



## OUR MISSION:

*The MAG's mission is "driving positive change in the payments industry through collaboration and advocacy of merchants' interests." The MAG had several accomplishments in 2017 that directly supported our mission.*

## HERE ARE SOME HIGHLIGHTS:

- MAG welcomed several new staff members in 2017: Since joining the MAG in January as SVP of Operations, **Laura Townsend's** primary focus has been driving merchant-centric changes with the card brands through the Operations and Digital Commerce Committees. **Beth Provenzano** joined the MAG in November as VP of Public Affairs, and in addition to leading our advocacy efforts, Beth will serve as the MAG's spokesperson, driving our direct communications strategy and outreach to the media. **Mary Kay Carlson** joined as a support analyst to provide support to the MAG staff, its Committee Chairpersons, and the Board of Directors in driving its mission, initiatives, and objectives forward.
- **Protected Debit Reform** – MAG co-hosted two fly-ins alongside six merchant trade associations with participation of over fifteen retailers to meet with over sixty key Congressional offices on debit swipe fee reforms. The outcome of these collaborative efforts was Republican leadership dropping efforts (at least temporarily) to strip away those reforms as a part of the Financial Choice Act.
- **Advocacy** – MAG continues to improve our presence in the media and at various industry events advocating the voice of merchants in payment matters such as protecting the Durbin Amendment, digital commerce challenges, the networks' declared "war on cash", real-time refunds, EMV, tokenization, debit routing choice and optimization, Honor All Wallets, and the need for a faster more secure payments system. We continue to foster more active engagement alongside other merchant trade associations with legislators and regulators, including the Federal Trade Commission, Federal Reserve Board of Governors, Consumer Financial Protection Bureau, and Department of Justice, and several others to educate and advocate for positive changes in the payments ecosystem and compliance with the law. Additionally, we have been involved in key industry efforts including the Federal Reserve's Faster and Secure Payments Task Forces, the US Payments Forum, W3C, and the X9 efforts around fraud mitigation best practices.

The Merchant Advisory Group (MAG) was founded in 2008 by a small visionary group of merchants in the payments field dedicated to driving positive change in payments through multi-stakeholder collaboration. At year-end 2016, the MAG represented over **130 of the largest U.S. merchants which account for over \$3.3 Trillion in annual sales at over 900,000 locations across the U.S. and online.** Roughly \$2.6 Trillion of those sales and over 66 Billion card payments are electronic which represents approximately 59%\* of total U.S. card volume. MAG members employ over 12 million associates.



**MAG membership** now includes **134 companies**, an increase of **24%** over 2016, and **19 of the top 20 retailers** in the US.\*\*



**MAG sponsor companies** represent **54** of the **leading service providers** in the payment industry.



**MAG conference attendance is up 16%** from 2016.



- **Operations** – MAG launched the **Operations Committee** with the goal to improve payments operational challenges relevant to merchant members across all commerce channels, help merchants protect the customer experience, and promote fairness in the ecosystem. The Committee developed a prioritized roadmap of **Network Best Practices** and has proactively engaged both Networks & Acquirers on developing action plans to address these operational challenges. Scorecards by network have been developed to ensure progress is monitored and success towards mutually beneficial efforts is achieved.
- **Digital Commerce** – MAG issued a call to action to all major global networks for a safer, more efficient, and more equitable platform for digital commerce transactions. As customers seek shopping experiences that offer more convenience, the retail community has introduced new service models to deliver on those evolving customer expectations, and it is critical the payment ecosystem keep pace with these changing dynamics. Discussions to date with each network have resulted in requests they reconsider their approach to online and mobile transactions in order to recognize the convergence of digital and in-person payment experiences leveraging modern technologies that offer increased ability to authenticate buyers, reduce gross fraud, and improve the customer experience.
- **International Collaboration** – MAG continues to collaborate with international merchant colleagues to share knowledge and leverage learnings across markets on payments matters.
- Collaboration with X9 and members of the Federal Reserve to develop a Technical Report on **best practices** for fraud mitigation of digital commerce transactions as well as collaboration with the U.S. Payments Forum on a **white paper** to include merchant considerations for mobile payments acceptance.
- Creation of a **MAG white paper** and **educational webinar** on Debit Routing Optimization.
- **KnowYourPayments.com** – MAG continued social media engagement with media, regulators, legislators, and merchants on debit routing and small business toolkit content.

*On behalf of the MAG Staff, we thank you for your dedication and support as we strive to make the payments industry better and stronger.*

**Mark Horwedel**  
CEO, Merchant Advisory Group



The MAG provided **13 educational webinars** in 2017 complimentary to MAG members and sponsors.



The MAG conducted **4 educational sessions** focusing on An Overview of the US Payment Networks; Payments RFP Management; Advanced Payments; and, An Overview of the Regulatory and Case History of Card Payments.



The MAG **produced 4 quarterly newsletters** filled with timely MAG and payment industry information.

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\* Source of Total U.S. card volumes:  
"Federal Reserve Payments Study 2016"

\*\* NRF "Stores" Top Retailers 2016

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