

Majestic gets connected with TNS

How Majestic Wine Warehouse implemented a private managed network from Transaction Network Services (TNS) UK following the successful execution of a new Chip & PIN solution from Itim. Benefits include:

- *Authorisation times of an average 0.8 seconds*
- *Faster processing reduces queue times and improves customer service*
- *Head office savings of £14,000 so far*

Introduction

Majestic operates the largest wine warehouse chain in Britain, specialising in the sale of wine by the mixed case direct to the public.

Majestic's transactional website, Majestic.co.uk, was launched in April 2000. Offering online access to almost all of Majestic's products and services, the website builds on the retail operation, with order fulfilment carried out directly by local stores using delivery vans.

In October 2001, Majestic purchased Les Celliers de Calais SA, a business which had successfully operated in the French channel ports since 1993. The stores in Calais, Coquelles and Cherbourg, now trade as Wine & Beer World, serving a largely British customer base purchasing drinks at lower duty rates than in the UK.

July 2003 saw Majestic's first major push into the fine wine market, with the opening of the temperature-controlled Fine Wine Centre within its St. John's Wood store. The range of over 200 fine wines retailing at £20 and above is available for distribution to other Majestic stores, with orders accepted through a dedicated Fine Wine website as well as in-store customer orders.

'Right, all of the time'

Majestic Wine Warehouse is a rapidly expanding business with 127 branches across the UK. With a minimum purchase of a dozen bottles, transaction values and customer expectations are high. Around 90 per cent of all payments are taken by card, and floor limits are zero, forcing all authorisations online. Majestic wanted to implement a Chip & PIN solution that would allow transactions to be processed rapidly and reliably allowing shoppers to enjoy an uninterrupted shopping experience with access to available and knowledgeable staff on the shop floor at all times.

Jim Bendon, IT Director, Majestic Wine Warehouse, comments, "We needed a chip & PIN solution that would be one of those small things that went right, all of the time."

After implementing a Chip & PIN solution from Itim, Majestic looked to Transaction Network Services (UK) Ltd (TNS) for transaction processing and networking capabilities.

'Fine-tuned'

TNS provided Majestic with a private managed network, fine-tuned for card payments. This was the solution's foundation – the ability to take IP-based authorisation requests from the store and present them directly to the acquiring bank in the format of their choice. The traditional approach would find a third party data centre or bureau service providing this conversion before passing it on to the acquirer. The new solution from TNS, in effect, opened a back door from the store directly to the acquirer, significantly reducing the cost of delivering authorisation requests.

The solution also avoids the public Internet and therefore the security issues involved. Now, once the authorisation data leaves the store it is in a private environment and is totally secure and monitored en-route. Sufficient bandwidth, 100 per cent uptime (via an automatic PSTN fail-over) and end-to-end accountability for the whole authorisation process, is also ensured as part of a CISP compliant, business quality, managed service.

Being the first solution of its type and with so much at stake, surely then it should have been an agonising decision to say the word “go”? When quizzed however, Jim saw this differently. “The nature of technology is that there is always something new. I took an uncompromising stance that it should work. The concept was sound and the accreditation passed first time. I was satisfied with the test proofs and had no reason for doubt.”

‘Faster than the blink of an eye’

Now rolled out to all 127 stores without a hitch, authorisation times are an average of 0.8 seconds. Jim notes: “It’s so fast our store staff initially queried whether authorisation was taking place. That’s the type of one-off support call we really didn’t mind taking!”

Staff can now get back to the shop floor quickly. They’re wine experts not technology experts after all. The customer is also assured there is no frustrating card-authorisation wait. The transaction is simple, inconsequential and, with every reliability angle covered, totally painless.

Such reliability means that any associated support from Majestic’s two strong EPOS support team has become a thing of the past. “It’s got to the point that we take it for granted.” Apart from slashing associated support time and costs, there is a great value in all round confidence – no doubt that the transaction has gone through, no doubt the customer’s card details are watertight and no doubt that Majestic will ultimately receive their payment.

Of course, the provision of Broadband in-store means ISDN is no longer required. A straight annual saving of £320 per store has been gained whilst also providing a beneficial framework for business tool use; email, intranet access, customer ordering, support and management information provision. Indirect savings have also been discovered with the reduction of an obsolete communications infrastructure at Head Office to the tune of £14,000 per annum, so far.

“This solution is the fastest, most secure, most reliable and most technically advanced application of Chip & PIN around,” concludes Jim. “It proves that the correct application of the right technology still has the ability to make the biggest difference to the small, but so very important, things.”

About TNS

Transaction Network Services is one of the leading providers of business-critical, cost-effective data communications services for transaction-oriented applications. TNS provides rapid, reliable and secure transaction delivery platforms to enable transaction authorisation and processing across several vertical markets and trading communities.

Since its inception in 1990, TNS has designed and implemented multiple data networks, each designed specifically for the transport of transaction-oriented data. TNS networks support a variety of widely accepted communications protocols and are designed to be scalable and accessible by multiple methods. TNS network technologies have been deployed in the United States and internationally, and TNS networks have become preferred networks servicing the trading community, wireless and wireline carriers, and the card processing and dial-up automated teller machine markets. For further information about TNS transaction solutions, please refer to www.tns-international.com