

The future of cash handling

Cash is king, as the saying goes. Or is it?



Image courtesy of techsling.com

At a time when cashless transactions, e-wallet technology and online retail is booming, is there still a place for cold, hard cash?

The short answer is 'absolutely yes!'. According to statistics from the Oxford Business Group, an estimated 23.5% of South Africa's population is considered 'unbanked', with some R12 billion in cash is believed to be held outside the formal banking system.

If anything, cash is more important – and prevalent – today than it has been for years. The recent pandemic changed many things about our society, one of which was our need for easy access to cash in case of emergency, and the risk of financial institution instability. Governments around the world were also forced to print more money in support of those who found themselves losing their incomes, businesses and jobs.

Despite the multiple options for cashless payments, cash isn't going away anytime soon, and so the pressure on retailers to find new and better ways to handle, manage and secure cash in-store will only continue to grow.



Image courtesy of news24.com

The value of cash

As a store owner, giving your customers safe and easy access to cash transactions is fundamental to your business. The volume of cash payments your store receives will depend on where you operate, your store format and the size of your store, but providing it as an option is accepting cash about giving your customers the choice to transact with your business on their own terms.

"Cash still has a vital role to play in the retail ecosystem," says Mark Templemore-Walters, Operations Director at cash handling solutions provider Cash Connect.

"People can use cash without involving a third party because they trust it," says Templemore-Walters. "They can pay with cash when there's load shedding, when there's no internet connectivity, or if the card terminal is down. From a retailer's perspective, it's a low-cost way to accept payments. Removing the option of cash payments threatens

to increase financial exclusion among the unbanked and underbanked."

Peter van der Westhuizen, Director of Product Enablement at cash management specialist Deposita, says customers don't want to be in a position where they can't get to their cash. "The South African Reserve Bank recently released stats to show that cash in circulation increased by 8.23% during and post Covid, with over 50% of current transactions occurring through cash," he says.

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“This isn’t a uniquely South African scenario either,” says Van der Westhuizen ...

“ In America, 53% of people use cash more now than they did 12 months ago, and only 13% say they are not using cash at all. In fact, the American bank note market will register a growth of US\$2.7 billion between 2020 and 2025, at a CAGR of 4.18%, purely from printing additional notes to meet demand. ”

With so much cash in circulation, retailers are constantly being challenged to move away from manual cash handling with its labour intensive, costly and inefficient processes. According to Van der Westhuizen, more than half of South Africa’s retailers still use manual processes to manage their cash in-store, so the onus is on service providers to come up with more effective and efficient cash automation solutions.

Image courtesy of MF3d/Getty Images_techcrunch.com



Cash management best practice

Reduce cash on-site

Whether you are already invested in automated cash management, or manually managing your cash handling, the safest place for cash is still in the business’ bank account. Setting a limit on how much money is allowed in the store will help minimise the amount of cash you keep on site. The faster your store’s cash is deposited, the quicker you reduce risk.

Focus on security

Moving cash in South Africa should be left to the professionals. It is not safe for an employee or store owner to transport large amounts of cash. Even with armoured vehicles and armed guards, incidents of cash-in-transit crime in South Africa are among the highest in the world.

According to the latest crime statistics, serious crimes like in-store robberies and cash-in-transit heists increased more than 10% in the three months between October and December 2022 compared to the same period last year. Employee theft is also rampant. It is estimated that 5-7% of turnover is lost to internal theft. All staff that handle cash must undergo background checks, and there should be a clear separation of duties to create accountability through the cash management process.

Implement systems and procedures

Systems and procedures provide a foundation for proper cash management. Cash handling is part of your store’s internal controls, and it is essential that your employees are trained to understand your specific policies.



Image courtesy of huffingtonpost.co.uk

Cash management technology

While it’s prudent to minimise the amount of cash you keep in-store, you still need to ensure there is enough cash on hand to run your business, facilitate smooth transactions, and give your customers an easy way to access their cash in order to trade with you.

One of the latest trends in the cash handling and security industry is the adoption of in-store cash recycling devices. At their most sophisticated, these devices perform multiple functions that previously required manual intervention, including accepting cash, dispensing cash, counting cash (both notes and coins), and allocating cash floats. Wanda Kelly, Head of Sales and Marketing at South African



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The Mercury EK-2100 Series is a 21.5" interactive kiosk with a stylish, compact, and functional design that helps retailers implement contactless, safe, efficient, and reliable service to the customers.



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Engineered for easy assembly and maintenance, Mercury EK-2100 Series lets retailers assemble and switch out components easily.

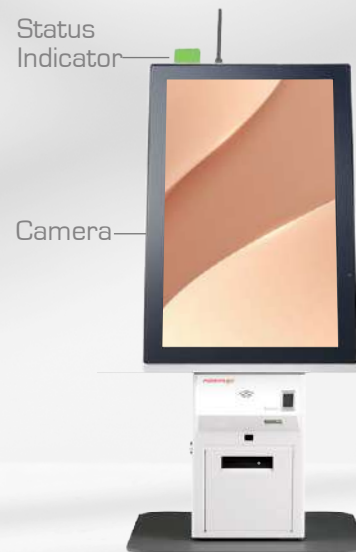
Seamless Integration

Mercury EK-2100 Series offers a flexible solution with a variety of choices of peripherals including a Fingerprint sensor, an NFC/RFID reader, a 2D scanner, and a bracket for EMV payment devices.

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cash protection and management equipment manufacturer Allcash, says that while cash recycling is catching on faster overseas, particularly in Europe, the technology is starting to feature in South African retail too.

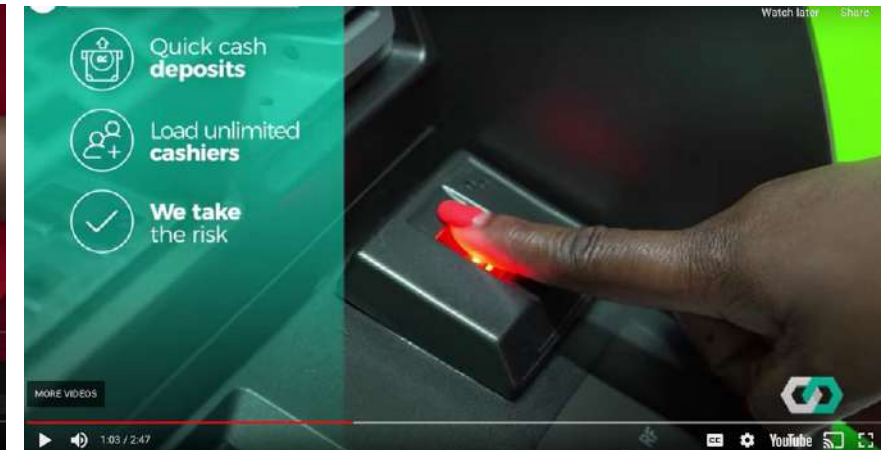
“We have several local clients, specifically in the retail pharmaceutical, fast food and hospitality industries, that have already deployed some form of cash recycling equipment in-store and on-premises and are in active talks with larger supermarkets for recycling solutions that would augment their existing automated cash management systems,” says Kelly, explaining that there are two types of recycling devices retailers should consider: till point and back office.

“One of our large national hardware retail customers recently installed till point recyclers that virtually eliminate any human touchpoints,” she says. “Cash is paid directly into the device instead of the till drawer, and change is dispensed by the device as well. The teller doesn’t touch the cash at any point, and the device is also able to process card transactions for customer cash withdrawals, again without any teller intervention.

“We’ve also installed back-office recyclers at one of South Africa’s largest fast-food chains, which has completely transformed the group’s end-of-day and start-of-day cash acceptance and dispensation processes,” says Kelly.

“Once a service cashier has finished their shift, they take their daily cash earnings, deposit them into the device, and go home. At the start of the day, new cashiers are allocated their daily floats

Images courtesy of Cash Connect



by the device, which dispenses the right amount in predetermined denominations and coins. The process repeats at the end of the shift.”

Deposita’s Peter van der Westhuizen agrees that self-service cash recycling is the next logical step in the evolution of in-store cash management.

“As a company we provide the full gamut of deposit solutions, including semi- or full self-service recycling solutions for retail environments,” he says. “One of the biggest benefits of the technology, for me, is the change it makes to previously tedious – and often dangerous – manual cash handling processes. Not only does staff no longer need to physically handle cash, or at least not as often, it also reduces the need for after-hours cash recon, so staff that have often been on their feet all day can simply deposit their floats and go home.”

Van der Westhuizen points to recent studies reflecting that 80% of consumers want retailers to provide a payment option choice during checkout and do not want to be forced to pay through a dedicated payment rail like ‘card only’. “Interestingly, 47% of consumers will not always choose the same payment option but select the payment option that best meets their needs at that moment in time,” he adds.

A more advanced form of cash recycling is the intelligent ATM Recycler. Cash Connect’s Templemore-Walters says an intelligent retail ATM Recycler offers a three-way cash management solution: a cash vault, a smart retail ATM recycler and a dispenser, as an all-in-one offering.

“It’s ideal for retailers with a cash-centric client base that want to pay for goods in cash and use

the in-store ATM to make cash withdrawals,” he says. “It also offers a further enhancement of in-store cash recycling, which results in fewer cash-in-transit collections, reduced cash processing fees, and ultimately translates into a cost-saving for the retailer.”

One of the critical components of next-generation cash and ATM recycling is biometric security.

“Biometric authentication at the cash touchpoint enables cashiers to cash-and-dash, which allows for quick and seamless cash deposits by cashiers and increases accountability among staff when making cash deposits and drops,” says Templemore-Walters.

“I would encourage any retailer currently investigating these solutions to strongly consider biometrics as part of the spec, in place of cards or fobs that can easily go missing or be stolen.”

An automated future

Both cash recyclers and more advanced all-in-one ATM recyclers are part of a broader move towards streamlined automated cash management, the benefits of which are threefold:

- **Operational efficiency:** Automated cash management eliminates manual reconciliations and banking. This helps ensure fast cash management, while reducing shrinkage, overhead and back-office costs. It also means admin staff and supervisors have more time to focus on work that adds more value to the business. Automated systems can quickly and accurately count cash, validate

Images courtesy of Deposita



currency authenticity, and reconcile cash amounts. This eliminates the need for manual counting and reduces the time spent on cash-related tasks, enabling employees to focus on other essential aspects of customer service and store operations. Moreover, automated cash management systems can generate comprehensive reports and analytics, providing valuable insights into cash flow, which can inform decision-making and optimise cash management strategies.

- **Better cashflow:** An effective automated cash management system will reflect the retailer’s cash in their bank account on the same day that the cash-in-transit company collects it from their premises. Some solutions even offer instant access

to cash while it’s still in the vault, converting the retailer’s cash into value whenever they need it. Cash is a valuable asset, and optimising its handling is crucial for retailers’ financial health.

Automated systems facilitate timely and accurate cash reconciliation, reducing discrepancies and ensuring that cash is properly accounted for. This enables retailers to have a real-time view of their cash position, aiding in better decision-making regarding cash allocation, banking, and cash replenishment. Effective cash flow management can help retailers avoid cash shortages, minimise the cost of cash handling, and optimise their overall financial operations.

Cut Through the Clutter with Zebra's Task Management!

Zebra Task Management is a task management system designed to help businesses improve their efficiency and productivity. It provides a comprehensive suite of tools that allow businesses to easily manage tasks, assign tasks to team members, and track progress. The system also offers features such as task reminders, task scheduling, and real-time reporting.

Where Zebra Task Management Makes a Difference:

- Zebra Task Management is designed to help organizations improve the efficiency of their operations by streamlining task management processes.
- Provides a centralized platform that enables users to easily assign, track, and report on tasks in real time.
- Offers advanced analytics and reporting to help managers identify trends and optimize their operations.
- Automating and simplifying task management, Zebra Task Management helps organizations reduce costs and improve customer service. It also helps to ensure compliance with industry regulations and standards.

Zebra Task Management is a cloud-based task management platform that can be utilized in any industry to manage tasks, resources, and workflow. The platform can be used to assign tasks to team members, track progress and deadlines, and collaborate on projects in real time. This allows for a more efficient and productive workflow and can help organizations save time and money.

In the medical industry, Zebra Task Management can be used to manage patient care, keep track of medical records, assign tasks to medical staff, and ensure that all tasks are completed in a timely manner.

In the retail industry, Zebra Task Management can be used to track inventory and sales, assign tasks to store personnel, set deadlines for tasks and projects, and ensure that all tasks are completed on time.

In the warehouse industry, Zebra Task Management can be used to manage inventory, track shipments, assign tasks to warehouse personnel, and ensure that all tasks are completed on time. It can also be used to track production, ensure quality control, and reduce errors.



Zebra ET45

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Struggling to complete and track tasks?



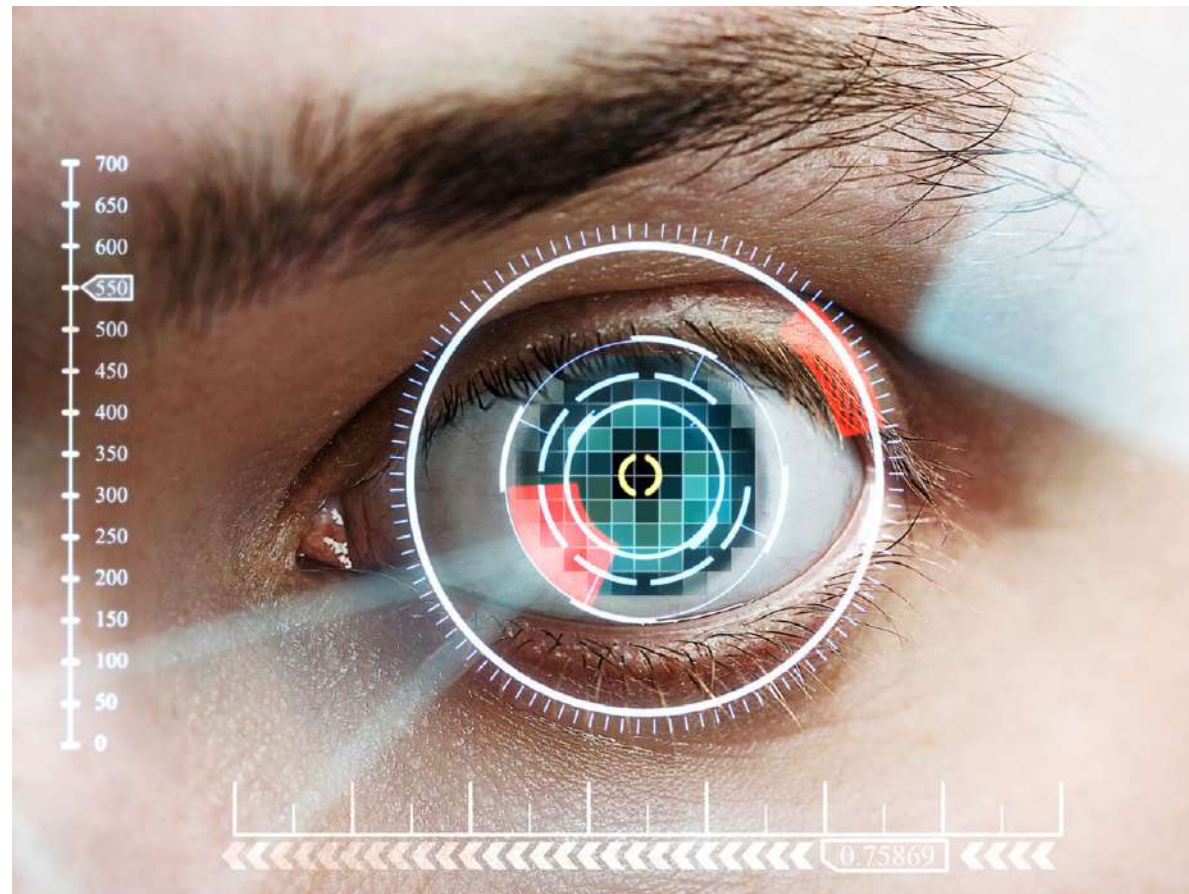
- **Maximum value:** Cash transactions still play a vital role in many businesses, particularly for smaller retailers that cater to customers who prefer using cash. Automating cash processes helps retailers handle these transactions efficiently and accurately, reducing wait times for customers and enhancing their overall experience. By providing a seamless and convenient cash payment experience, retailers can attract and retain customers who prefer or rely on cash transactions, thus maximising sales opportunities.

Ultimately, the most important function of automated cash management systems is to secure your cash at every stage, from customer, to till, to vault, to bank or, as we've already seen, throughout the in-store cash recycling process.

The best solutions will employ secure technology, such as note and coin validators, counterfeit detection mechanisms, and cash tracking software, to ensure accuracy and security throughout the entire cash management cycle. This greatly reduces the chances of human error or intentional misconduct, promoting a safe and secure working environment for employees and protecting the retailer's bottom line.

Cash in a cashless future

With the proliferation of digital payment platforms and the increasing popularity of mobile wallets, it's easy to envision a future where physical cash becomes obsolete. However, the reality is that cash will remain a part of our economy for many years



to come. The role and continued benefits of cash should not be overlooked.

Cash has long served as a universal form of payment, accepted by merchants and individuals across the globe. Its tangible nature provides a sense of security and autonomy, allowing individuals to maintain control over their finances without relying on intermediaries. In a cashless future, there may be concerns about privacy and data security, as every transaction would leave a digital footprint. Cash, on the other hand, offers a level of anonymity that many people value.

Additionally, cash is accessible to everyone, regardless of socioeconomic status or technological literacy. Not everyone has access to digital payment methods or the means to use them effectively.

This is particularly relevant in a country like South Africa, where infrastructural challenges like load shedding are widening the digital divide between the haves and have-nots.

In a cashless society, these individuals could potentially be marginalised and excluded from participating fully in economic transactions. Cash ensures inclusivity, serving as a reliable medium of exchange for those who might otherwise be left behind. That said ...

“Cash in a cashless future will demand even better cash management technology, security, and best practice. It is essential that retailers are fully prepared.”

SR



Guy Lerner, writer and photographer, writes across diverse topics in business, technology, and retail, including consumer technology, telecommunications software, user experience technology, security, and power systems. He has worked with multinational companies in South Africa and Australia and is currently based in Cape Town. Guy holds a B.Sc. Honours degree from the University of Witwatersrand). Contact Wilkins Ross Communications

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BIG DATA for BIG IMPACT in SA's Main Consumer Market



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Using **BIG DATA** for **BIG IMPACT** in SA's Main Consumer Market



Great marketing is an art, but big data has introduced a scientific element to marketing campaigns and smart marketers are relying on data more and more to inform, test and develop their approach. While data and analytics will never replace the creative minds behind the most inspiring campaigns, they do provide marketers with the precision tools to hone their strategies and brand positioning.

Big data analytics is now being applied at every step of the retail process: from predicting popular products to identifying the customers who are likely to be interested in these products and what to sell them next. Consumers, in turn, expect a certain amount of guided selling. They want to know about products that interest and appeal specifically to them, and they are used to being presented with products and promotions uniquely tailored to their preferences and habits. Catering to that individuality has been proven to increase revenue, customer satisfaction and brand loyalty.

This is especially true for big data collected from customer loyalty and rewards programmes, as it yields unsurpassed insights by providing a detailed, comprehensive picture of a customer, including their likes and dislikes, gender and location, their social media presence, their preference for being rewarded, and much more. These insights are invaluable for brands that seek to increase revenue, improve the customer experience and shape their brands for the future.

A case in point in the South African context is Retail Engage, a division of the Akelo Group, which owns and operates one of the largest 'main market' shopper rewards programmes called *bonsella*. Targeting more than 10 million consumers, *bonsella* enables brands to connect with a large proportion of the economically active main market consumer base in South Africa.

Head of Retail Engage, Stuart Hoy says, 'The main market comprises the majority market, or the 'base of the pyramid', making up a significant portion of consumer FMCG spend. Comprising of LSM's 3 to 7, this market moves between formal and informal retail spaces shopping for value,

convenience and trust. Brands find it challenging to communicate with this market because of the lack of measurable media and communication platforms available. But by connecting retailers, shoppers and brands and providing instant gratification rewards – instant airtime to their mobile phones – for purchases of goods on promotion, *bonsella* delivers more value on the purchase, which is a vital motivator for this portion of the market. In addition, participating retailers benefit from increased footfall and products on campaign to attract more spend in store'

Hoy says that, now more than ever, this consumer is looking for added value and tangible rewards in real-time. 'We have seen a shift in the needle for as little as 10% of the value of the product and we regularly undertake research to ensure that our understanding of what motivates this market is relevant at all times.'

An example of how this system can drive brand awareness, sales and loyalty is a recent hair product promotion that yielded a 210%-plus increase in sales over the three-month campaign period. More importantly, though, Retail Engage was able to provide the brand with in-depth analysis of who these shoppers are and what do their baskets consist of. The client then applied customer analytics to uncover, interpret and act on these meaningful data insights.

'Because of our immersion and the level of trust we've established in this market, we also regularly undertake market research for our stores and clients, which leads to enhanced understanding of their target audience and how to market their brand,' says Hoy.

Based on the 10 years of experience that Retail Engage has had in this market, Hoy shares some nuggets of advice to guide brands seeking to target South Africa's main market customer:

- **Sometimes less is more**

High volumes bring with them higher costs of sale and less visibility, as shelf space is in higher demand and there is more 'noise'. There are better gains to be had in

focused areas that may not offer as high density but provide the advantages of loyalty and engagement.

- **Shopper engagement and point of sale are key influences**

Main market consumers generally place more trust in traditional advertising. This is a great opportunity for brands to leverage in-person activations and instore displays to reinforce the brand message and convert shoppers to buyers.

- **Tailor price points and promotions for each retail channel**

Shopper purpose and frequency by channel can vary widely, so understanding shopper behaviour is key in determining the correct pack size, price point and promotion for a spaza shop versus a hypermarket or a wholesaler.

- **Great experiences**

Main market consumers are more likely to talk about their experiences – both positive and negative. Winning them over is more likely to result in a brand being advocated across social media platforms and in person.

- **It's not the amount of data that matters but the way an organisation uses it**

While promotions provide significant short-term gains in sales, the real winners in this market are those brands that use the data they glean from their promotions to further build brand awareness, trust and loyalty among their target audiences.

For greater insight into South Africa's main market and how to reach these consumers through targeted, cost-effective campaigns please visit www.bonsella.com | stuart@retailengage.co.za

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