flooid
a GLORY company



Swift, seamless and interconnected payments

When was the last time you paid for something in cash? With card payments, contactless transactions and payment apps all proliferating in recent years, most of us will have less cash in our wallets day to day. Especially following the experience of the Covid-19 pandemic, where cash payments declined sharply as people found themselves isolating at home and opting to shop online, cash may have seemed like a thing of the past.

Yet, there are still a vast number of banknotes being used globally. In the UK, 4.6 billion Bank of England notes are in circulation, cumulatively worth close to £82 billion, while in the US more than 54 billion notes are currently in circulation. According to the latest figures from the British Retail Consortium, in 2023 cash transactions grew for the first time in a decade both by volume and value with 11% of sales values made in cash, up from 8% in 2021.



Source: BRC



Source: Bank of England

Clearly, cash is still a staple. Consumers value having a choice of payment options when it comes to making purchases, while for retailers the movement towards exclusively processing card payments comes at a cost. In 2022, for instance, retailers spent £1.26 billion on card processing fees, including a 27% increase in scheme fees and a 7% increase in interchange fees as percentages of turnover. Electronic payments might seem straightforward but they are not free.

With new banknotes entering circulation in June 2024 to mark the coronation of King Charles III, we are living in an era of physical and digital payments, each serving to give consumers ease of access and a seamless, efficient experience in retail.

In this interconnected, fast-paced retail environment, risks can arise through human error when it comes to processing cash payments, as well as theft, counterfeiting and delays in cash flow management. Thankfully, solutions exist through the combination of digital platforms with human management. As self-service checkouts become more advanced, the application of targeted and proactive technology can serve to not only ease the burden on retailers but ultimately provide consumers with the choice to pay for what they want, however they want to pay.



Source: Bank of England

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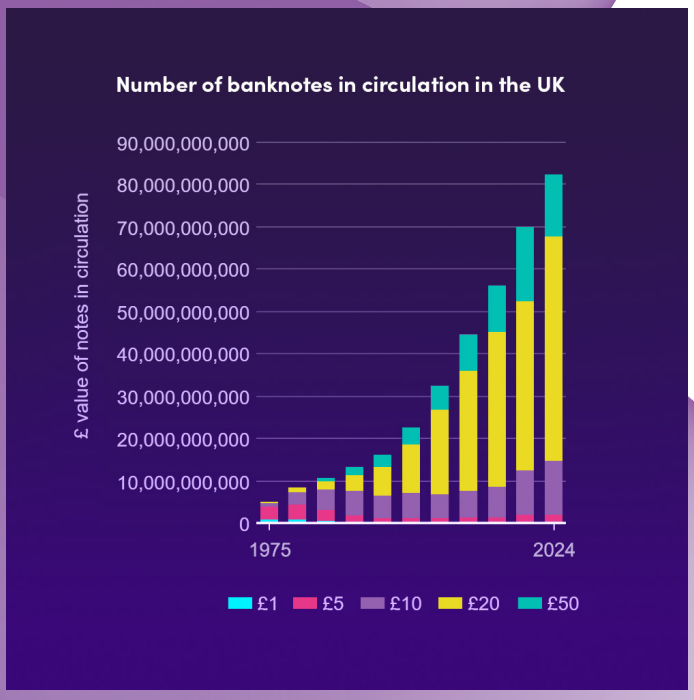
Choice and consistency: Cash in a changing society

Cash might not be used for every transaction made, however it still plays a very important role in societies across the world. A 2022 survey by the Bank of England found that one in five respondents still use cash as their preferred payment method, while many people on lower incomes and the elderly rely on cash for budgeting and managing household finances, especially during the current cost of living crisis.

Who relies on cash to a 'great or very great extent'?

46% of the digitally excluded, **31%** of those with no educational qualifications and **26%** of those in poor health

Source: Financial Conduct Authority



As well as providing an easy and accessible means of money management, cash continues to be viewed as a reliable source of value. Respondents to the Bank of England survey stated that cash is the payment method that is 'the most safe, convenient and trustworthy', while 78% respondents think that it is important that there is a physical form of money and 88% agree that 'banknotes should be there for people who need, or want, to use them'.

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With cash taking such a priority, several states and cities in the US such as Wisconsin, Atlanta and, Los Angeles, have passed legislation to enshrine the right to pay for goods and services with physical currency. In the UK, 6,000 bank and building society branches have closed since January 2015 or are due to close by the end of 2025, while the number of free-to-use ATMs has also fallen despite accounting for 90% of cash withdrawals. The British government has therefore called for greater support in the use of cash, including a cashback without purchase pilot scheme across smaller shops.

Several retail industries equally rely on cash to drive their businesses, from grocery to convenience stores and fashion each conducting sizable percentages of their trade through physical currency. In the US, cash still accounts for more than 30% of fast food payments, while the burgeoning cannabis trade in the country operates exclusively in cash. Owing to state-level legalisation of the substance versus federal legislation that covers electronic payments, dispensaries must conduct all of their business with consumers in cash, making the $13.2 billion industry exclude digital payments entirely.



It's important that cash accessibility and payment choice is protected for all. Not every customer is ready or able to pay by card – retailers serve entire communities, not just those embracing digital.

Source: British Independent Retailers Association

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Counterfeits and corruption: The challenges of cash

While it is undeniable that cash won't be disappearing in the near future, physical transactions can still pose a number of risks. For retailers, cash can be viewed as an unwieldy and costly payment to process, with a reliance on employees to accurately count, store and manage cash flows before secure transportation through a CIT partner can be arranged or a member of staff takes the cash to the bank branch or post office. The time spent while a store's cash deposits remain in its back office and not in a bank account can effectively reduce the currency to 'dead' money, unable to earn interest or be used to pay suppliers.

With a diversity of payment options both being one of the most important means of creating a seamless and efficient checkout experience for consumers, how can retailers tackle the risks associated with transactions in a hybrid digital and physical world?

The need for human handling of cash can also increase chances of theft or skimming practices, whereby currency isn't deposited in full into a cashier's till following a completed transaction. In the US, employee theft accounts for losses of $50 billion, while cash theft is the top cause of losses for over 20% of businesses. In the UK, Retail Economics research found that employee theft accounts for 40% of losses in retail.



The payment experience is a critical part of the customer journey. Retailers should be exploring options that reduce the time required to checkout both online and in-store to retain customers.

Source: PWC

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Trusted partnerships for hybrid transactions



Across the world of retail, self-checkout is fast becoming the standard. The empowering functions of the self-checkout have led up to 40% of US grocery chains to employ the kiosks in store, allowing customers a freedom of choice when it comes to cashless or physical and in-person payments. Contending with this variety in points of sale, maintaining consistency and reducing shrink can seem an overwhelming prospect for retailers. Businesses must understand the latest technology and act on their concerns without hesitation if they are to keep their customers satisfied and stay ahead of their competition.

One solution for retailers is to work with a trusted partner that has a longstanding history of helping the world's biggest brands tackle the latest developments in the fast-moving world of retail.

At Flooid, we have nearly four decades of experience as a trusted advisor and technological expert, helping retailers make the decisions that work best for them. Our flexible, composable solutions put the retailer in the driving seat, providing the ability to quickly make significant business changes with low impact on resources. Trust us to keep on top of the latest technology developments and to give an objective take on their efficacy, allowing retailers to trial new technology and build a ROI case for its implementation through our unified, configurable commerce platform.

Flooid is hardware agnostic and works with a number of payment partners to support retailers in cash management. GLORY, our parent company, is a global leader in cash automation and recycling.

Together, we enable retailers to combine the power of both organisations' expertise to create a hybrid solution for mixed digital and physical demands.

Glory's solutions include contact-free cash processing where currency is accepted at the point of sale, counted and authenticated before being securely stored in a cassette that staff can deposit into the back office. At the touch of a button, managers can produce an accurate read-out of takings, significantly reducing time spent on start and end of day processes. Glory's pioneering cash digitisation also ensures that once cash is authenticated and stored, where regulations allow, it can be considered deposited in the retailer's bank account.

Through the combination of automation and human intervention, Glory's cash management solutions and Flooid's composable technology can eliminate errors, optimise cost and reduce risk to produce seamless transactions.

Paul Race, Vice President of Strategic Marketing, Glory

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flooid × GLORY





Glory's physical hardware and software communicates seamlessly with Flooid's POS modules, allowing retailers to track and manage pickups and loans for cash transactions. By keeping detailed and accurate records of cash flows, retailers can produce logical accounting for sales and tackle human error. Additionally, Flooid and Glory's combined offering allows for closed loop cash recycling whereby POS systems can become a cash input and output, providing customers with another reason to come in store and withdraw tender via cashback. In a landscape of increasing scarcity of bank branches and ATMs, these solutions transform retail locations into community cash access points, which can in turn encourage customers to spend in store.

Ultimately, cash is good business. Retailers must ensure their points of sale allow for both physical and digital transactions, otherwise they risk alienating and losing customers. Through employing the right technological solutions, businesses can deploy smart automation, reduce risk and provide a customer experience that ensures loyalty.

Talk to Flooid about the ways that you can scale with frictionless efficiency and minimal risk. Through working together, we can think carefully and adapt to change with lasting power.

If you are interested in learning how Flooid's solutions can help make your transactions more efficient, cost-effective and safer, please speak to a member of our team.

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About Flooid

Flooid, a Glory company, is a market-leading unified commerce platform provider that enables retail and hospitality brands to sell to customers flexibly and consistently, wherever they are and however they choose to shop. Our scalable, cloud-native composable solution portfolio includes the following:

- Assisted and self service experiences
- An open API services platform
- An operational business analytics platform and insightful dashboards
- Managed services for cloud, platform and end points

Our flexibility enables retailers to select the right mix of partners to facilitate an optimal selling journey. One unified commerce platform. Unlimited innovation.

flooid.com

About Glory

As a global leader in cash technology solutions, we provide the financial, retail, QSR, cash centre and gaming industries with confidence that their cash is protected and always working to help build a stronger business.

Our cash automation technologies and process engineering services help businesses in more than 100 countries optimise the handling, movement, and management of cash. While we span the globe, we personally engage with each customer to address their unique challenges and goals — enhancing staff efficiency, reducing operating costs and enabling a more rewarding customer experience.

Employing over 11,000 professionals worldwide with dedicated R&D and manufacturing facilities across the world, Glory Ltd. is built on a rich customer-focused, technology-driven heritage spanning almost a hundred years.

glory-global.com

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