

SMALL-BUSINESS SOLUTIONS

Stimulate With A New Payments Strategy

(NAPSA)—While the U.S. government is making investments to help buoy the economy, small-business owners know they must find ways to control their own business viability. Fortunately, small businesses can stimulate their opportunities by evaluating their approach to today's complex payments landscape.

Credit, debit, prepaid, check or contactless payments—the blend of technological applications and customer demand for choice and convenience is driving the implementation of far more streamlined payment solutions for all kinds of small businesses.

First Data, a global technology leader in electronic commerce and payments, recommends a strategic payments strategy to capitalize on sales opportunities and cost reduction benefits. Having a payments strategy as the “5th P,” it says, is as critical a component for achieving success as balancing the traditional Four P's of marketing—product, price, place and promotion.

Businesses can build an all-in-one payments strategy for success—one that will help meet customer demands and expectations regarding payment choice, convenience and security, while effectively managing cost, operational efficiencies and return on investment.

At The Point Of Sale (POS)

For example, merchants that have postponed point-of-sale system upgrades can look to newer,

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better-equipped terminals that support contactless or wireless payments to enable business growth. Contactless payments using radio frequency identification (RFID) technology are gaining more traction than many retailers, especially smaller ones, realize. Jupiter Research predicts that approximately 10 percent of all U.S. payments will be contactless by 2010. While a small upfront investment is required, some of the benefits include lower infrastructure costs, decreased customer wait times and the potential for more reliable and secure transaction processing.

For Payroll

Direct deposit is an inexpensive and convenient way for employees to receive their pay, but for millions of Americans, it's not an option. That means businesses with underbanked employees must continue to offer paper paychecks. Those businesses can save money each payday by depositing funds to a payroll card instead, which can be used anywhere debit cards are accepted. Depositing to a payroll

card can cut your costs by more than half compared to that of printing and distributing paper paychecks, according to First Data.

For Paper Checks

Electronic check processing technology allows merchants to deposit checks from their own location and collect the funds more quickly. Depending on their needs, a merchant may choose a solution that submits checks for deposit directly from the point of sale by creating an Automated Clearing House (ACH) transaction or a solution that allows them to image all their checks in their back office at the end of each day for deposit. Additional benefits include improved cash flow with faster funding and enhanced security with electronic check processing.

Driving Consumer Behavior

Better knowledge of customers' preferences can create higher satisfaction and result in higher customer retention. Small businesses can take advantage of tailored rewards programs by simply creating a loyalty solution based on customer behavior at the POS. For example, according to the 2008 First Data Consumer Loyalty Study, discounts at the point of sale are consumers' more preferred reward program and 71 percent of consumers agree that they prefer to buy from places where they are a member.

To learn more about small-business offerings, visit www.firstdata.com.