VISA

Discover an untapped revenue stream

Reach a new customer segment with mPOS

Mobile point-of-sale (mPOS) solutions have created a new growth opportunity for acquirers. It's your key to accessing a rapidly growing market. This guide shows you how.

Get started >

Your mPOS opportunity

Merchants who don't accept cards are missing out on additional sales. When you offer mPOS solutions, you can create a cost-effective, incremental revenue stream for those merchants — and for your business.

This new breed of merchants is rapidly adopting card acceptance through mPOS, and the reasons are clear. It creates a unique opportunity for acquirers to serve:

– Large enterprise merchants with a mobile sales force taking small payments
– Smaller merchants who are unable or reluctant to accept cards regularly

mPOS meets the needs of this new merchant segment

The key benefits of mPOS line up directly with these merchants' specific business challenges.

Critical services for potential mPOS merchants:[2]

- Simple pricing
- Marketing via online and social media
- Simple, online merchant sign-up process

- Quick funds availability
- Easy configuration and setup
- Online help center with low costs

The rapid shift from cash to cards:

4.7x

faster growth rate for cards than cash from 2010-2014[1]

- Consumer **card** usage increased at a rate of **8.5%**
- Consumer **cash** usage increased at a rate of **1.8%**

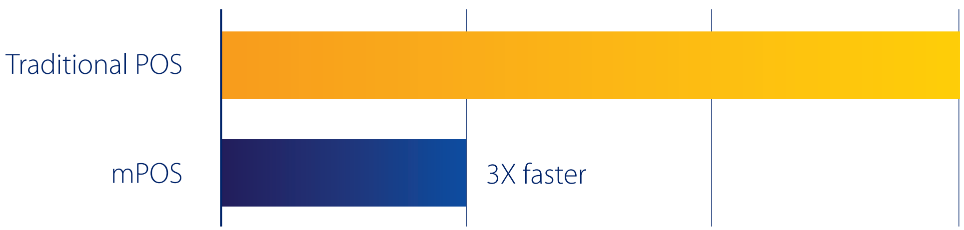
[1] Global Merchant Segment Study compiled by Euromonitor for Visa International, May, 2014

[2] EY Advisory UK & I, 2012 Visa mobilePOS Infrastructure Study

The mPOS proposition

The value of mPOS to merchants is clear. The value to you is profitability. At a fraction of the cost, mPOS delivers a return on your investment in less than one-third the time of traditional POS solutions.

Time to achieve ROI[1]



How to leverage mPOS for maximum ROI

Typical mPOS solutions provide free or inexpensive hardware and software along with bundled services and a simple pricing structure. Your mPOS offering should also deliver:

Turnkey marketing support:
Harnessing digital and social channels to maximize return

GO **Hassle-free sign up:**
Traditional POS solutions require about 20x as many fields as mPOS[1]

Risk management:
To balance efficiency with risk when merchants sign up

Onboarding merchants in a fraction of the time:

12
Application fields for mPOS

VS.

200+
Application fields for traditional POS[1]

– Fewer application fields to enroll
– Simpler sign-up process
– Card acceptance in days, not weeks

[1] EY Advisory UK & I, 2012 Visa mobilePOS Infrastructure Study

Commercial mPOS models

mPOS can be a profitable business solution, but it requires a streamlined approach to merchant-facing support and processes. To achieve this, acquirers should consider two models for going to market:

Adapt your current systems to offer mPOS. This may require time and a significant change of processes within your organization.

Contract with a payment facilitator (PF). This offers significant advantages as PFs provide the mPOS terminals, act as the merchant of record and often market the solution themselves.

mPOS is changing the payments landscape:

$15B

2012 transaction volume for Square®[1]

– mPOS solutions are driving down cash usage

– Commonly known as the "Square Effect"

Business questions to address when working with a PF:[2]

1. Acquirer – PF Contractual Terms & Conditions

Product related

- Roles and responsibilities, including service descriptions
- Local adaptation, branding, translation, documentation
- Merchant onboarding
- Delivery and supply of hardware / software to merchants
- Technical and systems requirements
- Security, encryption, key generation
- Fraud detection and handling
- Ownership of hardware
- Training

Finance related

- Pricing
- Settlement
- Chargebacks
- Reporting

Supporting terms and conditions

- Service levels, including software / hardware maintenance and support
- Software and license conditions
- Liabilities, damages, disputes, warranties, termination of contract

2. Acquirer / PF – Merchant Contractual Terms & Conditions

Product related

- Acquirer / PF role in providing the solution / service, including a short service description
- Merchant's technical requirements (e.g. mobile device, mobile network connectivity)
- Registration and account setup requirements
- Security requirements, including login and authorization
- Customer service and complaint handling
- Account history

Finance related

- Fees
- Accepted cards
- Receipts
- Taxes
- Funds and payout schedule
- Refunds, returns, chargebacks

Supporting terms and conditions

- Software license conditions
- Usage restrictions and banned transaction types
- Dormant accounts and termination
- Service availability
- Liabilities, damages, disputes, warranties, termination of contract

[1]Mobile Point-of-Sale (m-POS) Acquiring Solutions, Mercator Advisory Group, 2014
[2]EY Advisory UK & I, 2012 Visa mobilePOS Infrastructure Study

Marketing mPOS effectively

As an mPOS provider, you'll also be targeting non-traditional merchants. The data below shows some of the most active merchant categories to consider.

Visa's Top 5 U.S. Merchant Categories

- Personal Services
- General Merchandise
- Beauty/Barber Shops
- Professional Services
- Restaurants

How to approach this market

To engage your prospects — and keep your cost-per-acquisition low — it's critical to:

– Leverage social media channels for low-cost/high-yield results
– Integrate with target verticals to optimize your effects

Visa has created a suite of marketing resources to help promote mPOS. Learn about them on page 6.

The power of mPOS to drive card usage:

75%

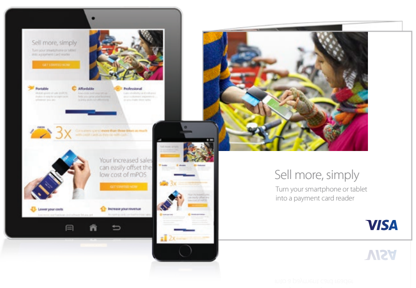
of new mPOS users were cash-only merchants[1]

The vast majority of mPOS devices were shipped to merchants who did not previously accept cards.

[1]Mobile Point-of-Sale (m-POS) Acquiring Solutions, Mercator Advisory Group, 2014

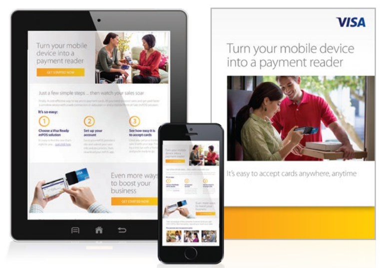
mPOS marketing resources

Take advantage of these toolkits and creative assets to help you promote your mPOS solution to small/micro and large enterprise merchants while keeping your costs low.



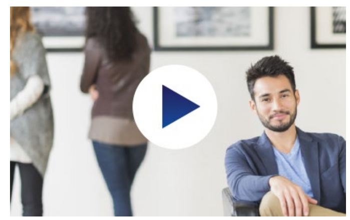
mPOS "Why" module

- A mobile-friendly web page with key benefits of mPOS
- A print-ready leave-behind with key benefits of mPOS



mPOS "How" module

- A mobile-friendly web page with guidance on the activation process
- A print-ready leave-behind with guidance on the activation process



Endorsement module

- A series of video endorsements from vendors to validate the case for mPOS

The rapid adoption of mPOS:

111%

one-year increase in operational mPOS devices[1]

- 4.5 million mPOS devices in 2011
- 9.5 million mPOS devices in 2012
- 38 million projected by 2017

[1]2020 Foresight: Mobile Point of Sale Technology, Timetric, April 2013

Streamlined compliance with Visa Ready

The Visa Ready program is a security and compliance seal of approval that can increase your speed to market. By defining requirements and providing a list of compliant mPOS solutions, Visa Ready simplifies your selection process.

Here's how Visa Ready helps ensure security and compliance:

1. Solution provider reviews Visa Ready requirements
2. Solution provider submits solution to participating lab for evaluation
3. Lab submits successful test results to Visa
4. Solution provider signs Visa Ready agreement

Solution provider is now Visa Ready

Learn more about the Visa Ready program at technologypartner.visa.com/mpos

Building consumer trust:

45%

cite fraud protection as critical[1]

Nearly half of consumers said fraud protection could influence their payment choices.

[1]2014 Retail Point of Sale Payment Forecast, Javelin Strategy and Research, May 2014

Tap into a new revenue stream with mPOS

The rise in card usage and the rapid adoption of mPOS solutions offer you a unique opportunity to drive sales.

Find out how to take advantage of it.

Contact **mobilePOS@visa.com**