



BILL
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PAYMENTS AND

HOSPITALITY



FOREWORD



The hospitality sector is changing rapidly and merchants are increasingly using the latest technology to remain profitable and deliver outstanding customer service. Innovation in payments can help restaurants, cafes and bars to achieve this. This white paper considers the challenges and opportunities presented by the use of cutting-edge technology in the hospitality sector and how outlets and their customers can benefit. Being one of the largest payments processors in the world, Global Payments is ideally placed to help our merchants understand the constantly changing world of payments. We hope that you find our insights helpful.

A handwritten signature in black ink, appearing to read 'Chris Davies', with a stylized flourish at the end.

Chris Davies
Managing Director
Global Payments

THE UK ECONOMY IS

GOING FROM STRENGTH

TO STRENGTH

If the customer's experience isn't great first-time or in some small way disappoints, then the chances are he or she won't be back.

The UK economy's continued strength, increasing wages and disposable incomes, added to the secular shift in people's willingness to spend on eating and drinking out as well as on other leisure activities, is driving significant growth in the hospitality sector.

But as the sector grows, so competition does too. In the restaurant and bar sectors for example, the fight for customer's share of wallet is fierce, particularly in areas with high footfall where new outlets open as soon as premises become vacant. In fact, finding the right premises in these areas is becoming some restaurants' biggest issue at the moment.

This gives those in the hospitality sector maybe just one chance to get it right. If the customer's experience isn't great first-time or in some small way disappoints, then the chances are he or she won't be back.

An important contributor to the impression a customer leaves with - but is often overlooked - is the process of paying. Make it simple and quick and the customer will be happy. Make it slow and this will taint the customer's experience, no matter how good the food or enjoyable the night out.

I WISH THERE
WAS AN
EASIER WAY!



Fortunately the payments industry is responding to this by introducing new and innovative ways to pay, for example using state-of-the-art mobiles, apps and even 'wearables' such as prepaid wristbands and clothing.

This gives the hospitality sector the chance to match and even exceed their customers' expectations when it comes to paying.

Many bars, restaurants and hotels have recently installed Near-Field-Communication (NFC) enabled terminals which accept the latest payment technology such as Contactless and mobile payments.

A recent report by Visa found that card users in the UK are by far the largest adopters of Contactless payments in Europe, with customers valuing the speed and convenience of touch-and-pay technology. Contactless is particularly well-suited to environments with high customer

turnover, as transactions can be processed in less than a second. As a result, queues are minimised, more customers are served, the overall customer experience improves and profits are boosted.

And with the amount that can be spent in a single Contactless transaction increasing from £20 to £30 as of 1 September, its use in bars and restaurants is only going to increase. In 2014 spending on Contactless cards trebled to hit £2.32 billion according to The UK Cards Association, and over the next two years it is expected that the number of Contactless cards in use will grow by more than 34 million.

The adoption of mobile payments in contrast has been slower; however, the recent launch of Apple Pay in the UK has the potential to be a 'game changer' in the way consumers pay for things. Apple Pay also uses NFC technology and so hospitality outlets do not have to update their terminals to accept it.



Contactless

cards trebled to hit

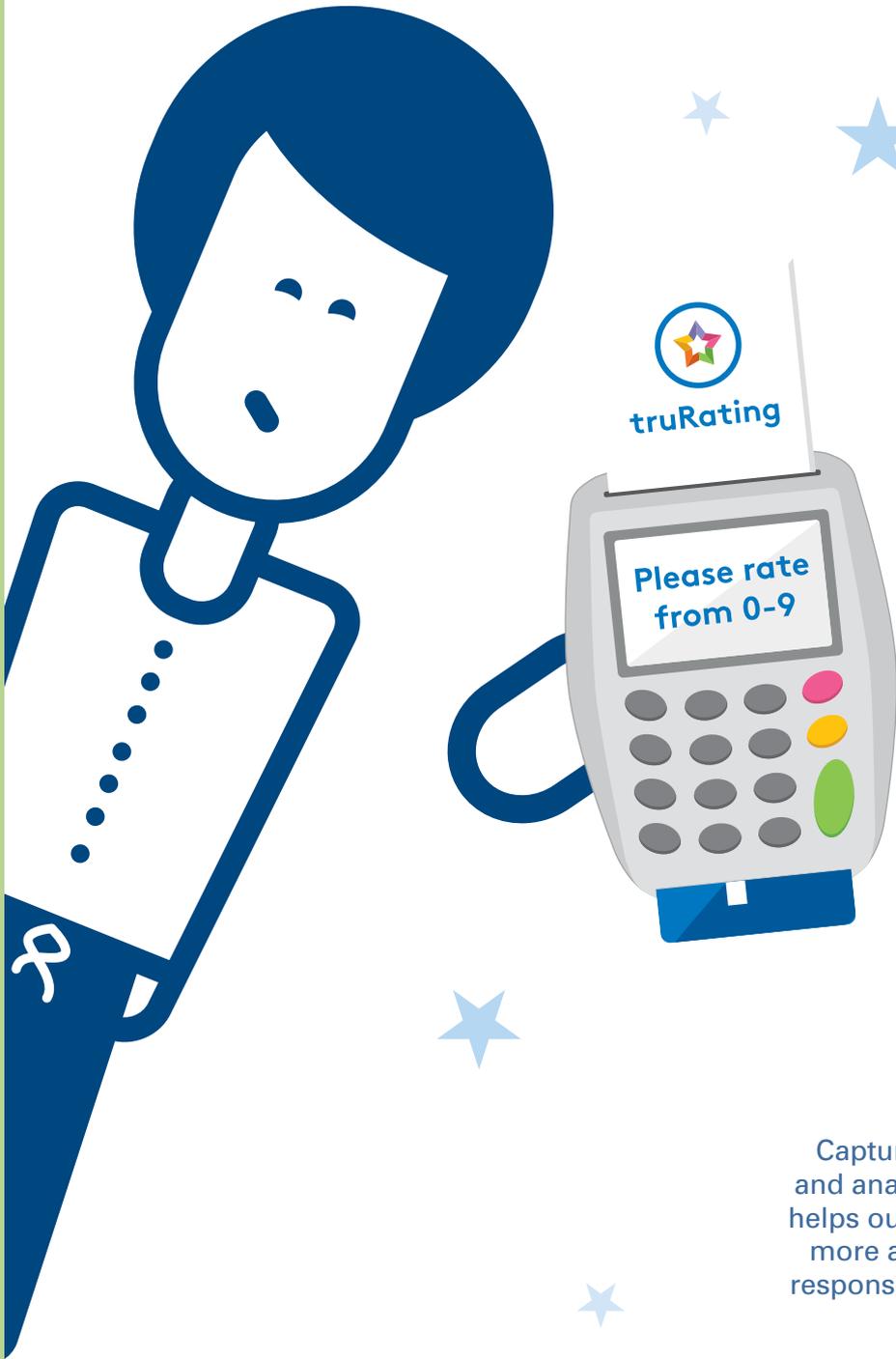
£2.32 Billion



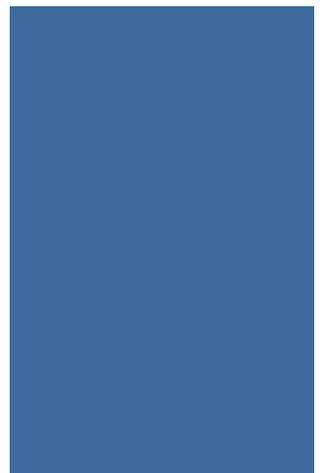
It's possible that Apple Pay and other mobile payment providers might look to integrate rewards and loyalty programmes into their smartphones. For the hospitality sector, these schemes are useful ways to identify, reward, and retain their best customers. But running them can be tricky, particularly for smaller, independent outlets. So any move to build schemes into smartphones is likely to increase their attractiveness as a means of payment.

Customers like to have their say and are willing to share their views, especially when they've eaten out, visited a bar or stayed in a hotel. However, many end up not doing so as traditional methods such as customer surveys, polls or internet reviews are time consuming or they are not anonymous.

This is where technology comes in, with new services enabling the customer to rate a service or a product when paying by card or their mobile phone. This gathers honest feedback as the experience is still fresh in the customer's mind.



Capturing, comparing and analysing feedback helps outlets to become more accountable and responsive to the needs of their guests.





One such service is provided by truRating, live in UK venues where customers make Chip and PIN payments and will soon be available for Contactless and Apple Pay transactions. Every customer paying by card is asked one question which is rotated from a fixed set of customised questions, to rate the service, experience or product on a scale from 0 to 9 (terrible to great). The rating is anonymous and given by the person paying so it's real and honest. This feedback can be accessed the next day and can then be acted on to make sure the outlet provides the best possible service or menu offering.

By asking specific questions, the outlet can find out what their customers really think; whether the food was up to scratch, the staff were friendly enough or if the music was too loud. All of these factors have an influence on the overall

experience and impact the customer's decision about whether or not they will come back.

Receiving ratings from the terminal is particularly important for independents that, unlike the big chains, are less able to rely on brand awareness to keep customers coming back. Capturing, comparing and analysing feedback helps outlets to become more accountable and responsive to the needs of their guests. Ultimately, this influences the overall performance of the business and increases customer loyalty.

Another potential growth area for the hospitality sector comes from overseas visitors travelling to the UK for business, holidays and leisure. Since 2013 levels of spend have increased by 2.8%, with visitors to the UK spending about £21.8 Billion in total every year.¹

These numbers are expected to increase year on year; therefore, there is a huge potential for outlets to profit from the growing number of foreign visitors.

Dynamic Currency Conversion (DCC) aims to do this by giving outlets the ability to offer their international customers a choice to pay in their home currency, which makes it easier for them to understand the exact amount of money they spend when they travel for business and pleasure. That means that there are no nasty surprises as they pay in the currency they know – and at no extra cost.

It's encouraging to see the hospitality sector's growing awareness of the possibilities of paying - viewing it as an important part of the overall customer experience. And it's great that the payments industry is responding by developing solutions that make the process quick and easy.

Get this right and the customer is much more likely to come back. If at the same time the outlet can gather a customer's feedback about the service provided - and then act on this - then the chances are that not only will the customer return, they'll pass on a recommendation to their friends too.



ABOUT GLOBAL PAYMENTS



Global Payments, a Fortune 1000 company, is one of the largest card payment processors in the world, with offices across the UK, America, Canada, Asia Pacific and Europe. We work with companies of all sizes, from large multi-nationals to owner-managed businesses to maximise sales through payment card processing. Our focus in the UK is on meeting the needs of customers with up-to-date card processing technology, whether face to face, online or over the phone. We support our customers to attract the growing overseas market with a range of services including international card acceptance, enabling visitors to pay in their own currency and tax free shopping.

If you would like to learn more about how Global Payments can help your business, please contact us on **0800 731 8921*** or visit **www.globalpaymentsinc.co.uk** for more information about the company and its services.



*Lines are open Monday to Friday, 9am to 5pm excluding Bank Holidays

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