

**Publisher**

Carla Balakgie  
e-mail: carla.balakgie@electran.org

**Executive Editor**

Tom Goldsmith  
e-mail: thomas.goldsmith@electran.org

**Managing Editor**

Scott Etkin  
e-mail: setkin@mcneill-group.com

**Graphic Designer**

Dave Tomko  
e-mail: dtomko@mcneill-group.com

**Contributing Editor**

Rob Drozdowski  
e-mail: rob.drozdowski@electran.org

**Advertising Sales Manager**

Philip Miller  
e-mail: pmiller@mcneill-group.com

**Advertising Sales/Editorial Office**

Electronic Transactions Association  
385 Oxford Valley Road, Ste. 420  
Yardley, PA 19067  
800-394-5157 toll-free, 215-321-9662  
215-321-9636 fax  
www.electran.org


**Creative Services**

McNeill Group, Inc.  
215-321-9662  
www.mcneill-group.com

**Address Changes**

800-695-5509

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**President's Message****A Look Ahead**

**I**t's 2008 and as we have each year, *Transaction Trends* is looking forward to what the next 12 months may bring. We'll also be taking a look at how last year's forecast turned out.

Certainly, there were plenty of surprises in 2007, including the purchase of First Data by Kohlberg Kravitz & Roberts (KKR) and Morgan Stanley's decision to spin off Discover Networks. And if there is anything that can be guaranteed for 2008, it's that more surprises are in store.

As to last year's forecasts, many of them turned out to be pretty close to the mark. Cash advance products and prepaid products grew in importance. Security and compliance issues also rose to the top of everyone's list of critical topics.

There were continuing structural changes in the payments industry, as expected, because the competitive nature of the business manifested itself time and time again at every level. Differentiation has now become the goal for ISOs and it may become more important if the troubles in the housing market begin to erode consumer confidence and transaction volumes begin to slip.

Technology continued to evolve, but the adoption of new payments technology in 2007 continued to be steady, if unspectacular. Though our forecasters continue to see a bright future for contactless and mobile payments, the much-anticipated boom in these market segments hasn't materialized. Could 2008 be the year?

While we're talking about technology, this issue features a roundtable discussion organized by ETA's Technology Committee, in which five industry leaders talk about the role technology has played—and will play—in the payments industry. The give-and-take in the discussion is great, and the conclusions that the panel reaches point to some trends that fit well with the theme of this issue—the future.

Of course, we can't know for sure what 2008 will bring, but on behalf of ETA, its members and staff, we hope whatever comes is good for you and your business.

Kindest regards,

Jim Baumgartner  
ETA President 2007-2008  
President & CEO  
Moneris Solutions