

How Banks Can Bring Retail Clients Closer

Smart Safes as a Cash Automation Service



GUNNEBO®

Contents

Introduction	3
The Relevance of Cash	4
Cash Handling Costs for Retail	5
What Banks Can Offer	6
What Makes a Smart Safe ‘Smart’	7
Related Services	8
The Benefits for Banks	9
The Benefits for Retailers	10
Smart Safe Solutions	11
References	12

Introduction

Cash is one of the most popular forms of payment across the world. In the U.S., it remains the most used and widely accepted method of payment, with consumers using cash to pay for nearly one-third of retail transactions.

But as so much of the cash cycle remains inefficient, retailers continue to struggle with keeping the costs of cash handling down.

In this e-guide, we look at how banks can position themselves as an essential part of the value chain and help to reduce those costs for their retail clients by offering cash automation services.

The Relevance of Cash

Cash continues to be critical to large sections of society and is relied upon by millions. In fact, it remains one of the most popular forms of payment in the world.

The media has been full of reports that Covid-19 has been driving us more quickly toward a cashless society. But the figures do not necessarily bear this out. Studies conducted before and during the 2020 pandemic show that, despite headlines to the contrary, there is still strong demand for cash.

The Federal Reserve has reported that before the Covid-19 pandemic, 35% of U.S. consumer payments were made using cash and that it remains the “most used payment instrument for in-person transactions.”¹ Cash demand then spiked during the early months of the crisis, with the Federal Reserve issuing about \$130 billion into circulation. By the end of July, the value of currency in circulation neared \$2 trillion. People were holding more cash than usual and continued to rely on cash throughout the pandemic.^{2, 3}

Similarly, the European Central Bank has highlighted that before the pandemic, 75% of transactions in the eurozone were made using cash and that it remains the “dominant form of payment for consumers”. Cash demand then spiked during the early stages of the pandemic, with the value of banknotes in circulation almost reaching an all-time high.⁴

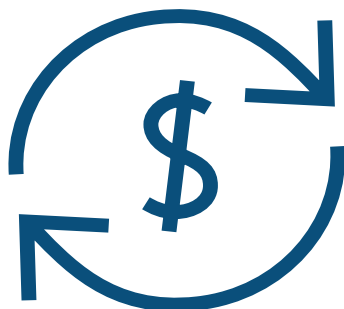
So there is a clear necessity for banks to ensure the availability of notes and coins, and for retailers to provide customers with the option to pay by cash – for those that need to and for those that want to.

Cash Handling Costs for Retail

Retailers accept notes and coins to provide their customers with the choice to pay by cash.

But as all retailers are aware, there are multiple costs associated with manual cash handling:

- Staff time
- Shrinkage
- Administrative errors
- Liability
- Reconciliation
- Processing fees
- Interest lost on “stagnant” cash



This is why retailers need the cost-efficiency and productivity savings which automated cash management provides.

Compared to manual cash handling, cash management solutions significantly cut the time spent processing cash with automatic counting, verification and reconciliation.

This is where banks can step in.

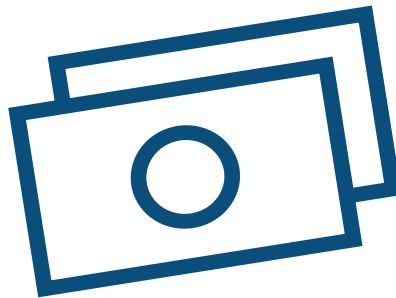
What Banks Can Offer

Making smart safes for cash deposit part of the bank's offering to retailers is the perfect way to stay connected with retail clients and save money through efficiency.

Banks can offer their retail clients a smart safe to be placed in the retailer's front or back office. Retailers are not stuck holding cash at the end of the day or required to bring their daily cash earnings to the bank themselves.

1. Excess cash in the drawer is deposited into the smart safe by a member of staff.
2. The smart safe authenticates the deposit and registers the amount.
3. The bank can take over responsibility for storage and transportation.
4. Services can be offered to the retailer, such as crediting to their account at the time of their choosing.
5. A cash pickup service could be used to regularly empty the smart safe.

Typically, the retailer will lease the smart safe bundled with a range of services from the bank. And most smart safe providers will brand the hardware in the bank's own colors if required.



What Makes a Smart Safe ‘Smart’?

Smart safes do more than just collect and store money. They automatically verify and count the cash deposited into them.

Coupled with cash management software – which can be offered as part of the bank’s package – retailers can really take advantage of the ‘smartness’:

- Note validation and cash tracking
- Real-time monitoring of cash levels
- Audit trail and full transparency of cash transactions
- Reporting and analytics
- Management of multiple users
- Optimization of collection routines
- Remote upgrades, troubleshooting and device monitoring



Related Services

Along with the smart safe, banks can offer their retail clients a host of associated services. These could include:

- Same-day crediting
- Leasing
- Financing insurance (the bank takes responsibility for the cash as soon as it is deposited)
- Access to an online platform where the retailer can track every deposit made
- Combining cash management services with electronic funds transfer/point-of-sale (EFT/POS) terminals
- Joint reporting of cash and non-cash transactions
- Arrangement of cash collection using a cash-in-transit service provider
- Maintenance plans

In addition, there is the option for a group of smaller retailers to share one smart.



The Benefits for Banks

Smart safes are a smart solution for banks to stay connected with retail clients.

Many banks have found themselves cut off from their customers as a result of outsourcing cash management services.

But making cash automation a critical part of their offering not only keeps the customer close, it also serves to lower a bank's costs.

Reduce costs and grow new services

- Grow new services for customers and create a new revenue stream
- Remain close to the customer as an essential part of their infrastructure
- Decrease queues in the bank and reduce the time staff spend on cash deposit services by bringing the branch to the customer
- Expand the bank's footprint without adding brick and mortar locations



In addition, there are many business benefits that the bank generates for the retailer through cash automation and these can be used to market the offering in a targeted way.

The Benefits for Retailers

With a smart safe in the front or back office, retailers benefit from a range of tangible benefits both operationally and in terms of loss prevention.

Time and Efficiency

- Whole cash handling process is simpler and more efficient
- Daily cash routines, such as counting and reporting, are less time consuming
- Staff can spend up to 55% less time processing cash, leaving them more time to focus on the customer
- Bank takes over some of the cash management burden



Security

- No need to manually carry cash to the bank – less risk for employees
- Shrinkage from internal and external theft is reduced
- Greater transparency with cash deposits registered from every cashier on every shift is achieved



Smart Safe Solutions

Gunnebo's Compact Range

Starting with the smallest footprint and rising in capacity, Gunnebo Cash Management's range of compact smart safes for front or back office cash deposit save retailers time and money.



	SecureCash Pro S	SecureCash Deluxe	SecureCash Deluxe Plus
Note Capacity	1,200 notes	1,200 notes	2,200 notes
Deposit Speed	2.5 notes/second	2.5 notes/second	2.5 notes/second
Storage Type	Cassette	Cassette	Cassette
Storage Method	Stacked	Stacked	Stacked

Common Features

- Electronic lock for one-time codes
- Multicurrency in the same transaction
- Real-time accountancy of each transaction
- Intuitive color touch screen display
- Plug-and-play system
- Remote management, service and upgrades
- Unified POS standard
- Multiserver connection and networking
- Optional tube dispenser, pedestal and sidecar

References

1 Federal Reserve (2020). *2020 Findings from the Diary of Consumer Payment Choice Study-2019*, <https://www.frbsf.org/cash/files/2020-findings-from-the-diary-of-consumer-payment-choice-july2020.pdf>

2 Federal Reserve (2020). *Consumer Payments and the COVID-19 Pandemic: A Supplement to the 2020 Findings from the Diary of Consumer Payment Choice*, <https://www.frbsf.org/cash/publications/fed-notes/2021/july/consumer-payments-covid-19-pandemic-2020-diary-consumer-payment-choice-supplement/>

3 Federal Reserve (2021). *The Second Supplement to the 2020 Findings from the Diary of Consumer Payment Choice*, <https://www.frbsf.org/cash/publications/fed-notes/2021/february/consumer-payments-covid-19-pandemic-2020-diary-consumer-payment-choice-supplement-2/>

4 European Central Bank (2020). *Beyond monetary policy – protecting the continuity and safety of payments during the coronavirus crisis*, <https://www.ecb.europa.eu/press/blog/date/2020/html/ecb.blog200428~328d7ca065.en.html>

Smart Cash Management for Banks

Gunnebo Cash Management provides reliable cash automation solutions which support bank branch transformation and cut the time staff spend working with cash.

We create a more efficient and secure cash cycle which reduces the cost of handling notes and coins across the cash ecosystem.

Gunnebo's offering includes products, software and services for closed cash handling, cash deposit, cash recycling and coin roll dispensing.

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