



PALADIN
DATA CORPORATION

We Make Stores Run Better.

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Paladin Think **POSitive** Newsletter

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▶ **THE PARADIGM SHIFT IN RETAILING: PART 1**

by Charles Owen

This is the “Age of Information” in retail, and shoppers are smarter, have more choices and are more price savvy. The new paradigm in retail directly impacts businesses now more than ever as the consumers’ expectations have changed, mostly due to technology. Smart phones and personal tablet devices empower casual and experienced shoppers alike with real-time information on every product ever sold. Consumers have immediate access to prices, product specifications, and alternative stores. Consumers have much higher expectations than ever before and want immediate results from cheaper and closer options (if they leave the house at all). This is the crux of the paradigm shift in retailing.

Retailers must take action

Retailers must be proactive and responsive to this change or succumb to price gouging from the big box stores. In order to compete more effectively, it is imperative that retailers understand the trends in today’s market and focus on meeting the consumer based on the shopper’s

expectations, not the expectations of the retailer. The retailer should be better prepared to connect with the customer on a more personal and emotional level. This can partially be achieved by implementing a customer loyalty program. Retailers must also provide advanced customer services, like tracking consumer purchases to offer easy “no-receipt” returns, historical purchase lookups and targeted discount campaigns.

Improved customer relations can be accomplished by training employees to do something as simple as smile and say things like “Thank you” and “We appreciate your business” more often. Training employees on proper customer care and retail etiquette is required. With checkout clerks at the front lines of every retail operation, they must understand the importance of their role in customer retention.

The goal of retail

The goal of retail is to attract customers by providing the products and services they want to buy; then up-sell them other products and services they didn’t know they needed. Selling is the only way to sustain and grow any retail business. But how you get there is greatly dependent on how well you treat your customers and

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meet their needs. It's important for the retailer to have both depth and breadth of products and services to appeal to consumer needs and wants.

Add-on services

Focusing energy on add-on services can take the focus off inventory and price management and put it back on what retail is all about: sales. Enhance the customer shopping experience by providing benefits like fast checkout, excellent customer service and clean, well-lit, organized and properly labeled shelves. Offer convenience and savings like historical lookups (to allow for returns or reorders without a receipt), custom promotions and preferential treatment for your best customers. Remember the 80/20 Rule: 20% of your customers drive 80% percent of your revenue.

The e-commerce retail swing

Embrace the internet. Leverage existing e-stores like eBay or Amazon with your custom branding to expand your customer reach and allow you to sell to customers whether they're in line at your store or on-line at home. E-Commerce allows you to compete more effectively by offering additional buying options to your customers without a significant capital investment.

The bottom line

The world of retail has changed, and store owners simply can't compete without committing to embrace new technology and focus on outstanding customer service. Part 2 of this series will focus on those two concepts.

Charles Owen is a Business Alliance Executive with Paladin Data Corp. Drawing from his 30 years of experience in retail sales, food services, real estate and software development, he recently shared this presentation on the paradigm shift in retailing and how store owners can take advantage of it to improve their retail operations, profits and customer loyalty. A link to the full presentation is available on our website at http://info.paladinpos.com/Orgill_SeminarFeb2014.pdf.

► P2PE CREDIT CARD ENCRYPTION



Unless you've been hiding under a rock for the past few months, you likely heard about or were directly affected by the Target credit card breach. According to press reports, hackers were able to scan computer memory as cards were being swiped, harvesting confidential credit card data directly from the POS terminals. That breach wouldn't have been possible if point-to-point encryption had been in place.

Point-to-point encryption (AKA end-to-end encryption or P2PE) allows you to encrypt data on a credit card reader and send it to the credit card processor without the POS terminal ever seeing or storing the unencrypted data.

In addition to more secure single transactions, recurring billing is also safer and seamless. The credit card information is first encrypted and sent to the processor. Then the processor sends back a token representing the credit card. That token can be used in subsequent transactions or for recurring billing, and can only be used by that specific merchant.

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A new PCI security system became “the law of the land” on January 1, 2014, and it explicitly requires P2PE. While businesses are allowed to extend the old rules until the end of 2014, it would be unwise to delay moving to the new standards given the potential security concerns.

Field testing of Paladin’s new P2PE credit card devices for general retail looks very promising. If you have interest in further protecting your business and your customers, contact Paladin for information on the new Ingenico iSC350 P2PE credit card terminals.

► **MOBILE DELIVERY SNAPSHOT™**

We are hard at work on Mobile Delivery Snapshot™, a mobile app for stores that deliver product directly to customers. It allows you to update delivery information, take notes, accept signatures, and take pictures on a mobile device that links back to Paladin POS. This is handy in the field if, for example, you are short on quantities or product is damaged during delivery.

We have demonstrated a prototype of this new app at the last few trade shows and it was very well-received. This new resource is still in development and we hope to have it available for you in the near future.

► **PRESIDENT’S CORNER**

As founder and president of Paladin Data Corp, I wish to extend my thanks and heartfelt appreciation to everyone who has steadfastly supported Paladin POS through the last 34 years. Because of your loyalty, suggestions and recommendations to peers, Paladin POS is helping more store owners than ever.

All departments at Paladin Data Corp have grown to accommodate this success, in fact we’ve outgrown our home base! We’ve found a great building to move into where we will have opportunity for further development and expansion.



For the past seven years, Paladin employees have shared a 12,000 square foot hangar with the company’s twin-engine airplanes. The fleet has saved tremendous time and effort in flying to meet clients in small towns across the country (we have seven Paladin employees with pilot’s licenses, including my wife Judie and myself).

While the hangar has served us well and will continue to give us unmatched access to our clients, the new building will allow us to serve our clients with increased efficiency and give us plenty of room to grow in the years to come. In the past four years we’ve tripled our staff, and we’re continuing to hire new team members and work diligently to ensure the care and attention paid to every store is better than ever.

All of us at Paladin hope you find the quantity and quality of new features developed and delivered to your stores of benefit to you and your families. We believe the ideas to come on line in 2014 are better than ever.

From the entire Paladin POS family, thank you again for your continued support of Paladin POS.

*Dan Nesmith, President
Paladin Data Corp*



▶ ORGILL SPRING 2014 MARKET

The Orgill show was a huge success! We want to thank everyone who stopped by the booth. We loved chatting with you and look forward to connecting again very soon.

Paladin's Business Alliance Executive, Charles Owen, gave a very well-attended presentation on "The New Paradigm of Retailing". The first part of his presentation appears on Page 1 of this newsletter.

The Orgill Store Front that we featured at the show was also well-received. This is a new purchase order upload option available to all Paladin POS stores that use Orgill EDI. Now, when a PO is completed and ready to be sent to Orgill, the Orgill Store Front website will launch within Paladin POS, and you will instruct the Orgill site to import your order, research warehouse available-to-ship quantities and/or review your entire order for items that may be under promotion from Orgill.

To learn more about the Orgill Store Front, go to blog.paladinpos.com and search for "Orgill Store Front".

▶ CONNECT WITH PALADIN

Have you checked out Paladin's blog yet? It's regularly updated with new and upcoming Paladin POS features, valuable tips to improve efficiency and save money, and helpful strategies to increase profits. You can subscribe to the blog to receive updates in your email inbox — just head over to blog.paladinpos.com to take a look.

If you use facebook, Twitter, Google+ or LinkedIn, we'd love to have you join us! You can also check out our YouTube channel with videos from customers and Paladin staff. Go to paladinpos.com and click the links in the lower right corner, or click the links below to connect.



Microsoft Partner
Gold Independent Software Vendor (ISV)

NRHA
vendorpartner
North American Retail Hardware Association

▶ UPCOMING EVENTS

PK User Conference

April 10-12 | Houston, Texas

National Hardware Show

May 6-8 | Las Vegas, Nevada

Wallace Spring Market (Booth K15) *

May 13-15 | Gatlinburg, Tennessee

Do It Best May Market

May 17-19 | Indianapolis, Indiana

Wheatbelt Show (Booth TBD) *

June 2-4 | Kansas City, Missouri

United Hardware Market (Booth TBD) *

June 13-15 | Minneapolis, Minnesota

House-Hasson Summer Dealer Market

June 19-21 | Sevierville, Tennessee

** Paladin will be attending these events.*

▶ TRADE SHOW NEWS

A big "thank you" to those of you who were able to stop by the Paladin booth at the recent Emery trade show! We had a good turnout, and we were happy to be able to meet with so many of you face-to-face.

We have been invited to the United Hardware Buying Market in Minneapolis on June 13-15, and we look forward to visiting with you then, or at any of the other upcoming events. Thanks for your continued support!



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