

Jack in the Box adding quick-pay system

Restaurants, customers both save valuable time

By Frank Green
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Jack in the Box is moving into a new restaurant category: faster food.

The San Diego-based company will install technology at all of its restaurants by mid-December that allows customers to pay by holding their credit cards in front of a reader at the checkout counter or drive-through window.

“Convenience is a critical issue with our guests,” company spokesman Cason Lane said.

He said the contactless system is designed to accept special credit cards issued by American Express, MasterCard and Visa.

Low-frequency radio waves emitted by transponders at a cash register or drive-through window decipher a customer's account information embedded in a chip in the credit card. Purchases then appear on the next month's credit card bill.

Jack in the Box isn't the only company riding the contactless wave of the future, which is used in more than 35,000 U.S. retail outlets. The roster includes some or all outlets for CVS Pharmacy, 7-Eleven, AMC Theatres and Regal Cinemas.

Contactless pay is especially important in the fast-food industry, because it shaves off crucial seconds from a transaction in which a speedy order-to-delivery time can determine if a customer comes back. Fast-food leader McDonald's has contactless pay systems in some of its restaurants.

Customers using contactless pay cards save an average 12 to 18 seconds at the checkout compared with other pay methods, according to a report in the current issue of *QSR*, an industry magazine. That could mean a lot at a fast-food restaurant such as Jack in the Box, where *QSR* estimates the average transaction time is already under four minutes.

“This is a win-win situation for (Jack in the Box) and consumers,” said Robert Sandelman, a restaurant consultant at Sandelman and Associates in San Clemente.



Jack in the Box
Credit card companies say customers spend more money and make more transactions when using contactless cards compared with traditional credit cards.

Credit card companies said their studies indicate that customers spend more money and make more transactions when using contactless cards compared with traditional credit cards.

“Increasingly, cards with this function go to the top of the wallet,” MasterCard spokesman Tristan Jordan said.

In a recent MasterCard survey, customers using the company's PayPass cards had a 45 percent increase in transaction amounts compared with traditional credit cards.

There was also a 36 percent average increase in usage per account, Jordan said.

Another MasterCard survey found that the opportunity for credit cards of all kinds continues. Sixty percent of respondents said they were carrying less than \$20 in cash – an increase from a similar survey conducted in 2003.

It may soon get even easier to pay for that Jumbo Jack.

Jack in the Box's Lane said the company is also looking at technology that would allow customers to wave a company gift card – or even a cell phone with an account – past a transponder to pay.

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