

C.3 - Industry Interviews: Interview Guide

Introduction

Thank you for agreeing to participate in this interview for the SNAP EBT Scanner Study. This project is funded by the USDA, Food and Nutrition Service (FNS) to better understand the effect on small businesses of complying with the recent statutory requirement that all authorized SNAP retailers must use scanners at checkout to accept SNAP benefits. By collecting this information, FNS can better understand and help minimize the burden on small SNAP-authorized retailers. By small retailers, we mean small to medium-size grocery stores which typically have a small or moderate selection of SNAP-eligible products; specialty stores like butcher shops or seafood markets; and independent or franchised convenience stores. We are **not** interested in technologies that may be used exclusively by supermarkets, superstores, and large chains; that is, 10 or more stores owned by the same company or owner.

This interview will take about 1 hour and will include questions about the types of scanning technologies sold by your company, the costs to purchase and operate such technologies, training of store employees on using scanning technologies, and any economic or business operation benefits associated with using scanning technologies.

Your participation in the interview is voluntary. Please answer the questions to the best of your ability. You can decline to answer questions if you don't have the information or if you prefer not to respond. Your responses will be kept private, and any reports prepared with the information you share will not include your name or the name of your business. With your agreement, I would like to record the interview to ensure I accurately capture the information you provide.

Do you have any questions about the interview or use of the information before we begin?

Do you consent to proceed with the interview and to have it recorded?

1. Overview Questions

[Ask all of the questions in Section 1. The responses to Question 1 will help determine which of the remaining sections to administer during the interview.]

- 1. What type(s) of scanning technologies does your company sell or lease?
 - a. Does your company sell or lease point-of-sale hardware? [If yes, ask questions in Section 2]
 - b. Does your company sell point-of-sale software? [If yes, ask questions in Section 3]
 - Does your company sell bundled systems (i.e., hardware and software packages)?
 [If yes, ask questions in Sections 2, 3, and 4]



- 3. When working with small retailers, what personnel at the store do you usually have most contact with (e.g., store manager, purchasing manager)? Remember, by small retailers we mean small to medium-size grocery stores, specialty stores, and independent or franchised convenience stores.
- 4. When working with companies that own multiple small stores, what type of personnel do you coordinate activities with?

2. Questions Related to Hardware

- 1. What hardware components are needed to scan SNAP-eligible items? (Include hardware components needed in addition to the scanner).
- 2. What is the per-register cost of purchasing (or leasing) hardware needed to scan SNAP-eligible products?
- 3. Is the installation cost included in the price of the hardware?
- 4. Are there volume discounts for purchasers of hardware?
 - a. If yes, how many units need to be purchased before a discount is given?
 - b. What is the amount of the discount?
- 5. What is the length of life for this hardware?

3. Questions Related to Software

Walk participant through Figure 1, explaining the differences between the five types of systems. Explain that we will ask a series of questions about the cost of upgrading from one type of system to another. We will begin with the most sophisticated system and work toward the least sophisticated system.

- 1. If a retailer has a front-end register system that is *not* integrated with the payment terminal, what is the cost to become integrated (going from a Type D system to a Type E system in the figure)? Are these costs included in the hardware costs quoted earlier? (Scenario 5)
- 2. If a retailer has a front-end register system that is integrated with the payment terminal and can scan products but cannot verify whether products are SNAP-eligible, what is the cost for the modular upgrade to verify SNAP-eligible products (going from a Type C system to a Type E system in the figure)? Are these costs included in the hardware costs quoted earlier? (Scenario 4)
- 3. If a retailer has a front-end register system that is <u>not</u> integrated with the payment terminal, what is the cost to upgrade to a new integrated system that can verify



SNAP-eligible products (going from a Type B system to a Type E system in the figure)? Are these costs included in the hardware costs quoted earlier? (Scenario 3)

- 4. If a retailer has a front-end register system that is <u>not</u> integrated with the payment terminal but has a scanner to look up price information, what is the cost for a modular upgrade to verify SNAP-eligible products but is still not integrated (going from Type B system to Type D system in figure)? Are these costs included in the hardware costs quoted earlier? (Scenario 2)
- 5. If a retailer has a front-end register system that is *not* integrated with the payment terminal and does not have a scanner, what is the cost to upgrade to a system that scans and can verify SNAP-eligible products but is still not integrated (going from a Type A system to a Type D system in the figure)? Are these costs included in the hardware costs quoted earlier? (Scenario 1)
- 6. Is there a licensing fee for using the front-end register software (different from a service contract fee)?
- 7. Do the software systems include a UPC database? If optional, what is the cost for including a UPC database?
- 8. Does the store install the software itself or does the dealer include an installation cost as part of the purchase price or in addition to the purchase price?
- 9. Do companies that own multiple stores receive volume discounts?
 - a. If yes, how many units need to be purchased before a discount is given?
 - b. What is the amount of the discount?
- 10. Does the cost vary by the location or type of store or whether the store is independently owned versus a chain?
- 11. Please explain the service contracts that a store might purchase from your company. Do they include troubleshooting or regular updates and maintenance? What are the costs of these different types of service contracts? Can you provide a copy of a service contract for us to use as an example?
- 12. How many months or years is the software reasonably expected to last?
- 13. How often are software updates provided? [if applicable]
- 14. What bandwidth and speed of Internet service does a store need to access your software or databases in the cloud? [if applicable]
- 4. Questions Related to Bundled Systems



- 1. What is included in the bundled package (e.g., hardware, software, service agreements)?
- 2. What are the prices and specifications of your bundled systems?
- 3. What are the cost savings associated with buying a bundled package over buying the separate components?
- 4. Do retailers typically replace their front-end register hardware at the same time that they update their scanning software?

5. Questions on Training

- 1. Do you provide training on how to use the equipment that you sell? [If no, proceed to Section 6]
- 2. What is the format of the training (e.g., in person, CD, online)?
- 3. If in person, where does the training take place?
- 4. Is the cost of training included in the purchase price?
- 5. How many store employees are usually trained at each location? [if applicable]
- 6. What type of employee do you usually train? [if applicable]
- 7. What is the duration of the training for a completely new system? How much training is provided for modular upgrades within systems? *[if applicable]*
- 8. As software updates are made, is additional training provided?

6. Questions on Technological Updates

- 1. What new technological updates in front-end register hardware or software do you anticipate in the next 3 to 5 years?
- 2. Based on your experience, what proportion of small retailers would you estimate use the new EMC (chip reader) technology?

Figure 1. Configurations for POS Systems

