



sage Pay

Face to face payment solutions

Mobile strategy for businesses on the go



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Overview

Are you offering your customers the best face to face payments experience??

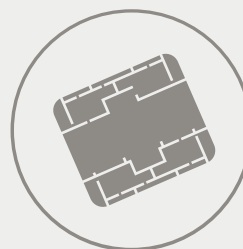
Currency has come a long way; where once our ancestors used non-monetary exchanges for goods and services, perhaps grain or cattle, in 2015 we are looking at a very different payments landscape. Face to face payments have always been the cornerstone and driver of economies; plastic now usurping cash as our preferred king. Credit and debit card payments are now ranked the consumer favourite – cash is fifth - and our signatures have almost become an archaic authorisation method. Our names have since been replaced by four digit numbers, PIN codes becoming part of our practical and financial identities.

The face to face story doesn't end there. The UK's Payments Council predicts **cashless payments to rise by 700 million this year**. A decade ago, this may have shocked both the

payments landscape and public but cashless capabilities like contactless payments - where consumers pay for goods using a single tap at a card terminal - are evolving the payments process. We're now looking at payment apps and eWallets. It is the consumer and technology, not businesses, that are driving this change in how we pay.

In this eBook we explore:

- Emerging consumer trends
- The adoption of the single tap payment and the major players who are driving it through apps
- How businesses can profit by providing consumers with familiar payment methods
- How you can get the most out of your card machine.



Chip & PIN



Contactless



Features to grow your business

The online and offline merge

Meeting new consumer demand

eCommerce, where you sell goods and services through a website, is here to stay. And it has helped shaped the face to face payments world. Consumers, who are now used to buying at their own convenience online, which is open 24/7, now expect to find similar features in-store.

Features like Click and Collect, a fuller range of delivery options and mobility in-store are blurring the line between offline and online. The most forward looking businesses are bringing the advantages of eCommerce into their physical premises. Consumer demand for convenience is pushing the boundaries of

face to face payments. The launch of Apple Pay, Android Pay and the Google Wallet only emphasise this – and we're keeping a close eye on their adoption.

Innovation and fluidity are key

Our economy might be prospering, but the fortunes of businesses can be mixed. Often the line between sink and swim hinges on innovation. Dynamism isn't restricted to big businesses with big budgets though; more and more start-ups and small businesses are pioneering new trading methods, tapping into niche markets and responding to new payment trends.

What has driven these demands?

Technology has afforded society an 'as and when' lifestyle - shop when you like, however you like. Online shopping has certainly driven new consumer expectations.

What do consumers now expect from retailers?

- Quick check-out times
- The ability to pay in their own currency
- An assortment of payment methods
- Multiple delivery options

Card terminals offer an array of consumer-focused benefits. Contactless functionality

alone can open up a whole host of loyalty-led consumerism.

While contactless and payment apps like Apple Pay and Android Pay have propelled mobile payments into the spotlight, providing your customers, who might be from overseas, with their preferred payment method is also the type of convenience that will drive sales.

55%

of consumers say convenience and speed are their top payments priorities

Contactless: Single-tap payments

When contactless first came onto the payments scene the consumer market stuck to chip & PIN, eyeing this new-fangled single tap system with suspicion. It is now one of the most popular payment methods.

So what's driving this shift in perception and usage?

Simply, contactless payments benefit both customer and business. With more corporations encouraging contactless payments and consumers using the functionality more and more, the adoption has gained so much momentum any business not accepting contactless will be left behind.

Recap: what is contactless?

Contactless payment is achieved using near field communication (NFC) which allows consumers to tap their cards to quickly

pay for goods under £30/€30 (the CVM limit) without entering their PIN into a card terminal.

Why the popularity?

Taking just a second contactless payments are quick, there's no need to manually enter a chip & PIN and they negate much of the need to carry cash or have correct change.

Business are adopting contactless payments because the speed and ease helps to reduce queue times.

Contactless payments have grown

275%

since 2014

The evolution of mobile shopping

Fingerprint technology

Apple Pay uses smartphone fingerprint technology (available on the iPhone 6 and iPhone 6 Plus) and the launch of the application, which sits in the iPhone's Passbook app, is both exciting and significant for businesses.

With mobile spending growing at **36%**, having a major player like Apple entering the payments market has certainly increased consumer awareness around contactless functionality.

While the feature has been available to our American friends for more than a year, shoppers on home soil can now use it in a variety of stores.

High value contactless

The popularity of the single tap payment is driving the need for high-value contactless transactions.

As consumers become more familiar with and trust contactless technology, there's a demand to pay for goods over £30/€30 (a recent increase from £20). Using technology (like a smartphone or wristband) installed with HVC services or with apps like Apple Pay, Android Pay or a digital wallet, which verifies the cardholder's identity, it is possible as there's no CVM limit.

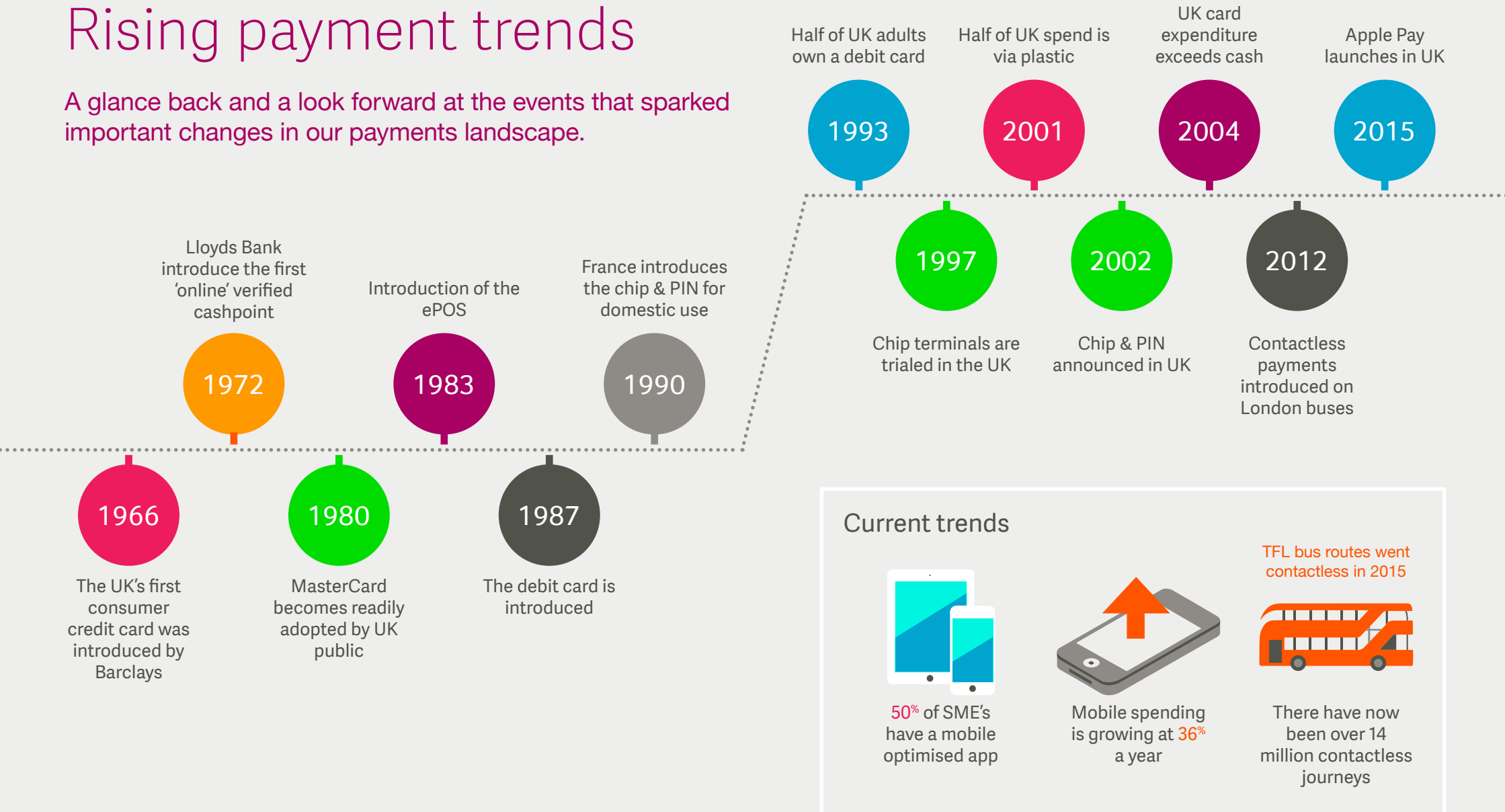
Convenience is commodity

The popularity of contactless and these new payment methods simply reflect consumer habits and are driven by their demand for a much more tailored payments experience. Our 2015 Payments Landscape Report details how important this is to consumers, with 44% keen to see much more tailored payments processes from retailers.



Rising payment trends

A glance back and a look forward at the events that sparked important changes in our payments landscape.



Omnichannel shopping

Consumers now seek a consistent shopping experience and they want to buy in a way that suits them, offline or on-line. While providing this choice for consumers has proven to increase sales, profit and loyalty, businesses need to go further. Having a consolidated view of all channels is the key enabler.

Channel agnostic shopping

We now live in a world where 34% of consumers use three or more channels when shopping; in-store, apps, desktop and mobile.

Where you might see your channels as individual units that are managed separately, your customers sees just one brand experience. Channel agnostic shopping is driving the need for businesses to have a single payments system that is as dynamic as their customers' purchasing needs.

A complete customer view

A connected, omnichannel payments system allows for a complete 360-degree customer view, providing insights into customer purchasing habits and behaviours. Payment channel integration creates a true omnichannel experience, where your customers shop on their preferred device or location.

True personalisation

Mobile has revolutionised the way we shop and consumer expectations are driving the trend for a much more personalised shopping experience – including in-store recommendations, multiple delivery options and location targeting.

Cloud Connect

Our Cloud Connect solution works with leading ePOS software and hardware providers to deliver a solution that can bring online shopping features in-store. By consolidating your customer profile and inventory databases and your ePOS software with your online store, you're able to give customers a consistent experience across all channels. Our tablet-based solution gives customers the mobility to shop and pay anywhere in-store – while retaining all purchasing history so you can deliver a personalised experience.



Spotlight: Golden Week & China UnionPay

You may not be able to talk your customer's language, but you can offer some familiarity when it comes to their preferred payment method. This year, 250,000 Chinese tourists are expected to visit the UK. We predict they'll spend £600m - £100m more than last year. Chinese custom has never been bigger business, so how can you profit during Golden Week?

What is Golden Week?

Golden Week is a 7-day national holiday that happens every year in China. The first day of Golden Week is October 1, which is also the National Day of the Peoples' Republic of China. This national day of celebration was introduced in 1949, and was extended into Golden Week in 1999 by the government. The intention behind Golden Week was to promote domestic tourism although in recent years, rather than travel internally, many Chinese tourists are coming to Europe. With 480 million Chinese tourists expected to travel this year (source: China Tourism Academy), shopping just got serious.

Golden opportunities

The UK has seen an influx of tourists from mainland China, with over 200,000 visiting in 2014 (spending £500m) and their spend set to increase to £1billion by 2020. China's outbound tourism boom could have significant gains for retailers in the UK – however it hinges on being able to provide a payment option that is familiar to them.

Union Pay: Your Gateway to the East

Partner with Sage Pay to enable acceptance of UnionPay on your card terminal to:

- Attract more customers to your store
- Increase revenue
- Provide a better customer experience

Our terminals come preprogramed with all the functionality need to accept UnionPay cards. All you need to do is plug in your terminal and you're ready to go. When someone pays using a UnionPay card, the terminal will automatically identify the alternative payment type and process the transaction as usual. Sage Pay offers:

- No set up or transaction fees
- Easy to set up solution
- Highest level of PCI DSS security



Chip & PIN



Dynamic Currency Conversion



The tourism industry is forecast to be worth over **£257 billion by 2025**



Tax free shopping

Globalisation

Portable and countertop terminals offer a host of worldwide payment solutions, enabling you to capture business wherever your customers are, and however they choose to pay.



Are you getting the most out of your card terminal?

As how we choose to pay for goods and services evolves, businesses need to ensure that they are offering customers not just the latest but the most convenient ways to pay.

Secure payment options

As consumers, we are predisposed to finding the easiest ways to go about our shopping – but also the most secure. Whether this means paying through chip & PIN, contactless or an app, security is paramount. With Sage Pay, you receive the very highest levels of security – PCI DCC Level 1 – so you are assured that your customers are in the safest of hands.

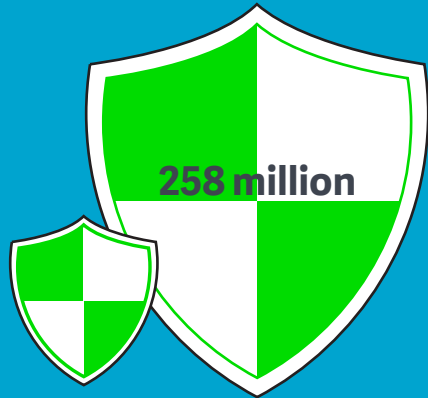
Make Sage Pay your complete face to face payments partner and benefit from:

- Tax Free Shopping
- Dynamic Currency Conversion
- UnionPay
- Apple Pay
- Android Pay
- Contactless
- Omnichannel options/ePOS integration

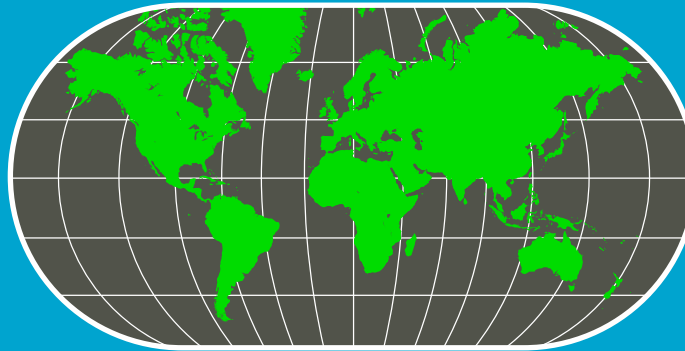


Facts about Sage Pay

sage Pay



We securely process over 258m payments worth 21bn each year



We're helping over 50,000 businesses grow faster



At a speed of 1.7s per transaction, Sage Pay has the 2nd fastest payment gateway in the world



Sage Pay is part of the FTSE 100 Sage Group



Fast, secure and reliable



Integrates with EPOS solution

Sources:

Sage Pay Payments Landscape Report 2015

Sage Pay Payments Landscape Report 2014

eMarketer

IMRG

Shop.org

