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## **Barter and gift vouchers come to Eftpos**

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By Owen Hembry

Eftpos terminal supplier Provenco Payments expects to expand New Zealand's swipe rate with the deployment of technology to support two new card-based services.

An upgraded Provenco processing system will support Giftworks electronic gift vouchers and business trading community Ozone Barter.

Provenco chief executive John Tait said the new card programmes were an example of the future of Eftpos.

The electronic gift voucher can be used by retailers to replace common paper-based vouchers and customer loyalty systems.

"If you want to run transactional-based consistent loyalty [systems], the Eftpos terminal is the right place to do it because everyone has one."

Ozone Barter is a business-to-business trading company with 1200 members.

Businesses trade with each other without cash by earning and spending "Ozone dollars".

New cards have been sent to all Ozone members as an alternative to chequebook-style vouchers.

Ozone sales and marketing manager Marilyn Burnet said the new swipe card system would remove the processing delay associated with vouchers and improve efficiency.

Transactional authorisation previously sought in person by telephone will now be made automatically via the Eftpos terminal.

Burnet said the new card would attract more retail business members.

"We've had lots of retailers who said they would not join until we've got a card because they don't have the time or the inclination to bother with vouchers."



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Tait expects the variety of card services to grow, including the use of terminals for direct currency conversion.

"It will recognise that they're an English traveller and would say, 'Would you like to pay in pounds or dollars?'"

"As a traveller, it's nice to know exactly what you're spending."

The upgraded transaction processing system took a year to develop, six months to bed in and, depending on the application being run, could require reprogramming, or replacement, of some store terminals.

Tait said Provenco accounted for about 60 per cent of New Zealand's 100,000 Eftpos terminals.

The number of services using these terminals is set to increase further with the EMV (Europay, Mastercard, Visa) global standard for chip card capability.

A computer chip embedded into a smart card could provide greater security and hold multiple applications such as credit card, security pass, club membership, reward programmes and personal identification.

All new terminals are smart card-capable and Eftpos network operator Electronic Transaction Services (ETSL) has said 35,000 existing terminals must be upgraded by the end of this year and 50,000 by the end of 2007.

"It's an exciting time. It's like what we went through when we changed to decimal currency," said Tait. "Great times for a company like ours."