

Case Study: Mobile Point of Sale

Hotel Increases Revenue with Mobile Point of Sale by Improving Payment Convenience and Reliability



IMPROVING CUSTOMER SERVICE, INCREASING SALES

Royal View Hotel and Suites is an upscale 50-room hotel in the heart of Lagos, Nigeria, catering to international business travelers, most of whom prefer to pay by card. To improve transaction processing speed and reliability, the hotel switched from traditional payment terminals to a mobile point-of-sale (Mobile POS) solution. More transactions are now completed successfully and more quickly, which has also boosted the average ticket size as guests find paying with a card more convenient.

Challenge

Cellular data service in Lagos can sometimes be slow and unreliable. As a result, card payments accepted through the hotel's traditional terminals took a long time to process, and often led to declined transactions.

Solution

Royal View Hotel and Suites switched to PAYPAD, a Mobile POS solution from Electronic Settlement Limited. Now hotel staff can process payments on smart devices via the PAYPAD app and card reader. Using their Wi-Fi network, connectivity is both faster and more reliable.

Results

The ability to accept card payments anywhere in the hotel with Mobile POS has increased the average transaction value by 12 percent. Processing speed and reliability have improved significantly, and transaction monitoring and reconciliation are much simpler.

Switching to a fast, reliable Mobile POS solution, Royal View Hotel and Suites boosted its average transaction size by

12%

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Challenge

Royal View Hotel and Suites in Lagos, Nigeria, offer their guests the “royal treatment”—with amenities like fine dining, an outdoor pool, and a fitness center. The hotel caters to many business travelers from Europe, Asia, and the Middle East, who prefer to pay by card. The hotel was using traditional terminals, but processing speed and reliability were hampered by the city’s sometimes unreliable cellular data infrastructure. Traditional terminals would often take a long time to establish a connection—leading to customer frustration—and declined transactions. In addition, the traditional terminals, tethered to a fixed line, meant that guests could only use their cards at the hotel’s reception desk.

Solution

Increasingly, service-oriented businesses are moving to Mobile POS solutions—leveraging advances in smart devices to deliver more convenient, reliable payment experiences for their customers. In comparison to traditional terminals, Mobile POS solutions offer distinct advantages for smaller merchants, including:

- Greater versatility in how and where payments can be made
- Simple user interfaces for both merchant and consumer
- Portability and ease of setup and usage
- Online reporting to easily track sales and reconcile transactions
- Lower total cost of ownership without fixed monthly fees
- Smart devices offer more connectivity options—including GPRS, 3G/4G, and Wi-Fi

Royal View Hotel and Suites replaced its traditional terminals with a PAYPAD Mobile POS solution from Electronic Settlement Limited, the first provider in Nigeria to be registered in the MasterCard Mobile POS program. The hotel downloaded the PAYPAD app to two dedicated Android smart phones connected to the hotel’s Wi-Fi network. Now guests easily pay for lodging, meals, and services: hotel staff enter the amount due into the app on their smart phone and guests simply dip their card in the PAYPAD Mobile POS card reader.

“Connectivity and assuredness of payment are what we value most. We know the money will be credited to our account in a few days.”

“Mobile POS card acceptance has helped us increase sales conversion and offer more convenience to customers.”

Ehizojie Thompson, CFO, Royal View Hotel and Suites

Results

Ehizojie Thompson, chief finance officer of Royal View Hotel and Suites, recommends Mobile POS to other service-oriented businesses for several reasons:

More successful transactions – With a faster, more reliable data connection, the hotel now completes more transactions successfully. Transactions are approved within seconds and the funds are credited to the hotel’s account.

Higher revenue – Since switching to a Mobile POS solution, the hotel has seen the average transaction size increase by 12 percent per customer. Staff can take the payment devices wherever guests want to use their cards, such as the hotel shop and restaurant. As a result, customers are purchasing more meals, products, and services.

Immediate feedback – With the PAYPAD app, hotel staff no longer have to wonder if a transaction goes through. The device immediately signals whether a transaction is successful or has been declined.

Anywhere, anytime access to data – Thompson no longer makes trips to the bank to check up on payments and transaction history. He can view this in the app or by logging onto PAYPAD’s secure business portal to view transactions and monitor payments. With transaction history stored on the app, there is no need to collate paper receipts. Thompson simply downloads the transaction data to an Excel spreadsheet.

Customer convenience – Customers appreciate the convenience of being able to use cards, rather than cash, to pay for goods and services throughout the hotel. Business guests also appreciate the convenience of electronic receipts, sent by e-mail.

Ease of use – The PAYPAD solution is simple to set up and all staff find it easy to use, says Thompson. Transactions are completed in only a few steps, and staff members enjoy being empowered with accepting more transactions due to the greater reliability.

IMPROVING PAYMENT CONVENIENCE FOR TODAY’S “CASHLESS” CONSUMER

Optimizing the consumer experience is the goal of every small merchant. From hotels and restaurants to retail shops, business owners are using Mobile POS solutions to increase payment convenience for customers and, as a result, drive greater revenue and repeat business. It’s not surprising that worldwide mobile payment transaction volume is expected to grow to \$717 billion by 2017.¹ Consumers and merchants alike appreciate the speed and convenience of Mobile POS solutions.

1. Forbes, “Will Credit Card Companies Reap The Benefits Of Growing Mobile Payment Market?” Mar 13, 2015. <http://www.forbes.com/sites/greatspeculations/2015/03/13/will-credit-card-companies-reap-the-benefits-of-growing-mobile-payment-market/>

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