



INSIGHT

Keeping you up-to-date with everything Cardnet
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Card is King

Coins and tangible cash date back to long before the Romans and have both been the prevalent force of transferring goods for centuries. However, UK Finance has recently confirmed that debit card payments have now overtaken cash as the most frequently used payment method in the UK. 2017 was an important milestone as £13.2 billion debit card payments were made, versus £13.1 billion cash payments.

Contactless cards are playing a big part in debit card growth. There was a 97% increase of contactless payments in 2017 with £5.6 billion contactless payments on debit and credit cards. Customers are enjoying the relative ease and speed of making contactless payments.

The supremacy of cash is expected to further diminish in the years to come as new alternative payment methods arrive, taking advantage of mobile devices and biometric technologies. UK Finance even predicts that cash may only account for 16% of all transactions by 2027. It's important not to lose sight that cash still plays an important role for lots of people within British society and we must continue to support these groups. However for businesses, it is important to keep up with the trends around making the customer payment experience as easy and frictionless as possible.



Continued overleaf



Blurring of Offline and Online worlds

Today a consumer has multiple channels at their disposal and they tend to think of shopping as one experience, regardless of how they shop. They can use the traditional method and visit a shop, surf the internet on their laptop or use their smartphone. Consumers now expect the same experience across multiple shopping channels, including the same products being available both online and in-store. A common customer journey is now to view a product in-store, check additional product information on their mobile and then purchase on their laptop back in the comfort of their home.

'Omni-channel' refers to the ability for businesses to take payments across these channels in a consistent manner with alignment of back-office systems, to support a uniform customer experience. A great example of this is the new Amazon Go stores in Seattle. At these stores, customers enter the store, pick up the products they want and then exit the store. When exiting the store, Amazon charges the customers online account with the items taken and a receipt will appear in their account history.

This blurring of worlds enables merchants to reward loyalty to customers through any channel. Consumers are becoming savvier and Cardnet expect loyalty programmes to increase in popularity in the years to come. Additionally, businesses can find a product for customers even if it is not available in that particular store. It can be ordered instore and delivered to their home address or collected at a later date instore. This ability is called 'endless isles' in the industry.



It should be noted that not all businesses need to provide an omni-channel experience. It depends on the channels that you use and it also may not be economically viable due to integration requirements. If you are solely a face-to-face business or online business, omni-channel is not relevant to your customer experience. But for businesses that use multiple channels, it may be worth speaking to Cardnet to discuss options around creating an omni-channel approach. Great value can be gained by improving the customer experience through integration of retail, social media, online and mobile channels.

Exciting new partners

As the payments market continues to innovate and excite, Cardnet is always looking for new partners with beneficial technologies to bring to our clients. Cardnet recently held a successful partners day in Birmingham over the summer. Hedgehog lab presented at the day, a global digital transformation consultancy that specialises in helping brands design and build digital platforms. Hedgehog lab has expertise helping companies to use digital technologies and transform their end customer experience and operational activities.

They specialise in omni-channel digital experiences, digital product, mobile apps, voice apps, connected platform innovation, design thinking and R&D.

Agency of the year 2017

They are no.1 in the UK and Europe for mobile app development and won the 'Large UK App Agency of the Year 2017' at the UK App Awards in 2017.

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