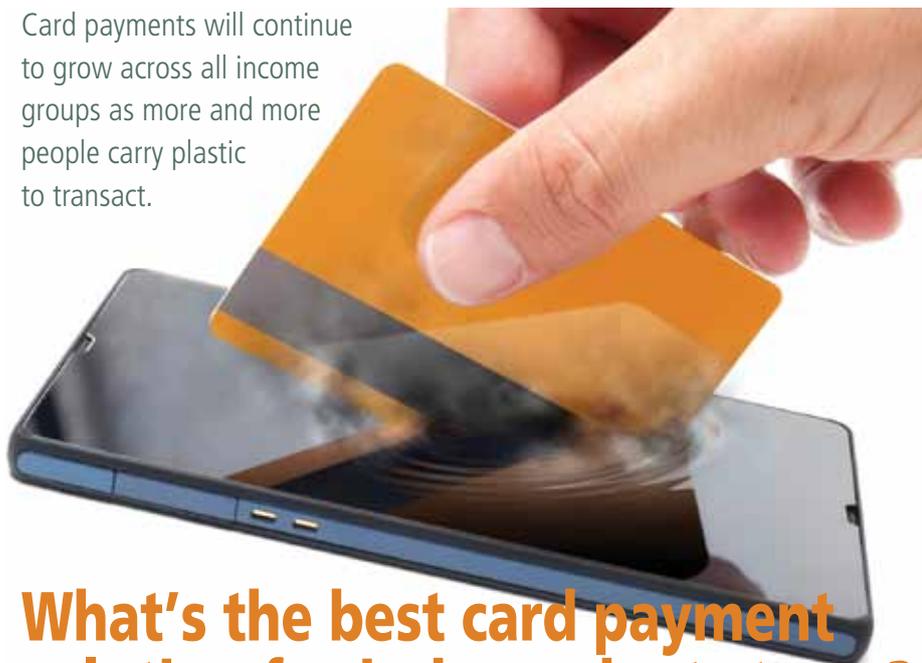


Card payments will continue to grow across all income groups as more and more people carry plastic to transact.



What's the best card payment solution for independent stores?

Credit and debit card transactions now add up to a huge part of a supermarket's sales in South Africa. This is regardless of whether a store is located in a low-income area or in a more affluent suburb. And card payments will continue to grow across all income groups as more and more people carry plastic to transact.

Stores in affluent areas may receive as much as 70% of their turnover from card transactions but even in lower income areas it means that only the most efficient and better-priced card payment solutions should be considered.

So, what should you look for when choosing an electronic payment solution for your store?

The service provider's transaction charges are obviously critical. But, the first and most important aspect is the communication ability. There is nothing more frustrating for a customer than to have to wait for a minute or so while a transaction is verified and approved.

The major chains with their sophisticated local area networks have set the gold standard for card transaction speeds – a mere second or two suffices to connect their tills to the bank for credit/debit card confirmation. Independent retailers and franchisees must emulate this to remain competitive in service.

To achieve this where SIM card based terminals are used, as is typical in medium to smaller independents, it is important that the service provider tests the communication speed of their payment solution in your store before you sign up for their service. Invariably independents start out using their regular bank as the

service provider, but experience shows that often, another bank's terminals may be quicker and more efficient to respond. Do not stay with a service provider unless the speed of the terminal is to your satisfaction.

The latest terminals are armed with two telephone SIM cards (normally those of the major cell phone companies). This takes care of redundancy. When the one SIM fails to communicate properly, the second takes over. Make sure that this is the case and ask the technician to show you the SIM cards.

Radio pads are no longer favoured in South Africa but there are cases where they are your only solution when network coverage is weak in your trading area.

Once you have selected a service provider, the next decision is to choose between fixed and mobile terminals. Where lower card transaction volumes are involved and dependent on the monthly rental costs, you may decide to share one terminal between two checkouts. In this case, you will require mobile units.

Fixed units work well, especially where they can be integrated into your POS solution. Talk to your POS provider and discuss this. But also discuss what steps to take when the system breaks down and you must complete the transaction manually.

Once all the above has been covered, it is time to look at the written agreement between you and your service provider. Are you aware of the current fees being paid by stores similar to yours? Have you spoken to friends and colleagues about the rates they pay? You will be amazed at how all service providers are prepared to match the lowest rates going in the marketplace in return for your business. Be a good negotiator!

Finally, keep your service provider's helpline details handy, record your merchant number in an accessible place and where possible, also keep the service man's personal cell phone number to hand for emergencies.

You are now ready to match any chain store as far as electronic payment solutions are concerned!





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