

Direct Interactive Marketing at the Point-of-Sale:

A Game Changer for Merchants

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The customer-facing payment terminal, which allows cardholders to retain their cards throughout the purchase, is becoming a popular choice for merchants in North America. Driving the growing adoption of this new terminal model is the demand for solutions that counter fraud, giving customers peace of mind when paying for their purchases. This fraud prevention approach is rapidly becoming a de facto standard for POS, with cardholders expecting this capability. However, there is a trend towards maximizing the marketing potential of these sophisticated terminals, one that is capturing the attention of merchants and dealers alike.

POS Sophistication

Nearly every major manufacturer has brought out a customer or cardholder - facing terminal with touch screen display, or is in the process of doing so. These next generation terminals offer the merchant a level of sophistication and interaction that could not have been imagined in the wildest dreams of any merchant 15 years ago. With full color touch screens, these terminals go above and beyond simply processing the transaction, giving each interaction the potential for a customized experience.

While the interactive marketing potential is exciting, these terminals are not just about bells and whistles. They are designed to maximize security and fraud prevention. Not only do they keep cards in the hands of the customer, customer-facing terminals offer the latest in security standards certification. They are also EMV ready, so merchants are prepared for the introduction of EMV chip and PIN. The customer-facing terminal is a fully integrated solution – it works together with a complementary cash register or PC to offer all the benefits of payment integration, like fewer errors and speed.

Customized Interactive Marketing at the POS

With its full color touch screen display, the customer-facing terminal offers great potential as a marketing tool. The customer can be presented with ideas and suggestions that are too difficult to train the sales staff to present. For example, a merchant wants to offer the customer the opportunity to make a charitable donation at the point-of-sale. In the past, the cashier is asked to question each customer, but this task is often either forgotten or skimmed over quickly. Customer facing terminals can present this question on the screen just before payment. The result, for these merchants, is a significant increase in the take up rate on donations. This is just one example, but the possibilities are endless: advertising, coupons, surveys – all can be easily presented to the customer at the countertop. Not only does the interactive customer-facing screen make the transaction more efficient, but while the customer is waiting for the order, they tend to look at the

screen, especially if there is a moving image. Studies have shown the moving image will attract the eye longer. This presents a great opportunity for merchants and their partners to pitch an advertising message.

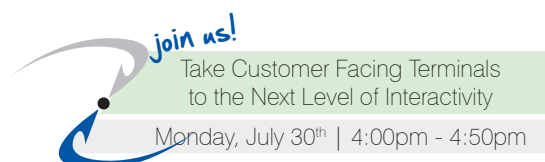
Customer-facing terminals also reflect the industry's commitment to accessibility, with features such as raised characters on keys and support for headphones and audible prompts for the visually impaired. In addition, many offer customization options for larger, more easily read fonts, as well as different languages.

With the terminal's full color touch screen providing the backdrop for marketing campaigns including advertising, menus, coupons and surveys, message customization and campaign analysis can be facilitated with a centralized, remote management system. Customization options can include criteria such as location, region, lane, week/day/hour, or language. Customer-facing terminals hold infinite possibility for merchants who wish to take an innovative approach to customer loyalty. For example, using a management system that is linked to the terminal, a restaurant can offer a coupon during the lunch period only, and can evaluate the success of that campaign by coupon redemption. Changing the language of the message to include Spanish at a location with many Spanish language speakers can increase response and enhance loyalty among this demographic.

The management system is key in the customization of these messages. Often accessible via a standard web browser, the messages and customization features can be changed at any time from any location. A franchisee with several locations can run different offers for each location, or change the language. The ability to easily alter campaigns from a remote location takes the terminal to another level of customization, making it a powerful marketing tool for merchants.

The terminal's management system also plays a large role in evaluating the success of each campaign. The management system can track responses to marketing messages, such as coupons redeemed at the POS and surveys completed. This helps merchants to hone and perfect their marketing campaigns, to maximize their success.

Beyond the important benefits of fraud prevention, the customization and analysis of marketing messages using the customer facing terminal is game changing technology. The possibility exists for merchants to know their customers better, and customize unique campaigns for them. **C**



About Deepak Wanner

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Deepak Wanner (P.Eng, MBA) is a leading authority on securely integrating card payments with POS devices, applications and websites. Building on early successes in Canada, the world leader in debit card acceptance, Deepak has helped shape industry demand in North America for cost-effective, secure, actively managed payment solutions. Deepak has presented at many industry conferences, including the Electronic Transaction Association (ETA) conference, NACSTech (National Association of Convenience Stores), FS/TEC (Food Service Technologies), and ATMIA conference (ATM Industry Association).