

'Pay Rage' And Partnerships

Top payments executives, who came together at what was billed as the industry's first truly international conference, had plenty to say to each other—even when didn't speak the same language. **BY ED MCKINLEY**

"Pay rage," a cousin to "road rage," arises when consumers have to wait too long to complete an electronic transaction in a store or online.

The subject came up at the recent International Acquiring Forum in London and set off a flurry of tweets that spanned the globe, according to organizers of the event.

Linda S. Perry and Tom Layman, two Visa Inc. veterans who now work as consultants, put together the conference under the auspices of the Electronic Transactions Association.

As a former board member of the association, Perry knew the ETA had been interested for several years in becoming active abroad.

ETA CEO Jason Oxman confirmed the organization's international ambitions during this fall.

Europe and Asia have no organizations that offer the educational programs, advocacy, credentials and political activism of the ETA, observers note.

Shortly after the forum, which was held this fall, *ISO&Agent* spoke with Perry and Layman separately and merged some of their comments to create this article.

ISO&AGENT: *How did you get the idea for an international forum?*

LAYMAN: The notion of the forum arose from the consulting practice. It was partly in response to going to interesting places around the world and doing assessments. Many in the acquiring community in other countries didn't have the resources and training the way we do in the United States.

Linda and I approached the Electronic Transactions Association about it.



Layman

ISO&AGENT: *How many attended?*

PERRY: Between 130 and 140. It's hard to figure out. People say, "Mr. So and So is speaking, and I'm his chief of staff. Can I come?" What are you going to say, "No?" It was over our estimate. We thought



Perry

our max was going to be 120 with attendees, speakers and staff.

LAYMAN: We had to add chairs and tables to the conference room. I've never seen a room that packed. It was standing room only.

ISO&AGENT: *You were expected mainly C-level executives. Did it turn out that way?*

PERRY: Eighty percent of the people

were at that level—senior executives, CEOs, partners in consulting companies, partners in law firms. We got the rock stars of the business in that room.

ISO&AGENT: *What countries were represented?*

PERRY: Twenty-two countries. We were very well-represented in most of the European countries. We had people from China and Japan, so we were well-represented in Asia. We had a couple people from Latin America. Obviously, the U.S. folks. Turkey. Other than the African continent, which we didn't get anyone from, we were well-represented. It was truly international.

LAYMAN: Other conferences are regionalized. There have been none that reached across the entire globe.

ISO&AGENT: *How did you feel about the mix of countries and the parts of the industry that were represented?*

PERRY: We worked hard to get a good mix. To be, for instance, less than 40% from the U.S. We're right on that target. We believe we made every goal we set for the countries represented, the level of people. We had ISOs, processors, card schemes, regulators, consulting firms, merchants, lawyers and what I considered to be people who are creating their own category.

I got up early in the conference and

I talked about the value chain. When I started almost 40 years ago, we thought of the value chain in payments as the bank, the card brands and the merchants. It was a short, compact value chain.

Now, I thought about making a schematic for it but I couldn't do it because there are just so many players. They literally are breaking ground in terms of who they are and what they do in payments. If you ask them, they say, "We're kind of an ISO. We do our own processing." They're a mix of these things so it's hard to categorize.

I couldn't even describe what some of these folks do in payments. They're experimenting and creating categories. They're based in Europe, but they are truly global. These are models that we didn't see even five years ago.

LAYMAN: There are different models, and one of them is to follow your customer. If you're U.S.-based and have global customers, it's natural to support them and you have a business case for going global. Another model is to create a niche—maybe just e-commerce or a specific segment.

ISO&AGENT: *What was the mood?*

PERRY: People were very excited. They started tweeting immediately, early in the morning on the first day. LinkedIn is still going. People were excited to see the Chinese. There were deals being done there, which is the hallmark of a great conference in acquiring. People said, for example, "Can you introduce me to the deputy chairman of JCB?" They said, "How do I get the attendee list? How do I network with these people?"

At least seven or eight people came to us and said, "We want to expand our sponsorship next year."

ISO&AGENT: *What ideas were in the air at the conference?*

PERRY: One was "pay rage," which

roughly parallels "road rage." You're either behind someone in line and they're moving really slowly, or you're online and the merchant's website is really slow. It got tweeted and retweeted around the world, and it's still out there. The consumer has become accustomed to speedy and convenient payments, and when they don't get it, that's "pay rage."

Pam Joseph [Elavon Inc. chairman and CEO] spoke about being multinational or global. GlobalCollect spoke about what it's like to be international and how they did it. It's hard and it's not made easier by regulations and the rules of the schemes. If you're an ISO-processor-banking entity that wants to go global, regulation is different in every country and the rules of the card brands, or schemes as they call them in Europe, are a bit of an impediment.

One thing they almost all said is that partnership in this business is critical to success. You can't do this by yourself. We heard this over and over from a ton of people, including Discover. You've got to partner.

The Chinese were very open about expanding their brand and needing the greater community to help them do that. You can be about competing, but in a complicated environment like acquiring, you've got to find good partners.

ISO&AGENT: *What commonalities did you see amid the diversity?*

PERRY: One is that going global is tough. When you're working in one jurisdiction, there are lots of rules. But when you go global, everything starts multiplying. Besides rules, there are the differing cultures. Backend codes may have a different number of characters in every country where you operate.

ISO&AGENT: *Other highlights?*

PERRY: Visa's forecast for global payments in 2018 was for \$23 trillion and 280 billion transactions. That's why people want to be in this business. You hear those

numbers and it blows you away.

JCB did a great job talking about not only Japan but also the rest of Asia, like Indonesia and Malaysia.

The Chinese have more cards than Visa. They have 3 million merchants in China. It's a hockey stick of growth.

When you see that you think, "This is unbelievable."

The guys talking about global security got a little scary. It's still a big concern, and nobody's got the answer.

LAYMAN: There are bad guys out there. We have to be on top of this 24-7. When you're asleep, people in other parts of the world are working.

The good news is technology has moved so far that it's getting much easier than it used to be to find the right technology and the right partners.

Extremely smart people are coming up with ways to facilitate payments. There was a presentation on bitcoin, for example. There's all this new, uncharted territory.

ISO&AGENT: *What happens next?*

LAYMAN: We held this one in London, which is a great place because it's a hub for transportation. It would be great to have it in other locations to pull from other places. Next time, regardless of where we have it, we'd like to get into a little more depth. We tried to pack as much as we could into two days. I believe we did an outstanding job of scratching the surface, so who knows?

I could see it as a bit larger, but keeping it small makes it interactive. If we do it again, I'd like to see more opportunity for exchange.

PERRY: There's opportunity here. I had no idea some of the U.S. ISOs who were attending had global ambitions.

The conference was everything I ever wanted this to be. Even the people from Visa and MasterCard who don't say the word "acquiring" very much said it over and over and had slides on it in their talks. **ISO**