

# **Actinic EPOS Report 2007**

**November 2007**

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# 1 Introduction

This is the second annual survey of EPOS adoption and use among small and medium retailers, commissioned by Actinic and conducted by pfa Research, [www.pfa-research.com](http://www.pfa-research.com).

The research was based on interviews performed in April 2006 with a total of 109 retailers. These comprised a random sample of 98 companies, of whom 39 had an EPOS system; plus an additional top-up sample of 11 selected for having EPOS systems. Altogether 50 companies with EPOS systems were interviewed in detail.

## 2 Summary

### 2.1 Channel activity and technology adoption

- **The adoption rate of EPOS technology among small and medium businesses is around 40%** - the same as the proportion that have a web site, and that accept mail orders.
  - 40% of companies have an EPOS system
  - 38% of companies have a web site
  - 46% accept orders by mail
  - 44% accept orders by fax
  - 38% accept orders by email
- A much higher proportion of companies accept credit card payments (81%) and telephone orders for home delivery (69%)

### 2.2 EPOS suppliers and pricing

- **Use of off-the shelf EPOS solutions rose to 54% in 2007, compared with 37% in 2006**
- 95% of retailers used a third party to install their EPOS system. 60% of these used an EPOS specialist
- The average cost of a system was £5,200.

### 2.3 EPOS attractions and disaffections

- **The reasons most commonly given for EPOS adoption were stock control (21%), to increase sales / profitability (13%), to modernize (13%) and to make life easier (11%)**
- **71% of EPOS users did not encounter any problems with their system, and 54% were completely satisfied with it.** But 8% criticized their system for poor reliability, and 8% criticized their supplier for poor support. Other problems encountered included difficulty in learning the system, inflexibility, and the time needed to set up and maintain it.

### 2.4 Future plans and aspirations

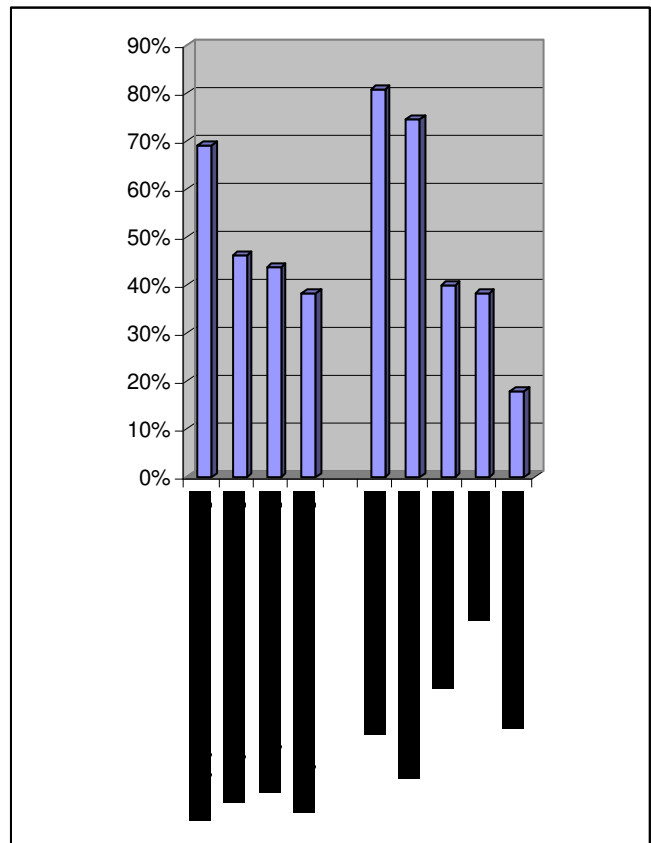
- **Among non-adopters, 5% have firm plans to implement EPOS, 56% have decided against and 39% are undecided**
- **Two-thirds of users required no additional features or services from their EPOS system.** The remaining third wanted a wide range of enhancements, particularly
  - Improvements in customer care (1 in 5)
  - Additional trade-specific features (1 in 5)
  - Chip and PIN (13%)
- **46% of users had their EPOS system integrated with their accounts system, and 24% their web site.** Only 6% had plans to add such integrations

### 3 Channel activity and technology adoption

#### 3.1 Summary

Two-thirds of businesses accept orders by telephone for home delivery, but only 40% by other methods.

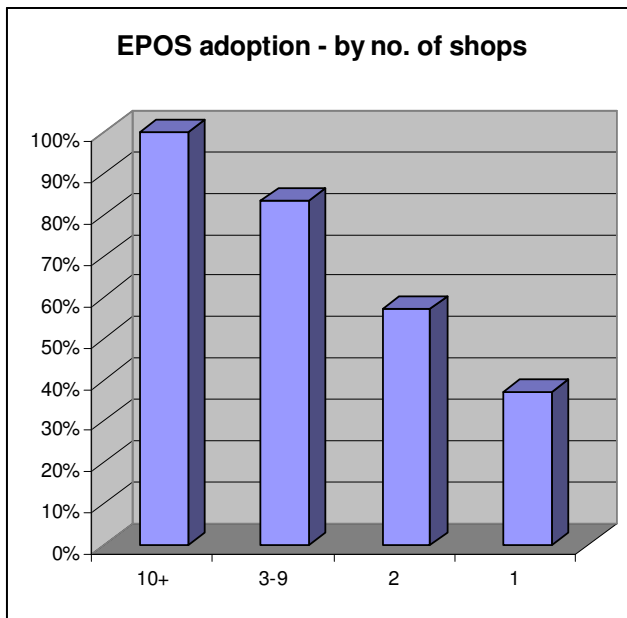
80% of businesses accept credit card payments, and all but 8% of those have an electronic swipe machine. **But only 40% have an EPOS system,** the same percentage have a web site, and only 18% have an ecommerce facility.



#### 3.2 Adoption by company size

Whereas 40% of companies overall have an EPOS system

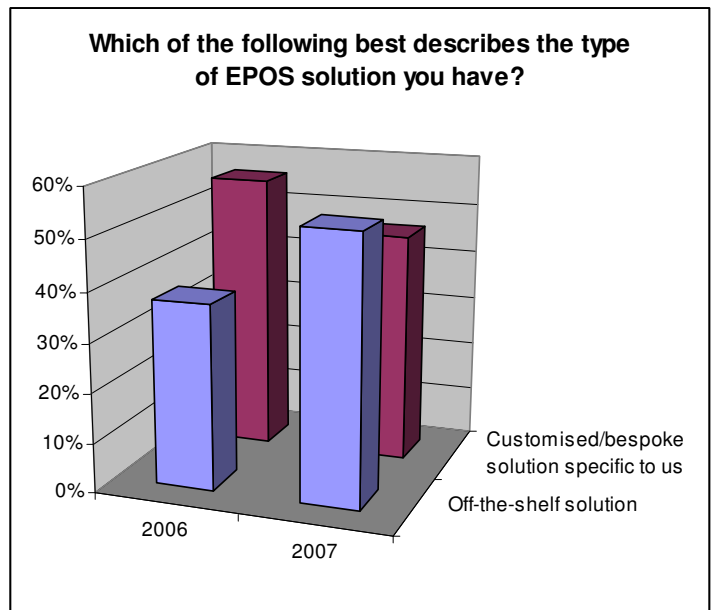
- Only 37% of single-store businesses have EPOS
- 86% of companies with 3 or more shops have EPOS



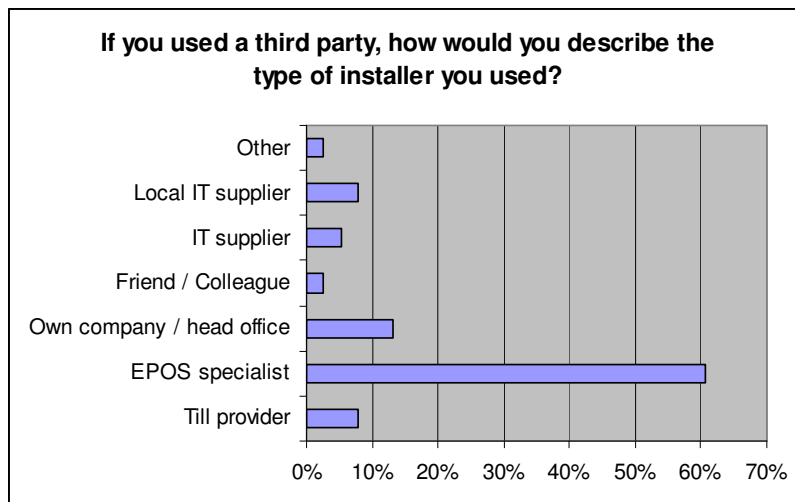
## 4 EPOS suppliers and pricing

### 4.1 Type of solution and source of supply

54% of companies chose an off-the shelf EPOS solution over a bespoke system, compared with 37% in 2006.



95% of installations were carried out by a third party. And six out of ten third party installations were carried out by an EPOS specialist



### 4.2 Pricing

The average price paid for a system was £5,200.

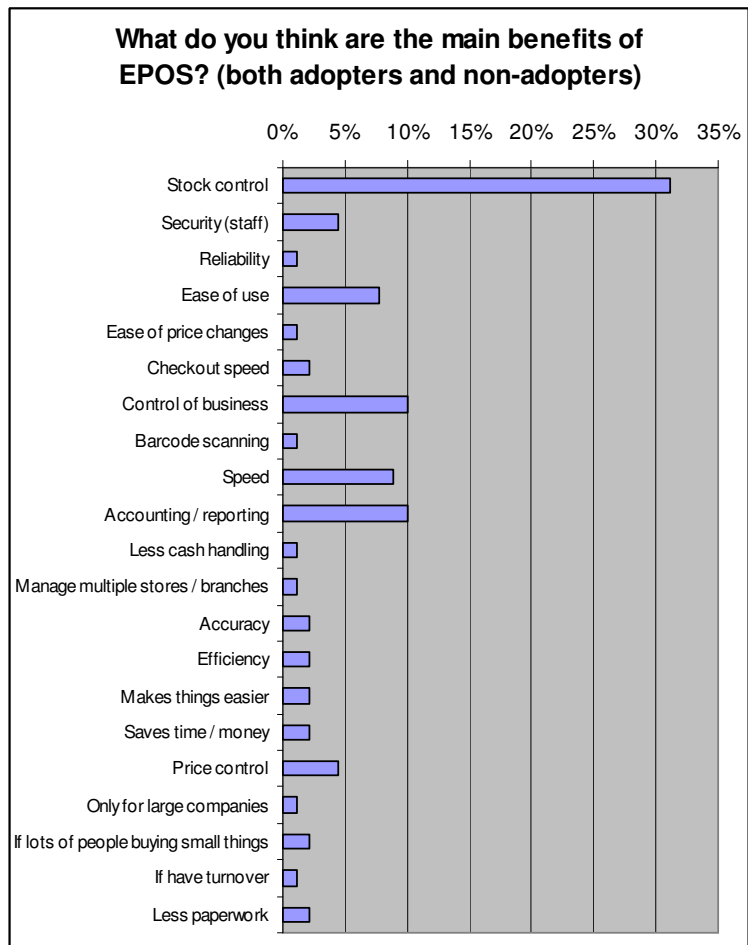
## 5 EPOS attractions and disaffections

### 5.1 Benefits

Across all interviewees, both adopters and non-adopters of EPOS, by far the leading perceived benefit was stock control (31% of responses)

Others were:

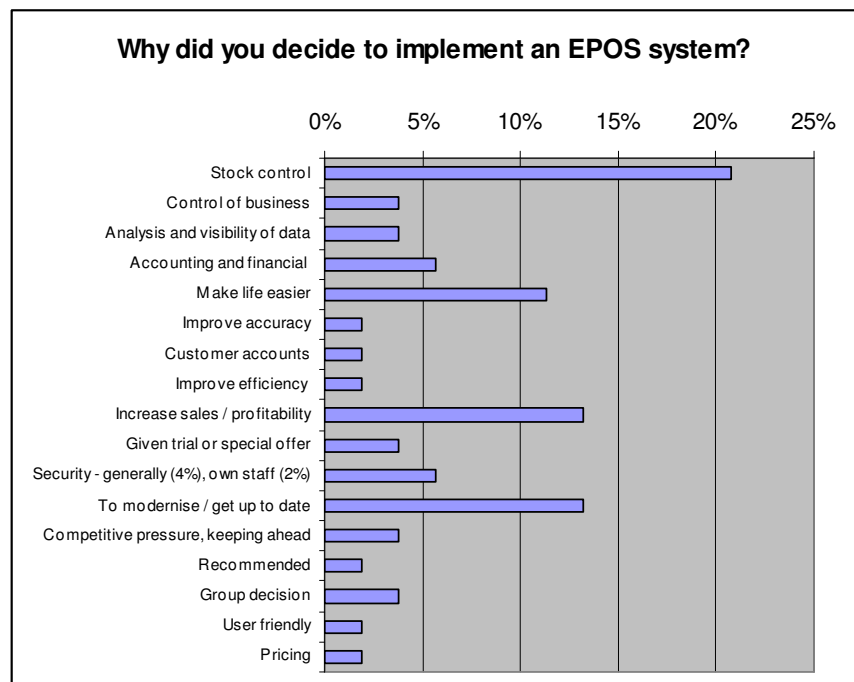
1. Control of the business (10%)
2. Accounting / reporting (10%)
3. Speed (9%)
4. Ease of use 8%()



### 5.2 Reasons for EPOS adoption

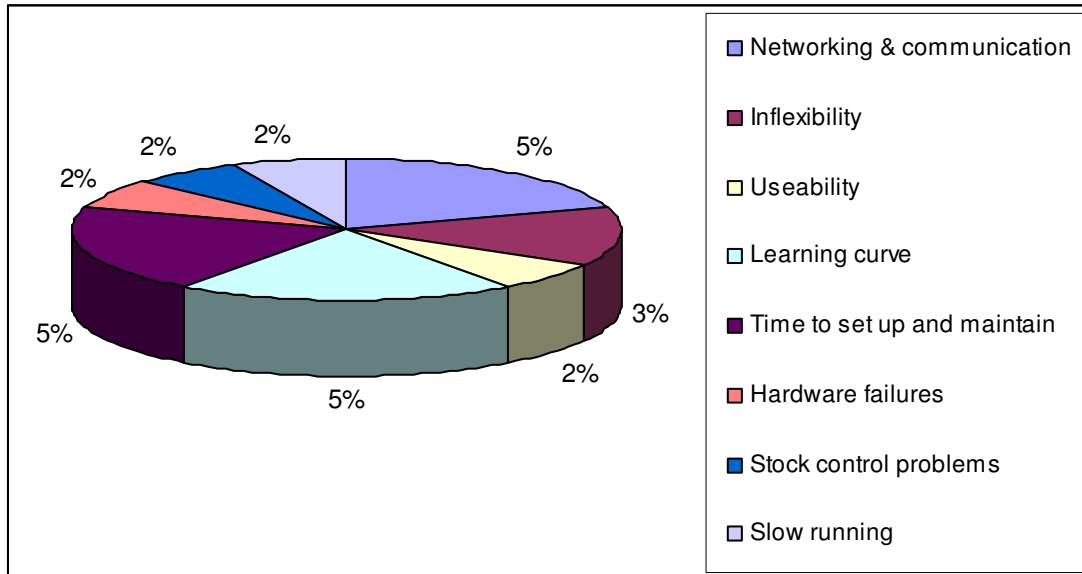
The most popular reasons given for adopting EPOS were:

1. Stock control (21%)
2. To increase sales / profitability (13%)
3. To modernization (13%)
4. To make life easier (11%)



### 5.3 Problems with EPOS systems

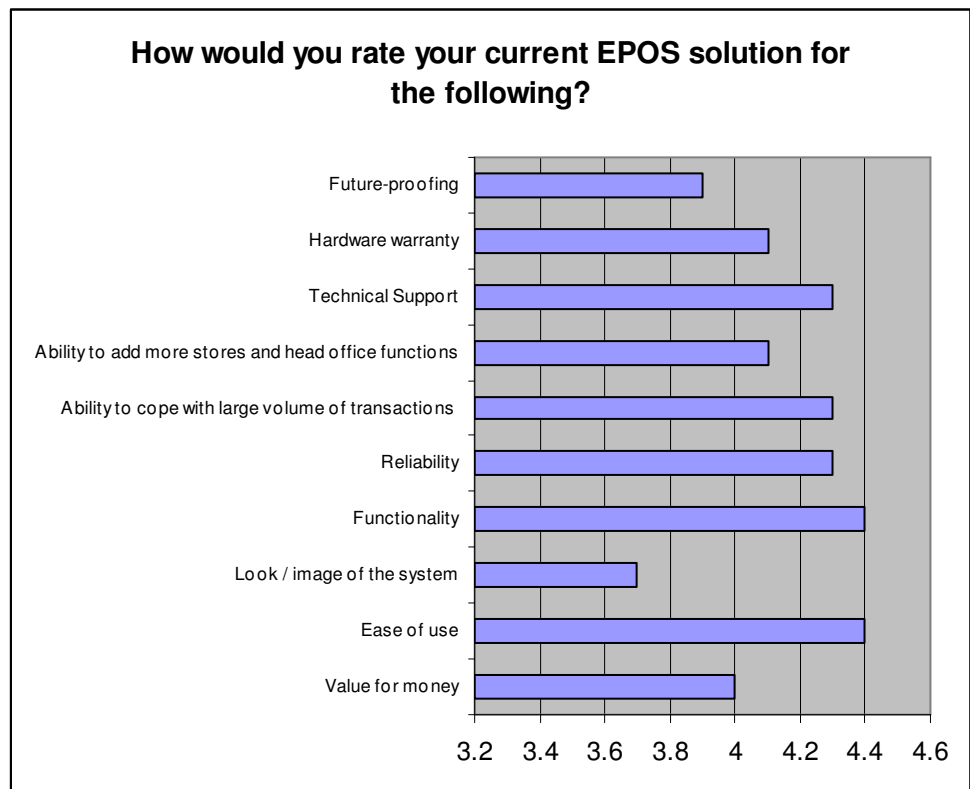
71% of EPOS users had not had any problems with their system. Among those that had, the most commonly encountered issues were difficulty in learning it, inflexibility, and the time needed to set up and maintain it.



### 5.4 User satisfaction

Users rated their EPOS systems highest for:

1. Functionality (4.4/5)
2. Ease of use (4.4/5)



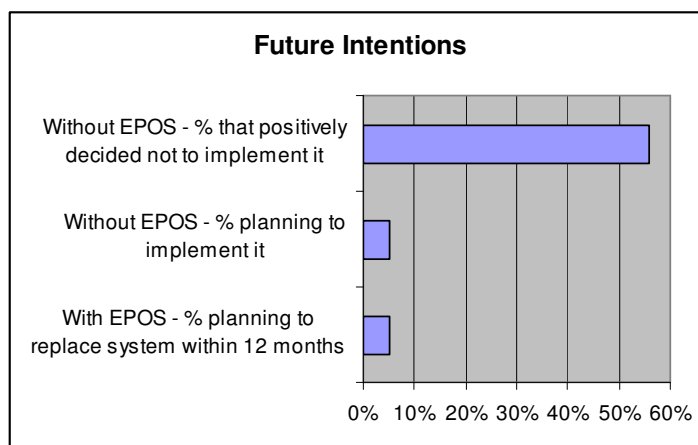
## 6 Future plans & aspirations

### 6.1 Future intentions

Only 5% of companies with an EPOS system have plans to replace it.

Only 5% of companies without an EPOS system have plans to implement one.

Of those with no plans to implement EPOS, only just over half (56%) have positively decided against it.



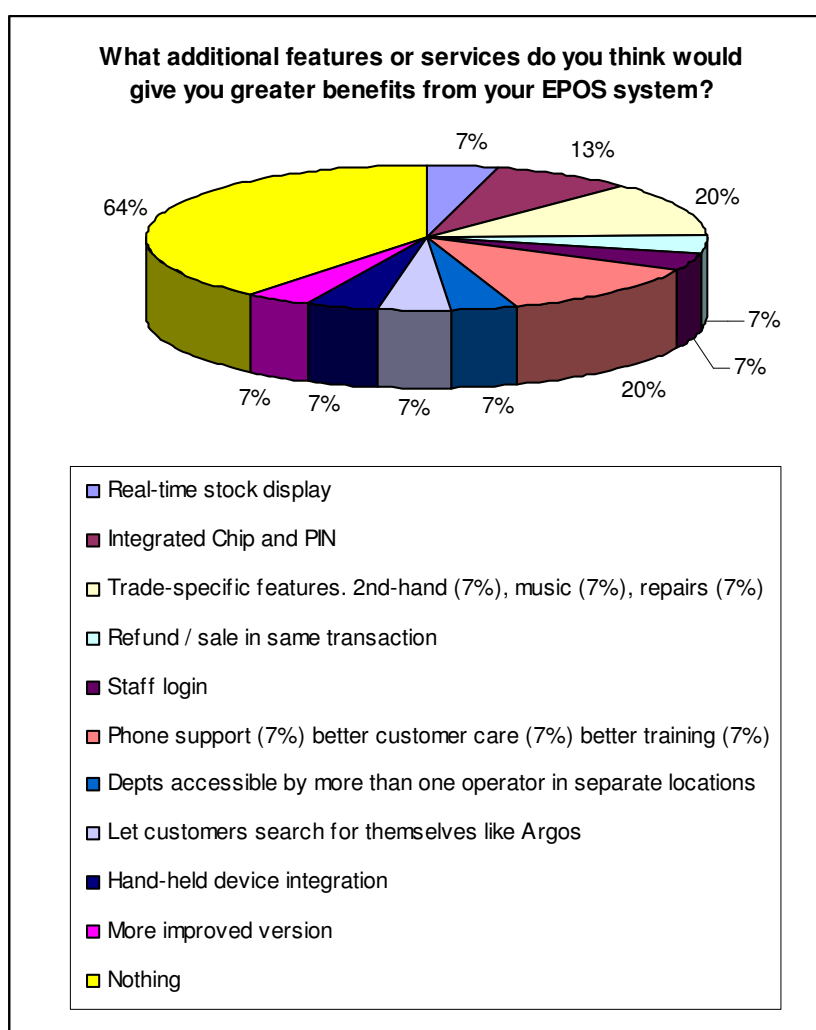
### 6.2 Aspirations

Two-thirds of users needed no further features or services from their EPOS system.

Of those that saw room for improvement:

- 1 in 5 wanted improvements in customer care
- 1 in 5 wanted an additional trade-specific feature
- 13% wanted Chip and PIN

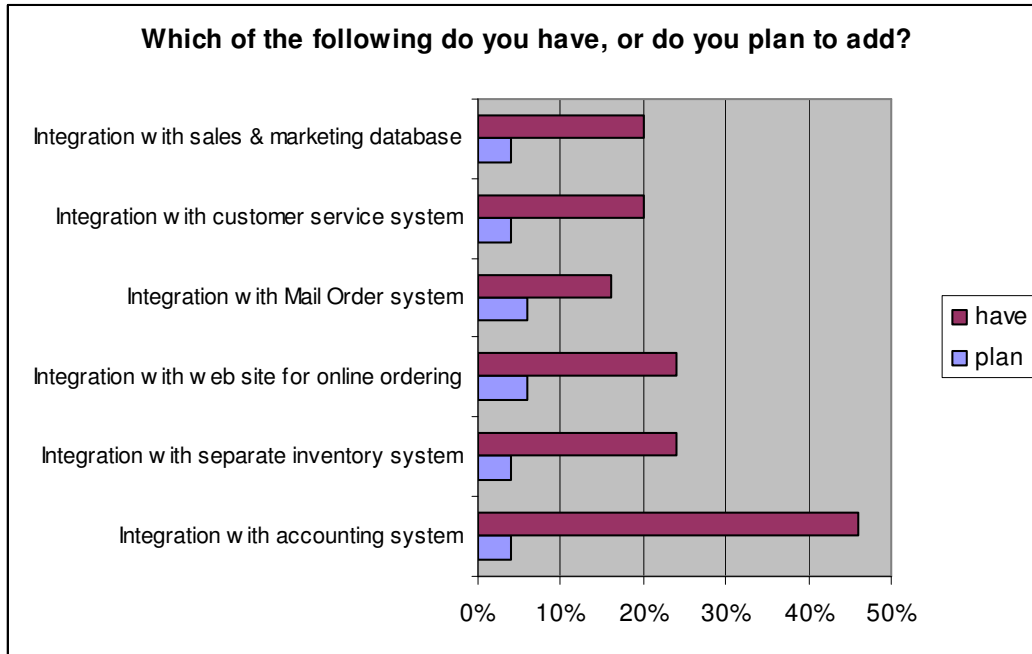
(7% = one individual)



### 6.3 Integrations

Almost half of EPOS systems are also integrated with an accounting system. No other integration was required by more than about 1 in 5 users.

Only a minority planned further integrations to their EPOS system.



## 7 Comments

"I can ask for information such as the day's takings and it gives me it in a few moments"

"If we have price changes we don't have to rip a load of labels off"

"It is simple to use and has good reporting. It keeps good track of our stock"

"Staff understand it because it is easy to use, and it changes prices automatically"

"All the information we require at the press of a button"

"The software is not updated regularly enough"

"It's easier for the staff and faster and they don't have to remember the prices"

"We don't need it. We are a small menswear shop and I make a note of everything I sell"

"It costs loads of money and doesn't take money any faster than the existing till"