



# What works for me

Sean Heaphy of the H2 Group discusses tighter margins, higher turnover *and* building a better customer experience.

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Sean Heaphy isn't new to retail and it shows. In the 15 years he's been in the business, six with SPAR, he has built his operations to include four stores, all with petrol, running a total of 16 pumps. While higher turnover is important for increasing profits, he says watching margins is absolutely essential.

Watching margins often equates to cutting corners somewhere, which almost always cuts into the customer's experience, costing customers and hurting more in the long run. "If you can improve margins without cutting corners, that's terrific, but if we can improve margins and enhance the customer experience at the same time, that's brilliant," says Sean.

Sean also says he has found a way to do just that and wants to share it with all SPAR retailers.

"The secret is something you can't even see; it's the connectivity service provider that keeps your electronic payments system working. It's great to be able to accept credit cards and debit cards, but when customers are counting on it and it fails, you have a serious problem."

Sean already moved all his stores from dial-up to broadband some years ago, cutting the processing time for transactions from about 45 seconds down to less than 10, reducing queues, while improving both throughput and customer satisfaction. He won't consider anything other than high-speed broadband.



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### **A seamless and automatic back-up**

Heaphy notes his credit and debit cards add up to 25% of payments across all his stores. He figures it is on the rise and he’s right. In fact, that percentage is expected to double in the next few years.

Ireland’s per person ATM withdrawals are more than double the EU average, while the high usage of cheques relative to other EU countries is staggering. All of which means the Irish have been slower to use cards for payment, but they already have them in their pockets. As Lasercard.ie explains: “3 million customers now carry a Laser Card in Ireland and they all expect to use Laser wherever they go.”

Sean may be ahead of the curve in knowing where electronic payment usage is going, but he has also already found a solution to the problem of reliable high-speed connectivity.

The problem isn’t the pay system sitting on the counter. It’s the broadband connection that let’s you down, and disrupts your ability to accept electronic payments. Therefore, Sean found a company that provides a seamless and automatic back-up so that when failures do happen, his staff and customers don’t even notice. “We used to deal with a few different companies, with Eircom in the middle. Now we just deal with one

company – QuestZones. That’s huge for us,” Heaphy explains.

Sean goes on to point out “We would lose up to a quarter of our sales if card payment isn’t available. That would destroy our bottom line and lose us customers”. (Worse, he points out, is if a customer fills their tank, expecting to pay with debit and can’t. “That’s not just a lost sale, that’s an outright loss. It’s like we approved a drive-off.”)

Now, however, he has cut losses without cutting corners, kept the high-speed connectivity, increased throughput and made his customers happier at the same time.

### **Cash free advantages**

QuestZones ([www.questzones.ie](http://www.questzones.ie) or +353 1 690 8042) points out that while failures of one kind or another can still happen (say if someone poured a coffee over the equipment) retailers call just one number for any and all service, and they’re answered by a qualified technician, 24-hours a day, 7-days a week. On top of that, they boast a mean repair time – 30 times faster than the status quo. Their logo says: “It Works. Quicker Than Cash.” and Heaphy agrees it does.

With a solution that works in all his stores, Sean thinks this is the way to go, and says he’ll actually be happy to see the usage of cash drop off, noting problems such as bank fees for deposits, collection costs for pickups, the staff time involved, and the inherent problem of theft.

Less cash on hand means less of all these costs, and certainly less incentive for hold-ups. As for the cost of the service, he points out that just one failure can be more expensive than the cost for the whole year, and he can sleep at night knowing the business is running well.

“We can’t lose a sale any more due to credit card failure,” he says, with a big smile on his face. Heaphy has what he thinks all retailers should be aiming for – “a smart way to consistently improve margins and throughput, while customers stay happy and keep coming back”.