

Dual Pricing Helps SC Bar Control Payment Processing Costs

NIGHTCAPS CONTINUE ITS TRADITION AS A GATHERING PLACE

Operating a bar can be a great business opportunity, but it often becomes so much more. A bar can give members of the community a gathering place, a place to meet new people, and a place to make memories, particularly when it's located in a college town. A point of sale feature, Dual Pricing, can help that tradition continue.

WHERE NIGHT OWLS GATHER IN SC

Nightcaps located in Columbia, SC close to the University of South Carolina has established itself as a welcoming neighborhood tavern and after-hours nightspot, serving customers, from service industry workers to wedding after-parties. Although Nightcaps sees a high volume of business for both food and drink, especially during the college spring and fall sessions, increasing costs have threatened its margins. Liquor liability insurance premiums in South Carolina have skyrocketed in recent years, and rising food, liquor, labor, and operational costs have added to the challenge of operating a profitable business.

Nightcaps needed a way to decrease costs while still providing the community with a familiar gathering place. The dual pricing model, which gives customers the choice of paying a lower cash price or using a credit card, has helped the popular bar to rein in payment processing costs.



Business: Nightcaps

Challenge: Find a way to lower payment processing costs

Solution: Reflection POS® with dual pricing features, RHQ, and PCWS

Results: Cost control and positive response from customers who now have the choice to pay a lower cash price or to pay the regular card price.



WHAT IS DUAL PRICING?

Dual pricing allows taverns to give their customers the choice of paying a lower price when they use cash or to use the convenient forms of payment they love, like credit cards or mobile wallets, and pay the regular price. When customers know the cash price is lower, they often choose to pay with cash, which lowers payment processing fees. It can also give budget-conscious consumers in a college town the opportunity to save some money when they enjoy a night out.

The payment model is legal in all 50 states, but bars and taverns, along with all other merchants offering the choice, must comply with card brand regulations and local laws. That's where Reflection POS® comes in. Nightcaps, an NCC customer since 1999, recently upgraded their Reflection POS system that includes compliant dual pricing. It's designed to take the guesswork out of dual pricing, allowing Nightcaps to configure the system with the standard price and then lower the price when customers pay with cash. Reflection POS does all the calculations, so employees don't have to, and it also tracks cash versus card sales for accurate reporting. When it's time to wrap up the sale, Reflection POS lets Nightcaps print a compliant presentation check that shows both card and cash prices and a receipt that shows how the customer paid.

ANOTHER ROUND AT NIGHTCAPS

Offering dual pricing gave Nightcaps some much-needed breathing room in its operating budget by, as expected, lowering payment processing costs. With more customers paying with cash, cash flow also improved, enabling the bar to immediately deposit funds into its accounts.

Employees have provided feedback that the system is easy to use, and when customers save a little money on their food and drink, they seem more open to leaving bigger tips. Customers also appreciate control over how much they pay, but it still gives them the convenience of using a credit card when they choose.

As a Reflection POS user for more than two decades, Nightcaps continues to benefit from other features of the secure, embedded POS software, including Bar Tab Pre-Auth or Incremental Auth, Backoffice Software, and Above-store Management. Now, compliant dual pricing adds more value by helping Nightcaps control costs while enhancing customer experiences as regulars and new friends gather in this popular spot.

