

A PYMNTS.com report



mPOS tracker[®]

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A Monthly Update of the State of the Mobile Point of Sale Ecosystem



The February 2014 MPOS Tracker™

The mPOS market is clearly bifurcating.

Developed markets are embracing tablets as the mPOS customer base is moving upmarket. Small specialty retail and food services businesses, for example, find tablets powerful substitutes for the traditional POS systems focused primarily on payment acceptance. These systems level the playing field by making front and back office solutions more accessible and easy to implement. Larger retailers view these systems as powerful complements, and in some cases, wholesale replacements for traditional countertop terminals given the ability to move customer information closer to the customer and into the hands of their sales associates.

Emerging markets, on the other hand, are embracing phones and dongles as small merchants seek to expand their customer base and service customers in urban centers with cards. What's clear is that in the developed markets, mPOS has evolved to become something that is a substitute for an existing payment acceptance product because it can deliver greater functionality, while in developing markets, it is about enabling digital payments acceptance for those small cash-based merchants with no other cost effective payments options available to them.

This trend in developed markets is welcome news for suppliers. It supports larger transaction volumes and helps reduce the churn associated with serving only micro-merchants. Even Square, the reference point for the mPOS market that started the mPOS micro-merchant trend, has admitted it's struggling financially and has postponed its IPO in order to sure up and diversify its sources of revenue. Its recent Whole Foods play using Register is one example of a strategy designed to increase its merchant profile and transaction volume and pull thru demand for its digital wallet product.

This trend also gives rise to yet another mPOS market phenomenon: the expansion of the mPOS ecosystem. mPOS platforms that enable tablet-based solutions that serve a different merchant category attract innovators with creative solutions to enhance those merchant customer relationships. We've seen mobile payments players integrate with tablet based POS systems to enable digital payment deployment on either a white label (e.g. LevelUp) or branded basis (e.g. Index) that offers merchants a digital payments option wrapped around targeted offers and data solutions that improve customer loyalty and enhance the merchant's data assets.

Two new players joined the MPOS Tracker ranks this month: iACCEPT and Barclaycard Anywhere. The report also provides updates for seven existing players in the mPOS space, including **Ezetap**, **iZettle**, **I Love Velvet**, **PayAnywhere**, **Payleven**. It also updates three 3 suppliers: **ROAM**, **Adyen** and **Infinite Peripherals**.

Key Points and Takeaways for FEBRUARY 2014:

- ***mPOS is expanding the mobile payments ecosystem*** – The adoption of tablets by larger, more established merchants is fueling the expansion of a robust mobile point of sale ecosystem that pulls payment thru other value-added solutions, including data analytics
- ***Interesting partnerships emerge*** – The Square/Whole Foods mash up is a tangible proof point of this new ecosystem paradigm. Square is solving a problem for Whole Foods – the ability for consumers to “line bust” when visiting its food or coffee bars, while at the same time pulling thru demand for the Square digital wallet. There will likely be other value-added enhancements that emerge over the next year that sit on top of this Square Register/Wallet platform that enable new experiences for the Whole Foods/Square customer.
- ***It’s about the data*** – mPOS solutions have always been about helping smaller merchants capture data about the customer they have never really been able to identify. Now, mPOS solutions are enabling rich data solutions that help merchants capture and better utilize that data to drive incremental sales.
- ***mPOS enables micro merchants to expand its customer base in developing markets*** - Many merchants in developing countries are now able to serve consumers in urban areas who want to use cards to pay for goods and services. One of the more popular drivers of demand is the ability to serve a foreign traveler or business customer with card products that they have never been able to easily serve before.

The MPOS Organizing Methodology: MPOS PYRAMID™

The organizing framework for the MPOS ecosystem is the MPOS PYRAMID™. It is a graphic representation of where we think merchant-facing service providers fit in the market. As stated earlier, it is not designed to suggest that one part of the pyramid is better than another, but rather to depict the characteristics of mPOS solutions. That means that the tip of the MPOS PYRAMID™ does not imply the “best,” it simply implies the fewest players are concentrated there given the various elements of the service offering that those merchant-facing players provide to their merchants.

MPOS PYRAMID™ Methodology

We have divided the mPOS market into “layers” representing the broad set of capabilities included in the mPOS service offerings. This, we hope, more easily helps to categorize the mPOS ecosystem by focusing on the capabilities that the various players who serve the merchants in this market offer them. The “powered by” players are organized on the outside of the MPOS PYRAMID™ and are

aligned with the appropriate capabilities that they “power” inside of the pyramid.

Here is how we have used the MPOS PYRAMID™ to organize the mPOS sector.

- **Core.** Players in this quadrant offer only the basic hardware/card reader solutions to merchants that enable mag-stripe card acceptance and merchant-processing services. Players in this space also have provided some level of security encryption, although the level of security varies by powered-by provider. This is where many players enter the market to establish an mPOS presence and merchant base.
- **Core + Back Office.** Players in this quadrant have offerings that provide value-added solutions that enable merchants and other small and midsize businesses (SMBs) to perform important back office functions. These functions include tracking/managing inventory, creating invoices, integrating with accounting systems and/or other applications that assist merchants and SMBs in managing their back office.
- **Core + Front Office.** Players in this quadrant have offerings that provide value-added solutions that enable merchants and other SMBs to perform important customer-facing functions. These functions include loyalty, marketing, customer relationship management, and advertising solutions that enable merchants and SMBs to more fully manage support marketing, sales and customer retention activities.
- **Core + Front and Back Office.** Players in this quadrant have offerings that provide value-added solutions that enable merchants and other SMBs to support both front and back office functions as described above.
- **Merchant/Consumer Network.** Players in this quadrant have offerings that leverage mobile technology to serve both the merchant/SMB and consumer. These players provide core + front-and back office capabilities along with consumer-facing applications such as digital wallets. These players use mobile devices and other assets on both the consumer and merchant sides to create a network enabled by mobile devices (phones and tablets) and relevant applications.
- **Open Platform/API.** Merchant-facing players in this layer are serving merchants directly but also have made a decision to open their hardware/software services to developers via application programming interfaces (APIs). This is an effort to expand the number of merchants/SMB’s that they can reach as well as to make it easier for their own solutions to be enriched by other developers who can add functionality to the core offer.



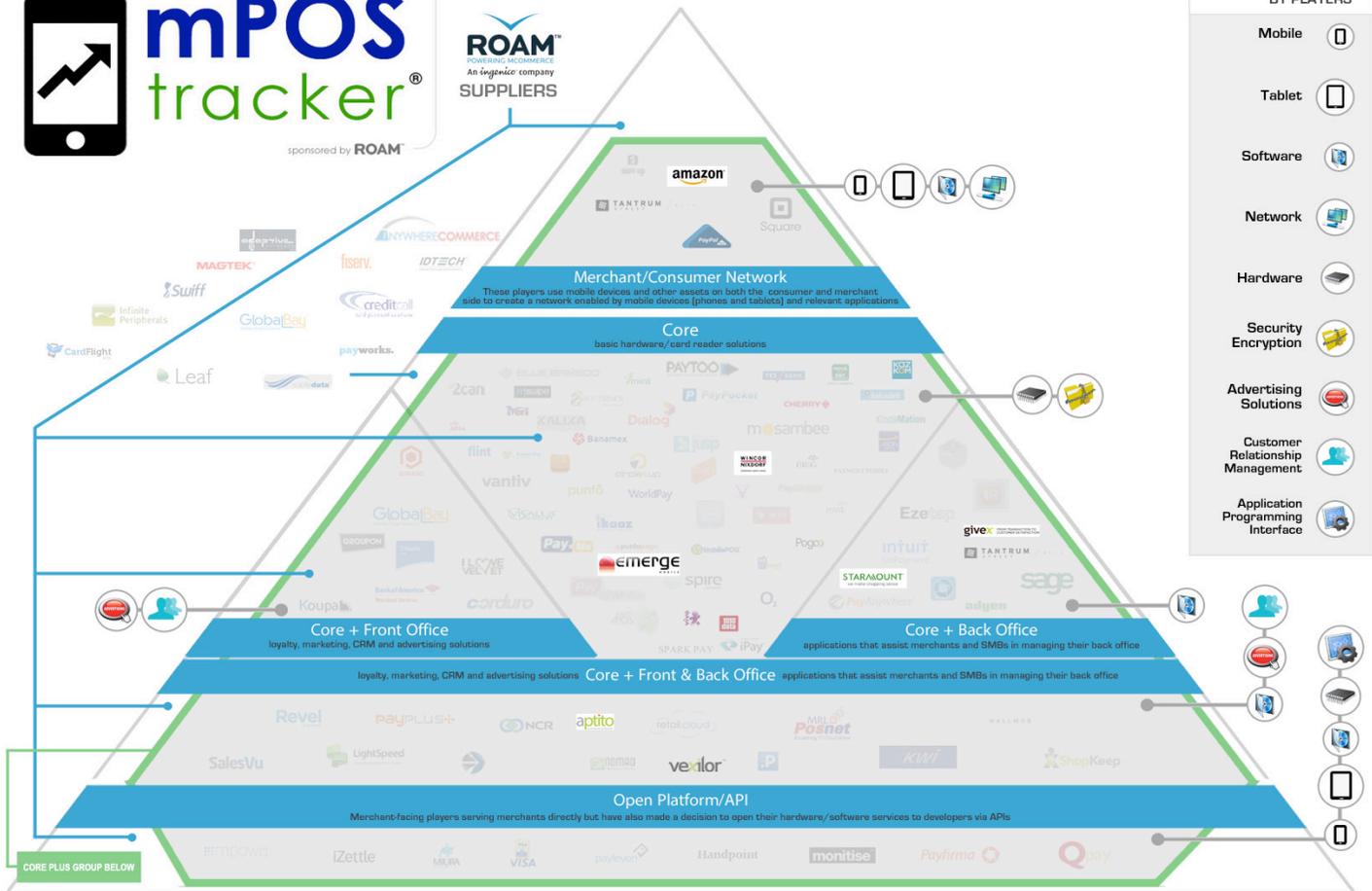
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POWERING M-COMMERCE
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SUPPLIERS

PRODUCTS OFFERED BY PLAYERS

- Mobile
- Tablet
- Software
- Network
- Hardware
- Security Encryption
- Advertising Solutions
- Customer Relationship Management
- Application Programming Interface



SERVICE PROVIDERS

- 1010 Data
- 2 Can*
- Aasaanpay
- Adaptive Payments
- Pentagon
- AEON Thana Sinsap*
- Adyan Shuttle+
- Amazon
- AnywhereCommerce+
- Aptito
- Banamex
- Banco Sabadell
- Beetle
- Blue Bamboo
- CardFlight
- CHARGE Anywhere
- CircleItUp
- Citibank India
- Comdamation
- Clip
- Dialog*
- Xorduro
- CreditCall
- Cube+
- Emerge Mobile
- Estel

- EverPay
- Ezetap
- Flserv
- Flint
- GoPago+
- Groupon+
- Hoandpoint
- I Love Velvet+
- ID TECH
- iKaaz Tap & Pay
- iPay
- Infinite Peripherals+
- Intuit Go Payment
- IVeri mPress
- iZettle+
- Jusp
- Kalixa pro
- KWI Cloud 9
- Kazcommerbank
- Leaf
- Lightspeed
- MagTek
- Mint
- Miura Shuttle
- Mobile Pay on
- Move and Pay
- Demand (BOA)

- Monitise
- Mosambee
- mPowa
- MRL Posnet
- Mswipe (Swipe)
- MTS POS
- NCR Silver
- Next Gen Dine*
- Nomad*
- O2 Mobile Wallet
- Pay@Mobile
- PayAnywhere+
- Payfirma
- Payleven+
- PayPal Here+
- payPLUS
- Pay Me Russia
- Payment Pebble
- PayPocket
- Pay SImple
- PayTooSwipe
- Payworks
- Pocket POS
- Pogo
- Punchey
- Punto
- QFPay

- Retail Cloud
- Rev COIN
- Revel Systems
- ROAM+
- Sage Mobile
- Sales VU
- ShopKeep
- Soft Space
- Spark Pay
- Spire Payments
- Starmount
- Square+
- SumUp
- Swiffpay
- Swish
- Tantrum Street
- Vantiv
- Vexilor
- VeriFone GlobalBay
- Visalus
- Visa mPos
- Vivo
- Vwala! Mobile Pay
- WorldPay
- YES BANK
- YESpay+
- Wallmob*



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MPOS Player Profiles | New for February 2014

IACCEPT

Category	Core
When Launched	2014
#Customers/volume	N/A
Customer Focus	Hotels
Geographic Coverage	Myanmar
Pricing	N/A

IACCEPT was launched by 2C2P and Myanmar Citizens bank following a US\$2 Million dollar round of funding. It was recently announced that the solution would partner with Myanmar Hotels International Group to accept MasterCard and Visa debit and credit cards. Card readers can attach to both iOS and Android phones to read both mag stripe and EMV cards. The hotels using the device can provide in-room express checkout for their guests. IACCEPT claims that it has the industry's highest security standards.

Barclaycard Anywhere

Category	Core
When Launched	Spring 2014
#Customers/volume	N/A
Customer Focus	SMEs and mobile sales
Geographic Coverage	UK
Pricing	N/A

Barclays announced its mPOS solution at Mobile World Congress in Barcelona and plans to launch the device in the Spring 2014. The reader was designed for SMEs and large businesses that have mobile workforces. A PIN-entry device will attach to a smartphone or tablet to accept payments via chip and PIN cards in the UK.

MPOS Merchant Facing Players | February 2014 Update

Ezetap

Category	Core
When Launched	2012
#Customers/volume	N/A
Customer Focus	SMBs
Geographic Coverage	India
Pricing	N/A

Update: Ezetap has raised US\$8 million in series B funding led by Helion Advisors. The card reader has received EMV-Level 1 certification.

iZettle

Category	Open
When Launched	August 2011
#Customers/volume	75,000 + Users
Customer Focus	All Merchants
Geographic Coverage	Sweden, Denmark, Norway, Finland, the UK, Germany, Spain and Mexico
Pricing	2.75% for MC and Diner's Club or 2.95% for AMEX

Update: IZettle released an SDK for direct mobile payment integration into third-party applications. IZettle has cited a car-services company as one of its first customers for the third party application.

I Love Velvet

Category	Core + Front
When Launched	2010
#Customers/volume	50,000+ Devices in Market
Customer Focus	Global – Large Merchants, Retailers, Restaurants and Entertainment
Geographic Coverage	Global
Pricing	N/A

Update: I Love Velvet has expanded to also offer a solution to run on Windows devices.

NCR Silver

Category	Core + Back + Front
When Launched	July 2012
#Customers/volume	N/A
Customer Focus	Bringing big-business technology to small businesses
Geographic Coverage	US
Pricing	N/A

PayAnywhere

Category	Core+Back+Open
When Launched	April 2012
#Customers/volume	N/A
Customer Focus	Small and Medium Merchants
Geographic Coverage	US
Pricing	2.69%/swipe

Update: PayAnywhere and North American Bancard announced they have partnered with Mr. Handyman, International to offer credit and debit card acceptance

Payleven

Category	Core+Open
When Launched	June 2012
#Customers/volume	1,000+ Merchants
Customer Focus	All Merchants
Geographic Coverage	Germany, Austria, the UK, Italy, Brazil, The Netherlands, Poland, Spain and Belgium
Pricing	2.75%/swipe

Update: Payleven now fully supports Android devices with Intel Atom processors to ensure a smooth process and best performance in terms of CPU and battery life of the Payleven payment and retail solutions for corresponding mobile devices. The technical collaboration will make mobile payment even easier for small and midsize businesses.

Revel Systems

Category	Core+Front+Back
When Launched	2010
#Customers/volume	N/A
Customer Focus	Restaurants, Retailers, QSR, Grocery, Movie Theater
Geographic Coverage	US
Pricing	N/A

Update: Revel Systems announced a partnership with Index, a retail software company that brings together personalization and measurement of online commerce, offline. The partnership will further develop Revel's front office offerings and personalize the consumer experience.

Square

Category	Network
When Launched	February 2009
#Customers/volume	\$15B transactions processed annually
Customer Focus	All Merchants
Geographic Coverage	US, Canada, Japan
Pricing	2.75% per swipe, 3.5% + \$0.15 per keyed in. 3.25% in Japan

Update: Square has partnered with upscale grocer, Whole Foods, to utilize their mPOS system for some items in store as well as let customers use their Square Wallet to pay in store. The Square Stands will not be used at check-outlines but at in store venues like coffee bars, sandwich counters and the beer and wine bars. In 2013, Whole Foods processed \$13 billion in revenue. Square has also added a P2P service, Square Cash to email money to one another.

Update for Suppliers

ROAM: Ingenico's ROAM is launching an mPOS reader with chip-and-PIN acceptance in the United States. The RP750x will combine all the elements of the ROAM platform with Ingenico's EMV experience.

Adyen: The customers of international retail chain, SPAR, can now pay for their online purchases with Adyen's Shuttle upon delivery or when collecting at a local store.

Infinite Peripherals: The Company has partnered with Voltage Security to increase the security of its mPOS offerings. IPC has integrated the Voltage SecureData Payments solution to enable customers with Linea Pro 5 and the Infinea Tab M to have access to Voltage's end-to-end encryption system that protects the data and key management processes and reduces costs.

The MPOS Report Context

The MPOS Tracker™ organizes the ecosystem into two broad categories: those *merchant-facing organizations* who supply devices to merchants directly and *those who "power" those players* and supply them with the mPOS hardware, software, tools and services that helps merchant-facing organizations meet their customer needs. This, we believe, helps to further establish and define the playing field in what has become a very active space.

What the MPOS Tracker™ is:

The MPOS Tracker™ is designed to offer an *organizing* framework for evaluating the many players that have entered the mobile point of sale (MPOS) sector. For the purposes of the Tracker, we will look at all mobile devices – mobile phones and tablets – and will profile players who enable commerce via either. Consider the monthly MPOS Tracker™ as our best attempt to give the payments space a “playbook” on the mPOS ecosystem and how it is evolving – a sort of “who’s on first” perspective of who’s in it, what their offerings are, and how the market may have evolved month to month.

What the MPOS Tracker™ is not:

At least now, this report is not a rating or ranking of the players in this space. It is also probably important to note that we take the information that is provided to us by the vendors as accurate. As we stated in our first report (October 2012), the mPOS ecosystem is moving quickly and this report is by no means complete – which is why we have chosen to do monthly updates. Further, information about the players is available in varying degrees of completeness. Details about volumes and shipments – the information that everyone finds most valuable – are not publicly available. In fact, our big wish is to publish an aggregate number of mPOS shipments so that we can track how this market moves in more quantifiable terms. We thank those who have provided us with that information, so far, but would more so that our report can be complete. ***We will not publish this information for any individual player but will only publish an aggregate number as available.*** If you would like for your numbers to be added to the total aggregate MPOS Tracker™, please contact us at mobilepos@pymnts.com.

If you would like to be included in this report and/or would like your information to be updated, please contact us at mobilepos@pymnts.com and we will send you the data sheet required for submission. Further, if you would like to be included in our ratings and ranking, please indicate this as well so that we can send along our more detailed questionnaire for you to complete.

Why is MPOS Relevant?

The diffusion of smartphones worldwide has revolutionized the payments industry in a variety of ways. Mobile phones are being considered (and trialed) in both the retail payments environment and the acceptance/point of sale environments. “Going mobile” today now means that both customers and merchants are able to gain tremendous efficiencies at a point of sale that can accommodate the form factors that consumers use today – the plastic card – and move that point of interaction closer to the customer. Merchants large and small are able to gain business efficiencies as well as new customers and sales.

Along the way, card readers have been transformed into tiny devices that plug into the headset jacks of mobile phones and tablets, turning these powerful IP-enabled computing devices into mobile point of sale terminals- thus the mPOS acronym. But the power goes well beyond card acceptance anywhere, by anyone. These mobile point-of-sale devices leverage existing payments functionality and

infrastructure, which means that the chicken and egg issues typically associated with new payments entrants do not exist. MPOS card readers enable the acceptance of the plastic cards that consumers carry in their wallets today and like to use.

MPOS may have started life as a way to enable casual sellers and small merchants to accept cards, but it is quickly moving up the merchant supply chain. MPOS actually started life way back in 2008 – before Square – in the mobile “field services” space enabling tradespeople and other field service personnel to deliver their services and generate both an invoice and a payment on site. Square applied this concept to the micro merchant who was unable to accept anything other than cash or check. Now, Tier One retailers are turning tablets into cash registers and moving payment and check out to wherever the consumer happens to be in the store. Clearly, mPOS is reinventing the entire commerce experience for all types of merchants and consumers.

Quite naturally, given the “perfect storm” of mobile devices, consumers and plastic cards and existing payments rails, the market has seen an explosion of POS players enter the market. MPOS players can be divided into two camps: the dozens of players who supply devices to merchants and the universe of players who “power” those players and provide them with the mPOS hardware, software and enabling platform functionality needed to meet the needs of their customers. The capabilities of those who “power” the suppliers range greatly, and as a result, the mPOS offerings in market today exhibit a wide range of functions from basic payment card acceptance and processing (eg. Groupon Payments) to enabling a merchant/consumer network (e.g. Square).

Core	Back	Front	Back + Front	Open	Back + Open	Front + Open	Network
1010 Aasaanpay AEON Banco Sabadell BEETLE BlueBamboo CHERRY Circle it Up Clip CommBank Pi Dialog Emerge Mobile Estel EverPay Flint iKaaz iPay IVeri mPress JUSP Kazcommercbank Mint Mosambee Move and Pay Mswipe MTS POS O2 pay@mobile Payleven Pay-Me Russia PagSeguro Payment Pebble PayPocket PayTooSwipe Punto PocketPOS Pogo> Softspace S-Pay Mobile Spire/Thyron Swish Vantiv Visalus Vivo Vwalla! Mobile Pay WorldPay YES Bank	2Can Adyen Chase Checkout Cube Ezetap I Love Velvet Intuit Gopayment PayAnywere RevCOIN Sage Payments Starmount	Citibank Corduro GlobalBay GoPago Groupon Koupah MRL Posnet Punchey Mobile Pay On Demand Revel	Apitito eMobilePOS Kalixia Pro KWI Cloud9 Leaf Lightspeed NCR Next Gen Dine NomadPOS PaySimple payPLUS Retail Cloud Sales Vu ShopKeep Spark Pay Wallmob Vexilor	Handpoint iZettle Monitise Miura Shuttle Mpowa Payleven QFPay Visa mPOS Swiffpay	Payfirma		SumUp Square Tantrum Street/Cartwheel Register PayPal Here