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Best cover available

Why go with Cash Connect?



Other Retail Cash Solutions

1. SABS built safes deter, deflect and defend armed robbery attack
2. Your cash is insured from drop to bank
3. Same-day, next-day and two-day value options available
4. Unique funding structure guarantees your protection
5. All inclusive, multi bank access
6. One contract, end to end service including CIT available.
7. Comprehensive, web-based financial reporting on tap

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We are the fastest growing retail cash solutions company because we go the extra mile!

Brand new feature

Great, I can stay with my own bank!

Cash in transit

Check this feature out on our website www.cashconnect.co.za

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**CASH
CONNECT**
Go the safe route



Save your customers time & money

ATMs, EFT, prepaid, value added and financial services in-store

Cut-price groceries have always been the main focus of supermarket efforts to drive feet into stores. In today's time pressed world what you offer in the way of ATMs, payment method, prepaid, financial and value added electronically delivered services in-store can be just as important to the shopper's choice of store. In short, they can make you a destination store.

For example, Shoprite Checkers is reported to process one million money orders a month. That's a million people sending money orders from their stores each month and a million going into their stores each month to collect the money – which also means that a lot of that money will also be spent in the store! In addition to bringing feet into the store, these services can also make you money by way of transaction fees and commissions, or save you money by reducing cash deposit fees.

BY STEPHEN MAISTER

The way you set up these facilities and make them available to your customers in your store has a direct impact on the time saving convenience they offer, their sales, your costs and their impact on important related operational and security issues.

Here's some of the ways these play out and their advantages and disadvantages.

ATMs

The chief benefit of ATMs for stores is that consumers will come to your store to draw money and about 20% of the money drawn from the ATM will be spent in the store. However, to a customer, not all ATMs are equal. It depends where they bank. Using a 'foreign' branded ATM can cost them anything from R2 to R15 more for a cash withdrawal. Considering that there may be less than R15 difference on the cost of a shopping basket between one store and the next, having their brand of ATM in-store could well be a tie-breaker for choice of shopping destination.

A selection of leading banking brand ATMs in-store is a useful way of attracting more customers to one's store, failing which, if you can only have one, the brand that will bring most feet to your store in your catchment area should be the preferred choice.

There's something else to consider. The uptime performance of ATMs plays a significant role in the number of transactions achieved, says Rob Rogon of ATM Solutions, a leading ATM provider. "Research shows, he says that consumers hardly ever return to continue their transactions at an ATM where a temporary out-of-order sign was previously displayed."

This is a problem with cash-in-transit (CIT) cashed ATMs which regularly run out of cash at busy times especially over week and month ends. Self-cashing ATMs on the other hand have their own problems. Unlike the process of provisioning a cashier with a cash float and then checking their takings, which requires two opposing parties to agree and sign for the money, self-loading ATMs don't sign for the money cashed into them. ▶



Trade Link
Retail Systems (Pty) Ltd

*We have 'been around'
for the past 15 years.*

*Now we're ready to **GROW** with you!*

Trade Link Retail Systems is a leading South African Retail IT Solutions Company, focusing primarily on the retail Fast Moving Consumer Goods (FMCG) markets in RSA and Africa.



We provide software solutions and services to manage your

Point of Sale, Front Office and Back Office needs, using RETALIX Storeline and ERS' Retail Manager software complemented by our professional development, support and project management services to guarantee you the best system, tailored for your environment. We provide links to key strategic systems for full support of Financial systems, Bank Card processing, Airtime sales, etc.

From small beginnings 15 years ago at our Durban office, we have grown to a group of over 70 staff operating from 6 regional offices, while maintaining our personalised service levels with our clients.

Our staff continues to grow and share our expertise with store owners and business groups, focusing on providing the best full Retail IT service and products to the market.

We are proud to have worked with the SPAR group for 15 years and the Shoprite group over the last 10 years. We dominate the POS market in Zimbabwe, at OK Zimbabwe, Meikles and TM Supermarkets.

Today we look after the front end and back office software and maintenance needs of over 1 500 stores, representing over 19 000 POS lanes in 17 African countries. Our two main clients in SA, the SPAR Group (KWIKSPAR, SPAR, SUPERSPAR & TOPS) as well as the Shoprite Group (Shoprite, Checkers, Checkers Hyper and U-Save), according to the latest market research for the year to October 2009, cover over 50% of the RSA retail food market. This means that over 50% of the groceries bought from the major chains in RSA are rung up on our front end software and supported by our professional services.

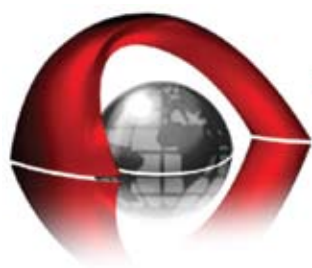
We have recently launched our Professional Services arm of the company to provide localised development and project management services for the local African market, always focused on supporting our retailers in the growth and profitability of their businesses.



About Trade Link Retail Systems

Trade Link was formed as a privately owned company in 1995 to offer professionally managed retail front office scanning solutions to the SPAR group of retailers. In 2001 we took over the POS support role for Shoprite Checkers. We then expanded in Zimbabwe where we now support all OK Zimbabwe, Meikles and TM Supermarket stores.

We have regional offices in Gauteng, Cape Town, Port Elizabeth and Durban. Our branch offices are located in East London, Bloemfontein, Nelspruit, Botswana and Namibia. We employ over 70 skilled people, including retail consultants, developers, and support staff. Our focus on the retail sector has allowed us to build specific consulting expertise and focus on providing tailored, development and support driven solutions, covering large corporate retailers, smaller retail groups and distribution centres.



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FMCG Market

key factors supported:

- Flexible merchandising supply and controls for supply chain management
- Greater retailer stock control to limit theft and stock shrinkage
- Systems ease of use and training/support for retailers and their staff
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IN-STORE FINANCIAL SERVICES ▶

Self cashing ATMs

There is also another associated security problem with self-cashing. One of the best ways of reducing the risk of robbery and the loss associated with it and at the same time cutting cash office counting and admin costs is the use of automated retail cash management machines. Cashiers directly feed their takings into them. The machines count the cash, provide the cashiers with a receipt, automatically bundle the cash and deposit it into a secure vault while immediately messaging the bank to credit the retailer with the deposit. This immediately transfers the risk of loss in a robbery to the service provider and effectively reduces the amount of cash lying open in the cash office.

Self-cashing ATMs mean cash from takings has to be removed from this process, increasing cash handling costs and the security risk. This extra burden / risk of fraud that self-cashing imposes has to be weighed against its advantages: reduced cash deposit fees and more up-time on the ATMs – especially at peak trading periods.

The benefits of self-cashing can be huge. For example, one large independent with a monthly turnover in the high teens reports they recycle 60% of their cash takings into their ATMs which saves them between R40 000 and R60 000 a month in cash deposit fees. At the same time they note that the CIT-loaded bank ATM nearby in their centre regularly run out of cash over week and month ends.

Can the security risk of self-cashing be reduced? Richard Phillips of Cash Connect, an automated retail cash management service provider and secure cash handling expert says that if you must self-cash ATMs in-store, use rear loading models that are backed onto a secure environment. This eliminates the public seeing you cash the machines and the opportunity for a cash grab by robbers which you will have with front loading ATM models. "Out of sight is out of mind", he says.

Choosing and placing ATMs

There is today a wider variety of ATM models and more service providers to

choose from. There are also a variety of different payment and commission earning plans available to retailers in part dependent on the service provider's estimate of the number of transactions the location will yield.

ATM Solutions' Rob Rogon, reckons roughly on 800 transactions a month for a self-cashing ATM to break even and 1 500 to 2 000 for a CIT cashed unit. He says that they analyse the transactions by bank that a machine makes and when the volumes justify it, they will seek to place another machine with the next highest transaction bank brand.

So ATM service providers' willingness to place additional machines in a store is related to the volumes the existing machines attract or the willingness of retailers to pay for them.

Where an ATM is placed in store will also influence the number of transactions it will achieve. The best is usually around the point of entry, parcel counter or kiosk. Visibility from outside the store helps and ATM signage outside the store is a must. If the decision is to place the ATM elsewhere in the store then directional signage pointing passing traffic and customers entering the store to the ATM makes a big difference to the number of transactions it will achieve.

There is also a direct correlation between the number of transactions and a clean ATM and its surrounds. A regular scheduled cleaning program, with a member of the store's cleaning staff or cleaning service provider dedicated to the task, will make a difference, Rogon says.

While airtime sales are also available from ATMs at the moment, pre-paid electricity and a money transfer service is on its way, says Rob Rogon. These services will lift the level of ATM transactions and an ATMs potential earnings.

POS services and integration

Integrated EFT payments and e-services at the checkout as seen in major chains such as Shoprite and Pick n Pay and now Spar, is a major undertaking and it takes EFT switches up to a year from proof of concept and a couple of million Rand in development costs to the time that they can roll the service out in a chain. Most of the cost and effort is to satisfy the banks of the security of the implementation.

For independents and smaller chains, the main way of integrating credit and debit

card payments into the checkout payment process has been with bank terminals. These can be linked to the POS system so that the transaction total is put through to the bank terminal to offer shoppers the same payment functionality as major chain integrated systems. Sadly this route to integration does not offer services like pre-paid and bill payments at the checkout.

This, it turns out, is a severe handicap. Ahmed Laher of POS software and services company Trade-Link observing stores where airtime sales were previously restricted to the kiosk, says "When you offer airtime at the checkout at all POS tills you get real growth in airtime sales – they can increase as much as 300%!"

The bank terminal route also has several other major disadvantages:

- Reconciliations have to be done terminal by terminal, a time consuming exercise.
- Banks don't always put through all the day's transactions the same day, making it hard to track and reconcile POS data and bank payments.
- At month end, authorisations noticeably slow down, slowing the checkout process.
- Inability to easily integrate value added services like electronic airtime, electricity and bill payments to the checkout offering.
- Terminal rental and credit card transaction fees are high.

Fortunately this scenario is rapidly changing. A number of POS system suppliers working with electronic funds transfer switches are bringing industrial strength integrated card payment, Airtime, prepaid electricity and bill payment services to the independents' checkout. These ready-packaged services can often be mounted on the suppliers existing software and hardware with the addition of a back-office server which connects to the switch via the internet with a GMS (cell phone) connection serving as an emergency fail safe back-up connection.

Chris Roussouw of POS software and hardware house, UniPos, notes that the advantages of this integrated POS route are a full daily consolidated recon from the switch, lower terminal rentals, faster transaction speeds – especially at month end, the ability to also offer airtime, prepaid electricity and bill payment services at the checkout. ▶



Here at Blue Label Telecoms we like to think of ourselves as the champions in digitising products and services, and taking them to the consumer. We have pioneered many advances in the distribution of airtime, commuter ticketing, electricity, insurance, lotto and mobile wallets – ensuring that consumers have ease of access to products and services that enrich their lifestyle. The capability is made possible by our robust technology platform that can seamlessly integrate third party products and services to our extensive distribution network.

www.blts.co.za info@blts.co.za



IN-STORE FINANCIAL SERVICES ►

And then there is a small matter of more competitive transaction charges which come as a result of the switch buying power.

Checkout versus kiosk

It's one thing to be able to offer value added electronic services at the checkout but should one do it?

Most service providers agree that airtime is a piece of cake at the checkout and does little to slow down the checkout process.

Bill payments and traffic fines at the checkout are something else again. Customers resent being stuck in a queue behind a customer presenting a sheaf of accounts for payment. And complex payments can take as long as 10 minutes to complete. A single bad experience like this can leave a permanent black mark against the store in the customer's mind. Bill payments also require more highly trained cashiers with better communication skills.

Shoprite, for example, has opted not to do bill payments at the checkout and provides this service at their Money Market kiosks. This also means that fewer

staff need to be trained to handle bill payments.

Pick n Pay, on the other hand, provides their bill payment service at the checkout. The advantage is that it gives their customers a one-stop payment solution that eliminates the need to queue twice. The downside is of course the customer with a thick wad of accounts to pay.

Ahmed Laher's view is that the ideal would be at both places – so shoppers just wanting the service would check where the queues are shorter.

Mike Scott of e-Centric Switch, an EFT gateway service provider, suggests that the best way of providing bill payment services at the checkout would be in a communal queue checkout environment. That way there's a one-stop payment service for customers and shoppers simply bypass any checkout where there's a hold up processing bill payments.


Kiosks, on the other hand, offer great potential for supermarkets to offer more value-added electronic services that cannot be handled efficiently and effectively at the checkout. In this respect Shoprite is without doubt the industry leader. They have pioneered money transfers, theatre and event bookings, airline and long

distance bus ticket and prepaid insurance and life and burial policy sales in the supermarket environment. This has given them a huge competitive advantage. As we noted at the beginning of this feature, they are reported to make 1 000 000 money transfers a month at their kiosks.

While they've had exclusivity in some of these services through their ownership of Computicket and pioneering the tie-up with airlines and bus companies, the word on the street is that these services will become available to other retailers on a syndicated basis through the switch owners or kiosk service providers like Kwik-Pay.

Competitive strategy

The whole gamut of card payments at the checkout, added value electronic delivered services and ATMs has arrived piecemeal at the supermarket. But, one thing is clear today. They are more than just nice-to-have disparate services that add value to the shopping trip.

They have become a key element in supermarket sales and competitive strategy. What you offer and the way you configure the offering in the store will win or lose you customers, sales and impact on your sales and profits. 



INTEGRATED RETAIL MANAGEMENT SOLUTION

Arch offers a range of cost effective Value-Adds, in the form of third party software, which integrate seamlessly with Arch Retail Systems for extended functionality. Value-Adds can be installed during new Arch installations, or added to existing Arch systems.



Airtime

- Wide range of pre-paid products
- Pre-loaded stock on local server
- Stock automatically topped up
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