

## Billpay Kiosks Enhance Supermarket Customer Service

After trying a variety of solutions, Oklahoma's Homeland Stores found success with billpay kiosks from U.S. Payments.

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### The players

Oklahoma-based **HAC Inc.** operates 73 supermarkets under the Homeland, United Supermarkets and Country Mart banners. The stores sell groceries and general merchandise. Most of the stores have delicatessens and pharmacies, and some have specialty departments offering products such as ethnic foods, floral services and seafood.

**U.S. Payments**, based in Tulsa, Okla., supplies turnkey solutions for self-service bill payment. Its network of payment terminals lowers the cost of in-person payments and enhances the customer experience. Customers who use its machines report greater satisfaction and find the process to be fast, convenient and easy. Clients who receive payment on the network choose either real-time or batch-remittance data and receive funds within two days. When positioned in an accessible location similar to ATM sites, U.S.

Payments' PaySite kiosks provide all-day customer access for increased self-service convenience.

### The challenge

Officials from Homeland Stores had long wanted to offer billpay services to their customers, but had struggled to find a suitable solution. Western Union's Quick Collect billpay service was one solution the company tried.

"The cost of doing Quick Collect through Western Union at the time was nearly \$13, and we just didn't feel like that was doing justice to the customer," said Craig Nelson, director of risk management and loss prevention for Homeland Stores. "We were looking for a better way."

A second method the company tried was a payment service that had been in place at a grocery store chain the company

*Before switching to U.S. Payments, Homeland Stores used a payment service. However, there was a lack of safeguards that made it easy for customer service workers to divert payments to their own accounts.*

acquired in the early part of the decade and eventually rolled out throughout the Homeland system. That service involved Homeland staffers taking payments at the customer service desk and entering them into a computer.

Although the fees associated with that service were much more reasonable, it came with its own set of issues.

“It was very labor-intensive and the customer service issues were horrific. One issue was that it created lines at the customer service counter,” Nelson said.

“We have a profitable business with our check cashing service, but billpay was tying up the lines for what was a very small transaction fee,” he said. “It was a very labor-intensive process and there was always a chance for human error.”

Two other issues in particular stood out with that system, Nelson said. One was a lack of safeguards that made it easy for customer service workers to divert payments to their own accounts. The other was that the system created a customer service nightmare in Homeland stores.

“One of the things that made it difficult was that payments weren’t posted to their accounts for two or three business days,” Nelson said. “The customer would come in with a cut-off notice, make the payment and go home and find that the utility company had turned off their heat. And ultimately, we ended up looking like the culprit.”

### The solution

In 2003, Homeland tested PaySite billpay kiosks from U.S. Payments in a number of



*PaySite billpay kiosks from U.S. Payments proved to be easy to use. The kiosks were so popular they eliminated lines at the customer service counter.*

stores. The kiosks accepted payments, in the form of cash or credit and debit cards, for dozens of billers, including Oklahoma Gas & Electric and Cox Communications.

“We tried them in 10 or 12 stores at first and the service just took off,” Nelson said. “It exceeded our expectations pretty quickly.”

Although the company posted a staffer near the kiosks for the first few days to assist customers who might be unfamiliar with the concept, Nelson quickly discovered those assistants weren’t needed.

“It was very simple for the customer to get used to,” he said. “People would just brush the assistants off and do their thing. The consumer is a little more tech-savvy than we gave them credit for.”

### The results

The immediate result for Homeland was that billpay kiosks eliminated lines at the customer service counter, enabling the company to focus on more profitable services such as check-cashing, money orders and tobacco sales.

Initially, Nelson was concerned about customer reaction to the fact that the kiosks don't accept or dispense change. If a customer's bill is \$131.75, she has to insert \$132, with the balance applied to her next bill. That issue, however, never materialized, he said.

Instead of receiving one or two customer complaints every day, as happened with traditional billpay, Nelson hasn't fielded a PaySite complaint in more than a year.

"Even when I do get a call the problem is easy to solve," Nelson said.

"I refer customers to the toll-free customer service number on the machine and the staff at U.S. Payments takes care of it, so I really don't have to deal with a lot of customer service issues," he said. "U.S. Payments has far exceeded our expectations, and it has worked out very well."

*About the sponsor: U.S. Payments supplies turnkey solutions for self-service bill payment. Its network of payment terminals lowers the cost of in-person payments and enhances the customer experience. Customers who use its machines report greater satisfaction and find the process to be fast, convenient and easy. Clients who receive payment on the network choose either real-time or batch-remittance data and receive funds within two days. U.S. Payments' PaySite kiosks enable continual, anytime service. When positioned in an accessible location similar to ATM sites, they provide all-day customer access for increased self-service convenience.*