

Mercantile drops Mark Twain eCash; money will be returned

By **MARGIE MANNING**

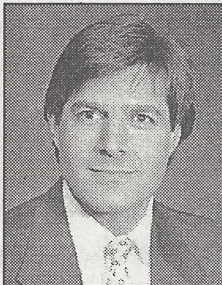
Mercantile Bancorporation is discontinuing the electronic cash experiment pioneered by Mark Twain Bank.

Mercantile has told its customers it will end the eCash program effective Sept. 14, and the remaining funds in their eCash accounts will be returned.

ECash, developed by an Amsterdam company, DigiCash, is digital money stored in a computer account that can be used to buy products online from merchants. Mark Twain, which started the eCash trial in October 1995, was the only bank in the United States to offer eCash to its customers. Mercantile bought Mark Twain in April 1997.

"We wanted to focus more on the six-state region in which we operate," said Larry Kirschner, managing director of Mercantile's Capital Markets group. "The majority of the (eCash) business wasn't in the Mercantile footprint."

Shortly after Mark Twain launched eCash, bank officials said they hoped to sign



Larry Kirschner

up 10,000 users. But Kirschner said the number of accounts was considerably under 5,000, most of them individuals. CNet, an Internet news service, estimated 300 merchants were participating in the program.

Kirschner said Mercantile neither made nor lost money on eCash.

"It was a non-event for the bottom line," he said.

CNet reported Mercantile was dropping the program because it didn't meet profit goals. The news service quoted William Donahoo, vice president of marketing and development at DigiCash, who did not return calls for clarification.

The decision to end eCash is not costing anyone his or her job. Kirschner said only one person, a technical expert, worked on the system, and he likely would be used elsewhere in the bank.

ECash was designed for purchases of \$10 or less — so-called micropayments. But Scott Smith, an e-commerce analyst at Current Analysis, told CNet that "micropayments are all pretty much dead in the water."

Meanwhile, Mercantile is preparing to launch its own Internet banking system later this year. Spokeswoman Beth Fagan said the system now is in a test phase, using employee accounts.



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