

Lunch Garden able to extend customer service with affordable debit card transactions, thanks to Banksys XENTA Internet solution



« Banksys XENTA Internet gives us the ideal combination of affordability, speed and security that enables us to expand the payment options we offer our customers. »

Thierry Bontinck, ICT Manager, Lunch Garden

Company profile

With a chain of 59 outlets - 49 of which it owns and operates itself and another 10 that are run through a franchising formula – Lunch Garden is Belgium's self-service restaurant market leader. Each of the restaurants is open every day of the year, from breakfast through to dinner in the evening.

Lunch Garden serves approximately 22 million meals a year using what is known as a «free flow» system, in which diners put their own meals together at a series of food stands. Lunch Garden had a turnover of 116 million EUR in 2005, operating with a total staff of around 1,500. Although the current trading name – Lunch Garden – was only introduced in 1997, the company has been in business for almost 40 years.

➤ The Challenge

- To enhance customer service by extending payment options to include debit card transactions
- To keep the infrastructure and processing costs involved in electronic payments to a minimum
- To keep transaction times at cash desks as short as possible so that meals do not get cold while waiting

Electronic payments were introduced to Lunch Garden in 1998, although this used to be limited to credit card transactions only. Processing was off-line and the daily totals were sent overnight in a batch file.

The company had two important reasons for restricting electronic payment to credit cards, the first of which was related to its quality policy. Lunch Garden's primary aim is to continue serving top-quality meals at an attractive price, while providing customers with the smoothest possible service. Quality also means that the meals still have to be hot when customers get to their table. To do that, there needs to be a rapid throughput at the cash desk – and that was made possible by off-line credit card processing.

Reason number two is linked to the cost of paying electronically. This element is important, because the average spent is only 9,55 EUR – lots of Lunch Garden customers just pop in for breakfast or a quick snack or a cup of coffee. Making customers pay for the transaction was not an option, because of Lunch Garden's budget-friendly and client-oriented image.



But satisfaction surveys indicated that increasing numbers of customers wanted to be able to pay using a debit card. Having that option was particularly important on a Sunday, when they could not pick up cash from the nearby Carrefour store. So in 2005, Lunch Garden began looking for an affordable, fast and secure solution.

➤ The solution

- SSL-enabled Banksys XENTA payment terminals for debit and credit card transactions in Lunch Garden restaurants
- Existing broadband Internet infrastructure

With the advent of the EMV standard for electronic payment transactions, Lunch Garden was obliged to replace its Banksys terminals at the beginning of 2006. "That was the trigger for us to start looking for a fast, affordable solution for debit card payments," says Thierry Bontinck, ICT Manager at Lunch Garden. "And it just so happened that Banksys was conducting field tests in 2005 for a new terminal, the XENTA Internet. The solution relies on the SSL protocol to secure the communication of transaction data over a traditional broadband Internet connection. This was the dreamed-of solution we were looking for, because we had just set up a broadband cable network to connect all of our restaurants with the head office."

So Lunch Garden decided to join in with the field tests, which ran from November 2005 to April 2006. Banksys provided excellent support throughout the entire period. "The test was run at our restaurant in Evre, which is located close to both the Lunch Garden head office and Banksys itself," continues Mr Bontinck. "Any minor wrinkles that cropped up – as you would expect – were all remedied quickly and cooperation with Banksys was outstanding, so the technical challenge of connecting to the Internet infrastructure was rapidly overcome."

By the time the new terminal was commercially available from Banksys, in April 2006, Lunch Garden was also convinced. "We were able to compare the results in terms of speed and reliability with a test set-up with Banksys C-ZAM/SMASH terminals via a leased line that had already been running in two restaurants for a number of years," he says. "The system ran at high speed, but was too expensive to roll out to all our restaurants." Comparisons were also made with the ISDN solutions of two other providers, but the cost of the extra cabling and line rental was too high.

The introduction of XENTA Internet terminals at all outlets began at the end of May and was completed by 20th June. In all, there are 111 terminals in operation, making about 2 per restaurant.

➤ Business benefits

- Enhanced customer service with the introduction of debit card payments
- A combination of high speed and low costs thanks to broadband Internet technology
- Security of traffic over the Internet guaranteed by SSL protocol
- Well-monitored test phase and fast, effective installation by Banksys

Although it was too early for an in-depth assessment of the new terminals at the end of August 2006, Thierry Bontinck has been able to draw a few conclusions already.

"Our regular customers have responded enthusiastically to the debit card payment option," he says. "Speed is up to our expectations – waiting times at the cash desks has certainly not got any longer, quite the contrary in fact. It seems that paying with Proton – still an off-line transaction – is now even slower than the on-line debit card payments! And because we already had a cable network in place, infrastructure and communication costs have been minimal."

Lunch Garden intends to encourage the further use of debit cards – less cash means greater security and less work – and expects to see an increase in the number of debit card transactions. Integrating the payment terminals with the cash desks is planned for 2007.

Configuration

- Banksys XENTA Internet payment terminals at 111 cash desks
- Telenet Internet connections
- LANs at all restaurants connected over Internet with VPN network to Lunch Garden headquarters
- Banksys SSL acquiring contract

