

Get festive edge through technology



Bylan Steyn

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With news that the consumer confidence has hit a ten-year low, coupled with a slowdown in consumer spending, rising fuel and electricity and more fears around unemployment, the retail sector will be hard pressed to find ways to win customers come December.



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Creating a competitive edge will mean finding ways to eke out more spend per shopper and ensuring repeat business from customers who do have money to spend. Innovation, using technology at the checkout point and third party service providers, may hold the answer.

The world of alternative tender is becoming more complex for retailers, with the days of simply accepting a credit card at the checkout point being long gone. Debit cards, private label cards (Buy Aid, eBucks, RCS etc.), loyalty cards, coupons, vouchers, gift cards and mobile payments are now all in the mix when it comes to payment. Customers expect the transactions to be seamless.

In one's average expected experience at a national retail chain, customers may ask to pay with a combination of coupons, a credit card, eBucks and a gift card. They will also want to swipe their loyalty card to ensure they earn valuable rewards. They could have also purchased virtual products such as prepaid airtime and electricity as part of their transaction.

However, what if they change their mind midway through the transaction, the teller makes a mistake or one of the transactions is declined? How do you void one item in a complex purchase transaction and will this mean starting the transaction all over again?"

Retailers are seeing significant benefits in offering a plethora of payment and value added services options, but storeowners are not always applying themselves to the customer experience, as the options grow.

POS developers must offer seamless options

Point of sale developers need to manage the complexity of a multitude of parameters via a host of third-party servers, applications and switches but the customer does not care how it is done, simply that it is quick and accurate. They don't know about the complexities and 'user-error' is simply not an option.

Financial results from a number of the bigger retailers have pointed to their loyalty programmes, gift cards and coupon projects as contributors to their bottom line and even smaller retailers are quickly moving to implement their own schemes, or at least support the larger ones. However, this should not be done without the required consideration.

There is no doubt that payment and value-added services could make a real difference this festive season, but if a retailer gets the service implementation wrong from an application perspective, what could have been a boost to incremental revenue, could end up with a retailer losing repeat business to a competitor.

ABOUT IAN STEYN

Ian is the Product Executive: Customer Engagement at Innervation PAN African Payment Solutions. He has over 15 years experience in the integration and operation of large range Value Added Services and Payments into various tiers and verticals within retail. Ian was part of a team that deployed the first online and real-time prepaid electricity vending in South Africa in 1998.

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