

OUTDATED POS SYSTEMS – BARRIER TO GOOD CUSTOMER SERVICE



By Sahir Anand, Senior Retail Analyst, Aberdeen Group

An Aberdeen global survey of 175 retail companies in January 2008 has found that at least 60 percent of retailers have POS systems that are older than 5 years. Of those, 35 percent are older than 10 years.

The use of legacy POS system at retail checkout can be a frustrating experience for customers as order management, loyalty programs, and payment acceptance processes are fraught with delays.

Key procedures fulfilled at the POS include scanning of products, applying loyalty credits, and promotional offers such as coupons and payment processing. Aberdeen's November 2007 report, The Roadmap to Successful Contactless Payment Implementation, showed that the average time taken to complete a transaction from scanning and bagging to payment by Best-in-Class companies is one to three minutes. However, complex and time-consuming transactions are resulting in longer than average wait times for customers as a result of longer payment processing times, poorly designed POS interfaces, and legacy system malfunctions.

These delays cause customer dissatisfaction. Forty-seven percent of the retailers surveyed in Aberdeen's January study identified complex and time-consuming POS checkout procedures as the major pressure impacting the customer POS experience.

In Aberdeen's analysis, outdated POS systems have created a large gap in the retailer's objective of delivering customer satisfaction through three POS tenants: multi-channel order management; loyalty programs; and faster payment options for customers.



POS capabilities and technology go hand-in-hand in building a customer-centric POS environment. Aberdeen's results show that any upgrade plan for POS systems has to include a combination of software, hardware, and peripherals.

In the area of order management, software with multi-channel functions and 2-D barcode scanning technology can make populating and processing of orders, returns, and exchange more simplified.

From a payment standpoint, more mobile POS and universal Pin-Entry Devices (PED) are likely to find their way into retail stores to broaden the payment form factors and customer checkout choices. While mobile POS should enable faster checkout, universal

10 POS Software Tips to Improve Inventory Control...



By Jeff Haefner,
Point of Sale Software Buyers Guide

Tip 1: What's your top selling products that customers prefer?

Tip 2: Use your POS software to suggest and create purchase orders.

Tip 3: Transmit your purchase orders electronically.

Tip 4: Use your POS to track special orders.

Tip 5: Consider open to buy.

Tip 6: Track your lost sales and check those reports at least once a month.

Tip 7: Take a close look at your top 100 sellers. Make sure those products have the correct order levels.

Tip 8: Check your sales history as you create purchase orders and decide how much to purchase.

Tip 9: Check your sales history as you set your inventory stocking levels.

Tip 10: When you receive merchandise, make sure that the receiving documents, the packing slip, and the merchandise all match each other.



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**OUTDATED POS SYSTEMS –
BARRIER TO GOOD CUSTOMER
SERVICE CONTINUED . . .**

PEDs can facilitate wider, safer, and easier payment options for customers.

The third major cog within POS customer process management is comprised of customer loyalty programs such as rewards and targeted promotions, gift cards, and guided selling, which are also expected to see an uptake in planned use amongst retailers. It is important to note that while improvement in order management and payment technology will likely have the greatest impact on customer satisfaction, loyalty-related initiatives hold the maximum potential to directly impact future revenue growth in stores. †

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ROI Analysis: Part 2



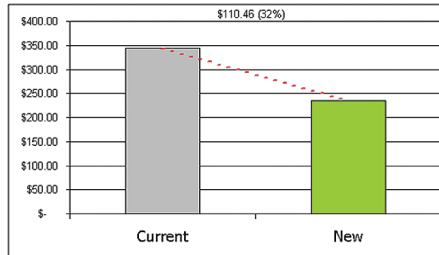
by Kyle Ritter

ROI Analysis: Part 2

In ROI Analysis Part 1, we showed you your revenue will grow, how inventory management is made easier, and how your gross margins are generously effected by using point-of-sale solutions.

In Part 2, we will go further in depth with our analysis.

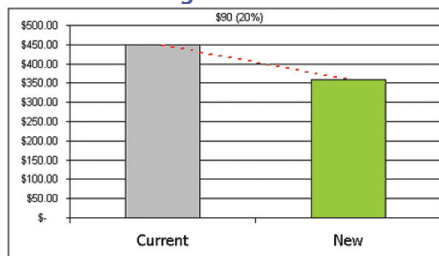
Inventory Count – Labor



Reduce the labor cost associated with the inventory counting process.

Through have a POS automation solution a business will be able to reduce the labor costs associated with counting inventory by an average of 32%. Every single transaction is automatically logged, allowing for immediate access into inventory levels of every product in stock. The figures in the graph were based upon an \$8 per hour wage, and would obviously be higher if a manager or owner is performing the task.

Reduce Shrinkage/Theft



Utilize point of sale to reduce the amount of theft and shrinkage your store experiences

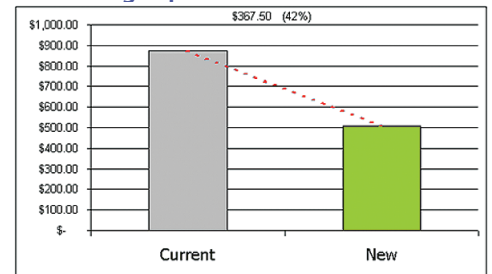
Reducing shrinkage is always a concern for a retail store. While the retail automation solution does not act as a security device, it has been proven to reduce shrinkage by:

- Immediate access to inventory levels versus quick counts of floor inventory.
- Reports showing shortages in inventory.
- Intimidation factor of employee theft due to computerization of the store.
- Employees able to watch the storefront closer due to lower time requirements in checking customers out at the each register.



- View shrinkage history reports to determine which items need to be closely monitored.
- Know exactly which employee was at each register in order to track responsibility.
- Directly integrate with video security system to record activity of POS terminal and floor activity

Restocking Expenses



Reduce the amount of time associated with purchase orders and re-stocking of inventory.

One of the ongoing challenges of any retail business is to deal with purchasing product. This can be a very time consuming process and is almost always completed by the most valuable people in the business; owners and manager. Through the POS solution, purchasing new product becomes easier by:

- Automatic re-order levels set with each item.
- Automatic generation of PO's based upon multiple different criteria.
- Easily manage suppliers and know who is giving the best pricing most recently, as well as historically.
- Save PO's and edit them later as well as re-use them for future purchasing.
- Take the hassle out of the manual purchasing process and focus on the key activities that drive the success of the business.

Stay tuned for Part 3 of ROI Analysis . †

RETAIL OPTIMIZER

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