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Innovative Cashless Solutions: Influencing an Industry's Tipping Point

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INNOVATIVE CASHLESS SOLUTIONS: INFLUENCING AN INDUSTRY'S TIPPING POINT

Michael L. Kasavana

Historically, cashless payments have eluded a significant segment of the self-service industry despite the fact a majority of consumers, driven by convenience and reward programs, have migrated from cash to electronic payments some time ago. The payment card institute estimates there are more than one billion transaction payment cards in circulation in the US with about 10,000 transactions occurring per second. High volumes of card based transactions require a complex and costly infrastructure designed to capture, authorize, transact, resolve, and manage payment reconciliation. How do card payment fees compare to the actual cost of handling cash payments? Some practitioners claim the cost of cash may be understated when additional security measures (e.g. electronic locks and video surveillance equipment), transportation procedures (armored car service), and/or software applications (reconciliation/reporting algorithms) are considered. A similar scrutiny of cashless payment transactions led to the recent innovative program offered by the National Automatic Merchandising Association. This presentation covers the negotiations, development, and implementation of an effective cashless solution for unattended points of sale.