

ATMs can boost sales, customer service

With challenging trading conditions for local retailers, it is crucial for small businesses operating in this space to identify innovative ways to boost sales and boost customer service.

According to Russel Berman, sales director of Spark ATM Systems, one of the simplest, yet often overlooked ways of doing this is to make it as easy as possible for customers to transact. "Many business-owners fail to realise the importance of providing transaction convenience to customers who visit their business premises in the form of an ATM."

He says that the in-store ATM, credit and debit card machines and even EFT facilities could mean the difference between making a sale or losing a customer to a competitor.

"Our data reveals an average increase of 10% to 15% in spending in retail and wholesale outlets once an ATM is installed. In the leisure and hospitality industries, our clients have noted that between 50% and 80% of the money withdrawn from the on-site ATM is spent on the premises."

There are between 24000 and 26000 ATMs located across South Africa, with around 25% situated in-store.

The presence of an in-store ATM has the potential to add value to a small business by increasing the convenience offering to their customers. In addition, the cash retention achieved by customers withdrawing cash and spending a large portion in-store has a knock-on effect on sales and profits as well as generating rebate revenue where the ATM provider shares the ATM's transaction fees. "Depending on how many cash withdrawals take place at the ATM, these rebates could be anything between a few hundred and a few thousand Rand."

Small businesses are often crippled by ever-increasing overhead costs which eat into revenue. "One such cost, affecting SMEs with high cash transactions, would be the associated cash deposit fees. Merchant-filled ATMs allow businesses to circumvent this cost by channelling the surplus cash into the ATM, which is then channelled directly into its bank account once withdrawn, without any fees deducted.

"Besides the financial benefits, businesses can not only expect an increase in foot traffic as a result of the presence of an ATM in-store, but should also see an increase in customer loyalty bolstering its sustainability. With prepaid electricity and airtime purchase facilities in the pipeline for in-store ATMs, businesses should then see a further increase in footfall and customer loyalty," he concludes.

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