

## PCI Compliance and the Cost of a Credit Card Breach

by Bryan Johnson

TJX is now the poster child for credit card data breaches. Starting in July 2005, hackers spent 18 months exploiting weak wireless network security outside of thousands of TJX owned stores and downloaded nearly 100 million credit card numbers and other personal information. TJX recently estimated that the breach will cost them \$118 million. Others, such as Forrester, estimate it will cost them \$1.35 billion after including legal fees, call center costs, regulatory fines, etc. A Forrester report determined that the cost per breached record will be anywhere from \$90 to \$305.



**The profitable world of stealing credit card data** The spike in this type of criminal activity is attributable to the lucrative business of selling stolen credit card information. Depending on the quality, the selling price of a single record can easily be \$100. Criminals are using a host of tactics to steal credit card data.



### PCI Compliance Overview

The driving force behind the effort to secure all credit card data is the PCI Security Standards Council, which was founded by Visa, MasterCard, American Express, Discover and JCB. They have mandated that businesses meet 12 security requirements in order to protect cardholder data. To provide proper incentives, the Card Associations have offered both carrots and sticks. As a carrot, merchants are offered protection from PCI-related fines, which can be as high as \$500,000 per incident, if they are compliant at the time of the breach - something called Safe Harbor. As a stick, merchants can face the above-mentioned fines when breached as well as be fined for non-compliance.

### The cost and process of being PCI Compliant

Becoming compliant can be a time-consuming, costly, and considerably complex effort. Gartner recently estimated that the nation's largest merchants spent \$568,000 on average during 2007 to meet the mandated requirements.

### Taking matters into your own hands

A few things that can be done right away is making sure prohibited information is being purged after authorization. That information includes full track data (on the magnetic strip), CVV2, CVC2 and CID codes (three and four-digit codes) and PIN data. If businesses need to store name, credit card number and expiration date, it needs to be secured either internally or stored remotely.

Credit card tokenization, a remote storage technology, allows for a unique customer ID to be created for each record which is then used to remotely initiate transactions or change customer files without ever handling any sensitive credit card data. Other simple ways to better protect from breaches include tightening remote access controls, changing wireless network security from WEP to WPA, properly configuring firewalls, changing vendor default passwords, and using encryption to transmit all sensitive data.

### In summary

Regardless of a business's current situation, the cost of a breach can be enormous. TJX, a \$17 billion dollar retailer will be able to weather the storm, but a smaller organization may not have the same financial depth, which means the consequences may be much more severe. So whether or not the required resources are available to pursue PCI Compliance and proper data storage, it might not be a bad idea to make it a priority.

## 4 Online Retail Expansion Tips



by: Daryl Des Marais

### Tip 1: Quality Content, Quality Pictures and Descriptions

The content and the quality of what is displayed is what will sell. Always keep in mind shipping concerns and cross promotions with in-store availability.

### Tip 2: Great selling sales page design

Knowing how to capture the short attention span of the reader and get them to sign up or make a small initial purchase will be the key to continued success. Offering a follow up and after sales service with easy contact information will be the kicker to further successes.

### Tip 3: Highlight Unique Benefits

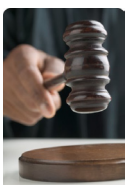
As consumers shop more online, benefits will have to differ between providers in more than just price and exclusivity. Offers, discounts, and coupons will push buyers in a certain direction. Offering unique value to them will be key to expanding your customer base.

### Tip 4: Offer Incentives for Customer Loyalty

Give incentives like free offers and gift cards with purchase. Create an online loyalty program designed around your company and its select promotions. Accentuating these with repetition and will provide perceived value and increase customer retention.

### Retail Pro announces the Beta release of Version 8.6 with all NEW features!

Please see page three of this issue of the Retail Optimizer to learn more about the new release as well as how it can help retailers become PA-DSS compliant. For more information on being a beta site for Retail Pro version 8.6, please contact your account manager at 800.513.5917.



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## Speed Up Your Physical Inventories with Additional Unit Rentals

Retail Technology Experts offers rentals of handheld units to supplement your existing point of sale system as you complete physical inventories. Our stock of rentable units includes the following models of handheld scanners:

- Janam XP20
- Symbol 1800
- PT 2000

Quantities and availability are limited. Make your physical inventories a breeze while you save time and the costs of purchasing additional scanners. Contact Marisol to reserve your rental units today!

### Contact Marisol

Phone: 800.513.5917 ext. 132

Email: MarisolC@RetailTechnologyExperts.com

## Meet the Staff at Retail Technology Experts

### George Hipp

#### Senior Retail Systems Consultant



George Hipp joined the team at Retail Technology Experts in September of 2008 and is part of our Minnesota office. George has been involved with Retail Automation for almost 20 years and is certified in Retail Pro and Microsoft

RMS. George analyzes specific business needs and shows retailers how to set up their systems or how to customize them to make their store unique and profitable. He enjoys discussing the unique methods of retailing, whether it is styles in a shoe or clothing store or how to buy and sell case quantities in a liquor store. George likes to do as much discovery with his prospects as possible to ensure he is recommending the best system for their business.

George recently learned to play the saxophone, likes to work-out and, water and snow ski and loves to spend time on the boat with his grandkids.

### Contact George

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## Product Spotlight

### Store Credits in Retail Pro

#### Issuing A Customer Store Credit

- Open a new receipt.
- List the customer on the receipt - use the "Bill to Cust#" field.
- Find the customer by sorting by last name
- If this is a new customer, click on new to create the new customer.
- Click on the side menu to assign existing or new customer to the receipt.
- Create your return receipt the way you normally do.
- Go to tender - amount due will show as "overtendered."
- Click on store credit tender button to assign the overtendered amount to the customer store credit value.



#### Redeeming Customer Store Credit

- List customer on the receipt.
- If customer has store credit, it will show in the store credit field.
- List items on receipt that customer is purchasing.
- When you click on tender, the system will ask if you want to use the store credit.
- Select "Yes" or "No" as applicable. "Yes" will deduct store credit from total. "No" will not deduct anything from the total and customer must pay for purchase.
- Finish the receipt as you normally would.



## Product Spotlight

### Promotions in Microsoft RMS

Promotions are a great way to reduce overstock, of course. At the same time that promotions help move particular items, they promote your store, promote customer visits, and promote customer relationships. All these goals become even more important during recessions and other slow times. Customers have less money to spend and are much more careful about spending it, so it's essential that retailers take the initiative to know their customers and provide the value they need and are searching for. Over the next few months, we will show you how to set up promotions inside of RMS.

#### Define a weekly schedule

1. On the Database menu, click Schedules.
2. Click New.
3. In the Description box, enter a name for the schedule; for example, Happy Hour or Lunch Special.
4. In the Time Increments box, select an increment of 15 minutes, 30 minutes, or 1 hour. The grid will vary depending on the selected increment.
5. On the schedule grid, click or drag to select the time periods you want to schedule. For example, if you want a sale price to be in effect from 10:00 A.M. to 6:00 P.M. on Mondays, drag to select the periods in the rows from 10:00 AM - 11:00 AM to 5:00 PM - 6:00 PM in the Monday column.

Tip: To select all the periods for an entire column or row, click or drag the column or row headings.

6. Click Set. Store Operations will highlight the periods in red to show that they are part of the weekly schedule.

**Note:** To clear a time, select it and click Clear.

7. When you finish defining the weekly schedule, click OK to save the changes.

8. Specify the items you want to put on sale and their sale prices.

In next month's Retail Optimizer, learn how to put items on sale with specific sale prices.

## The Retail Legal Advisor

by: Michael Berger, Esq.



### Minimum Wage Changes in the State of Florida

Florida's minimum wage increased to \$7.21 per hour, effective January 1, 2009 (up from \$6.79 per hour). The federal minimum wage is currently \$6.55 per hour. Federal law requires employers to pay the higher of the federal minimum wage or any applicable state minimum wage. Therefore, Florida employers must now pay at least \$7.21 per hour. The federal minimum wage will increase on July 24, 2009 to \$7.25. At that time, Florida employers will have to pay at least that amount. For more details, please see the information below that I have copied from the website of Florida's Agency for Workplace Innovation

#### FLORIDA'S MINIMUM WAGE (Updated October 15, 2008)

Florida's minimum wage is \$7.21 per hour, effective January 1, 2009. This is up from the \$6.79 per hour minimum wage in 2008. On November 2, 2004, Florida voters approved a constitutional amendment which created Florida's minimum wage. The minimum wage applies to all employees in the state who are covered by the federal minimum wage. Florida law requires the Agency for Workforce Innovation to calculate a new minimum wage each year and publish the new minimum wage on January 1. The current minimum wage represents a 6.2 percent change in the federal Consumer Price Index for urban wage earners and clerical workers in the South Region for the 12-month period prior to September 1, 2008.

Employers must pay their employees the hourly state minimum wage for all hours worked in Florida. The definitions of "employer," "employee" and "wage" for state purposes are the same as those established under the federal Fair Labor Standards Act (FLSA). Employers of "tipped employees" who meet eligibility requirements for the tip credit under the FLSA, may count tips actually received as wages under the FLSA. However, the employer must pay "tipped employees" a direct wage. The direct wage is calculated as equal to the minimum wage (\$7.21) minus the 2003 tip credit (\$3.02), or a direct hourly wage of \$4.19 as of January 1, 2009.

Florida Statutes require employers who must pay their employees the Florida minimum wage to post a minimum wage notice in a conspicuous and accessible place in each establishment where these employees work. This poster requirement is in addition to the federal requirement to post a notice of the federal minimum wage. Florida's minimum wage poster is available for downloading in English and Spanish from the Agency for Workforce Innovation's website at: <http://www.floridajobs.org/workforce/posters.html>. The federal poster can be downloaded from the U.S. Department of Labor's website at: <http://www.dol.gov/esa/whd/regs/compliance/posters/flsa.htm>. The Florida and federal minimum wage will increase as follows:

\$6.79 – January 1, 2008 Florida Current Minimum Wage  
 \$7.21 – January 1, 2009 Florida New Minimum Wage  
 \$7.25 – July 24, 2009 Federal and Florida New Minimum Wage

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## What's New with



### version 8.6

The new **Retail Pro Version 8.6** introduces many new features and functionality including:

#### Enhanced User Interface

Retail pro version 8.6 features an enhanced user interface, with all new graphics. These graphics are consistent with the graphics used in Retail Pro 9, ensuring a smooth transition as retailers upgrade from v8 to v9 and train employees.

#### PA-DSS Compliance Changes

Credit Card fraud liability is at the forefront of every retailer's mind, and remains as such as long as their Point of Sale system is not PA-DSS certified application. Through robust encryption methods and detailed security logging Retail Pro 8.6 provides the retailer assurance his software is doing its part to protect the customer's payment information from harm's way. Two key changes were made in 8.6 to move it toward PA-DSS compliance and certification:

- A new security receipt is created whenever a user views an unmasked card number from a receipt by clicking the Show Card button.
- All log files that Retail Pro generates for EFT transactions no longer contain references to unmasked card numbers and track data.

#### Logging the Viewing of Card Numbers

In Retail Pro 8.6, when a user with permission to see card numbers clicks the Show Card button, a high-security receipt is automatically created to record the event. Each receipt captures important data such as the user who clicked the button, the date/time the action occurred, the last four digits of the card number, and the customer ID of the customer.

#### Hardware

Beginning with Retail Pro 8.6, retailers can use Ingenico i-series pin pads (i3070, i6580, and i6780).

#### Print Credit Card Holder Name

It is often required by various regions around the globe to print the name of the card holder on a receipt when making a purchase via a credit card. Retail Pro 8.6 will provide this needed functionality.

#### Enhanced Gift Receipt Support

Prior to version 8.6, retailers using Retail Pro 8 had to utilize an "Off-the-Shelf" plug-in to adequately print gift receipts at point of sale. Retail Pro 8.6 brings this functionality into the core product eliminating the need to purchase a plug-in for this POS process.

#### Enhancements to ECI 2.2

Retail Pro v8.6 includes the release of a new version of ECI Merchant-diser (v2.2) that includes two important changes:

- The encryption of credit card numbers for meeting Payment Application Data Security Standards (PA-DSS).
- Small Business Edition support for ECI

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