Magazine Advertising Specs

	WIDTH	HEIGHT
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2-pg Spread	432,8 mm	558,8 mm
1/2 Page Horizontal	215,9 mm	139,7 mm
1/4 Page Option A	120 mm	90 mm
1/4 Page Option B	90 mm	120 mm

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Platinum banner (468x80)

Machine Learning for Real-time Payment Fraud Prevention/ Detection?

Data is growing exponentially. In fact, 90 percent of the data in the world has been created in the last 2 years. We talk about 'Big Data', means data that is too large or complex to be processed using traditional database techniques. Today, the challenge and opportunity of Big Data is to cope with the sheer quantity of data avail- able, to analyze it and to make sense out of it to generate useful insights.

Side bar (150x240)

Machine Learning versus existing fraud detection solutions

It is important to understand the similarities and differences between machine learning and previous rule based/fraud scoring solutions.

Gold middle banner (468x80)

Upcoming webinars

GET THE AGENDA

Webinars

MPE webinars are focused on hot industry topics discussing new, emerging technologies or disruptive approaches that are shaping and changing the payment acceptance.

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ADVERTISING ON MPE Website / Starting at EUR 800

With content that is updated daily, **merchantpaymentsecosystem.com** is a one-stop shop for trusted resources, news, advocacy, and professional education for merchant payments professionals.
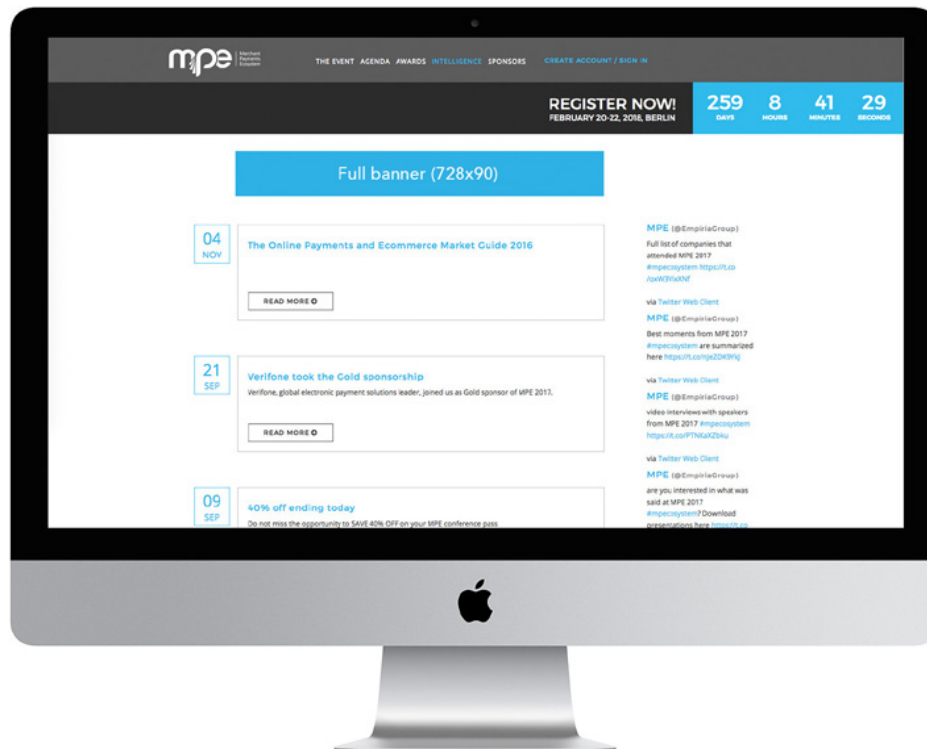
180k Annual Page Views **33k** Annual Visitors **4.33** Average Pages per Session **3.12m** Average Time on Site

The responsive merchantpaymentsecosystem.eu website provides optimal viewing across desktop, smartphones, and tablets, giving your ads maximum exposure!

GUIDELINES

- ☐ Minimum ad run time is one month
- ☐ Banner clicks and impressions tracking is available
- ☐ Only JPG, PNG, or GIF les are accepted
- ☐ Ad will be hyperlinked to the advertiser's website
- ☐ All website advertising materials should be sent to ondrej.dorcik@empiriagroup.eu
- ☐ Ad spaces are assigned on a first-come, first-served basis

MPE ONLINE COMMUNITY ADVERTISING & BRANDED CONTENT

MPE 2018 Advertising rates

POSitivity magazine (Monthly)

Ad Size	1 issue	2 issues	3 issues
Full page	€999	€899	€799
1/2 page	€699	€599	€499
2-page spread	€1399	€1299	€1199
Cover (2,3,4)	€1199	€1099	€999

POSitivity News Email Alerts (Monthly)

Banner position	1 month	2 months	3 months
Platinum banner position	€999	€899	€799
Gold banner middle position	€799	€699	€599
Gold banner bottom position	€699	€599	€499
Side bar upper position	€599	€499	€399
Side bar lower position	€499	€399	€299

MPE Website advertisement

Ad size	1 month	2 months	6 months	12 months
Full banner (728 x 90)	€2499	€2249	€1999	€1749
Rectangle (300x250)	€2499	€2249	€1999	€1749

Global Map of mPOS Providers

The most comprehensive industry overview of mPOS providers. The interactive map monitors the increasing complexity of mPOS ecosystem listing players coming in from different sectors around the Globe.

www.merchantpaymentsecosystem.com

2010 — **Jan**

Square

Provider to merchants: ✓
(Core Service & Wallet)

Vendor to providers: ✗

Accepted Card Brands: VISA, MC, AMEX, DISCOVER

Countries Serving:
United States, Canada, Australia, Japan

Product Names: Square Register
Connection Type: Audio jack card reader
Features: Free secure card reader available after sign up, secure encryption, easy setup, free Square Register app, no setup fees or long-term contracts, funds from swiped payments are deposited directly into bank account within 1-2 business days, includes checkout customization, management tools, data analytics
Verification Method: Signature
Compatibility: iOS, Android

Website: **www.squareup.com**

2010 — **Mar**

Lightspeed

Provider to merchants: ✓
(Core & Front Office & Back Office & Open API)

Vendor to providers: ✗

Accepted Card Brands: VISA, AMEX, DISCOVER, MC, JCB

Countries Serving:
United States, Australia

Product Name: LightSpeed Mobile
Connection Type: Mobile payments sled, serial port & audio jack card readers
Features: Create new invoices, perform inventory lookups, add or create a customer, scan products with linea-pro hardware, process credit card payments, accept signatures on-screen, email receipts. LightSpeed is the complete retail solution
Verification Method: Signature
Compatibility: iOS

Website: **www.lightspeed.com**

2010 — **Apr**

Shopkeep

Provider to merchants: ✓

Product Name: Shopkeep