



Comment: The role of retail payment systems in improving customer service

Mark McMurtrie, director of Payments Consultancy Ltd and chairman of the RBTE Payments Theatre Conference, takes a look at how retailers who invest in their payments capabilities can also improve customer service.

Payment systems play a critical role in delivering excellent customer service at retail businesses. Taking payment from a customer is normally the last customer ‘touch point’ and so how this performs directly impacts the customer’s impression of the service they have received. This is particularly true nowadays as customer expectations have never been higher. Customer patience for queuing is rapidly disappearing and so every second that can be saved at the till helps improve customer satisfaction levels. British shoppers have now taken **contactless cards** to their hearts as they appreciate the simplified payments experience and time savings that can be achieved. Indeed so much so that many consumers are frustrated if a store does not yet accept contactless card payment. Retailers are responding and proactively upgrading their equipment to ensure they can accept contactless payments well ahead of the card schemes 2020 deadline.

Christmas 2016 saw an increased use of queue-busting mobile technology in-store. At this busy trading period those retailers who had invested were able to deliver an improved customer service by processing sales transactions and accepting card payments away from their traditional payment points. Customer feedback was that they greatly appreciated this new quick way to pay.

Another new operational capability delivering great results for retailers is that of providing assisted selling through the use of POS tablets. Rather than lose a customer sale through lack of stock availability sales assistants are able to enter an online order for the customer on their tablet, accept payment securely and arrange for delivery to their home. Assisted selling is also enabling greater take up of upselling opportunities. For those retailers selling high-value goods or service customers can expect a high-quality personal service and buying experience. It therefore seems alien to the customer that right at the end of the process they get led across the outlet to a physical till where they have to perform a traditional card payment transaction. Secure card payment acceptance integrated to the tablet POS allows the great customer selling experience to be continued right through to the end of the sale.

The latest generation of payment terminals have been designed for simplified operation by both store staff and customers. With larger colour displays, touch screens and better use of the graphic capabilities, customers are now guided through each step of a transaction. This is leading to improved customer service.

Mobile payment wallets are also growing in popularity with the increased number of smartphone now being owned and the arrival of **ApplePay**, **AndroidPay**, **SamsungPay** and others to the market. These digital payment systems act like contactless cards in-store, but allow higher transaction limits thanks to the biometric authentication of the customer and greater card issuer confidence. Support for mobile payments has customer service benefits and for brand value.

Today, a retailer needs to be able to accept a greater choice of payment methods and technologies if they are to offer a great customer experience. This is because a wider variety of customer types exist. Millennial’s will be looking to pay using their smartphone and even directly from their bank accounts, Gen Y are card savvy and big

online shoppers, whilst Gen X are more likely to favour credit cards and more traditional payment methods. In addition to age retailers also need to cater for international shoppers who would prefer to pay as they do back at home. With the rapidly increasing number of Chinese tourists and their higher than average spending levels **UnionPay** and **AliPay** support are high priorities for many merchants. This means that retailers are constantly adding to their range of payment methods in order to address as many consumer types as possible. Basket abandonment remains a huge challenge for online retailers. Regrettably payment processes such as 3D Secure payer authentication can be a cause of this. Simplifying the payment process results in lower abandonment and improved customer satisfaction. There is a range of payment options now available to optimise the process. One-click payment is a favourite of customer but in-app payments is another for consideration. The ultimate frictionless payments experience has been introduced by **Uber** where the payment gets processed without any customer action being required.

Finally, the investment being made by retailers in payment security, point-to-point encryption, tokenisation, fraud management and PCI DSS compliance is reducing the opportunities for customer card details and personal information to be stolen or used. Any data breach has a massive impact on customer service and satisfaction levels and needs to be avoided at all cost.

All of these topics will be discussed at **RBTE 2017** in the Payments Theatre, in partnership with Barclaycard, on the 8 and 9 May during presentations, case studies and interactive panel discussions. Do invest the time to visit RBTE, attend some conference sessions and meet with the leading vendors, it will help you improve your understanding of the latest payment options now available which can in turn help you deliver greater customer service. I look forward to seeing you at Earls Court.