Mobile Ticketing by SMS
A great customer experience

Buy public transport tickets on the go
Mobile ticketing systems are becoming increasingly present across the globe as transit network operators seek to grow sales, and reduce their reliance on printed paper and plastic tickets. However, not all systems are created equally.

Many of the systems in use today require consumers to go through lengthy registration processes beyond those required by local laws or their mobile operator. Transit network operators say such additional processes are a major barrier to usage due to the time and hassle involved, particularly on short-hop journeys where convenience is a key factor in ticket sales.

Other systems utilise mobile applications, which are an effective means of searching and paying for high-value weekly and monthly tickets, but have struggled to gain traction in the market for low-value, single journey fares where consumers typically know which ticket they need, and want quick and easy payment options.

Mobile ticketing for short-hop journeys must be as freely available as existing physical payment options to be successful.

What is it?

Netsize has developed a mobile ticketing solution designed to improve revenues for public transit network operators that works on every mobile phone in use today.

The Netsize approach is to use SMS to handle ticket ordering, user authentication, payment, and ticket delivery. SMS remains a standard feature on all mobile phones, meaning the service can be used by any mobile customer regardless of whether they live in a developed or developing region, or have a bank account and credit card. Netsize’s solution is compatible with any mobile app-based m-ticketing solution that can be deployed in parallel with its SMS system. This means that transit operators can target a wider base of mobile users for ticket purchases. On average, in systems where both solutions are deployed concurrently, 85% of mobile consumers opt for SMS payment.

When given the choice between mobile-app or SMS ticketing options, 85% of mobile consumers opt for SMS payment.
SMS brings a wide range of benefits to mobile tickets

Who is it for?
Netsize Mobile ticketing is a solution for city and regional authorities operating public transport networks, and private companies contracted to deliver public transport services in de-regulated markets.

Designed primarily for low-value, single-journey tickets, the solution is more cost effective than competing credit card-based wireless payment technologies, and more widely available than services offered via mobile apps due to utilising SMS for ordering and fulfilment.

How does it work?
When Netsize receives a consumer’s order by SMS, its dedicated m-ticket engine matches it to a database of available tickets before the company conducts basic checks of the consumer’s identity and confirms their order. Netsize then works with the consumer’s mobile operator to handle payment through the mobile company’s existing billing systems, and any additional checks the mobile operator requires.

At the same time, Netsize sends details of the sale to the transit network operator, ensuring it knows the ticket is valid. Netsize can tailor the system to work with transit network operators’ existing back-end authentication and validation systems, or provide this as a service.

Once the user is validated, tickets are issued via SMS with a two-stage verification process to help reduce ticket fraud. Netsize can also deliver transit operator-specified verification details, such as a QR code or barcode.

Whichever option operators choose, m-ticketing simplifies and speeds the process of ticket validation by drivers and inspectors.

The whole process - from ticket order to fulfilment - takes between 2 and 6 seconds to complete.

Netsize’s solution is designed to be deployed alongside transit network operators’ existing printed paper or plastic tickets sold through retailers, opening an additional revenue generating opportunity while also simplifying ticket purchases by consumers.

Simplicity of ticket purchases is a major influence in consumers’ decision to use, or pay for, public transport. In Helsinki, for example, 40% of travellers said they would either travel without paying, walk, or take alternative transport if the city’s SMS-based m-ticketing service was not available. Around 90% rated the service as “excellent”.

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What are the benefits?

Netsize’ mobile ticketing service system or solution offers a wide range of benefits to public and private transit network operators:

1. **Lower costs**
   Using SMS-based ‘virtual’ tickets immediately reduces the number of paper or plastic tickets transit operators need. This cuts costs – something that is particularly beneficial on low-value, short-hop single journeys, where the cost of printing and distribution can be higher than the ticket price.

   The income on those journeys is also typically too low for credit card-based mobile payment services to make economic sense.

2. **Increased revenues**
   By using Netsize’ mobile ticketing solution, transit network operators can increase their customer base by simplifying ticket order and delivery, while also reducing ticketing fraud.

   In Helsinki, commuters are more likely to pay for short-hop journeys due to the simplicity of the city’s m-ticketing system.

   SMS-based mobile ticketing is proven to have an immediate positive impact on ticket revenues. In Stockholm, over 4 million tickets were sold in the first year of the city launching its cashless m-ticket service – roughly a third of the city’s entire population.

   When it comes to validation, Netsize’ mobile ticketing solution is as good, if not better, than paper ticketing and has already helped to reduce ticketing fraud in markets where it has been deployed.

   Netsize can also provide a range of software enabling ticket inspectors to validate tickets, further reducing levels of non-payment.

3. **Increased ticketing flexibility**
   Transit operators can create new tickets on the fly, allowing them to quickly create special offers and update prices. In the past, those changes could take up to six months to implement. With the Netsize solution, operators can make the changes in around 20 minutes.

   The fast turnaround enables transit network operators to quickly introduce special prices – for example on routes with low customer numbers, or where traffic congestion is at its greatest.

4. **Improved customer service**
   Simplicity is a key benefit of Netsize’s solution when it comes to consumer engagement. In addition to allowing consumers to purchase tickets anywhere and at any time,
the use of mobile operator authentication and payment systems helps alleviate consumers’ concerns over the security of mobile ticketing compared to other cashless services.

Netsize can also keep the consumer updated if tickets have been delayed, and the process of issuing refunds to consumers in the event of a service being cancelled is simplified, because all of the user’s details are already in the system.

5 Improved employee safety
Netsize’s mobile ticketing solution also helps protect transit operators’ employees by reducing the amount of cash they have to handle. This reduces employees’ exposure to dangers including robbery, while also cutting the time spent handling cash boxes in the depot.

6 Increased ticket sales
Netsize’s m-ticketing solution is already delivering increased ticket sales to transit operators by making it simple for consumers to order and pay for their tickets.

In contrast, Swedish mobile ticket sales were halved when a new mobile operator system required users to register their credit or debit card details.

7 Open to all
The pervasive nature of SMS means anyone with a mobile phone can use the m-ticket service, not only those with smartphones. Utilising mobile operator registration and payment services also means Netsize’s m-ticketing service can be used by consumers who don’t have a bank account or credit card.

8 Future proof
Netsize’ SMS-based m-ticketing solution is enabling transit network operators to deploy a mobile service in the fastest possible time today. However, the company is keeping an eye on the future by leveraging technology developed by parent company Gemalto to ensure its solution is fully compatible with NFC mobile payment standards, so transit operators can quickly deploy services based on verification technology as it gains traction globally.

Italian operator ATAF/BusItalia, for example, saw a 43% rise in mobile ticket sales year-on-year in the first four months of 2014.
Netsize - a Gemalto company - is the global leader for mobile operator micro-payment and messaging. We connect and contract directly to the carriers and help our customers to monetize mobile services or services linked to mobility, improve brand awareness, acquire new customers, manage customer relationships, and optimize business efficiency, globally.

Netsize relationships with network operators give us unrivalled geographic coverage, a strong capacity for innovation in payments and messaging, and the ability to offer customers customized In-App, P-SMS, Online and Direct Billing solutions in over 50 countries.

The Netsize payment network reaches more than 2 Billion consumers. We connect more than 1000 companies to over 160 mobile network operators and provide solutions for distribution channels for vending, ticketing & parking; as well as for services like mobile marketing, hosting and service management. In addition, we offer Netsize Operator Solutions (NOS) and our messaging services cover delivery to all mobile phones in virtually every country in the world.

www.netsize.com