

# THE FUTURE OF THE TRANSIT INDUSTRY

Mobile Payments and BLE Based  
Payment Validation

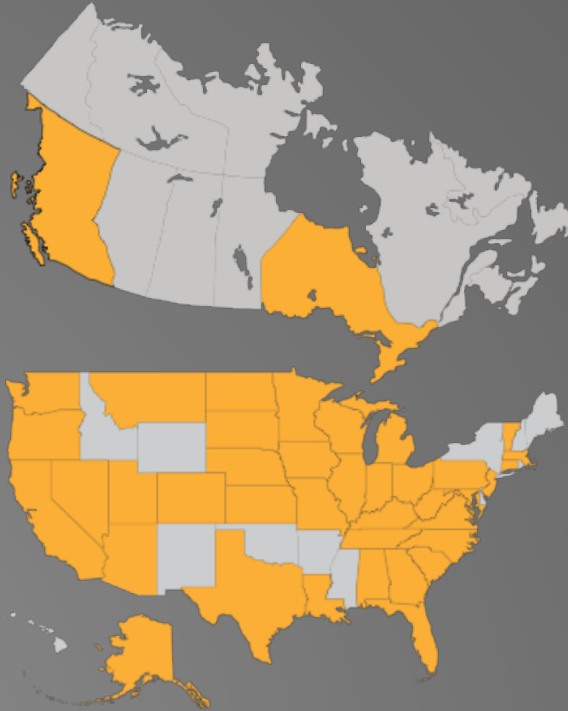


# PASSPORT SNAPSHOT

**40+**  
states/provinces

**50+**  
municipal clients

- Passport founded in 2010
- Leader in mobile payments
- 45 employees; HQ'd in Charlotte, NC
- Currently process over 10M transactions / yr



## Mobile Payment Expertise



SunGO Transit  
Tucson, AZ



COMET Transit (PILOT)  
Columbia, SC



Chicago, IL



Omaha, NE



Toronto, ON



Boston, MA



Victoria, BC

# CURRENT TRANSIT CONCERNS

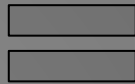


The Rise  
of the Taxis

(Efficiencies and User Experience  
Improvements)



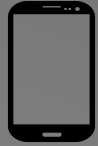
Fixed Number of  
Potential Customers



Declining Ridership

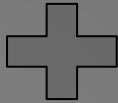
# MOBILE PAYMENTS FOR TRANSIT

THE SOLUTION – MOBILE APPS (AND NOT JUST PAYMENT)



## Mobile

Moving Point of Sale  
Hardware  
to the Rider



## Information

Timings, Real-time Location, User  
Reports, Occupancy Info, Route  
Planning, Alerts, See Something  
Say Something



## Payments

Ability to Pay  
Electronically and Ahead  
of Pickup

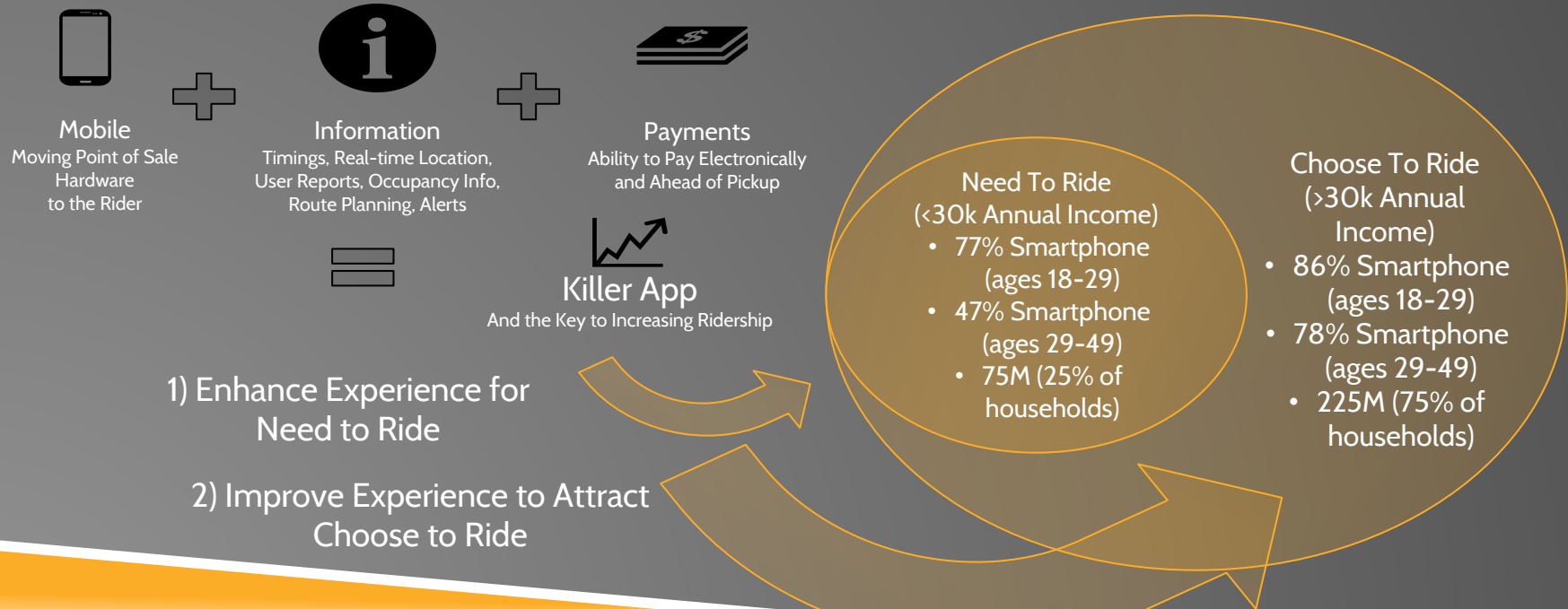


# Killer App

And the Key to Increasing Ridership

# MOBILE PAYMENTS - TRANSIT

## ENHANCING 'NEED TO RIDE' AND EXPANDING BEYOND



### Sources:

- Pew - Smartphone Ownership 2013 Update - May 2013 Data
- APTA - A Profile of Public Transportation Passenger 2007
- US Census 2010

# USER EXPERIENCE AND CONSIDERATIONS

- Payment Methods



iOS app

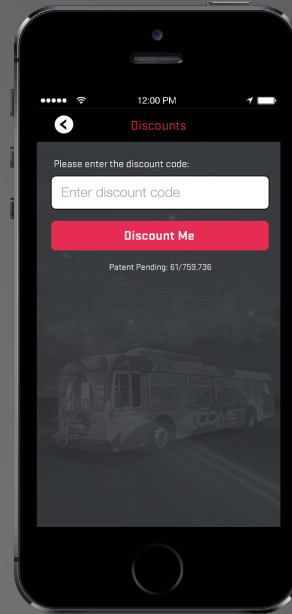


Android app

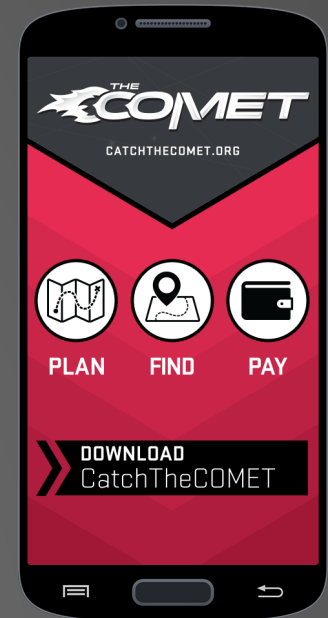


Web-based app  
(available from any device  
with an internet connection)

- Multilingual support
- Customer Service
- Coupon Codes & Merchant Mobile Pay



Enter Coupon Code  
screen

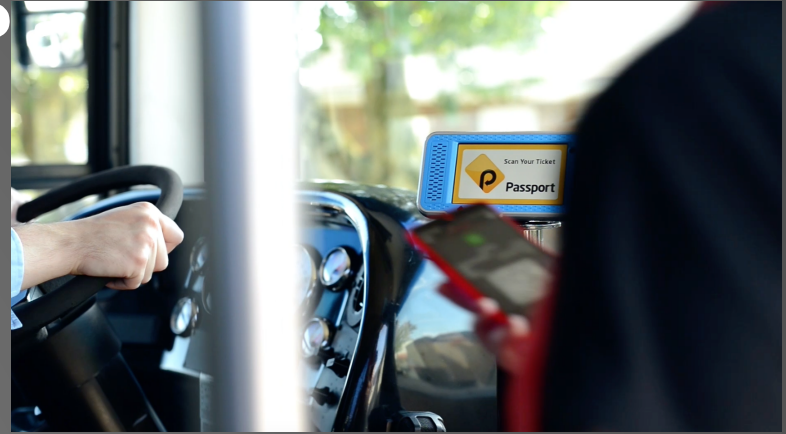


Sample Sign

# VALIDATION OPTIONS

## Traditionally Accepted Methods

- **Visual Inspection:** Cheapest and Easiest to Launch
  - Countdown timers, images, changing QR codes used to prevent duplication
- **QR/Barcodes:** Viable, but slow and cumbersome
- **NFC:** Only available on 5-10% of phones
  - Brewing payments war between google and apple will ensure lockup of NFC on iPhone for foreseeable future



## **Passport BLuE:** *Patent Pending User/Payment Validation System utilizing both BLE and NFC*

- Available on 80% of smartphones in market today and 100% of smartphones coming into the market
- NFC-like but with BLuE distance is configurable from immediate to 15 feet
- Validation can occur in online or offline mode depending on installation (e.g. buses – connectivity not guaranteed)

# EVER EXPANDING PAYMENT OPTIONS

- Credit Card/Debit Card
- Prepaid Accounts Wallets
- Paypal
- Coupons
- Google Wallet
- Apple Pay
- Visa Checkout





# PAYMENT SECURITY



- Ensure your provider is PCI Level 1
  - Check the VISA Registry - <http://www.visa.com/splisting/searchGrsp.do>
  - Check the Mastercard Registry - [http://www.mastercard.com/us/company/en/docs/SP\\_Post\\_List.pdf](http://www.mastercard.com/us/company/en/docs/SP_Post_List.pdf)
- Determine if firms have dedicated security officials
- Check for additional security efforts
  - SSAE 16 Certification on Processes
  - Ethical Hacker Hiring

**VISA** Global Registry of Service Providers

Home Learn More Search Service Providers

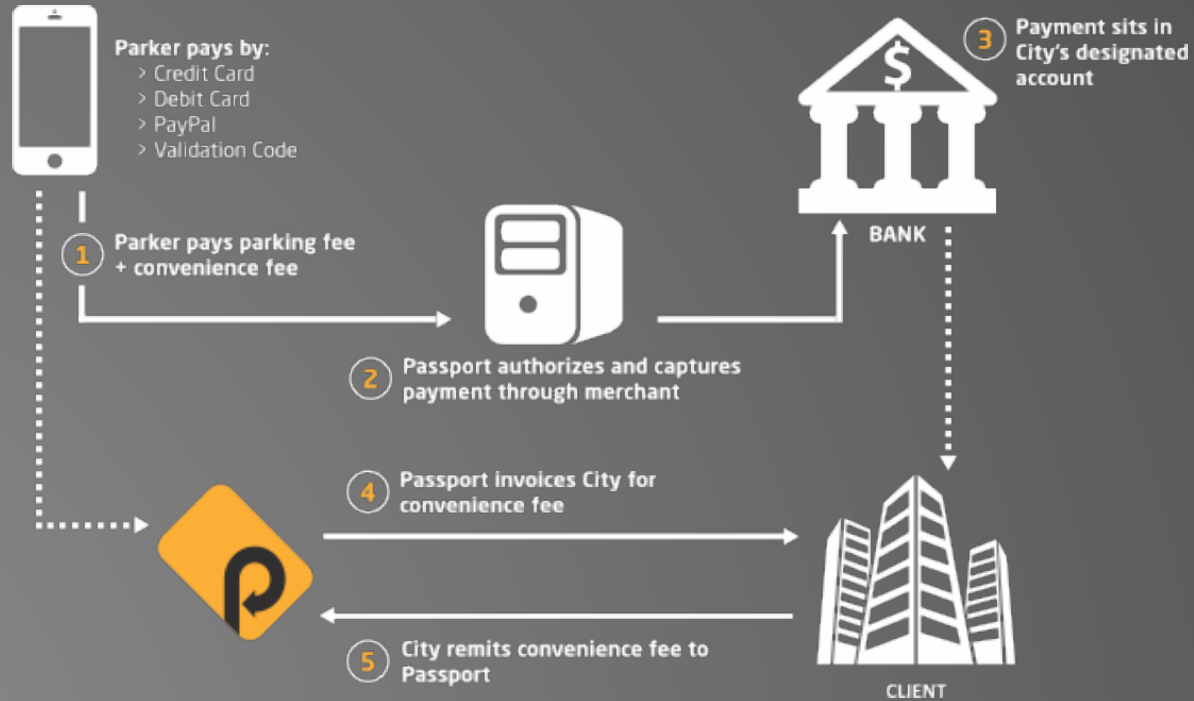
Search for specific service providers using a variety of filters. Simply use the select boxes below to narrow your search. You can search by Company Name, Validation Type, Location Country and State, Region of Operation, Services, Assessor or Validation date range.

REGISTRY LAST UPDATE: OCTOBER 16, 2014

SEARCH CRITERIA								Sort Results	Company
COMPANY	SERVICE PROVIDER TYPE	VALIDATION TYPE	SERVICES	EXPAND ALL COLLAPSE ALL	VALID THROUGH DATE	ASSESSOR	REGION OF OPERATION		
Passport Parking LLC NC, U.S.A.	AGENT	PCI DSS	PCI DSS Services		Sep 30, 2015	A-Ign Security and Compliance Services	U.S., CAN		



# PAYMENT FLOW

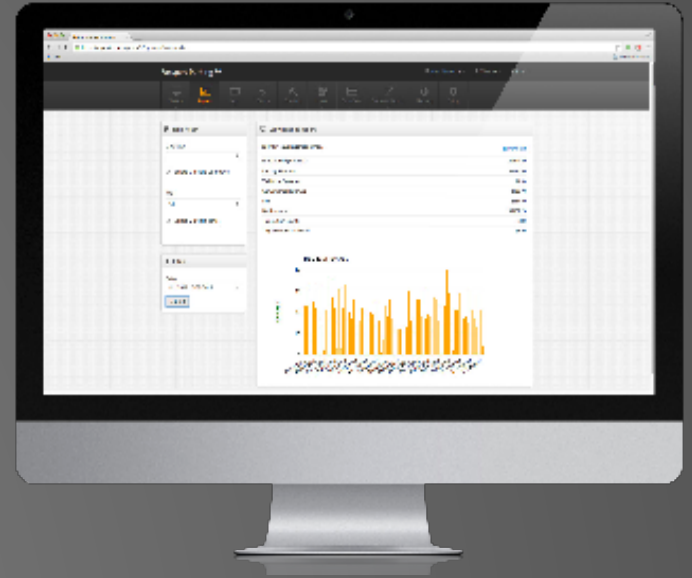


# REAL TIME REPORTING


Full transparency through financial reporting is core to any successful mobile ticketing system

- Hardware becomes a key component to collect boarding data

**Make sure you have real-time access to customer data!**



# PRICING & STRUCTURE


- Capital vs. Operating Costs
  - Upfront application development fees
  - Percentage of fare collected through application
  - Per ticket fee
  - Hardware and maintenance
  - Other Considerations
    - Code escrow agent
- 

# IMPLEMENTATION PROCESS


- Key Considerations
  - Information Request
  - Rate Import
  - Marketing Materials
  - Integrations
- Implementing the Service
  - Testing
  - Marketing Installation
  - Launch
  - Post-Launch Service



# MOBILE IMPACT - USERS

- Improvements to the customer experience
    - Buy tickets from anywhere
    - Plan your trip ahead of time
    - Review planned schedules within the system
    - See vehicle location in real-time
      - (You could sit in your apartment until you knew the bus was arriving)
    - Capture occupancy levels in vehicles
    - See Something Say Something – Rider Security
      - Identify potential issues
- 

# MOBILE IMPACT - AGENCIES

- Improvements to the Agency Experience
    - Reduced cost of revenue collection
      - Electronic provisioning vs physical provisioning
      - B2C electronic marketing vs physical marketing
    - Improved Data
      - User sensor data provides great insight into improving routes and route occupancy
      - BLuE entry/exit data solidifies route and occupancy data
  - Growing Ridership – Significant Upside Effects
    - High fixed costs/airline model supports need to improve occupancy levels through ridership growth
    - Every added rider is added capital into the system
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# THANK YOU

If you have more please don't hesitate to contact us.

## Team Contacts



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