



**Wednesday, May 14**

**Track B**  
**Payments & Applications**

**Session: Retailer Roundtable**

**Time: 1:30 PM – 3:00 PM**

**Room: W203 A&B**

**Moderator:**

**Mohammad Khan**

*President & Founder*

**Vivotech**

**Speakers:**

**Michael Liard**

*Research Director, RFID & Contactless*

**ABI Research**

**Gavin Waugh**

*Sr. Director of Treasury*

**Arby's**

**Ken Lytwyn**

*Director, Payment Systems & Relationships*

**Petro-Canada**



## Payment Systems & Relationships

CTST Retailer Roundtable  
May 14<sup>th</sup>, 2008



### Overview of Petro-Canada

- One of Canada's largest oil and gas companies, operating in both Upstream and Downstream sectors in Canada and internationally (operating earnings in 2007 of \$2.7B)
- Head-quartered in Calgary, Alberta with Downstream Operations centered out of Mississauga, Ontario

#### Refining & Marketing

- ❖ Canada's second largest downstream company based on overall sales of refined products (16% share)
- ❖ Refineries in Edmonton, Alberta and Montreal, Quebec produce 13% of Canada's refining capacity

#### Retail

- ❖ "Canada's Gas Station" with a network of 1,300 retail outlets across Canada
- ❖ 20% Market Share; 700K transactions / day; 80% done with Credit and Debit cards
- ❖ SuperPass Commercial Fleet Card Program
- ❖ Petro-Points "Loyalty" Program
- ❖ Petro-Canada Specialty Cards
- ❖ Citi Petro-Points Co-branded MasterCard





## Contact-less Acceptance

### Canadian Payments Landscape

- ❖ Canadians are highest adopters of electronic payments in the world
- ❖ Counterfeit fraud losses in Canada continue to grow
- ❖ Petro-Canada's decision to roll-out contact-less nationally
  - ❖ Citi Petro-Points Co-branded MasterCard with *PayPass*
  - Growing customer adoption
  - Learning & Future Opportunities

### Contact-less and EMV

- ❖ Canadian payments infrastructure has commenced multi-year migration to EMV
- ❖ EMV to boost Contact-less growth

### Other Payment Related Concerns for Retailers





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## The Arby's Perspective on Contactless

Gavin Waugh  
VP & Assistant Treasurer  
Arby's Restaurant Group, Inc.

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## Key Business Drivers

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- Speed / Efficiency
- Convenience
- Security / Reduced Fraud
- Differentiation / Loyalty / Gift
- NFC Introduces New Opportunities



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## Challenges & Costs

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- **Early Adoption**
  - Level of Issuance & Target Markets
  - Customer Education
- **Equipment**
  - Initial Cost
  - Integration with Existing Equipment
  - Ongoing Maintenance
  - Firmware Updates
- **Calculating ROI**
  - Reporting
  - Measurement
  - Availability of ROI Models



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## The Arby's Experience

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- **Background**
  - Pilot: Feb thru Mar 2006
  - Roll out: April thru Jun 2006
    - 1,000 Corporate owned restaurants
    - 100% Inside restaurant, 80% Drive-thru
  - Franchisee adoption not mandatory but there is interest
- **Roll Out Challenges and Key Learning's**
  - Training challenges: cashiers *and* customers
  - Tech support challenges
  - Certification complexity
  - Building configuration challenges



## The Arby's Experience

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- **Results so far**
  - Contactless average ticket is lower than mag. stripe
  - Customer usage is low in markets with low issuance
  - Customer usage varies greatly between markets with high issuance
- **Next steps for Arby's**
  - Measuring program effectiveness & refining ROI model
  - Working with hardware vendors on hardware improvements
  - Continued "pressure" on issuers to boost issuance
  - Monitoring developments with Contactless, NFC and OTA deployments



## Contact Information

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