

# Pine Labs brings Tap to Phone to the Indian Market

Company:  
Pine Labs

Location:  
India

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“One of the things that the merchants are telling us is that, ‘we love the fact that you can do a tap [and] the whole transaction... works brilliantly, even better than a transaction which gets dipped into the terminal.’”

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“We're actually seeing merchants coming back to us and saying, ‘look, we never knew this kind of technology could exist where I could use my phone to tap a card.’”



Pine Labs, one of Asia's leading merchant commerce platforms, launched a Tap to Phone (TTP) product, AllTap, in late Jan 2021 in India and has since enabled tens of thousands of TTP terminals across the country.

## About Pine Labs

Pine Labs offers a wide range of payment acceptance and merchant commerce solutions including inventory management and customer relationship management. Its stored value platform includes issuing, processing, and distributing digital gift cards for corporate customers around the world.

## Use cases

AllTap is mainly used by small merchants, home entrepreneurs, street vendors, hawkers, cab drivers, and others who are not ready to invest in a traditional point-of-sale (PoS) terminal to accept digital payments.

Merchant segments cover education, CDIT, mobiles, healthcare, and grocery. First/current adopters are store-based SMEs selling physical merchandise, but this will eventually also serve solo entrepreneurs offering services.

There are some enterprise use cases, including remote payments to enable home delivery, in-aisle checkout, queue-busting during peak sales days/hours, and use as a back-up device.



Here are some specific use cases that show the great promise of AllTap in the Indian market:

- **Pop-up grocery markets.** Due to the COVID pandemic, stores looking to enable social distancing set up multiple check-out counters in alternate locations, such as apartments. This arrangement required a flexible checkout option that could link all counters to the main store and collect payments in various formats. AllTap helped achieve a flexible, portable, touchless solution.
- **Street vendors and tax drivers.** Small business owners who complete their trades without a fixed location often prefer to have a payment solution that works on a mobile phone, which is why AllTap may be useful for vendors, hawkers, taxi drivers, and other mobile professionals.
- **Solopreneurs.** A range of people offer services as solo businesses, from tutors and music teachers to sports coaches and hairdressers. During the pandemic, some people started pop-up kitchens, cooking in their homes for delivery to nearby homes and offices. The flexibility and portability of AllTap can work well for these self-employed people.
- **Remote payment.** Given COVID, remote payments have become an important element for many businesses, especially those who deliver goods to buildings. They must deliver to the lobby instead of to upstairs homes or offices, and payment must be completed on the spot in the lobby. AllTap makes transacting during such deliveries easier.
- **Backup terminal.** A segment of merchants want to use Tap to Phone functionality as an alternative option while maintaining their traditional PoS terminal. When one payment device is occupied or broken, they can use AllTap as an alternative.

## Easier payments

Unlike traditional swipe transactions, AllTap transactions do not require customers to complete a two-factor authentication or input a one-time password (OTP) to make payments. Reserve Bank of India regulations permit a maximum transaction limit of Rs 5,000 for 'tap-and-go' payments.

Over and above Tap to Phone, the app also accepts payments through digital modes such as local wallet and UPI QR and is compatible with Buy Now Pay Later (BNPL) and EMI-related payment modes, according to the company.

## Learnings & advice

- **Encourage word of mouth.** Pine Labs is seeing a lot of success with native growth in smaller towns in India, where merchants who want to digitize share the solution with one another. A sales team on the ground is helping merchants get set up.
- **Invest in digital outreach.** Marketing for the product is entirely digital because the enrollment process is digital. Pine Labs is publishing content on social and other digital channels and using digital tools to measure success.
- **Combine TTP with dynamic UPI and QR.** While contactless cards still have not penetrated far enough into the market, it's a good idea to combine TTP with QR and UPI. QR is interoperable with cards as well as UPI payments.
- **Create consumer awareness campaigns.** It's important to promote the contactless option in stores so that consumers are aware that a contactless phone transaction is possible.
- **Communicate with merchants in-app.** Training and creating welcome packs are effective ways of engaging with merchants, but it's helpful to keep communicating via in-app messages.
- **Get onboarding right.** Merchants' experience of onboarding and initial transactions can be essential to their comfort with the platform and ongoing use, so this phase of adoption is an important area of focus.

## Next steps

With a strong focus on customer and merchant experience, Pine Labs is seeking to make AllTap into one of the larger phone-based payment solutions in the world.

Other goals include:

- Enhancing merchant activation, including incorporating gamification to encourage continued use.
- Furthering enterprise use cases, such as queue-busting for large retailers by using the AllTap app in-aisle to accept all kinds of payment without using the checkout counter.
- Pursuing issuer partnerships with Indian acquirers that have their own merchant-facing mobile apps that combine banking as well as QR-based payments.

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