

## How Much Is Your POS Really Costing You?

Modern retailers operate in an omni-channel, “pull” environment where constantly-connected consumers decide what products they want, when and where they want them, what they want to pay, and search for the retailer who can best meet their demands. This hypercompetitive, always-active retail environment demands POS systems continuously operate at full capacity. POS downtime leads to long lines of customers who can easily turn to a competitor via their mobile device — while they are waiting in your line. In addition, POS downtime leads to wasted labor costs of checkout employees left idle and results in a general diminishment of the customer experience.

### Rugged, Durable POS Saves Money

Considering how devastating POS downtime can be, there is a greater need for rugged, durable POS touch screen terminals. POS terminal maintenance can be a huge monetary expense for retailers — and it is one that too many retailers, who only focus on initial cost, consider.

Posiflex-sponsored research data indicates that annualized POS maintenance costs can run from \$400 to \$800 per terminal. Assuming a retailer operates 250 stores with three terminals per store, annual POS maintenance costs can run up to \$450,000 and more — per year. Upgrading to a newer, more durable platform that does not produce excess maintenance costs can pay for an entire POS implementation within a few years.

### Avoid the Perils of Poor Customer Service

A poorly functioning, obsolete POS terminal can lead to reductions in customer acquisition and retention rates, which in turn results in diminished frequency of visits, basket size and other crucial metrics retailers count on as mainstays of profitability. An Accenture global customer satisfaction report found that poor quality of customer service, rather than price, is the leading cause of customer churn.



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In addition, figures from Bain & Company indicate that reducing the customer defection rate can increase a retailer’s profits by anywhere from 5% to 95%, and Adobe Digital Index data indicates that converting 1% of non-loyal customers to return-



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ing customers can increase a retailer's revenues by up to \$39 million. Add in the advantages of the low total cost of ownership provided by an upfront investment in rugged, durable POS terminals, and you have a solid financial argument for paying a little more now to save a whole lot later.

### Survey Says...

Don't just take my word, or the word of third-party studies, for it. Posiflex recently surveyed Chain Store Age readers, your peers in the retail industry, about their views on POS issues. Almost all respondents (91.6%) said durability is a very important issue when evaluating POS touch screen terminal solutions, and three-quarters (74.7%) said long term cost of ownership reliability is very important.

### Rugged Enough for Any Environment

The modern retail environment is more challenging than ever for retailers and

their POS systems, but, the actual natural environment we live in is just as challenging. Severe weather events have become routine across the country in recent years, and rugged, durable POS terminals can mean the difference between quickly re-opening for business after a major weather event or having to wait while your better-prepared competitors help customers restart their lives after a damaging storm.

For example, when Hurricane Sandy struck Sea Isle, N.J. in September 2012, two outside Posiflex terminals at La Costa Lounge and Deck Bar, were left on the beach a mere 100 yards from the ocean to face the storm head-on. It was three days before the staff could return to the restaurant, wipe the terminals down, and turn them on — they started up and are still running.

Beyond catastrophic weather events, retailers also need to consider the effects

of unforeseeable incidents like fires, burst pipes, and heating or cooling system malfunctions. In addition, POS terminals in regions with unusually humid, dry or salty climate are also subject to extra wear and tear. Rugged, durable terminals can withstand these types of environmental challenges, helping keep retailers in business no matter what the day brings.

### Time for an Upgrade?

Even if you have upgraded your POS terminals in the past few years, that may not be enough to meet the needs of a continually evolving retail marketplace. Unless a POS terminal delivers virtually 100% uptime, 24/7/365, it is not adequate. And, if you do not currently operate 24-hour stores, keep in mind customers are coming to expect retailers to be open whenever they want to shop, across all touchpoints.

Also, if there has been a decrease in sales, profits or loyalty membership in the past three years, note that while these decreases usually have multifaceted origins, an obsolete POS terminal may likely be part of the problem, and an easily identifiable and rectifiable part of the solution.

### Make a Durability Check

Given how critical the POS is to the retail enterprise and how much quantitative and qualitative ROI a POS upgrade can provide, doesn't it make sense to at least review your current POS platform to see if it is properly up to date? Nobody ever won a race by stumbling in the last mile. ■



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