



## Credit-to-Debit Conversion

MANY OF YOUR SHOPPERS WILL BE HAPPY TO USE DEBIT INSTEAD OF CREDIT, SAVING YOU MANY THOUSANDS OF DOLLARS IN EXCESS INTERCHANGE FEES.

**“Tender Bending”  
shopper payments to  
lower-cost transaction  
types is likely to save  
you more money than  
any other EPS feature.**

Some shoppers always reach for their debit card, and with a typical transaction cost of around \$.30 or less, that's not a bad thing. But whenever a credit card comes out, the transaction fees cost you approximately two to three times that amount.

With that typical extra cost of about \$.50 for every credit transaction, it would be great if all your shoppers used PIN debit instead of higher-cost credit cards. The good news is that many of your shoppers are perfectly willing and happy to pay with debit.

And all you need to do is ask – WinEPS with Connected Payments™ will automatically propose the option for you.

This is easy because most bank cards today – and virtually all new or replacement cards – are issued with dual-purpose capabilities. In fact, any credit card bearing the logos of debit networks (Cirrus, Star, Plus, etc.) can be used for either credit or debit transactions.

By examining the card number, WinEPS determines which types of transactions the card can drive and prompts shoppers for their PIN, initiating the transaction as a more secure and lower-cost debit instrument.

Many shoppers are indifferent to which type of transaction is used, and take the easiest route. When prompted for a PIN, they simply enter it just as they would at their ATM. And you won't inconvenience your shoppers who prefer credit — just selecting that alternative on the PIN pad will continue the payment transaction in credit mode.

### **How many shoppers take the debit option?**

In a study with over 1,000 supermarkets participating, the average store converted 48% of their credit transactions to debit. While a few stores reported only single-digit conversion rates, other stores achieved enormous savings with conversions topping 80%.

In fact, 70% of the stores reported conversion rates between 30% and 55%. The 35% rate used

in the analysis below is therefore very conservative compared to the average 48% achievement.

**Do you need a promotion program to make it work?** The stores in the study normally made no special tender-bending efforts other than using this WinEPS software feature. However, bringing the shoppers into the campaign will have a powerful effect.

One small chain, for example, makes special efforts to educate checkers and shoppers. While clerks always respect a customer's preference, they point out the store's high credit costs and the shopper benefits from PIN debit's better security. The program has resulted in extraordinary conversion rates, reaching 80% in some locations and time periods.

**What does the software need to do?** Most payment software cannot provide this kind of sophistication — or the important operational savings that go with it. However, WinEPS performs many tasks during the transaction to maximize shopper take-up of PIN debit.

For example, the shopper initiates the transaction at any point during the sale, removing time pressure to enter the PIN. WinEPS also automatically analyzes the card type for convertability, so customers have no additional questions to answer, prompts to fulfill or decisions to make.

WinEPS also uses your own processing rates to analyze each transaction to minimize its fees. For example, WinEPS promotes credit processing for small orders where debit fees would be higher.

StoreNext Connected Payments makes credit-to-debit conversion even easier, more useful and more powerful:

**No up-front software charges** WinEPS payments software, included with Connected Payments, provides credit-to-debit conversion as a standard feature.

**Keep your PIN pads** Credit-to-debit conversion with Connected Payments or WinEPS works with all payment terminals currently supported by WinEPS. No special hardware is required.

**Easy BIN file services** Credit-to-debit conversion uses Bank Identification Number (BIN) files to track the options and capabilities of all bank cards in circulation. These files are continuously revised, and so Connected Payments offers these BIN update services, featuring quick turnarounds with local user input. Alternately, your processor may provide BIN services, which require the full in-store WinEPS file system.

**Centralized electronic storage and search** You can immediately research and locate transactions – including receipts and signatures – across stores you select and over whichever dates you choose. Connected Payments keeps a full year of chain-wide data in one place, and you'll have our enterprise-class search and reporting tools available on the spot: wherever you have an Internet connection.

**All-signature services** You don't need to stop with credit transactions. If you prefer, Connected Payments also can warehouse your debit tickets as part of your service. EBT too.

### SAVINGS EXAMPLE

This chart assumes a store with \$100,000 weekly volume, a \$30.00 average transaction and 35% of all transactions tendered by credit card. This savings analysis assumes that a conservative 35% of all credit transactions will be converted to debit, with a \$.30 typical debit transaction cost compared to \$.77 for the same transaction over credit.

SAVINGS FROM CREDIT-TO-DEBIT CONVERSION				
		TYPICAL FIGURES	CALCULATIONS	
			WEEKLY	ANNUAL
1	Store Volume		\$100,000	\$5,200,000
2	Average Transaction	÷ \$30.00		
3	Total Number of Store Transactions		3,333	173,333
4	Percent Credit Transactions	x 35%		
5	Total Number of Credit Transactions		1,167	60,667
6	Typical Total Cost of One Credit Transaction	\$ 0.77		
7	Typical Total Cost of One PIN Debit Transaction	– \$ 0.30		
8	<b>C-D Conversion Savings Per Transaction</b>	<b>\$ 0.47</b>		
9	One Percent of Credit Transactions (Number)		12	607
10	<b>Total Savings Per 1% Converted</b>		<b>\$ 5.48</b>	<b>\$ 285.13</b>
11	Typical Percent of Credit Transactions Converted	x 35		
12	<b>Total Savings from C-D Conversion</b>		<b>\$ 192</b>	<b>\$ 9,980</b>

### CALCULATION SUMMARY

The store volumes [1] are divided by the average transactions [2] to provide the count of all store transactions [3]. These counts [3] times the store percent of credit transactions [4] provides the number of credit transactions per period [5]. The typical cost of a debit transaction [7] is subtracted that of a credit transaction [6] to provide the typical savings per converted transaction [8].

Line [9] calculates how many credit transactions there are in one percent (1%) of all credit transactions from [5]. This number is multiplied by the dollar savings per transaction [8] to provide the total dollar savings for each percent of credit transactions that are converted [10]. These savings per percent [10] are then multiplied by the assumed percent that will be converted [11] yielding the total savings from credit-to-debit conversion [12] per week and per year.



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