



SMB Merchant Survey:
POS Feature/Functionality
PREVIEW



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Reasons to Purchase:

- **Insight from Real Small Businesses**– pre-screened respondents with owner/manager status
- **Relevant data** – Expertly-selected questions provide data on important POS information
- **Contextual Data**– 49 POS functions grouped into four categories were researched, each listed with the percentage of respondents that have the function as an available capability, a used capability, and the level of importance/favorability each function holds
- **Quantity & Quality** – Priced competitively with the market, the professionally presented, tangible data in this report far surpasses the initial cost

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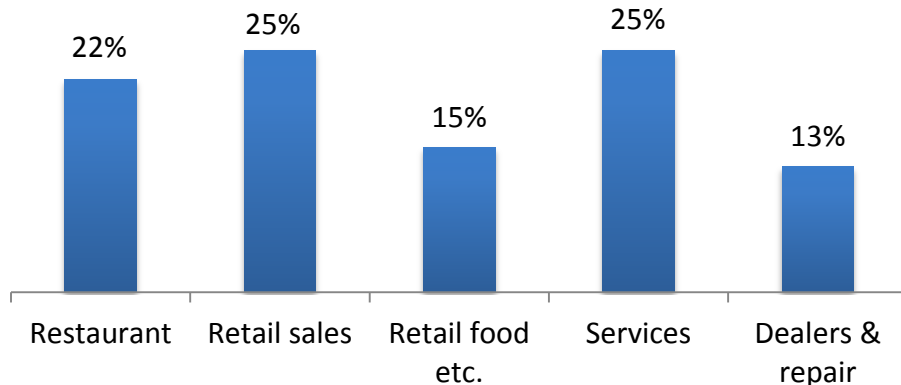
Introduction & Methodology

- An online survey of small business owners and those responsible for small business payments was conducted.
 - Responses were sourced via a pre-recruited research panel of U.S. businesses and consumers.
- Respondents were screened for owner/manager status, annual sales under \$2 million, and business focus in five segments (restaurants, retail sales, retail food/liquor, business/personal services, and auto/boat/mobile dealers/shops)
- A total of 288 qualified online questionnaire responses were obtained across the five segments.

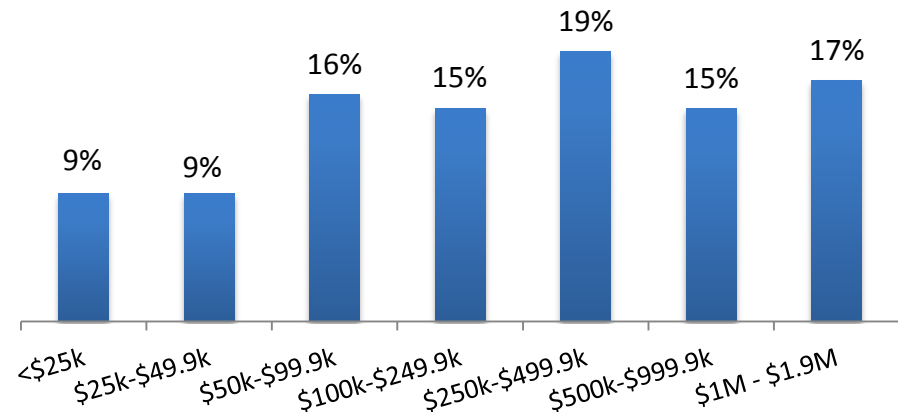
Sample Demographics:

- 70% of respondents were business owners, and 30% were qualified management staff responsible for in-store payments.
- 34% of businesses had sales under \$100k, 34% between \$100 and 500k, and 32% between \$500k-\$2 million.

Distribution of Responses by Segment



Distribution of Responses by Annual Sales



Introduction & Methodology

Sample Demographics: *Size Parameters*

- Restaurants and service organizations in the sample tended to be smaller organizations; mean sales were similar across segments. In addition:
 - Most firms had just one location, although retail food/liquor stores had a median of 3.5 locations.
 - Median number of employees was 7 across all segments.
 - Mean annual employee turnover was highest among restaurants (10.9%) and lowest at service firms (4.4%) and dealers/shops (6%).

Mean and Median Annual Sales By Segment

\$ Thousands (note: calculated based on grouped data)



Available, Used and Required Terminal: *Basic Features* **EXAMPLE**

The top five terminal features are apparent based on current terminal features and importance ratings

- Retail sales organizations tend to be the most demanding of these top features.

Basic Functions	Have it?	Use it?	% Favorable*	Importance Differences By Segment
Card swipe	%%	%%	%%	%% for dealers/shops
Print receipt	%%	%%	%%	%% retail sales %% dealers/shops
View end of day totals	%%	%%	%%	%% retail sales %% services
Refunds/voids	%%	%%	%%	%% retail sales %% retail food
Manual card entry	%%	%%	%%	%% retail sales %% retail food
Calculate tax	%%	%%	%%	
Ability to record a cash sale	%%	%%	%%	
Add misc. item	%%	%%	%%	%% restaurant %% dealers/shops
Add misc. discount	%%	%%	%%	%% dealers/shops
Offline mode/internet offline	%%	%%	%%	
Save orders/process later	%%	%%	%%	
Item master	%%	%%	%%	

* Favorable = percent rating 4 or 5 on 5 point importance scale

About TSG

The Strawhecker Group (TSG) is a management consulting company focused on the electronic payments industry.

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Payments Strategy - Payments Strategy encompasses the full spectrum of advisory services within the Payments Industry. The depth of these services is built on deep industry knowledge - the Partners and Associates of the firm have an average of over 20 years of industry experience. With clients from card issuers to merchant acquirers, TSG has the experience and expertise to provide real-time strategies.

Transaction Advisory - Whether buying or selling, seeking investment funding, or planning your company's exit strategy, TSG's experience can be critical to achieving success. TSG has performed more than 100 Payments Company Valuation and/or Business Assessments in the past three years - ranging in value from \$1 million to \$1 billion.

TSG Metrics - TSG Metrics, the strategic research and analysis division of TSG, provides the Payments Industry with highly focused research and industry-wide studies. TSG Metrics takes data, boils it down to information, transforms it to knowledge and presents it to provide wisdom to its client partners.

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TSG consists of Industry leaders with extensive experience leading teams through explosive growth periods, mergers and acquisitions, and international and domestic expansion within the Payments Industry. Both Partners and Associates of the firm have held key senior management positions at leading industry companies including First Data / First Data International, Visa Inc., MasterCard, TSYS, Humboldt Merchant Services, WorldPay, Heartland Payment Systems, Cardservice International, iPayment, Alliance Data, RapidAdvance, Accenture Consulting, Redwood Merchant Services, Chase Paymentech, as well as other leading financial institutions and Payments companies.

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