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In this month's *First Data® VantagePoint™* news, we introduce several new white papers, two of which showcase the growth opportunities in eCommerce. This area continues to be critical for both merchants and FIs since it's the fastest-growing channel for both B2C and B2B commerce, and new infrastructure options are emerging. In today's marketplace, eCommerce drives a significant portion of the global economy and is expected to see continued growth in the future—*eMarketer* reports that global eCommerce sales will reach \$711 billion by 2010. There now are newer, stronger arguments for rethinking first-generation eCommerce strategies. We want to help you prepare for this global opportunity.

The first paper on eCommerce *Preparing Your Business for Cross-Border eCommerce* provides new insight into the rapidly growing opportunity to expand your business geographically. The second topic *The Corporate Purchase Card: A Catalyst for New Growth in B2B eCommerce* discusses new developments in corporate purchase cards and shows why they are quickly emerging as a viable alternative to conventional B2B payments. I think these papers will help you better understand some of the exciting new developments in eCommerce, allowing you to make critical decisions to evolve your business.

First Data continues to grow as an eCommerce leader by providing solutions, services, infrastructure and information to help you take advantage of the burgeoning opportunities, both from a B2C and B2B perspective. We've recently launched the new First Data Global Gateway that allows merchants to accept a variety of payments online. Check out the [First Data eCommerce site](#) for more information.

Speaking of perspectives, I hope you take the time to focus on what matters most to you during this holiday season. First Data and I wish good health and prosperity to you, your families and your businesses now and in the New Year.

Going Global with eCommerce

While eCommerce is extending global reach, it's also forcing merchants and financial institutions to address complex payment issues around exchange rates, taxes, regulations, compliance and reporting. Yes, global eCommerce presents a unique set of challenges, including growing threats of fraud and security breaches, but the next generation of eCommerce solutions will help the most savvy merchants expand their businesses across geographic boundaries.

In his new white paper *Preparing Your Business for Cross-Border eCommerce*, Souheil Badran, Sr. Vice President and General Manager of First Data's eCommerce Solutions, outlines the opportunities ahead. The paper also highlights the features of next-generation eCommerce solutions for merchants already engaged or considering expanding beyond their current markets.

First Data Related Events

- **January 14-19, 2009**
Royal Media Collection
Technology Summit
[read more](#)
- **February 3-5, 2009**
Debt Buyers Association
(DBA Annual Conference)
[read more](#)
- **February 10-12, 2009**
ATMIA National Conference
and Expo
[read more](#)
- **March 18-20, 2009**
Cisco CEO-CIO Leadership
Council 2009
Michael Capellas to participate
- **April 5-8, 2009**
NACHA Payments Conference
[read more](#)

Not Your Father's P-Card

While nearly 60% of B2C payments have migrated to eCommerce over the past decade, over 70% of B2B payments are still being made the old-fashioned way with paper checks. Numerous obstacles have impeded the penetration of B2B ePayments, but now, thanks to the corporate P-Card—an unheralded device dating back to early 1990s—many of these obstacles are being overcome.

While corporate purchase cards (P-Cards) are almost 20 years old, the technology behind these "cards" (usually accounts, not physical cards) has undergone a dramatic overhaul. These next-generation purchase cards can now provide the speed, security, flexibility and reporting capabilities that businesses have long been asking for. This tool is poised to allow companies currently only using their P-Cards for supplies, travel and entertainment to use them for more costly, comprehensive systems, large assets and capital purchases.

First Data's paper *The Corporate Purchase Card: A Catalyst for New Growth in B2B eCommerce* discusses the recent developments in corporate purchase cards and why they are a viable alternative to conventional B2B payments. It also discusses some of the challenges and obstacles facing the adoption of the tool.

Making Mobile Marketing a Reality

Today, it's a given that marketers need to target specific customer groups with specific messages. Many companies are using sophisticated analytics to better identify segment audiences and the appropriate marketing messages. Mobile commerce can help provide an even more exact focus—identifying a single consumer for a single message at the exact right time.

In *Going Direct with Mobile Marketing*, the third installment of his white paper series, Barry McCarthy, President of First Data's Mobile Commerce Solutions, discusses opening a two-way dialogue with customers through the use of targeted marketing via mobile devices. It's not long before mobile devices will be consumers' tool of choice to manage a variety of daily tasks—making mobile phones an untapped opportunity for targeted marketing. McCarthy also notes the hazards if members of the mobile commerce ecosystem (merchants, FIs, carriers and hardware and software vendors) show no regard for user-controlled, permission-based mobile advertising.

You can find the first papers in Barry's mobile commerce series, *The Risks and Opportunities in a Mobile Commerce Economy* and *Mobile Payment: the Linchpin of Mobile Commerce Economy*, in the [First Data white paper library](#).

First Data's GO-Tag™ Solution: The Next Way to Pay

If you've been following Barry McCarthy's series on mobile commerce, you've already been introduced to the First Data® *GO-Tag™ solution*, our newest prepaid, contactless payment technology. First Data and Sodexo teamed up recently and conducted a pilot program in several Sodexo corporate cafeterias. The program has been an unqualified success for both Sodexo and First Data, with the average expenditures per participating employee during the pilot increasing by 10.2% in comparison to pre-pilot spend.

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Give us feedback. We'd love to hear your thoughts.

The GO-Tag solution also was featured recently in an article titled "GO-Tag and Go Buy." Nick Holland, an analyst with the Aite Group, is quoted: "What First Data is doing is a step in the gradual direction of your phone becoming your wallet. It's training wheels for future mobile payments."

Take a look at the details of the [Sodexo success story](#) and the [GO-Tag solution article](#) and you'll see more examples of how mobile commerce technology can provide increased convenience to consumers today.

Reviving Your ATM Program

Changes in consumer behavior, market saturation and increased operational costs are leading to a decline in ATM profitability. This development is causing FIs and merchants with individual ATMs at their locations to reconsider their ATM strategies and find new ways to generate revenues and customer loyalty from their ATM programs.

Many FIs and merchants will react to this situation by pulling machines or delaying—if not foregoing altogether—critical upgrades on their ATMs. These actions are based on the premise that ATMs serve only as money-dispensing machines. In fact, ATMs also are critical customer touchpoints. Recent innovations are presenting FIs with an opportunity to turn their ATMs into customer relationship tools, marketing to specific consumers and helping strengthen customer relationships.

First Data's white paper *Breathe New Life into Your ATM Program with Progressive Marketing and Customer Relationship Management Tools* covers new developments in the ATM industry, especially the transition from proprietary-based software to more flexible Microsoft® Windows®-based systems. It also touches on the opportunities to shift the consumer's ATM experience from a simple cash-receiving encounter to a more targeted marketing experience. To learn more about ATM products and watch our new video on the subject, go to FirstData.com/atm1.

New Compliance Tool for Identity Theft Red Flag Rules

The Federal Trade Commission (FTC) recently announced it would not begin enforcing the Identity Theft Red Flag rules until May 1, 2009. The Red Flag rules mandate that must develop a written identity theft program and much more.

If you have not started to think about [FACTA compliance](#), First Data can help. To assist FIs, First Data has yet another tool to offer: [CompliancePal](#) is a Web-based tool that helps financial institutions produce an identity theft risk assessment and map red flags to appropriate detection and response procedures, as well as develop a written identity theft prevention program, a training program and a compliance status report.

Rewards Programs: Make It Easy and Let Me Choose, Please

We continue to learn and understand consumer behavior and preferences with regard to loyalty programs. A recent First Data-sponsored study provides new insight into what consumers want and expect in a loyalty program. For example, consumers rated both "Ability to Select Rewards" and "Ease of Using Rewards" as the "Most Important Feature" in an FI rewards program.

The [2008 Consumer Insights Study](#) sheds better light on the current loyalty program environment.

Even Now, Launching or Expanding Your Credit Card Offering Makes Sense

Now might be the time to introduce or reintroduce a credit card program. Given today's economy, the idea of adding to your product portfolio might not be part of your near-term plans. Maybe it should be. Maintaining a competitive edge and growing your customer base is more critical than ever. Offering your customers a broader range of services now can help you sustain and even grow your business through the credit crisis and set you up for success in the future.

For some community financial institutions, that will mean introducing or reintroducing a credit card program. FIs that cede this credit business to other providers run the risk that these other providers will market mortgages, lines of credit and other financial products and services to their customers. If you want to keep your current customers loyal and attract new customers, First Data's *new credit solution* for community FIs can help you enter the credit card business easily and seamlessly, with a flexible and scalable system.

