CASE STUDY: MOBILE POINT-OF-SALE

MasterCard

The Convenience and Security of Mobile Point-of-Sale Devices Help a Taxi Driver Grow His Business

ACCEPTING CARD PAYMENTS DRIVES CUSTOMER LOYALTY AND SATISFACTION FOR TAXI OWNER

In Chennai—India's fourth largest urban area—traffic is heavy and taxi trips can be long and costly. This makes cash payments especially inconvenient when taking taxis, as both the driver and passengers waste even more time and money in search of ATMs to cover the fare. Mahaligam Azhaghumuthu, an independent driver affiliated with Fast Track taxi company, started offering his passengers the convenience and security of card payments through a mobile point-of-sale (Mobile POS) solution. Business is booming now, as regular customers and international visitors secure him for longer journeys or all day trips and enjoy the convenience of paying the fare by card. In addition, his daily routes are much safer, as he doesn't have to carry cash and worry about theft.

CHALLENGE

Paying cash for a cab fare in Chennai, India, is inconvenient, as trips can get unpredictably long and expensive because of heavy traffic. Mahaligam Azhaghumuthu, a taxi driver, needed a secure card-acceptance solution to avoid searching for an ATM for his passengers to settle their fare.

SOLUTION

Mahaligam Azhaghumuthu worked with Bijlipay, a leading payment solutions provider, to obtain PosMate, a seat-mounted Mobile POS device made by Spire Payments. The solution offers Mahaligam's passengers the ability to pay by card via a simple interface.

RESULTS

The Mobile POS solution has given Mahaligam Azhaghumuthu the convenience of secure, cashless payments on the go. Regular customers are now booking longer trips and he received plenty of referral business from international visitors, which has resulted in increased revenue.

After starting to accept card payments with Mobile POS, Mahaligam Azhaghumuthu saw his revenue increase by

15%

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CHALLENGE

Mahalingham Azhaghumuthu owns and drives a taxi in Chennai, India. Many of his passengers are younger IT professionals who rely on his service to commute to work. Chennai is India's fourth largest urban area and heavy traffic is a daily challenge that can lead to unpredictably high taxi fares. Searching for an ATM when passengers are short on cash and time can make trips even more inconvenient. Mahaligam needed a simple and secure solution that would allow his passengers to pay by card and avoid the frustration of extra time in traffic.

SOLUTION

Mobile POS solutions that leverage smartphones and tablets are especially beneficial for businesses that collect payments on the go. They offer business owners a reliable means of collecting full payment at the time of service and accommodate the ever-increasing customer preference for card payments.

Mobile POS solutions offer:

- Portability and flexibility for "anytime, anywhere" payment acceptance
- Simple user interfaces for the merchant and customer
- Reduced risk of theft or loss when service providers don't have to carry cash
- Lower cost of ownership with affordable and flexible monthly rental fees
- Ease of setup and use
- Online reporting to easily track sales and issue refunds
- Streamlined accounting and financial documentation processing

The management of Fast Track referred Mahalingham Azhaghumuthu to Bijlipay, a mobile payment provider specializing in merchant payment solutions in emerging markets such as India. The Bijlipay team held a workshop for Fast Track's driver network where drivers learned how easy the service was to set up and use.

Bijlipay leverages PosMate, a convenient, pocket-sized mobile card reader manufactured by Spire Payments, a global leader in POS software and hardware. PosMate connects with smartphones and tablets securely through Bluetooth, giving Mahaligam a quick way to accept card payments for the taxi fare. For him, it was the combination of ease of use, low monthly rental fee and the flexibility to make micro payments for the monthly fee that made the Bijlipay Mobile POS an ideal option.

> "Since customers know that I accept cards they call me especially for long trips. It's good for me because I earn more. I have also gained many regular international customers who prefer to book my taxi for the entire duration of their stay and enjoy the convenience of paying by card."
>
> **Mahaligam Azhaghumuthu** Fast Track Driver and Taxi Owner

Mahaligam's card reader arrived two days after he submitted his financial documents for verification. Designed for durability, the reader is resistant to heat and dust, and it came with a custom-made holster that allowed Mahaligam to situate it conveniently in the cab. In addition, the Mobile POS made Mahaligam's routes safer, as it eliminated the need for him to drive around with large amounts of cash.

RESULTS

Fast Track was the first to start offering card acceptance in Chennai, other companies soon followed. Mahaligam Azhaghumuthu says he would definitely recommend Mobile POS solutions to other drivers, as they see card acceptance as the future of payments in India—and the future of their business.

The benefits include:

Larger fares Mobile POS makes it simple for passengers to pay for longer, more expensive trips without worrying about how much cash they need to have on hand.

Higher customer loyalty Mahaligam's regular passengers, many of whom are younger IT professionals, appreciate his desire to embrace technology to make their lives easier. The convenience of card payments and the ability to book in advance via email or message keep customers coming back.

Expanding into new market segments Mahaligam now has a strong referral business among international visitors who make frequent trips to Chennai and reserve his service for the duration of their stay. For them, paying by card eliminates the hassles of carrying cash and worrying about exchange rates.

Personal safety The freedom from driving around without the need to carry large amounts of cash has reduced the risk of theft.

Streamlined accounting Passenger payments go directly to Mahaligam's account, so he doesn't have to deal with keeping track of receipts and wasting time on paperwork at the end of each day.

Improved cash flow For Mahaligam, immediate payments, larger fares and pre-bookings translate into higher and more reliable monthly income. As an added bonus, not having cash in his pocket keeps him from making impulse purchases throughout the day.

THE LOW-COST WAY TO SERVE TODAY'S "CASHLESS" CONSUMERS

Mobile card acceptance is now a $5.7 billion business worldwide and the fastest-growing trend in retail.[1] Whether it's travel, shopping or entertainment, consumers expect to be able to pay for their everyday transactions with a credit or debit card rather than cash. To meet this demand, merchants are finding it easy and cost-effective to transform existing mobile devices, such as smartphones and tablets, into Mobile POS solutions to ensure safe, simple and smart transactions.

1. IHL Group, Mobile POS: Hype to Reality, May 2013.

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