



Vertical Market Selling Guide

Towing



Purpose

This guide is provided to you at no charge to create awareness for the needs of a payment terminal solution within a specific vertical market that may be less penetrated than traditional retail stores.

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Market Segment: Towing Services

MCC: 7549

NAICS CODE(S): 488410

Market Overview

The industry consists of companies primarily in the business of short and long haul automobile and truck towing. There are approximately 12,000 companies that fill this description in the US. Not included are services stations, etc. that may have a tow truck and provide this service.

This market is almost exclusively made of up small local businesses. In fact, less than 150 firms have more than 100 employees, half the total have less than five. The average card ticket value of about \$215 is quite a bit higher than the overall national number. Card payments make up less than 30% of total industry volume. The use of PIN debit is almost non-existent.



Sales & Marketing Insights

Electronic payment is not widespread in this industry. With less than 30% of payment volume currently coming from bank cards and of those very few are on-line, card-present transactions, the opportunities are great. Since average tickets are well over national averages and each location processes about 30 transactions per month, a good business case can be made for a portable payment device that can turn high cost non-qualifying transactions into cheaper card-present ones. This should also reduce charge backs.

Marketing opportunities exist with the fifty plus local associations. Many promote business partnership programs for their members. It is not obvious whether any currently have an arrangement with an acquiring entity. Many of these groups run annual trade shows (as does the national organization) and other functions where the opportunity to sponsor events or advertise exists.

Market Characteristics

(State by state information see Exhibit 1)

- Estimated total firms: 12,000
- Estimated total locations: 13,000
- Segmentation: This is not a highly segmented industry. The only differentiation is size. There is one national organization, the AAA (American Auto Club) which runs about 5,000 card transactions per month. These transactions tend to be of lower value (<\$100) than the industry average.



Payment Characteristics

- Card payments, estimated percent of total payment volume : 30%
- Estimated average ticket size of a card transaction: \$215
- Average monthly number of card transactions per establishment: 30
- Average monthly card volume per establishment: \$6,500

Market Resources

- Associations
National: Towing and Recovery Associations of America,
<http://www.towserver.net/>
State: See Exhibit 1 below
- Trade Shows
American Towman Exposition, November, www.towman.com/expo/
- Journals
Tow Times: www.towtimes.com/
American Towman: www.towman.com/



VeriFone Solutions

Towing companies would need to have devices that are portable and can be brought to the point-of-service. This would satisfy the needs of the business owner and the desire to accept card-present transactions which could significantly lower current overall payment costs. VeriFone offers a variety of portable devices, including the new PAYware Mobile for iPhone.

- PAYware Mobile
- Nurit 8020S
- RoamPay Swiper



PAYware Mobile

PAYware Mobile for iPhone™ allows for payments to be accepted anywhere, anytime in a secure manner via card swipe.

PAYware mobile is a PA-DSS approved payment application for iPhone™. Accepting credit card payment via PAYware Mobile comes with a variety of benefits including higher security and increased transaction savings.



Exhibit 1. Information by State			
STATE TOWING ASSOCIATIONS			
	Firms	Name	Website
Alabama	164	Alabama Towing & Recovery Association	www.AL Tow Association.org
Alaska	19	Alaska Towing Association	None
Arizona	260	Arizona Professional Towing & Recovery Association	www.aptra.net
		IBA (Arizona State Towing Association)	www.ibaassociation.com
Arkansas	92	Professional Towing and Recovery Association of Arkansas	www.ptraa.com
California	1,552	California Tow Truck Association	www.ctta.com
Colorado	161	Towing & Recovery Professionals of Colorado	www.trpc-online.org
Connecticut	43	Towing and Recovery Professionals of Connecticut	www.trpconline.com
Delaware	29	Delaware Towing Association	None
District of Columbia	8	Washington DC Towing Association	None
Florida	1,182	Florida Independent Towing Association	www.pwof.org
		Professional Wrecker Operators of Florida	None
Georgia	443	Towing & Recovery Association of Georgia	www.trag.org
Hawaii	40	Hawaii Towing Association	None
Idaho	69	Idaho Towing and Recovery Professionals	www.idahotowers.org
Illinois	463	Professional Towing and Recovery Operators of Illinois	www.towingillinois.com
Indiana	198	Indiana Towing & Wrecker Association	www.indianatowing.com
Iowa	68	Towing and Recovery Professionals of Iowa	www.iowamotortruck.com
Kansas	56	Kansas Motor Truck Towing & Recovery Division	www.kmca.org
Kentucky	134	Towing & Recovery Association of Kentucky	None
Louisiana	178	Towing & Recovery Professionals of Louisiana	www.trpl.org
Maine	48	Towing & Recovery of Maine	www.mainetowing.org
Maryland	320	Towing & Recovery Professionals of Maryland	None
Massachusetts	202	Statewide Towing Association	www.statewidetowing.org
Michigan	402	Michigan Towing Association	www.michtow.org
Minnesota	145	Minnesota Professional Towing Association	None
Mississippi	91	Mississippi Towing & Recovery Professionals	None
Missouri	209	Missouri Tow Truck Association	None
Montana	23	Montana Tow Truck Association	www.montanatowing.com
Nebraska	54	Professional Towers Association of Nebraska	www.ptan.net
Nevada	70	None	None
New Hampshire	51	New Hampshire Towing Association	www.towmasters.org
New Jersey	333	Garden State Towman's Association, Inc.	www.gsta.org
New Mexico	54	None	None
New York	788	Empire State Towing & Recovery Association	http://www.estransys.com/
		Metropolitan NY Towing, Auto Body and Salvage Association	None
North Carolina	371	Towing & Recovery Professionals of North Carolina	www.nctowing.org
North Dakota	11	North Dakota Towing Association	None
Ohio	420	Towing & Recovery Association of Ohio	www.trao.org
Oklahoma	121	Oklahoma Wrecker Owners Association	www.okwoa.org
Oregon	183	Oregon Tow Truck Association	None
Pennsylvania	338	Pennsylvania Towing Association	www.patowing.com
Rhode Island	38	Rhode Island Public Towing Association	None
South Carolina	193	Towing and Recovery Association of South Carolina	None
South Dakota	20	South Dakota Towing Association	None



	Firms	STATE TOWING ASSOCIATIONS	
		Name	Website
Tennessee	282	Tennessee Tow Truck Association	None
		Towing and Recovery Professionals of Tennessee	None
Texas	751	Texas Towing & Storage Association	www.ttsa.org
Utah	86	Utah Professional Towing Association	www.utahprotow.com
Vermont	17	Vermont Towing Association	None
Virginia	338	Virginia Association of Towing & Recovery Operators	None
Washington	226	Towing and Recovery Association of Washington	www.towingandrecovery.org
		Independent Towing of Washington	www.itow.org
West Virginia	54	West Virginia Towing and Recovery Association	None
Wisconsin	105	Wisconsin Towing Association	www.witow.org
Wyoming	22	Wyoming Professional Towing Association	None
All other states	159		
United States	11,517		

