

Case Study: Mobile Point of Sale

Catalogue Retailer Helps Increase Customer Spend and Satisfaction with Mobile Point-of-Sale



SALES DOUBLE AS CUSTOMERS EMBRACE THE SECURITY OF CARD PAYMENTS

Price Shoes of Mexico offers stylish footwear, clothing, and accessories through its catalogues. Self-employed sales associates interact with customers, deliver goods, and accept payments. To enhance transaction security and convenience, Price Shoes implemented mobile point-of-sale (Mobile POS). Now able to pay by card, customers are spending more, leading to a 50 percent increase in sales volume and transaction size in some cases, along with a doubling of the customer base. Plus, salespeople have instant access to their proceeds without the risk of carrying cash.

Challenge

The business used to accept cash payments only—creating security risks for customers and salespeople. Restricted to cash on hand, customers often limited their purchases. When allowed to pay in installments, many were slow to pay or defaulted.

Solution

Price Shoes turned to Sr.Pago, a Mobile POS solution that includes a card reader for mobile phones, a website for managing payments, and a MasterCard debit card that gives salespeople instant access to funds that they're paid.

Results

Salespeople and customers feel more secure not having to carry cash. Some salespeople have seen a 50 percent increase in sales volume and transaction size, and Price Shoes' customer base doubled. Bad debt has been virtually eliminated and there is an electronic trail for all transactions.

Mobile POS is helping Price Shoes grow by enabling their salespeople to be more successful, with reports of sales volume and transaction size increasing by

50%

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Challenge

Price Shoes has an entrepreneurial business model: independent salespeople manage the catalogue sales, including payment collection. Originally, Price Shoes only accepted cash, but as many customers had little cash on hand and were hesitant to make large purchases, potential sales were lost. The risk of loss or theft carrying cash also concerned both salespeople and customers. Even offering installment payments didn't help, as many customers failed to meet their obligations. As a result, salespeople faced delays collecting their proceeds or didn't receive them at all. Even successful collection days were challenging, since salespeople had to carry large amounts of cash with them on often long journeys.

Solution

With the emergence of Mobile POS payment solutions, businesses like Price Shoes can meet the needs of their salespeople and customers more effectively. Leveraging advances in digital communications and smart devices, Mobile POS solutions benefit smaller merchants with:

- Improved speed and reliability using smartphones and Wi-Fi connectivity
- Greater versatility in how and where payments can be made
- Greater security of card payments over cash
- Increased sales and customers, attracted by the safety and convenience of card payments
- Simple user interfaces for both merchant and consumer
- Online reporting to easily track sales and reconcile transactions
- Lower total cost of ownership without fixed monthly fees
- Opportunity to integrate payments with other business applications
- Portability and ease of setup and usage

Price Shoes chose a Mobile POS solution from Sr.Pago, which was founded to serve the large number of Mexican consumers who prefer debit and credit card transactions in lieu of cash. The Sr.Pago solution includes a card reader for salespeople's smartphones, mobile apps for managing payments, and a MasterCard debit card that provides instant access to sales proceeds.

Results

In talking with Price Shoes salespeople about Mobile POS, key advantages emerged for other service-oriented businesses:

Immediate payments – Sales proceeds from card transactions made via Sr.Pago are immediately available to Price Shoes salespeople through a MasterCard debit card.

“Mobile POS has changed my life, giving me the confidence to keep growing my business.”

Flor Arellano, Salesperson, Price Shoes

“My customer base has more than doubled since I started using Mobile POS.”

Yunnuén Márquez, Salesperson, Price Shoes

Better cash flow – When customers paid by cash, they were allowed to pay in four installments to help close sales. Unfortunately, they frequently defaulted, and salespeople spent many hours trying to collect unpaid debts. Now, a shorter installment period is still available, but with the convenience of paying by card, customers no longer have to worry about having cash on hand. The merchant benefits from better cash flow, and bad debt has been nearly eliminated.

Larger transactions – Card acceptance has opened customer's wallets, with transaction size increasing by 50 percent in some cases. “When customers were restricted to cash on hand, they would only buy one pair of shoes. Paying with a card, they now buy shoes for the spouse and children as well,” explained salesperson Flor Arellano.

Increased sales volume – In addition to higher spend per purchase, the ability to pay by cards is driving more sales, again by as much as 50 percent. Price Shoes salespeople are seeing more return business as well.

Referral growth – “When customers have a good experience paying by card, they refer you to friends and family. This has led to great growth, more sales, and more customers,” said salesperson Yunnuén Márquez.

Higher close rates – Accepting card payments on the spot helps finalize sales. Customers don't have time to change their minds about a purchase while going to the ATM to withdraw cash. Also, many people hesitated to make a cash down payment on an order, but have no qualms when using their cards.

Fewer safety concerns – Salespeople no longer have to carry large amounts of cash on days when collections are high, such as paydays, so they are less likely to be targeted by thieves. “The customer also feels it is safer and more trustworthy to pay by card since there is a paper trail,” said Arellano.

Efficient business management – Sr.Pago has an online portal with analytics that help salespeople manage their business and track the payment status of every order. An electronic receipt is issued for each transaction, which salespeople send to the customer. The receipt includes a map showing the site of the transaction, which helps salespeople remember customer locations.

Ease of use – The Sr.Pago solution is very easy to use and guides the customer through the payment process. Customers also appreciate the innovation and professionalism of a business that accepts card payments via mobile phone.

EASE THE STRESS ON SMALL BUSINESS OWNERS

From sales collection to account management, small business owners need payments solutions that help them manage their operations more effectively and efficiently. That's why more small business owners are turning to Mobile POS solutions. Worldwide mobile payment transaction volume is expected to grow to \$717 billion by 2017.¹ By improving business efficiency with Mobile POS, owners have more time to serve customers and grow their businesses.

1.Forbes, “Will Credit Card Companies Reap The Benefits Of Growing Mobile Payment

For more information, please contact the MasterCard Mobile POS Team at mobilepos@mastercard.com

