

Contactless Reader Vendor Matrix [EXCERPT of Vendor Matrix]

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Executive Summary

In 2007, ABI Research conducted a study that reviewed 8 of the leading contactless reader companies and their product offerings.

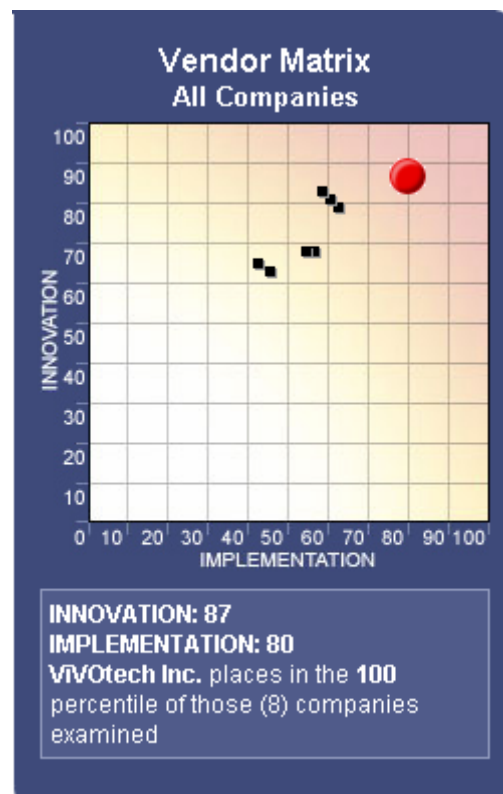
After careful analysis, ABI Research developed this contactless reader vendor matrix, which compares those offerings on product implementation and innovation.

Following is an excerpt of the overall study, which shows where the services and products of ViVOtech Inc place in comparison to the other vendors.

INNOVATION:

IMPLEMENTATION:

ViVOtech Inc places in the 100 percentile of the (8) companies examined. ABI Research has prepared this matrix to give an unbiased rating on contactless reader offerings based on product implementation and innovation.



(Source: ABI Research)

Section 1. RANKINGS-

Rank	Company	Innovation	Implementation
1	ViVOtech Inc.	87	80
2	Verifone Inc	82	60
3	OTI (On Track Innovations) Ltd	80	62
4	Ingenico	78	64
5	Hypercom Corporation	67	58
6	Panasonic (Matsushita)	67	56
7	SIRIT Inc	62	47
8	Skyetek	64	44

1.1 ViVOtech Inc Company Profile

ViVOtech Inc is focused on the contactless payments infrastructure market, with a range of hardware and software offerings. The company is also looking to provide the infrastructure to manage payment applications both in stores and on mobile handsets. Its software allows banks, retailers, merchant acquirers, and wireless operators to offer new contactless-enabled payment devices.

In early 2005, ViVOtech announced the release of software that would enable merchants to integrate loyalty programs with gift card and prepaid promotions. The platform allows retailers to offer branded contactless cards or fobs that function as prepaid and loyalty combination devices.

ViVOtech has provided readers for Visa contactless EMV trials, and dominates major US deployments with customers including CVS, McDonalds, and Sheetz. ViVOtech's offerings complement POS offerings from Hypercom and Ingenico. The readers leverage the existing magnetic stripe architecture and add software on the back-end to enhance the payment function. The company's long-term objective is to license its software to drive contactless payments. POS vendors and electronic cash register (ECR) companies are working on technologies to offer contactless environments. ViVOtech has also been involved in some leading NFC trials in the United States and in Europe.

1.2 Rankings

After individual scores are established for Innovation and Implementation using the above criteria, an overall company score is established using the Root Mean Square (RMS) method:

$$\text{Score} = \sqrt{\frac{\text{innovation}^2 + \text{implementation}^2}{2}}$$

The resulting overall scores are then ranked and used for percentile comparisons.

The RMS method, in comparison with a straight summation or average of individual innovation and implementation values, rewards companies for standout performance.

For example, using this method a company with an innovation score of 9 and an implementation score of 1 would score considerably higher than a company with a score of 5 in both areas, despite the mean score being the same. ABI Research believes this is appropriate as the goal of these matrices is to highlight those companies that stand out from the others.

Published 2Q 2007

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