

# Mobile Payments at the Carwash

New Kesseltronics Carwash Activation and Payment App Increases Convenience, Safety and Security for Carwash Customers and Operators

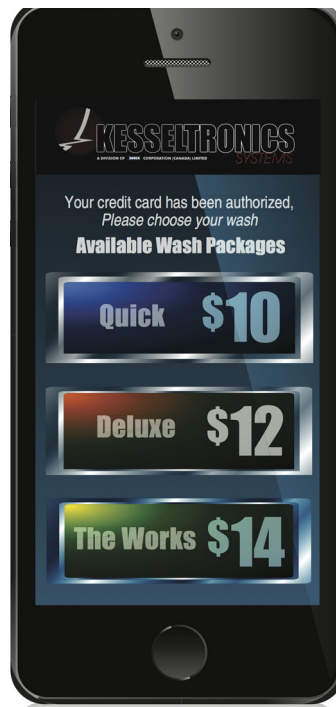
**S**martphones have quickly embedded themselves into our lives. In less than 10 years, they have advanced from being a minor blip on the technological landscape to being the dominant force. Customers made this happen. The technology provided a right-sized solution to basic communication, socializing and individual entertainment. Currently, there are many articles in trade magazines just like this one talking about what comes next, and the answer is mobile payments.

Convenience has been the main driver of the growth in the number of people who make mobile payments using their Smartphone. In fact, the results of a December 2013 study commissioned by online statistics portal Statista showed that when asked the question “What are the main reasons you started using mobile payments?” the top answer, with 37.1% of respondents selecting it, was “I liked the convenience of mobile payments.”

In late 2012, coffeehouse chain Starbucks created a mobile-phone app that allows its customers to pay for their purchase at any of the company’s locations using their Smartphone without the need to swipe a credit card or exchange cash with the cashier. Not surprisingly, Starbucks was one of the first retailers to make a dedicated effort to tap into the ability that their customers have to make purchases through their Smartphone without the need of cash or a credit/debit card.

When Starbucks introduced the service in the fourth quarter of that year, the company processed 2.1 million mobile-app payment transactions. By the third quarter of 2014, Starbucks was processing seven million transactions via its mobile payment app, which was estimated to have been 15% of their total transactions.

So, it stands to reason that the popularity of mobile payments will not be abating anytime soon. The challenge for retailers is to find the best way to use the technology to their ultimate advantage.



Screen capture of Kesseltronics mobile payment app, running on an iPhone.

**T**he Carwash Connection – Traditionally, customers purchase carwashes by going inside the convenience store to acquire a carwash code or by purchasing a carwash code directly at the fuel dispensers. The customer then activates the wash by entering the code into a keypad located at the entrance of the carwash. A subset of washes use payment tellers located directly at the entrance of the wash. Customers use the tellers to select their wash, tender payment and activate the wash. The current systems have the following challenges for the driver and operator:

- At code-only sites, the inconvenience of going into the c-store is a barrier to purchase
- Due to the varied size of vehicles, the keypads and tellers are difficult to reach for the majority of customers. This is a safety risk as many customers partially exit their vehicles in order to interact with the keypads/tellers.
- Payment tellers are a security risk as they are a potential target for credit-card skimming fraud
- The customer interaction with payment tellers is infrequent and unfamiliar
- This can be a barrier to purchase for many customers.

To address these challenges, Kesseltronics Systems, Inc., Montreal, Quebec, a division of Dover Corporation Canada Limited, has created and introduced the carwash industry’s first mobile payment app. Mobile payment apps allow customers to activate and pay for the wash by using their Smartphone. By adding hardware to existing activation equipment, these systems allow customers to drive up to existing keypads or tellers and activate the wash using their Smartphone from the comfort and security of their vehicle. The Kesseltronics’ app integrates with Google Wallet, Apple Pay, all major credit cards and proprietary wash-subscription programs. Access to Kesseltronics’ carwash

activation app is available through a partnership with various retailers, who will create marketing materials that will allow drivers to download the app by scanning a QR code at the pump or inside the convenience store. The app will also be available for download through major online app stores.

In addition to convenience, there are a number of ancillary benefits to mobile activation/payment apps. At the most basic, they eliminate customer interaction with the entry system. No longer does a driver have to roll down the window, insert a credit card or cash and enter a code before waiting for instructions to enter the wash. This can not only be intimidating to drivers, but it also slows down the entire wash process and presents a safety risk as many customers must partially exit their vehicle to reach the keypad.

For credit-card users, the ability to keep the card in a wallet or pocket eliminates the concern that any account information can be compromised through fraud or card-skimming. Any time user-payment information is passed through electronic equipment; there is the possibility the information can be compromised. Payment through a mobile carwash app is worry-free because the system uses a process known as "tokenization" to ensure that the only thing for which the payment information can be used is to buy a car wash at that particular time and at that particular location.

The mobile carwash activation/payment app also offers some ancillary benefits for the site operator. In addition to the previously mentioned enhanced safety and customer confidence, there is also the opportunity to elongate and optimize

the interaction with the customer. Instead of asking carwash customers to lean out their car window, interact with a keypad and then proceed into the wash bay, the customer's Smartphone can now be used to illustrate how to drive into the wash in a manner that is both safe and easy. Also, if a customer is second or third in line at the wash entry, those idle five or 10 minutes can now be used to communicate things of value to customers through their Smartphone. This time can be used to explain why the carwash is superior and as an opportunity to upsell the customer or communicate other onsite sales opportunities. It opens a whole range of cross-branding and cross-selling opportunities that are limited only by the imagination of the site operator.

#### Conclusion

The successful carwash operators will be the ones who recognize the advantages that mobile payments will have for their customers and take steps to ensure that they offer that capability.

#### About the Author:

**Gunnar Beauregard** is the General Manager of Kesseltronics Systems, Inc. a division of Dover Corporation Canada Limited. For more than 25 years, Kesseltronics has been providing innovative activation, control. For more information on Kesseltronics, please visit [www.kesseltronics.com](http://www.kesseltronics.com).

## Mobile Payments at the Carwash!



#### Features and Benefits:

- Increase convenience, Safety, and Security for carwash customers and operators
- Allow your customers to activate and pay for the carwash using their smartphones
- Build loyalty using your smart phone, eliminate the need for expensive magnetic strip cards or RFID tags
- Easily integrates to Google Wallet, Apple Pay, all major credit cards for seamless transactions
- Integrates with Access pay stations, Wash Access Loyalty System, and Webcode Basic Loyalty System for the ultimate carwash payment offering on the market