

5 WAYS PAYMENTS CAN BOOST GUEST LOYALTY

From online ordering to non-interactive payments, mobile-friendly technology is taking off in the restaurant world. With increased focus on technology and frictionless service, restaurants might think there's less opportunity to engage guests. While that might be true in some instances, overall, these technology-forward additions to the dining experience can create tremendous convenience and value for guests.

What's more, this technology is exactly what most diners are looking for when selecting a restaurant—the experience simply shifts from in-person to digital.

At the heart of these digital transactions is the payment, which, in an online or mobile environment, is primarily a credit or debit card. Modern customers want quick, convenient food options so including payment at the time the order is placed removes one more hurdle and gives the guest back time in their busy day. While the payment process may not seem like the ideal way to engage with customers, it does create opportunity to enhance the experience and increase brand loyalty.

HERE ARE FIVE WAYS THAT PAYMENT CAN HELP BOOST THE GUEST EXPERIENCE.

1.

ORDERING AHEAD

According to data from Deloitte Digital, 40% of consumers prefer to order food online. The ability to place an order for pickup or delivery ahead of time is convenient for guests, which can build brand loyalty, particularly when the ordering experience, quality of food and ease of payment come together.

But ordering ahead doesn't have to be a one-size-fits-all payment experience. Restaurants can offer options for payment at the time of ordering or at the time of pickup/delivery, whether with online payment options or sending the delivery driver with a specialized app and card reader to accept payments onsite.

Beyond the method of payment, though, online and advance ordering can be customized to each diner, reducing order errors. Ordering ahead also offers customers the opportunity to apply personalized promo codes and coupons or enroll in a loyalty program, and it also offers diners access to previous orders for even faster service. By giving customers a streamlined ordering ahead tool, brand engagement can thrive, since diners know their business is appreciated.

2. PAYMENT ACCEPTANCE

Payment acceptance seems like such a simple concept—after all, what restaurant doesn't accept all major credit cards, debit cards, and cash these days? But with new technologies emerging, it's important for restaurant corporations to stay on top of consumers' preferred methods of paying so that they can accommodate all customers.

Options such as mobile wallets and contactless payments have increased in popularity over recent years. With competition heating up in a tight market, restaurant operators should be looking to provide guests with the ability to pay in whatever form the customer desires.

Mobile wallets, which offer customers the option to pay by tapping their mobile devices to a touchpad, are accepted at chains such as Jamba Juice, Chick-fil-A, Baskin Robbins, Pizza Hut, Subway and Starbucks, and they're rapidly being added as a payment option at more restaurants and bars (both independents and chains) every day. Whether customers want to use Apple Pay, Google Pay or another alternative payment solution, restaurants can build their reputation for being ahead of the technology curve, which may translate to new and more loyal customers.

Other technologies that can impact guest engagement include cloud-based tablet point-of-sale systems, kiosks and touch-screen ordering—all of which help ensure accuracy. According to Technomic's *2017 Value & Pricing report*, 74% of consumers say that order accuracy is one of the most important amenities that creates value at restaurants. These technologies can also speed up the process of ordering, which can also boost the perception of value.

Offering a variety of ordering and payment options creates value by giving consumers the power and choice to order what they want, whenever they want and however they want. According to Technomic's *Value & Pricing* report, nearly a third of consumers say that the option to order and pay at a kiosk inside the restaurant is important for creating value. This is a testament to the self-service shift occurring across industries, including restaurants.

A much less obvious technology that can enhance the guest experience is a cloud-based tablet POS system. These systems do not require physical server hardware and integrate with functions such as digital payment, electronic receipts, automatic discounts and loyalty rewards. Because the system is cloud-based, everything is completed in real time, meaning that all restaurant operations are always current and system updates are completed easily. What this means to the customers is that with back-end functions happening seamlessly, they're able to interact with staff or technology in the way they desire.

3. PAYMENT SECURITY

With data breaches happening all too often, consumers are more aware of how their information is being used and stored by businesses, and restaurants are no exception. Security is therefore critical, especially with payment card data, but it's also important to build trust with customers by communicating what security protocols have been implemented to protect that data. For instance, a layered approach to payment security is recommended for in-person payments. Combining EMV-enabled payment terminals with encryption and tokenization ensures that payment card data is isolated from the point-of-sale and unreadable while in transit, making it useless to fraudsters.

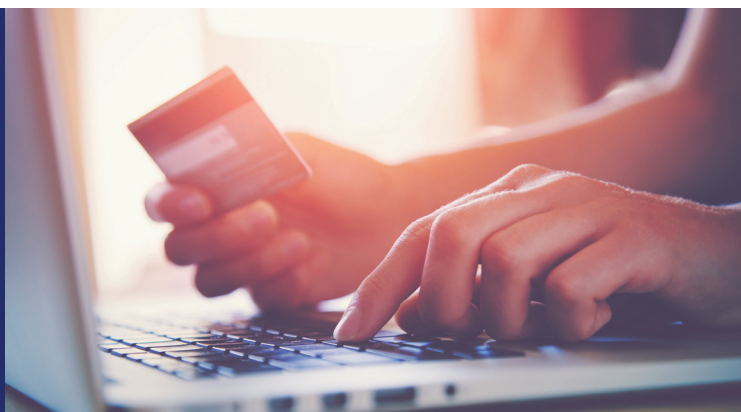
54%

of consumers say that they would use call-ahead ordering if it was offered.

47%

say they would use online ordering via a computer and **40%** would order from a mobile device.

Source: Technomic's 2016 Takeout & Off-Premise Consumer Trend Report





Online orders should be secured with SSL protocol to help encrypt the information; this helps prevent the theft of unprotected card details and other sensitive information. Operators should also make sure their systems and payment data processes are compliant with the Payment Card Industry Data Security Standards (PCI DSS).

At The Fort, in Denver, guest payments are protected by point-to-point encryption that renders all payment information useless to anyone trying to steal data. The restaurant's payment technology also removes the need to store any of the guest's information on the point-of-sale terminal. The combination of these two features virtually eliminates the risk of payment card information being stolen during a breach at the restaurant.

Highlighting the security measures to diners will not only build trust but will also establish a more secure payment environment that protects the restaurant's reputation as well.

4.

ORDER AND PAY-AT-THE-TABLE

Full-service restaurant operators should consider implementing a pay-at-the-table system, which eliminates several steps in the payment process, making it easier than ever to quickly settle the tab. Customers pay immediately without waiting for the server to return. These systems also put the customer in control of the transaction, boosting confidence in the security of the payment since the card never leaves their hand. Additionally, some restaurants have found that servers' tips increased when customers spent less time waiting for their checks—a clear sign of increased satisfaction tied to the convenience of tableside payment options.

Pay-at-the-table technology does decrease the amount of interaction the servers have with the guests and can limit the ability to gauge their overall restaurant experience. With pay-at-the-table options, it can be more difficult to quickly get those last-minute needs of the diner taken care of, since servers may be elsewhere taking care of other things. With that in mind, it's important for operators to ensure their staff is trained with specific instructions on how to ensure customer satisfaction.

Some restaurants that have implemented pay-at-the-table (and even ordering) include Chili's, which has installed more than 45,000 tablets across its locations. With these tablets, diners can bypass the server for payment and even ordering. While the tablets do decrease the interaction between customer and server, this technology still boosts guest loyalty, since diners appreciate the convenience of ordering and paying on their own timeline.

5.

LOYALTY PROGRAMS

Finally, a surefire way to increase guest engagement is by offering a loyalty program. Loyalty programs of yesteryear may have included punch cards or scanning a key tag. But today's modern loyalty programs can be—and often are—tied to mobile apps, which can include ordering and payment options, too.

For optimum enrollment and engagement, loyalty programs should be tailored to a variety of customers. Both digital and "analog" options should be offered for the customers who want to use a mobile app as well as the ones who'd prefer their loyalty program be a bit simpler (say, in the form of a punch card).

THE PAYMENT CARD INDUSTRY SECURITY STANDARDS COUNCIL publishes and maintains 12 security requirements to help merchants keep payment card data safe.



**ABOUT HALF OF
MILLENNIALS**

52%

say that it's important
or very important for
restaurants to offer loyalty
points or rewards.

*Source: Technomic's Consumer
Brand Metrics*

Digital loyalty programs can also be used to pull additional information such as order history or preferences of payment method, and that data can be used to personalize offers to each specific customer. For instance, if a customer comes in regularly for lunch during the week, an offer for 10% off a weekday lunch would be especially attractive to them. Likewise, if a customer stops in for happy hour on Fridays, a mobile loyalty program app could alert them to new happy-hour menu items.

Additionally, mobile loyalty apps can store customer information about past orders, which can increase customer satisfaction by speeding up the ordering process. Diners can open the loyalty app, login and reorder a past order—or choose something new—and in just a few clicks, thanks to the app storing their order details, can pay and earn loyalty points at the same time. By simplifying the process of ordering, these programs benefit consumers, and by increasing their enjoyment and brand loyalty, they continue their patronage, which benefits the restaurants as well.

And because these customers know their payment information is secure, thanks to operators' clearly stated compliance with security measures, they'll be more likely to keep using these apps to order from their favorite restaurants. By offering mobile ordering, restaurants instantly create additional value, which can increase loyalty.

California Pizza Kitchen recently launched a new loyalty rewards program, CPK Rewards, which makes it easier than ever for guests to indulge and earn. Perks include a free small-plate menu item just for signing up (good for use during the next visit); one point earned for each dollar spent, a free birthday dessert and special offers throughout the year. The program rolled out in April and offered an incentive of earning double the reward points to those diners who signed up within the first month of its release.

With incentives for joining and promotions tied to visits and participation, these programs increase brand loyalty and give customers the chance to feel like their opinions and experiences are heard.

HANDS-OFF TECH DOESN'T HAVE TO MEAN LOWERED ENGAGEMENT

Building brand loyalty and fostering guest engagement doesn't have to be difficult, even with the use of frictionless technology and other tech-based amenities.

Providing a variety of payment options increases guest satisfaction, and in some instances can actually drive new customers due to the "coolness" factor. Automating the experience with kiosk, for instance, can increase the appeal of a restaurant – a guest may choose to dine there because it offers something interesting and new. And automating parts of the visit, like ordering and payment, can allow operators to shift focus onto other aspects of the service, such as restaurant cleanliness or food running. Altogether, automation can have a big effect on customer enjoyment.

Implementing these options doesn't have to be complicated, either. With ecommerce and mobile payment systems designed specifically for restaurants, it's easier than ever. Let the payment professionals at Elavon help—visit www.elavon.com/future-restaurants today to learn more about payment solutions and how they can help restaurants increase guest loyalty and engagement.

