



Tap on phone

Poland Market Case Study

Enabling business to accept contactless payments easily and cost effectively, using their smart phone

Global Acceptance - September 2020

POLAND



TAP ON PHONE CASE STUDY IN POLISH MARKET

Mastercard boosted contactless acceptance in Poland's SME segment by building an industry-wide partnership to pilot tap on phone

Context and Challenge

- **Market** – Poland is one of the worldwide leaders in contactless payments. Poles carry 37 million contactless payment cards in their wallets, which accounts for nearly 87 percent of all cards¹
- **Opportunity** – Despite the high card adoption in the Polish market, many SMEs do not accept electronic payments
- **Challenge** – SMEs often only accept cash because dedicated POS solutions require upfront investment and ongoing maintenance expenses that hurt SMEs profits
- **Solution** – Mastercard partnered with Polskie ePłatności (PeP) -Poland's top SME merchants acquirer specializing in contactless payment processing and with a third party FinTech player who provided a patented solution which enabled Android smartphones to accept contactless payments

1) Narodowy Bank Polski, June 2020
2) Passport, Euromonitor International 2020
3) Narodowy Bank Polski, April 2020

Poland Market Stats

72%



Smart phone penetration in Poland²

26%



Contactless transaction growth 2017-2020^{1,3}

943K



Number of Contactless terminals in Poland³

84%



Contactless volume in Poland, +44% since 2017^{1,3}

Note: Data acquired from Mastercard Advisors



TAP ON PHONE CASE STUDY IN POLISH MARKET

Mastercard is committed to enabling any connected device to accept electronic payments

Approach and Strategy

- In 2018, Mastercard helped found the Cashless Poland Foundation which aims to increase contactless acceptance, modernize the merchant sector, and stimulate the local economy
- Mastercard's initiative to expand contactless payments facilitated the partnership that brought together PeP, Cashless Poland, and a third party FinTech to empower small business merchants with a cost effective electronic payments acceptance solution
- Having a device that acts as a POS terminal with minimal installation effort, added security, and other gained efficiencies was the path to merchant and customer solution adoption

Solution

- Tap on phone is an acceptance solution that turns an NFC-enabled mobile device into a POS device that accepts contactless payments including cards and mobile wallets
- With the industry partnership, Mastercard made tap on phone accessible to small business merchants for whom mobility, simplicity, and cost is crucially important
- The solution featured easy to install, step-by-step activation tutorials, e-receipts, transaction management, and low setup costs with existing smartphones and SIM
- With same day plug-and-play capabilities, and easy reconciliation of transactions, merchants could quickly enable a low friction contactless acceptance solution



Go-to-Market

Pilot Execution

- Mastercard targeted micro and small companies in the catering & FMCG sectors, who were interested in tap on phone solutions
- In partnership with Samsung, tap on phone mobile terminals (smartphones) were offered at no cost to the acquired merchants for 12 months
- 272 tap on phone terminals were installed by 160 merchants who were looking to implement this innovative payment offering
- A call center was set up for merchants who needed support
- Feedback on consumers' reactions and satisfaction with the solution was captured and reported by the merchants

Campaign Activities

- Targeted Ads – Promotions of the tap on phone solution reached audiences via social media, targeted mailing and display, video-on-demand advertising, and using Mastercard's acceptance logo on smart phone terminals
- Contests – Both the merchants and the sales teams were incentivized to bring in large transaction volumes and new product sales, respectively



Zmieniamy telefon w terminal płatniczy

Mastercard® jako pierwszy w Polsce rozpoczął pilotaż programu „terminal płatniczy w telefonie”. Teraz, by zapłacić zbliżeniowo za zakupy na kwotę do 50 zł wystarczy zbliżyć kartę do telefonu sprzedawcy zamiast do terminala płatniczego. Szybko, wygodnie i bezpiecznie.



CASE STUDY

The vast majority of Merchants continue to use tap on phone to accept payments, even after the pilot period.

"SoftPOS (tap on phone technology) is a real revolution - thanks to the possibility of making a smartphone a payment terminal, micro and small entrepreneurs gain access to the latest solutions in terms of e-payments, while minimizing the cost of maintaining the device. The fear of modern technologies will also cease to be a problem, because every seller will receive support from us - pilotage materials, a guide on how to use the application, the opportunity to consult doubts on a special hotline. " – **Jarosław Mikos, President of the PeP Group Management Board**

Results

88%

Merchants that continued to use tap on phone after pilot ended

+63%

Increase in tap on phone terminal deployments driven by pilot marketing campaign

"Poland is the first country where this latest innovation in payment technologies is being tested. Poles have proven many times that they are open to innovations in trade and finance, and Poland needs such solutions on its way to become a cash-lite economy. I am proud that together with our partners we can contribute to making yet another technological leap in payments" – **Bartosz Ciołkowski, General Manager Poland, Czech Republic, Slovakia, Mastercard Europe**



Next Steps

For more information on how to use these case studies with your account and if you have any questions, please contact:

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