

## Update Bulletin

### Connected Payments Transaction-Based Pricing

February 16, 2009

StoreNext now provides a new option for small-store grocers subscribing to Connected Payments. Instead of a flat-rate subscription, these users may now choose a transaction-by-transaction subscription model.

This transaction-based pricing model will be useful to small stores with low electronic payments transaction volumes. For example, a store averaging 500 transactions per week will pay only \$20/week for the Criterion package of services, compared to \$30 at standard pricing.

Transaction-based pricing is a new *option*, not a replacement for any current pricing plans. All of the existing flat-rate packages and options remain available. The transaction-based pricing model provides:

- A \$.03 per transaction<sup>1</sup> fee for the Criterion package
- A \$.04 per transaction<sup>1</sup> fee for the Summit package
- There is a base service fee of \$5/week for either Criterion or Summit
- Transaction-based pricing is available for small stores with 5 or fewer POS lanes
- Other than the pricing mechanism, there are no other differences in the Connected Payments services or options delivered. For example, the optional receipt-storage option for debit, EBT etc. transactions can be added for the same \$5/week fee.
- The dealer share for support and sales is the same as for flat-rate subscriptions
- Subscribers can switch between flat-rate and transaction-based pricing models on their subscription agreement anniversary/renewal dates without penalty. A new subscriber agreement (v9 or later, including the transaction-based option model) will be required.
- Subscribers can switch at any other time with a \$200 change fee. A new subscriber agreement (v9 or later, including the transaction-based option model) will be required.
- The “Transaction Count Invoicing Report” is now available on the Connected Payments system to display the subscriber’s transaction count status
- Subscribers using the transaction-based model are invoiced on the same schedule as flat-rate subscribers.

Transaction-based pricing opens up new markets for Connected Payments:

- Small stores currently with WinEPS can save on software maintenance while receiving enhanced services, simplified PCI and Connected Payments’ other benefits.

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<sup>1</sup> Subscribers under the transaction-based model will be invoiced for each transaction, regardless of type, that is sent to Connected Payments for handling or routing, including transaction reversals, retries and so forth. Transaction-based subscribers will *not* be charged for extraordinary transaction counts resulting directly from operational faults of the Connected Payments system.

- Stores currently using stand-beside payments to avoid software license costs can now upgrade to integrated payments with faster checkout and improved customer service. In many cases, changing to Connected Payments can dramatically reduce their payment costs.
  - For example, a 300 transaction/week user will likely pay about \$60/week (20 cents per transaction) for stand-beside service, but they would pay only \$14/week for Connected Payments plus \$12-18/week to the processor (assuming a 4-6 cent per transaction processing fee).
- Dealers should make sure they help grocers calculate their average transaction counts on a full annual basis, not just a few sample weeks. The holiday season significantly boosts transaction counts, and these months should be taken into account when deciding the best pricing plan.

A new Connected Payments/Connected Services Subscriber Agreement incorporating the transaction-based subscription model is now available on the StoreNext Dealer Support Web site.

StoreNext will accept transaction-based pricing agreements starting March 1, 2009

To Your Success,



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*Anthony van Seventer*

