

A PYMNTS.com report



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



The March 2014 MPOS Tracker™

The theme for March and mPOS was ... distribution. Distribution that came in the shape of partnerships and those that came in the form of platform enhancements (e.g. SDK's and APIs) that open existing platforms for others to leverage. Distribution is about achieving scale, and scale is about getting more volume – and the larger players in the space have scale and volume in their sights.

What's interesting about many of these partnerships is the extent to which they are now embedding digital wallets into POS systems to enable acceptance of mobile payments – not just card payments. Both Revel Systems and Square accept card payments, but are emphasizing integration with mobile wallets in order to accelerate payment using mobile apps and wallets.

The other interesting observation is the extent to which the mPOS emphasis is also on those in the services business. Several players, including a large supplier/platform are focused on the SMB market in order to accelerate cash flow by accepting card payments for services instead of checks after an invoice has been generated and mailed. New research out of Australia shows that more than 60 percent of SMBs don't offer credit card options. Solutions that bundle equipment costs with the cost of processing and make it affordable for small businesses with bigger tickets to use card processing seem to be emerging and taking root.

But, having monitored and organized the mPOS ecosystem for the past 15 months, we believe that we are in a unique position to identify the 5 critical characteristics that mPOS players must now have to scale:

1. Simple and transparent pricing models

- a. Even though mPOS is moving up market, its primary customer base is the small and medium enterprise. mPOS solutions are as much business model innovations that make it possible for SMBs to accept credit card payments as anything else as giving them the devices that turn their mobile devices into wireless credit card terminals. Being able to cut thru the clutter and noise of rates and pricing schemes and make it easy for merchants to know what card processing costs them has become table stakes.

2. A scalable platform

- a. Although the SMB space is rife with turnover and churn, most small businesses want to grow their business. The ability to leverage a single platform that enables

front and back office functions and that make it possible as they are ready to deploy them is what will make one mPOS platform more attractive than another and, therefore, sticky. These functions will also increasingly need to include the ability to accept digital/third party wallets and other unique payment types.

3. Turnkey and easy to implement

- a. Businesses of all sizes want a simple and turnkey process for deploying mPOS solutions. SMBs, in particular are extremely time and resource constrained so turnkey and simple to deploy are now table stakes, including the ability to add on additional features as needed and desired.

4. Reliable customer service

- a. SMB's, in particular, want a friendly voice on the other end of the phone to talk to and some platforms and players are making service a differentiator. Great service can become a barrier to entry, make a platform or service provider sticky and upsell services.

5. The ability to enable new revenue opportunities

- a. Card acceptance is no longer the revenue opportunity that enterprises are looking for in an mPOS provider. Many businesses large and small view mPOS as the starting point for capturing basic information about their customers but expect that there are features of the platform that enable them to do more than just assemble a mailing list. Being able to turn preferences, buying history and other basic data into customer intelligence that can be actioned is now the expectation of these platforms and providers.

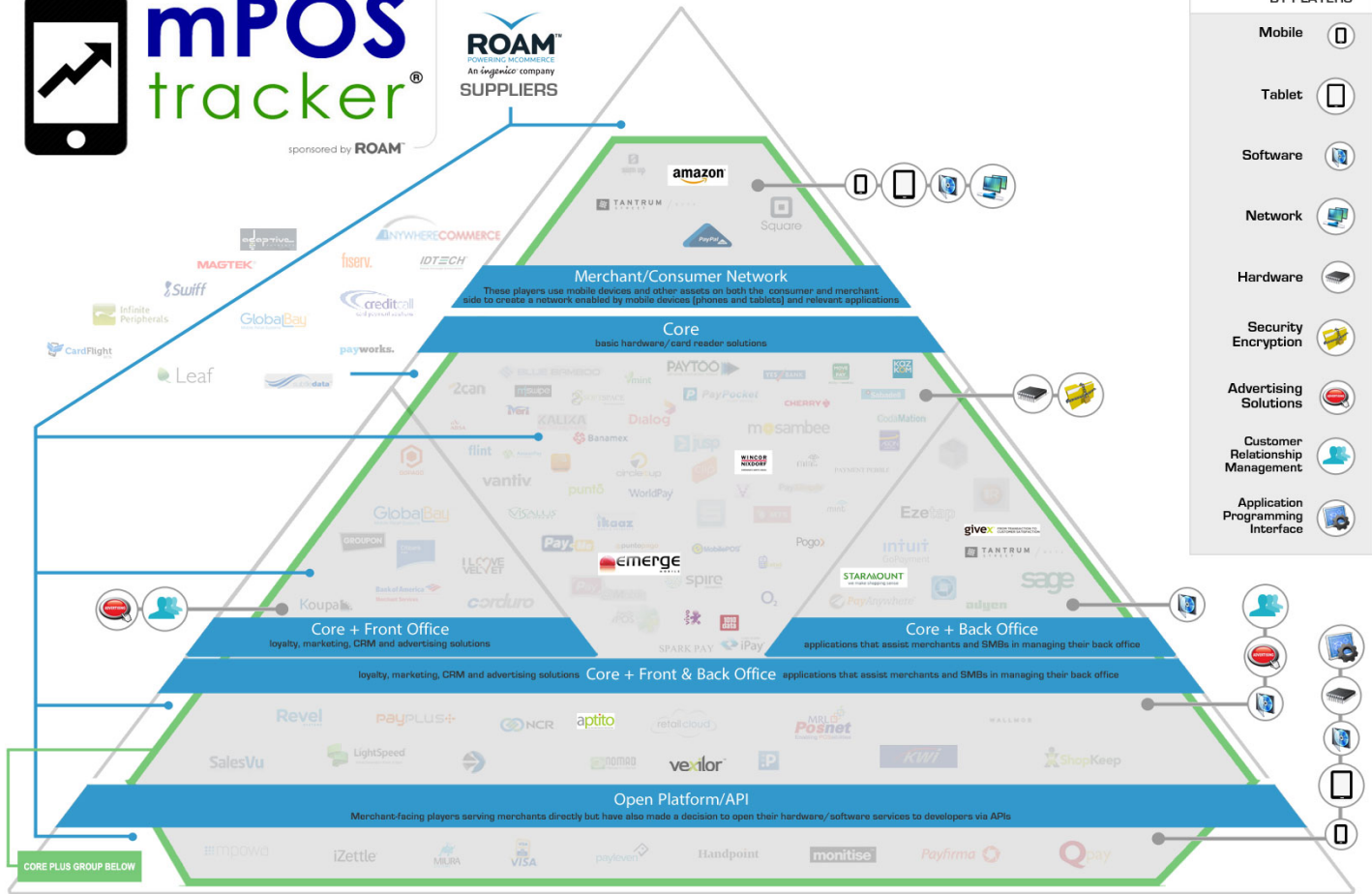
Two new players joined the MPOS Tracker ranks this month: iACCEPT and Barclaycard Anywhere. The report also provides updates for seven existing players in the mPOS space, including **Ezetap, iZettle, I Love Velvet, PayAnywhere, Payleven**. It also updates three 3 suppliers: **ROAM, Adyen** and **Infinite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



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Advertising Solutions	
Customer Relationship Management	
Application Programming Interface	



Key Points and Takeaways for MARCH 2014:

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

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
PaySimple
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
Vwalaa! Mobile Pay
WorldPay
YES BANK
YESpay+
Wallmob*

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.

MPOS Player Profiles | New for March 2014

Beanstream Mobile

Category	Core + Back
When Launched	September 2013
#Customers/volume	~5000 customers and processing ~\$500 M
Customer Focus	Direct to merchants, white labeled to financial institutions or as an API to developers
Geographic Coverage	Canada and the US

Pricing

2.75% Card Present, 2.9% + \$0.30/CNP and \$50 per mobile reader

Beanstream Mobile was launched by Digital River to provide a suite of mpayment solutions for iOS and Android devices. The platform is available direct for merchants, may be white labeled for financial institutions and is also offered as an API for developers. These options enable customers the opportunity to register as PSP clients or ISO clients with their own merchant accounts. In addition to being able to swipe and key in credit and debit card data, merchants can accept cash and check transactions, as well as capture online sales. The omnichannel platform enables payment acceptance for both online and brick and mortar merchants. The back office functions of Beanstream Mobile include the consolidation of sales, workflow and data into one system, to make analytics more accessible and comprehensive. Currently only available for use in the US and Canada, Beanstream Mobile accepts payments in 150 currencies and has plans to launch the device in the UK, EU and Australia. The company also plans to offer integration with cash drawers and receipt printers to expand the offerings.

Globe Change

Category	Core
When Launched	March 2014
#Customers/volume	N/A
Customer Focus	SME
Geographic Coverage	Philippines
Pricing	Varies

Globe Telecom launched their mPOS service, Globe Change, that is powered by the mPOS supplier, Swiff. The goal of the product is to in

Paynear

Category	Core
When Launched	December 2013
#Customers/volume	N/A
Customer Focus	All merchants
Geographic Coverage	India
Pricing	\$125 for the reader, \$10/month and 2%/transaction

Paynear was launched to take advantage of India's nascent payment market, which currently has less than 1 million POS readers but a growing demand for card payments. It is fully compliant with PCI PTS and EMV Level 1 & 2 certifications and can accept both Chip & PIN and magstripe transactions. The multi-function factor allows merchants to track the reader and the transactions, which are instantly transferred to the participating bank. The card reader connects to all platforms of smartphones, tables and feature phones via Bluetooth and WiFi. Paynear plans to deploy 20,000 devices in 2014 to increase digital payment acceptance in India.

MicroBiz

Category	Core + Back
When Launched	Q3 2013
#Customers/volume	N/A
Customer Focus	SMEs with multiple stores and online operations
Geographic Coverage	Global
Pricing	Varies – pricing is per month, starting at \$35

MicroBiz is a developer and seller of cloud based iPad POS and Magenta POS retail management software that enables multi store, multi channel retailers to manage offline and online operations via a single platform. The companies system has been purchases by over 25,000 retailers worldwide and is used in over 20 countries. The platform enables retailers with a cloud-based management platform to sell through multiple channels including its own website, Amazon, eBay and brick and mortar.

MYOB PayDirect

Category	Core + Back
When Launched	April 2014
#Customers/volume	N/A
Customer Focus	SME
Geographic Coverage	Australia
Pricing	Varies

This mPOS solution was launched to help small and medium enterprises save at least 18 hours a month on invoicing by being able to accept payment on the spot and send receipts instantly. The app offers deep integration into the MYOB cloud accounting system, AccountRight Live. The goal of the app is to offer an increasingly paperless office, to reduce data entry, improve accuracy and save time. There are three payment plans that offer a variety of options based on the needs of the SME. Currently the app is being rolled out to a small scale. The company plans to expand the device to New Zealand in the second half of 2014.

MPOS Merchant Facing Players | March 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 applicati

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 WHERE IS THEIR UPDATE? DON'T SEE IT

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 and enable acceptance for the Index digital wallet.

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 has launched an mPOS reader with chip-and-PIN acceptance in the United States. The RP750x combines 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

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 Mosabee 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