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Fraud Trends

By Shelli Wobken
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Fraud—in the form of cyber crime, security breaches, identity theft and others—is more dangerous to your organization than you think, and treating it simply as a cost of doing business may be emboldening criminals and losing you customers. A recent Javelin Strategy and Research study revealed that more than 30 percent of people affected by a data breach will terminate their relationship with the company that lost their information. The study also showed that consumers equally blame both their financial institution and the retailer that experienced the breach. In the consumers' minds, responsibility is assigned at both ends of the transaction—an important part of the cost calculation that is often ignored by businesses.

The ubiquity of electronic payment transactions and the emergence of a global e-commerce economy offer criminals lots of opportunity to perpetrate fraud. Many criminals are emboldened by the anonymity of their actions, by businesses' failure to recognize the many potential avenues for fraud, and by the widespread acceptance of fraud as just another business expense. First Data's new white paper, *Now You See It, Now You Don't: A Review of Fraud Costs and Trends*, explores how and why fraud happens, and provides insight into the deeper elements of fraud and its repercussions. It also provides guidance on how to design a fraud prevention and detection program to better protect your customers and help grow your business.

First Data Launches Biometric TeleCheck® Check Cashing Partnership With VALID Systems

People who do not have a traditional bank account are referred to as the "underbanked" or "unbanked." This group of consumers comprises nearly one-third of the U.S. population, and over 50 percent of them do not have a bank account at all. Providing check cashing services is a high priority for the financial services and the retail industry which are both trying to find ways to service this unmet need.

Along with this opportunity comes risk. Check cashing has become a potential target for fraudulent activity. Until now, the tools to combat check fraud have not been very successful. Businesses want to be able to approve as many check-cashing customers as possible. The challenge has always been increasing the acceptance rate and deterring fraud.

Biometric check cashing changes the way businesses cash checks and avoid fraud. With biometric check cashing, customers are authenticated at the point of sale for a positive identification every time. Fraudsters are not willing to provide a fingerprint and are thus deterred before the process begins. To learn more about this new partnership offering, visit [VALID](#).

Dynamic Currency Conversion

In a difficult economic environment, it is even more challenging than usual to find ways to increase revenue and simultaneously improve customer satisfaction. By offering dynamic currency conversion (DCC) services to customers paying with a foreign-issued credit card, merchants can earn extra income as well as provide a service that consumers value. DCC makes the customer experience more enjoyable and less intimidating for foreign cardholders by giving them the option of paying for purchases in their native currencies. Instead of waiting to discover the exchange rate and actual transaction amount when they receive their credit card statements, customers who opt-in to DCC at the point of sale (or online) find out the true purchase cost in their own currency immediately. And each time a transaction is processed with DCC, the merchant receives additional income.

First Data's new white paper, *Increase Revenue and Improve Customer Satisfaction With Dynamic Currency Conversion*, explains how DCC works and discusses how it benefits both end-customers and merchants. It also provides important advice about choosing a DCC provider, and helps merchants estimate how much extra income they may earn by deploying DCC services.

Easy Payment Solution Deployed for 3M's Self-Service Library Kiosks

As the largest provider of library systems and solutions in the world, 3M wished to offer payment capabilities to users of its self-service kiosks in libraries throughout the United States. 3M's goal was to implement a payment solution that would work with multiple payment types in a stand-alone platform that could be installed in self-service kiosks and use an Internet connection to complete transactions.

3M did not possess the technology and services to provide this functionality to its library clients by itself, so it turned to First Data for a payment solution that would be highly functional, cost-effective and easy to integrate. By initiating a partnership with First Data, 3M was able to deploy a fast, flexible payment solution to its client libraries.

Learn more details about how 3M used First Data Payment Software to address its self-service payment needs in this [customer success story](#).

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Gift Card Marketing Guide: Best Practices

Since 1995, First Data has advised its gift card clients on the most effective ways to plan, implement and grow their prepaid programs. While doing so, First Data has built its knowledge of the gift card market and refined what are now known as “gift card marketing best practices.”

In an effort to help you grow your gift-card sales, we are releasing our *Gift Card Marketing Guide: Best Practices* for your use. It provides guidance on over a dozen topics ranging from whom to include on your gift-card team to optimizing your card and carrier designs to improving employee involvement in your program.

We will continue to invest to provide you with tools to help you better understand the gift card market and grow your prepaid program. Please check firstdata.com and future editions of *VantagePoint* for new gift card-related resources.

Award-Winning Solution Gaining Traction Toward Mobile Vision

The First Data[®] GO-Tag[™] solution was recently recognized as a finalist for the Electronic Transaction Association Technology Innovation Award. It was also selected the People's Choice at the ICMA 2009 Élan Awards for Card Manufacturing Excellence, and placed second in the Mobile Applications & Widgets – Mobile Payments category of the CTIA Emerging Technology Awards.

This innovative technology solution is currently in pilot at select merchant locations across the country, and is an especially good fit for merchant verticals that have a high volume of low dollar transactions, including Quick Service Restaurants and Convenience Stores. The GO-Tag solution helps merchants gain more loyalty, as well as drive store traffic and repeat business. It also offers fast throughput at the point of sale, resulting in convenience for merchants and their customers alike.

Through industry-wide recognition and the success of these pilot initiatives, the GO-Tag solution is helping to pave the way for “in the phone” mobile functionality. Currently, the GO-Tag solution utilizes contactless technology to enable various payment options with a variety of form factors. Based on unique chip technology and specialized manufacturing processes, the GO-Tag solution can also be used as a unique consumer identifier to drive merchant loyalty programs and credit/debit capabilities in the near future.

[Click here](#) to learn more about First Data's GO-Tag solution, or to read more about the future of mobile payments, [click here](#).

