

Case Study: Mobile Point of Sale

Supermarket Chain Grows Transaction Volume and Size with Mobile Point of Sale



INCREASING PAYMENT RELIABILITY ATTRACTS NEW CUSTOMERS, MORE SALES

Royal Mart Ltd operates a chain of seven supermarkets that serve residents in gated communities, or estates, in Lagos, Nigeria. With two more stores set to open and plans to expand further, Royal Mart wanted to make paying by card faster and more reliable for its growing customer base. The company switched from traditional payment terminals to a mobile point-of-sale (Mobile POS) solution. Payments now go through more quickly, both the number and size of transactions have increased significantly, and stores are attracting new customers eager to pay by card.

Challenge

Estate residents prefer to pay by card when buying groceries. However, the sometimes unreliable cellular data service in Lagos meant that card transactions run through Royal Mart's traditional payment terminals took a long time to process and were frequently declined.

Solution

On the recommendation of its bank, Royal Mart switched to PAYPAD, a Mobile POS solution from Electronic Settlement Limited. Cashiers at each checkout counter have dedicated smartphones equipped with software and Mobile POS card readers to process payments. PAYPAD's network connectivity is both faster and more reliable.

Results

Since switching to Mobile POS, card transactions at Royal Mart have grown by 40 percent and average transaction size has increased by 20 percent. The store is attracting new customers, and the owners are saving time and money through the ease of online reporting and analysis.

With shoppers at Royal Mart buying more and using their cards more frequently, transaction volume has risen by

40%

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Challenge

Life for residents in Highland Lagos estates is enhanced by having the convenience of Royal Mart supermarkets within their gated communities. Grocery patrons prefer to pay by card, but processing via traditional card terminals was hampered by the sometimes unreliable cellular data service. Payments could take a long time to approve and were frequently disconnected mid-transaction. Royal Mart is a growing chain with seven stores, two more set to open, and plans to add stores to the remaining Highland Lagos estates. The company needed a better way to accept card payments from its growing customer base.

Solution

Whether buying groceries or picking up a take-out lunch, paying by card for everyday purchases is becoming the norm for consumers. Traditional terminals often cannot deliver the processing speed and reliability that merchants need to get customers in and out quickly. In comparison, Mobile POS solutions offer:

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

At the recommendation of its bank, Royal Mart replaced its traditional terminals with a Mobile POS solution from PAYPAD, the first provider in Nigeria to be registered in the MasterCard Mobile POS program. Royal Mart downloaded the PAYPAD app to dedicated mobile phones in each of its seven stores. Each phone has a connected PAYPAD device—enabling customers to dip their cards into the EMV chip reader and enter their PINs.

“PAYPAD is more reliable and processes transactions quicker than our traditional POS machine.”

“Mobile POS card acceptance makes life easier for our customers. And we value the innovative image it gives our stores.”

Mrs. Taiwo, Royal Mart Ltd.

Results

Royal Mart’s finance manager, Mrs. Taiwo, recommends Mobile POS to other merchants for several reasons:

Increased sales – Transaction volume has increased by 40 percent since Royal Mart began using Mobile POS at its stores.

Higher revenue – Since switching to a Mobile POS card solution, Royal Mart has experienced a 20 percent increase in average transaction size per customer.

New customers – Royal Mart is gaining customers as new patrons seek out the stores because they have heard that their payment cards will work reliably on its Mobile POS devices.

Checkout efficiency – Cashiers prefer to use the PAYPAD app because customers can check out faster—transactions process 30 to 40 seconds faster than traditional terminals—and there are no connectivity issues.

Flexible online financials – PAYPAD’s online analytics and reporting enable Taiwo to reconcile and track sales with ease. She simply logs on to PAYPAD’s secure business portal to see sales reports on all seven stores consolidated in one view. She can look at one store or compare sales from store to store, and see custom views that show financials on a daily, weekly, or monthly basis. In comparison, using traditional terminals, she had to print out daily summaries and track them manually. PAYPAD is all digital—no need for paper or printouts, and reports can be exported to Excel.

Brand enhancement – “Customers love the user experience,” Taiwo says. They are impressed by the leading-edge technology and its ease of use and reliability. Mobile POS helps position the Royal Mart brand as being innovative and in touch with customer needs.

IMPROVING PAYMENT CONVENIENCE FOR TODAY’S “CASHLESS” CONSUMER

Many customers walk into Royal Mart stores carrying only their payment card. That’s not unique to Lagos. Across the globe, an increasing number of consumers don’t carry cash and expect retailers to provide fast, convenient, and reliable card payment solutions. Business owners are using Mobile POS solutions to meet those needs and, as a result, drive greater revenue and repeat business. In fact, worldwide mobile payment transaction volume is expected to grow to \$717 billion by 2017.¹

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