

## HIGHLIGHTS

### THE CHALLENGE

- As a retailer that expands across Africa, Pick n Pay must support myriad country-specific rules for imports, payments, landlord agreements, taxes and more.
- New opportunities around online purchasing, mobile payments and in-store banking services require a flexible, innovative payments solution.

### THE SOLUTION

- ACI's Postilion<sup>®</sup> provides the flexible, high-performance payments foundation Pick n Pay needs to support its current and future business initiatives.
- Postilion supports every transaction (both EFT and sales) and offers feature-rich reporting.

### THE RESULTS

- Pick n Pay saw a 30% uptick in online sales last year while rolling out innovative loyalty, banking and cross-border remittance programs.

# PICK N PAY: MEETING THE OPPORTUNITIES AND CHALLENGES OF GROWTH

Pick n Pay is a South African supermarket chain that sells groceries, clothing and general merchandise, and provides a variety of value-added services. With 1,200 owned and franchised stores across South Africa, Namibia, Botswana, Zambia, Swaziland, Lesotho and Zimbabwe — and more planned — Pick n Pay is challenged to cost-effectively provide innovative retail services to Africa's growing middle class while supporting each country's unique payment and legislative rules.






The supermarket business in Africa is challenging. Unlike consumers in developed nations, just 10% of Africans have access to full-service banking and only 25% own a mobile phone. In fact, many people buy produce from informal retail marketplaces, where anyone can put up a trestle table and start selling. That makes life tough for a formal retailer like Pick n Pay, which must make heavy investments in brick-and-mortar stores, technology and staff.



ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute \$14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience.

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However, Africa is also changing rapidly, with estimates suggesting that by 2020, 50% of the region will be urbanized and 80% of Africans will use cell phones. Pick n Pay is poised to capitalize on that future with an aggressive growth strategy for more stores, across more countries, offering more value-added services within the next five years. Key areas of focus include:

- **In-store banking** providing basic deposit and withdrawal functions, plus new loan and account services
- **Online services**, including click-and-collect, where customers order online and pick up their merchandise in store or use an SMS code to access it within lockers staged throughout a city
- **New payment services**, including mobile, EMV chip and PIN, and 3D Secure online, where customers authenticate themselves using a PIN sent to their phone
- **Cross-border remittances** enabling reduced-fee or free cash-in and closed-loop card-out for purchasing groceries
- **Price comparison/loyalty**, including Pick n Pay's Brand Match service that does price comparisons on top-selling items and sub-second loyalty calculations nearly two million times a day

While its opportunities are many, Pick n Pay faces challenges as it expands. It must navigate each country's unique import regulations, landlord agreements, tax and legal requirements, plus the legalities of switching transactions within a country, or to/from South Africa.

Fortunately, Pick n Pay has a strong relationship with ACI Worldwide and was one of the first merchant in South Africa to adopt ACI's Postilion for transaction processing and card management. Postilion has the flexibility and firepower to support every new service Pick n Pay deploys, while ensuring all transactions (both EFT and sales) are processed securely and in compliance with individual country mandates. As Jason Peisl, Pick n Pay's group solutions architect, says, "We view our Postilion switches as the goose that lays the golden egg."

In the last year, Pick n Pay saw a 30% increase in online sales, while it rolled out new stores and services. With ACI in its corner, Pick n Pay knows it can meet every new challenge and opportunity going forward.

**POSTILION® HAS THE FLEXIBILITY AND FIREPOWER TO SUPPORT EVERY SERVICE PICK N PAY DEPLOYS.**

