

MAG Summer 2021 Customer Experience SIG Notes

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SIG Group Leaders

Wes Sweet (Walmart), Donna Steele-Ponder (McDonald's)

Report provided by Beth Costa (Oliver Wyman)

Action Items

1. Eric O'Brien has shared information on SRC, as requested in the last Customer Experience SIG

Notes

Welcome & Introductions – Wes Sweet, Donna Steele-Ponder

1. Welcome to new attendees
2. Reminder that attendees are bound by the antitrust statement read in the general session

Topic One

1. What is the most significant CX issue you are facing?
 - Labor shortage is an acute issue for many merchants
 - Self-service capabilities also require interactions with the customer
 - What helps? Encourage use of app, roll out tech in drive-through to encourage more contactless interaction, loyalty has been working well to drive more mobile usage
 - Guest friction – payment acceptance, speed of checkout
 - One merchant noted they just piloted QR code (specific to payments) through mobile app and were surprised with low adoption
 - Another merchant recommended thinking about how to make the value proposition for customers to include capabilities beyond payment such as loyalty; the app needs to be discovered first which will lead to increased adoption
 - There is also a generational element, younger gen is much faster than older people may be; be sure there is education around what QR codes are so people get more comfortable with it
 - Kiosk is not necessarily faster than a human, but younger generation migrate to the machine more than a person
 - Contactless
 - Refunds
 - Transparency of charges
2. What are the benefits of offering preloaded values in merchant app vs. allowing card on file in app?

- For example, put \$25 in app and carry that in the wallet vs them just having a card on the app.
 - Preloading amount onto stored value vs allowing direct open loop card to pay – considerations include cost of acceptance, customer loyalty
3. Delivery became increasingly popular during the pandemic; how has it impacted customer experience?
- Stores are reconfiguring physically
 - One merchant noted their delivery is much smaller in scope than others, but they did introduce curbside which is exceptionally popular and they plan to keep it; they have seen significant increase in refunds b/c of this; need to confirm food is warm, payment is correct. Biggest driver of refunds is an incomplete order; a challenge when you have labor shortage (can't double-check order, for example)
 - Returns is a huge consideration for other merchants as well, particularly with payment-related issues. As customers may purchase on one channel (.com) return in different channel (in store), need to be sure the merchant can recognize the payment appropriately
 - A QSR merchant noted they face significant challenges on refunds – match them up especially if online or mobile transactions are in a different system than in-store; how do we refund if they buy in store (one system) and return online (different system); how to ensure the merchant processes returns to same restaurant (owned by different owners); how do we not create a bigger problem by doing this – especially with two processors and multiple owner/operators; how get refund back on same card, etc.
4. Is cardholder name available for EMV contactless payments?
- It is believed that the field is available, but it's the issuer that needs to input that value; more and more, best practice to NOT input the data; thus won't see it 100% of the time
 - A merchant posed this question to our acquirer and they said it is not available
 - Name comes through the same way as contact payments – not different between contact and contactless specs
5. Is anyone exploring Secure PIN on glass?
- Consumer off-the-shelf (COTS) device (mobile payments, using card readers that are separate from POS) where there is no separate PIN pad; one merchant said they are being challenged on the experience – do others have feedback or guidance to others on how to do it?
 - PIN on glass is being used by some grocers (acquirers market it this way) through in-app services; use case is often when you want cash-back which grocers often do; seeing it more in use case with EBT
 - Robert (mcd) – next gen of terminals does have pin on glass, but we didn't select that (all of ours have pin-pads); we are heavily PINless in McD
6. What is getting in your way (from a payment perspective) when you're engineering a better experience?
- What are cost implications of CP vs CNP? Networks' future state to enable a new way to transact with customer through device;
 - Where and how are you injecting a fraud check, what is fraud mitigation strategy that impacts UX? If you're doing checkout at places other than traditional checkout lanes, how are you checking to validate customer actually paid for the product, checking the receipt? This may vary based on customer segment, generational considerations.
 - The scan and go experience is trying to be an easy exit oppy but one merchant noted they still put in the same points of control (exit through self-checkout lane, for example); other considerations: are there other areas of risk predictors we can add along the journey; if we know the customer, would we let them exit without requiring these checks? Do the associates trust these systems?

7. Has anyone implemented PayPal and can you characterize adoption?
 - The MAG has had PayPal come talk about their implementation
 - One merchant said they are looking into the solution; considerations include: how to mitigate fraud in CNP environment? If you take a stolen cc and put in PayPal account, how does that play out in a CNP environment? What is the value of a PayPal wallet vs. a card? What about brand risks if PP is the brand at checkout?
 - Paypal's guarantee around fraud is generally stronger than the card networks' guarantees
 - Merchants said fraud rates to the merchant are lower on PP because they screen the card and they provide guarantee, so net net is lower to the merchant
 - Another merchant noted they have not seen cannibalization
8. How are others measuring payment and CE (quantitative and qualitative)?
 - Measuring fraud rates and declines; once we did analysis, were we turning away good customers?
 - Track success rates for registration, add card to wallet – look at it from processor standpoint and the app standpoint as they are not the same.
 - Card registration, payment approval rate are key steps to watch
 - Speed of payment in card-present
9. Since pandemic, increase in EBT acceptance?
 - One merchant reported many inquiries to support
 - Another merchant said it's a big part of their business, so challenge is to offer the same level of frictionless experience for customers using EBT; still not same level of support as for card-based transactions
10. Does anyone currently offer BNPL and how have customers responded?
 - The MAG has a BNPL Community of Practice and is working on creating state of the industry including: who are providers, experiences they're offering, merchant operations – how does it work for returns, etc., is it card-based, etc. The MAG has a small group of merchants meeting with providers and will publish a state of the industry guide
 - If anyone wants to get involved, contact Eric O'Brien
 - The MAG is also having a panel session during the upcoming September conference with competing providers and will ask them how they coexist together