

The future of paying the bill

Flash and other forays into merchant technology

BY JULIE FITZ-GERALD

Imagine sitting down at your favourite restaurant and browsing the menu on a tablet, which you then use to make your menu selections and pay your bill, all with the swipe of your finger. This is very possibly the future of the restaurant experience.

Banks, debit and credit card companies and mobile marketing firms are currently working in a global effort to combine new communication products, such as smartphones and tablets, with cutting-edge payment methods in an effort to improve convenience for consumers and business owners.

In today's marketplace, wireless terminals with debit and credit card capabilities are continuing to gain popularity, specifically within the foodservices industry where the convenience of paying at the table is highly valued by customers. Jeff van Duynhoven, president of TD Merchant Services, says that wireless terminals are evolving to deal with signal issues experienced by some long-range wireless services.

"We've moved to short-range devices like Bluetooth and Wi-Fi-type devices, so there are still changes happening in that regard within the industry for pay at the table. If a merchant has a [payment] solution they're not happy with, the technology may have advanced since then, so I would encourage people to look around because the technology continues to get better in that space," he says.

Another payment technology that is rising on the popularity metre is con-

tactless payments. Consumers possessing a card with contactless capabilities simply flash their card in front the corresponding reader to complete a purchase, making this payment method extremely quick and convenient. With Visa and MasterCard having already launched contactless credit cards, Interac Association is following suit with a debit card known as Interac Flash. "Interac Flash is rolling out now with Scotiabank and RBC. We have a number of merchants already signed up and announcements will be forthcoming about who will be accepting Interac Flash," says Caroline Hubberstey, director of public affairs for Interac Association.

Van Duynhoven believes that Interac Flash will become a big player in the months to come as more issuers support the technology. "What merchants found is that the whole chip and pin process was a little slower, so in places like pizza restaurants when it's a busy time and there's a lineup, contactless technology can make a huge difference. Quick-service restaurants are a primary targeted area for that," he says.

Hubberstey notes that restaurant owners who employ wireless or contactless devices in their businesses are also offering an added safety measure for their delivery drivers, as they will essentially be carrying limited amounts of cash.

As adoption of contactless payment methods increases, industry insiders are busily working on the next

Wireless terminals with debit and credit card capabilities are continuing to gain popularity, particularly with foodservice.

revolutionary payment technology. Within the next couple of years, consumers will begin to see the emergence of mobile payment options. The concept of mobile payments is that consumers will have a wallet on their





smartphones that they can simply tap against a contactless reader to make a purchase. Visa is currently working with TD Canada Trust on a mobile wallet, while MasterCard and Google are developing the Google Wallet. Van Duynhoven says the details of mobile payments are still being hammered out amongst industry players, including mobile network operators, mobile phone manufacturers and the banks.

The main obstacle at the moment is the availability of near-field communication (NFC) phones in Canada, which have the technology required to carry out mobile payments. Van Duynhoven predicts that mobile payments won't see any kind of mass deployment in the Canadian market until at least 2013 or beyond. "I can say right now it's probably more sizzle than substance. The whole aspect of NFC phones still needs a little bit more time. The challenge is there's not that many native phones that have that same contactless capability," he explains.

Hubberstey confirms that Interac Association is also actively developing mobile technology for debit purchases. "We're certainly looking to that for 2012 on the debit side. We're moving first to Interac Flash and will use that as the foundation to move to mobile and NFC payments as proximity payments," she says.

Pizza Pizza is having great success with the mobile payment technology craze in Canada by launching a multi-award-winning iPhone app earlier this year. The innovative end-to-end ordering system developed by Plastic Mobile allows users to view all Pizza Pizza products and specials, place an order and pay using their credit card or at the door. The application is also location based, using a geo-locator to find the nearest Pizza Pizza location.

Within the first two weeks of launching the iPhone app, it had 75,000 downloads and was reaching a new customer base. "It was amazing. We tapped into a new market and that's what every marketer wants: to acquire new market shares through new channels," says Salome Sallehy, marketing director of Plastic Mobile.

The Pizza Pizza iPhone app has continued to impress, with mobile orders increasing 15 to 35 per cent month over month as well as bolstering 10 per cent

more repeat customers per month than the pizza chain's online ordering option.

Plastic Mobile has received six awards for their innovative app so far this year, including a Webby Award in the category of Mobile Shopping for smartphones. "It was great because with our business we're constantly pushing back to convince CEOs to embrace something new and create innovations. Nobody really wants to be the first, so when we're able to overcome that first obstacle of convincing a client, it's a huge accomplishment. We've gotten a lot of kudos for this application," Sallehy explains.

Maggie Adhami, program director with Plastic Mobile, says the biggest challenge with mobile payment technology is gaining the trust of customers. "It's really just adoption, getting people to trust and move towards mobile payments. We've been using the Internet for payment for 10 years. I think mobile is the next evolution. When it comes from a trusted brand, I think people are more inclined to order," she says.

While mobile wallets are still a few years away, it will be interesting to see if Canadians are quick to embrace the technology once it is available. "Canadians are interesting adopters of technology. We tend to be not necessarily leading edge, but close to it. Once we do adopt, we adopt quickly and Interac Debit would be a prime example. We weren't necessarily the first out with pin-based debit, but once it took off, it really took off. We're now amongst the highest users of debit in the world," Hubberstey says.

For business owners, payment technology is a fascinating area of operations that, if due diligence is done, can lead to increased convenience for customers and an even bigger client base. •

Julie Fitz-Gerald is a freelance writer and regular contributor to Canadian Pizza magazine and Bakers Journal.

Visa is currently working with TD Canada Trust on a mobile wallet, while MasterCard and Google are developing the Google Wallet.