

IS THE RETAIL SECTOR STUCK IN A PAYMENTS RUT?

Four in ten consumers would be happy with a cashless society, yet half of retailers think there is nothing they can do to improve payment systems.

Research released recently by RBS WorldPay, UK, payment solutions provider, revealed that half (52%) of retailers surveyed admit upgrading their card payment solutions have had a positive impact on their business – in fact making improvements to payment systems increases profits by an average 18%. One in four claimed profitability had increased between 25% and 50%, with some retailers claiming even greater profit growth due to improvements to payment systems.

Despite these proven benefits of improvements to payment systems, one in five professionals in the industry claim they don't undertake any research to find the right payment system for their business and half do not think there is anything they could do to improve the payment technology they offer consumers.

Their customers, however, may not agree: when RBS WorldPay asked over 1,000 consumers for their thoughts on payments in the retail sector, seven out of ten said they want faster, less hassle and more secure payment solutions from retailers. Over two thirds (67%) of consumers wished that independent retail outlets offered more card solutions and nearly half of consumers admitted that they would rather pay for all transactions by card and not bother with cash at all. Even a quarter (24%) believed that one day microdots will be inserted into our hands to enable people to truly 'wave and pay'!

Yet many retailers were resisting the consumer preferences and technology available. Retailers were often more comfortable sticking to antiquated payment methods – amazingly, over half (54%) told researchers their customers still regularly pay for goods by cheque.

Over half (52%) of retailers agreed and believed there will be a cashless society – but this didn't play out when it comes to business decisions. Seven in ten retailers admitted they would not be in a position to accept contactless cards within the next five years. While, less than one in ten (8%) of general retailers currently has the technology to accept contactless card payments, despite six in ten (63%) thinking that within ten years' time most people will buy most small value products with the wave of a card or handheld device.

Ron Kalifa, RBS WorldPay managing director commented: "Our research revealed that large or small retailers rightly put customer service before anything else – but with six in ten (59%) consumers saying they are too embarrassed to pay for small items with cards and a quarter saying that paying by card in places like bars and restaurants takes too long – offering the right payment solutions can speed up service, offer customers choice and increase profitability.

"While payment by iris recognition may seem far-fetched, technology is moving quickly and it is important that businesses consider their payment solutions as an important part of the overall service they offer customers."

DIGITECH ELECTRONICS TARGETS CARD-NOT-PRESENT PROTECTION

Digitech Electronics is a Middlesex-based home entertainment retailer that needed to adopt an innovative security solution to avoid losing out to fraud.

Digitech Electronics uses payment service provider, SecureTrading, to enable customers to make purchases using their debit or credit cards. One of the main benefits of using such a payment partner is the access to security products such as 3-D Secure, Address Verification System (AVS) and Card Security Codes (CSC), which provide advanced protection against potential online criminals. SecureTrading also offer a Quarantine Service, enabling merchants to review transactions before making a decision to settle them.

In addition, Digitech Electronics can also tap into more sophisticated counter-fraud tools on an ad-hoc basis to check and monitor particularly suspicious transactions. The company utilises SecureTrading Identity Check, an advanced identity verification service, to cross-reference buyer information using a number of databases to confirm that someone exists and lives at their given address.

"To avoid becoming a victim of fraud, it is important to stay one step ahead of the criminal by utilising any means available," said Amir Khan, Digitech Electronics managing director. "SecureTrading's validation and security processes have given us peace of mind that each transaction is from a genuine, paying customer."

NEWCASTLE UNITED LAUNCHES BARCLAYCARD GIFT CARD



Newcastle United Football Club (NUFC) recently became the first Barclays Premier League club to sign up to Barclaycard Payment Acceptance's Prepaid Solutions, a new product that provides retailers with a more cost-effective and convenient way to offer own branded gift cards and other stored value solutions to their customers.

The NUFC Gift Card will be branded with an image of Newcastle United's club badge and will replace the club's current paper-based gift voucher scheme. NUFC customers are now able to purchase the new club gift card at the club's four official stores and redeem it on the whole range of official merchandise.

As an existing Barclaycard customer, NUFC already had Barclaycard Payment Acceptance terminals in its stores so integration of Prepaid Solutions was quick and easy to activate using existing card terminals. The gift card technology has made no change to NUFC's terminal rental charge and therefore presented the club with a great way to enhance the customer experience.