



Mastercard[®] Cloud Commerce

Global Acceptance

US Transit Case Study

In partnership with:



globalpayments



MAY 2023



A regional transit service used Mastercard Cloud Commerce to deploy contactless payment acceptance through Tap on Phone

Context & Challenge

- With contactless penetration on the rise, transit providers are looking for ways to improve their ticketing experience and offer choice at checkout for their customers
- As part of California's Department of Transportation (Caltrans) initiative to enable contactless acceptance across 300+ agencies, Los Angeles World Airports (LAWA) was interested in piloting Cloud Commerce as an efficient and cost-effective way to enable a contactless payment acceptance solution for their bus service
- Cloud Commerce provides transit providers a fast and secure way to offer a contactless payment option right on the ticket agent's smartphone

Partnership

- Mastercard partnered with: payment providers (NMI, a leading payment gateway, and Global Payments), and transit providers (Caltrans' California Integrated Travel Project (Cal-ITP), Los Angeles World Airports (LAWA), Pacific Coast Sightseeing Tours & Charters, a Coach USA subsidiary)

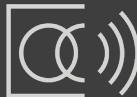


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Preference for contactless payments is rising

60%



of consumers prefer contactless payment over cash, chip or mag-stripe cards²

35%



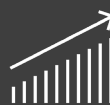
of all POS transactions are expected to be contactless in 2023¹

92%



of public transit officials hope to use touchless payment and ticketing innovations to increase ridership⁴

30%



Contactless users demonstrate an increase in spend compared to non-contactless users³

1. POS TERMINALS: Key Opportunities, Competitor Leaderboard & Market Forecasts 2022-2027, Juniper Research

2. GLOBAL CONSUMER TRENDS: A Breakthrough for Contactless Payments, 2020, Dynata LLC

3. CONSUMER POLLING DATA: Interviews of 17,000 consumers in 19 countries worldwide conducted April 10-12, 2020, Mastercard

4. TRANSIT PAYMENTS REPORT: How Contactless and Digital Wallet Options are Changing the Way Commuters Pay, 2022, PYMNTS



Cloud Commerce is Mastercard's cloud native software-based solution that turns any NFC-enabled¹ smartphone into an acceptance device

Value Proposition



Accessibility

Turns ticket agent's smartphone into an acceptance device instantly with a quick, low-cost setup and few technical requirements / push upgrades



Flexibility

Ability to choose services that fit LAWA's needs with increased mobility



Choice

Offers contactless payment option and combines Tap on Phone, Pay by Link and Click to Pay

Key Features



Cloud native, software based

Standalone application with intuitive UX and hosted backend with no special hardware required to accept contactless payments



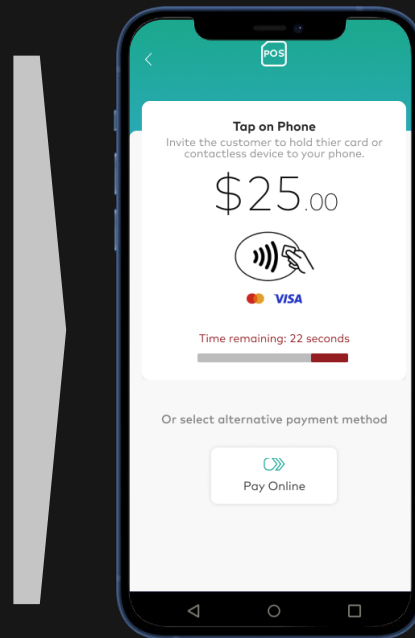
Pre-Certified Solution Set

Plug and play solution that is PCI and Scheme Compliant



Enhanced Security

Data is encrypted, stored and synced to a server ensuring security, backup and protection



Click device above for additional detail on Cloud Commerce



The 12-month Cloud Commerce deployment was used to validate the Tap on Phone value proposition for the transit vertical

Pilot Execution



Scope

- Ticket agents across two bus stations in LA (Van Nuys and Union Station) leveraged the Cloud Commerce app on NFC enabled smartphones to process contactless transactions via NMI for bus service fares to / from LAX Airport



Promoting Awareness

- Digital billboards, website marketing, and bus stickers were leveraged to promote awareness of the solution



Feedback

- Ticket agents filled out surveys on the technology s performance at the end of every shift
- Customers that used Cloud Commerce to purchase their tickets were surveyed live



Positive agent feedback and increased rider usage resulted in transit agency incorporating contactless into their long-term payment acceptance solution

Key Results from Pilot

STATISTICS



65

Average transactions per day



\$12

Average ticket size¹



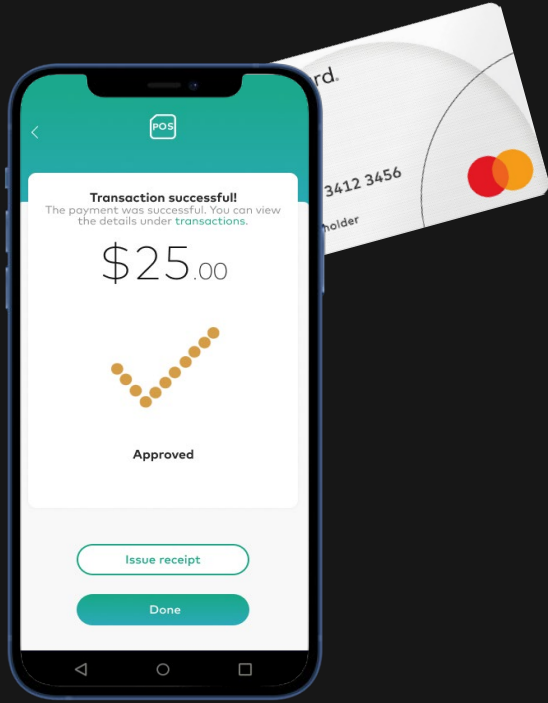
of surveyed operators rated
the payment experience as
'Good' or 'Excellent'

OBSERVATIONS

- Overall, pilot was **successful** and proved that contactless acceptance enhances riders' overall transit payment experience
- Use of the Tap on Phone payment option **increased** over the length of the pilot
- Consumer education and **merchant training** are critical
- Customer surveys and in-field observations found that customers increasingly **expect a contactless payment option** and were **pleased with Cloud Commerce**
- On a scale of 'Poor' to 'Good', every customer that used Cloud Commerce indicated that the **payment experience was good**, and they **would use it again**



Cloud Commerce implementation testimonials reinforce Tap on Phone as a fast and convenient way to pay



"Tap payments work well and effortlessly, best thing invented in the 21st century"

"2-3 seconds per transaction – game changer"

"Faster payments for customers arriving at the last minute"

"Tap on Phone is lightning fast and better than ever; somebody is finally listening"

Operator Feedback




Next Steps

For more information on how to use these case studies with your account or in case of any questions, please contact:

MPOSProgram@mastercard.com

Please visit the Mastercard MPOS Website at mastercard.com/mobilepos for additional resources

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