EQUINIX CUSTOMER CASE STUDY
iZETTLE

iZettle®

Leading mobile payments company cuts estimated transaction processing times by nearly 50 percent with move to Equinix data centers.

Executive Overview

Strong European growth was not enough for mobile payments company iZettle as it fought for position in a competitive global market. Equinix's worldwide footprint and technical expertise helped iZettle expand from one to three continents in just six months. That speed has allowed iZettle to establish an early foothold in new markets, reduce its customer transaction times and lay the groundwork for further expansion.

The Customer

iZettle is a Stockholm-based company founded in 2010 that offers businesses an easy, secure way to take payments on mobile devices. The company focuses on markets where computer chip-embedded payment cards are a dominant alternative to magnetic strip payment cards. The company's payment services also include sales analytics and business management software tools. iZettle operates in seven markets in Europe. The company launched in Mexico in 2013 and is expanding into new geographic markets by deploying IT infrastructure for payment processing inside Equinix.

> "Working with Equinix was easy and it was quick. For us, the number one goal is to be quick."
>
> Daniel Bernholc, Chief Technology Officer, iZettle

Business Challenge

iZettle's prospects for growth were limited by having its payment processing infrastructure serve all geographic markets from a single data center in Europe. Its research showed that lag times when processing payments for potential customers outside Europe would be too high to attract business if the company relied exclusively on a centralized architecture for delivering its services.

"We need latency to be low between our end users and the environment that they are connecting to," said Daniel Bernholc, iZettle's chief technology officer. "When we ran tests from other continents with our European environment, it was a bit slow. Clients wouldn't have gone for it."

Geographic proximity to new customers and markets became a prerequisite for business expansion and growth. But iZettle needed more than servers on different continents. It needed them up and running as quickly as possible. Delay meant time for competitors to beat them to the market, potentially crowding them out before they could even get started.

Business Results

- Increased global footprint by expanding from one to three continents in six months

- Lowered average network latency from 98 milliseconds to 73 milliseconds

- Decreased estimated transaction speeds in Mexican market from 9 seconds to 4.8 seconds

- Exceeded time to market expectations — iZettle's first data center deployment on Platform Equinix™ was operational in just one month

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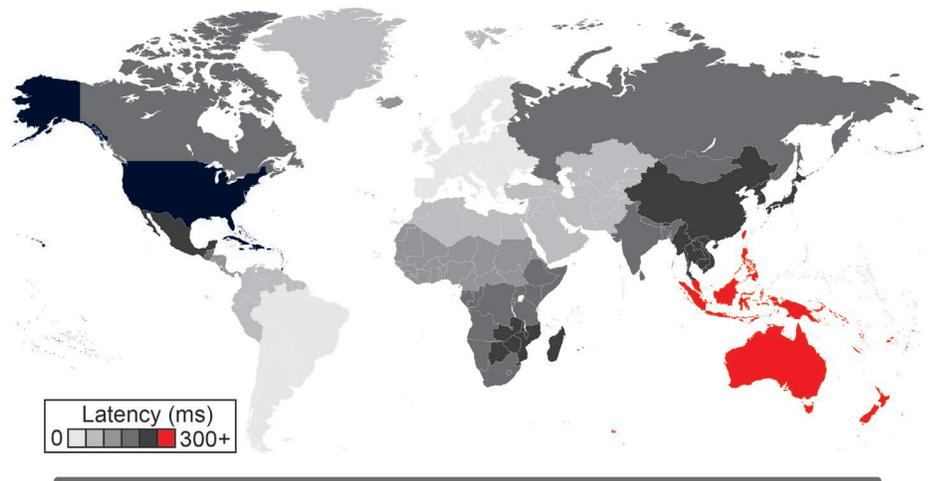
Solution and Value Realized

iZettle chose to run its digital payment services in the Amazon Web Services (AWS) cloud to hasten time to market and to take advantage of AWS's strategic global locations. To connect its corporate IT infrastructure for payment services to AWS, iZettle set up hybrid clouds inside Equinix data centers.

Equinix offers AWS Direct Connect Services in 18 Equinix International Business Exchange™ (IBX®) facilities, including Silicon Valley, where iZettle first colocated with Equinix in 2013.
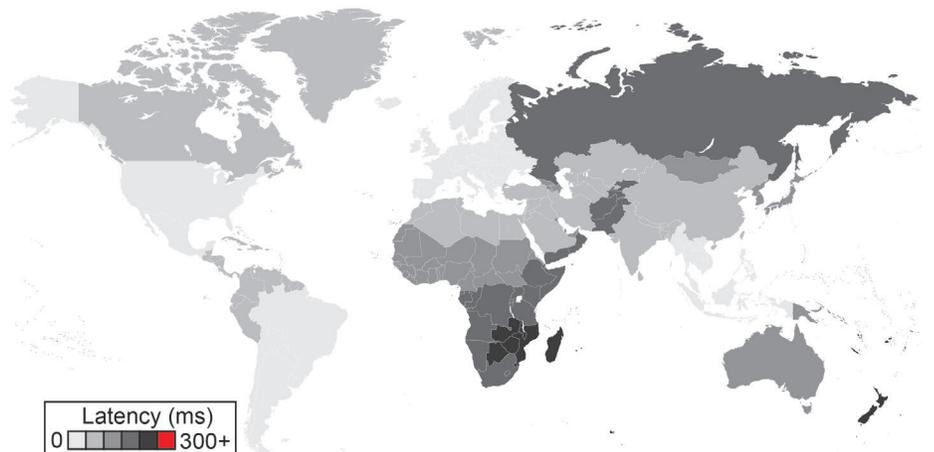
"There was a ready set up," Bernholc said. "We didn't have to go through all the pain of building our own data centers. We just had to look at where the connections were and go there."

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Daniel Bernholc, Chief Technology Officer, iZettle

iZettle's Estimated Average Global Network Latency

Before Equinix

Latency (ms)
0 — 300+

After Equinix

Latency (ms)
0 — 300+

The decision opened up a high-growth market in Mexico, where an estimated 95 percent of the country's 125 million credit cards are chip-enabled. Through Equinix, iZettle is able to establish private network connections and bypass the slower, less secure and more expensive public Internet. iZettle has since expanded to a second Equinix data center.

The new interconnections have led to a significant drop in latency. Before it colocated with Equinix, iZettle's average latency clocked in at 98 milliseconds. It's now down to 73 milliseconds, a reduction of just over 25 percent. The network's proximity to clients has also appreciably reduced transaction times. If iZettle had tried to process transactions in Mexico through its European data center, transaction times would have hovered around an unmarketable 9 seconds, Bernholc said. The Silicon Valley colocation dropped them to about 4.8 seconds, he said.

Bernholc added that the speed with which Equinix was able to get the company's servers operating was also critical. He said he expected the process to take about three months. "Setting up data centers is always much more complicated than you think," he said. But it was just a month between his first contact with Equinix and when the servers were operational, and Bernholc was impressed with the speed. That demonstration of Equinix's responsiveness and data center expertise has given iZettle confidence that Equinix can give it room to grow as it considers expansion beyond its current European and South American deployments.

About iZettle

iZettle is payments made easy. The social payments company's services are always secure, fantastically fast to set up, and super simple to use. iZettle lets anyone selling anything face to face use smartphones and tablets to accept credit card payments and manage their business – and for a fraction of the cost of traditional systems. Founded in 2010, with headquarters in Stockholm, iZettle is now available in the U.K., Spain, Germany, Sweden, Denmark, Norway, Finland, Mexico, and Brazil and coming soon to more countries.

"About a month from my first contact with Equinix, the servers were up and running. That kind of speed can mean everything. If some competitor comes in a month sooner than us, it can be life or death in that market."

Only Equinix

Equinix offers AWS Direct Connect services in more markets than any other data center provider, which was critical for iZettle because it plans to use Amazon Web Services as it grows. AWS Direct Connect services are offered in Equinix IBX data centers in London, Seattle, Silicon Valley, Singapore, Sydney, Tokyo and Washington, D.C./Northern Virginia. That gives iZettle a broad geographic spread as it considers additional expansion. No data center provider but Equinix has the expertise to quickly get its networks up and running wherever iZettle chooses to take its business next. For more information on Equinix data centers around the world, please contact networks@ap.equinix.com.

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About Equinix

Equinix, Inc. (Nasdaq: EQIX) connects the world's leading businesses to their customers, employees and partners inside the most interconnected data centers. In 40 markets across five continents, Equinix is where companies come together to realize new opportunities and accelerate their business, IT and cloud strategies.

In a digital economy where enterprise business models are increasingly interdependent, interconnection is essential to success. Equinix operates the only global interconnection platform, sparking new opportunities that are only possible when companies come together.

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