



Next-Generation Payment Plans

Web 2.0 opportunities lure new market players

By Julie Ritzer Ross

As a means for facilitating online information sharing and collaboration, the second generation of Web development—or Web 2.0—is creating new and lasting opportunities in the payments market, as well as some competitive barriers.

In one twist on this trend, the technology facilitating Web 2.0 initiatives has enabled ISOs to create payment models in which consumers interact and share payment information directly with merchants. Merchant Warehouse, for example, recently launched MerchantWARE Mobile, a next-generation mobile application for BlackBerry smartphones. With the software in place, merchants can process payments via several BlackBerry mobile devices and e-mail receipts to customers. Credit card information, however, is stored on Merchant Warehouse's servers, not the mobile devices.

In a similar initiative, CHARGE Anywhere, a South Plainfield, New Jersey-based provider of mobile payment solutions and electronic payment services, has rolled out PAA DSS-certified applications for BlackBerry, Windows Mobile N, J2ME, iPhone, and Palm Treo. The applications also allow mobile merchants to accept payments on the devices and e-mail receipts to customers.

New Models

Non-financial companies also are tapping Web 2.0 technologies to create micropayment models for peer-to-peer social networks, such as Facebook and MySpace. Sources say these models could lead to undue competition in the electronic transactions market, unless industry players at least attempt to undertake similar endeavors.

One example is ShopIt, a free social commerce network that gives users the ability to buy, sell, or trade products and services. The application enables users to set up their own storefronts online



and to syndicate their listings on various social networking sites. Users pay ShopIt a percentage of the item's selling price, and payment processing and other back-end support also are provided by the company.

Another example is PlaySpan, a Santa Clara, California-based provider of monetization systems for social networks, virtual worlds, and online games, which recently released its "Ultimate Payment Wall." The solution incorporates more than 50 payment methods, among them credit cards and PayPal, into a single application to help social network game developers more effectively monetize their offerings via additional payment methods and payment conversion.

"The Ultimate Payment Wall solves several issues facing game developers and publishers," says Lex Bayer, PlaySpan's general manager of social networking monetization. For example, much of Facebook's growth now comes from international markets, and developers are aggressively seeking ways to capitalize on this trend, he notes. Consequently, the Wall was designed to accommodate international payment methods and is accepted in more than 30 countries, including the United States, Canada, and the European Union.

PlaySpan also offers micropayment solutions for traditional social networks through its Spare Change platform, which is featured on more than 700 ap-



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