Retail Cash Automation 2018

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Industry suppliers lack insights into the growing international market for retail cash automation technologies

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- Cash accounts for a significant share of payments, but is handled mostly manually by retailers
- Suppliers need greater intelligence on the growing market for retail cash automation technologies

RBR utilised a two-phase approach to maximise market insights for industry suppliers

Phase 1 provides intelligence on the **market** and **competitors**

- Understand international market landscape, and identify future opportunities
- Benchmark vs. competitors in key geographic and customer segments
- Provide authoritative, independent substantiation of market presence in marketing collateral

Phase 2 provides an in-depth understanding of **retailer perspectives**

- Cash management strategies and processes
- Current use of cash automation technologies
- Drivers/inhibitors and business case
- Procurement process including selection criteria
- Future plans including deployment potential

Phase 1 provides suppliers with the first comprehensive view of the world's key markets for retail cash automation technologies

Phase 1 – Market and Competitor Data

Scope*	
Products	Banknote **acceptors** and **recyclers**
Locations	**Back office** and **point of sale**
Geographies	Address global market with data for **13 key countries**
Segments	**Grocery**, **convenience**, **general merchandise** and **hospitality**
Metric	**Installed base** of devices, Q4 2017
Data	**Market** size and competitive position for **40+ vendors**

Methodology

- Information collected from major **industry suppliers**
- Accuracy of **submissions validated**
  - Vendors (e.g. press releases, annual reports, stock exchange filings)
  - Specialist and mass media
  - Industry experts
- Primary data complemented with **secondary research** where appropriate
- Data analysed, with commentary drawing out **key insights** and **trends**

* For further details of scope, see Appendix

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Phase 2 examines retailers' perspectives on cash automation, based on in-depth interviews across multiple countries and industry segments

Phase 2 – Retailer Perspectives

Scope

- **30 retailers** interviewed across 13 countries
- Topics covered include:
  - Cash management **processes** / **technologies**
  - **Drivers** and **inhibitors** of cash automation
  - Key **business case** elements
  - **Future plans**
  - Solution **functional requirements**
  - **Procurement process**
  - Vendor and product **selection criteria**

Methodology

- **Target** retailers identified based on Phase 1 findings
  - Representative sample of **countries**, **segments** and **users** / non-users of cash automation solutions
- Relevant individuals contacted and **in-depth telephone interviews** carried out, yielding detailed profiles of each institution
- Material analysed by RBR, with **key findings** synthesised in phase 2 report

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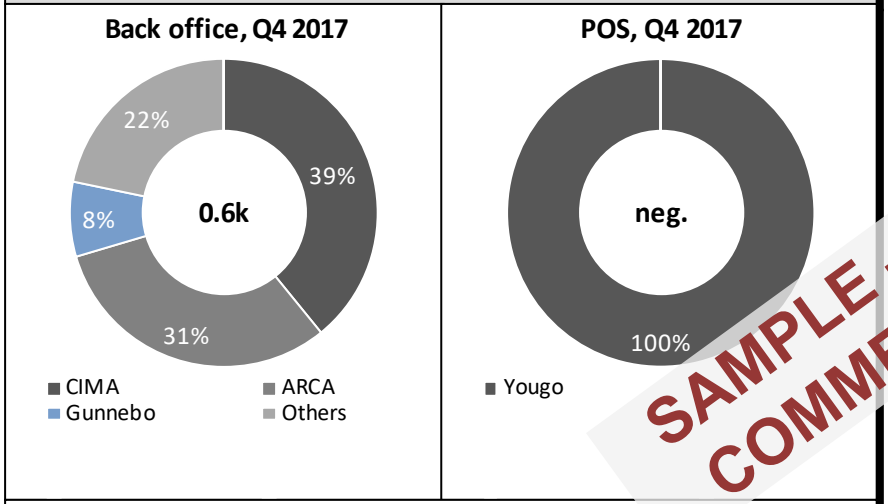
The study provides data for 13 key country markets for retail cash automation across the Americas, EMEA and Asia-Pacific

- Australia
- Brazil
- Canada
- France
- Germany
- Italy
- Mexico
- Russia
- Singapore
- South Africa
- Spain
- UK
- USA

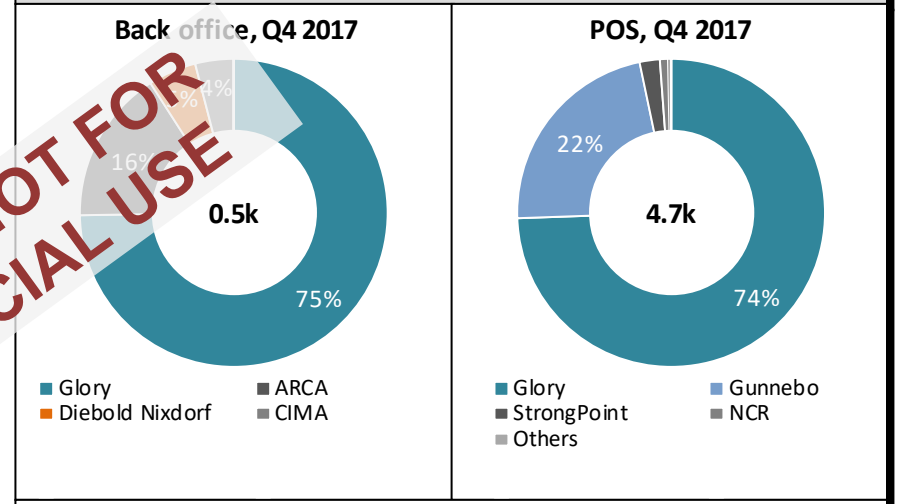
Glory leads the recycler market in Italy, with various supermarket customers

Acceptors



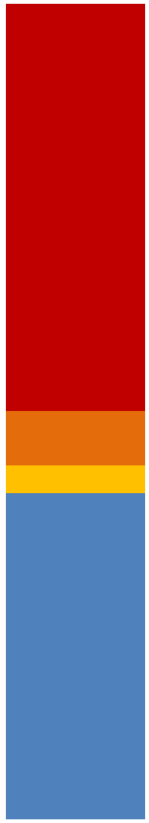
- CIMA accounts for 39% of the Italian smart safe market
  - The local manufacturer has its terminals installed across various segments
- ARCA represents 31% of installations, all of which are deployed in the grocery segment
  - The US company acquired Italy's CTS Group in December 2014
- Others present in the market include Gunnebo, which has around 50 smart safes deployed in Italy
- Domestic manufacturer Yougo has supplied a small number of POS note-acceptors to the market

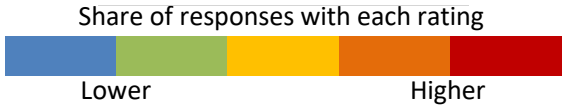
Recyclers



- Glory is the largest supplier to the Italian recycler market in terms of both back office and POS devices
  - Among users of Glory's terminals at the point of sale are Iper Tosano and Winner supermarkets, and several Conad stores
  - Back-office recyclers from Glory are used by Coop Nord Est stores
- Gunnebo won a contract in 2016 to supply 200 SafePay POS recyclers to PAC 2000A, a member of the Conad co-operative group
  - Terminals are also installed at DIY chain Leroy Merlin
- StrongPoint's CashGuard system is deployed in pharmacies, via partner PM Farma, while NCR also has a small number of POS recyclers installed by hospitality firms through its local distributor GAM

Security of staff was given a high ranking by many interviewees, though a significant minority did not consider it significant





Security of staff

- Security of staff was highly correlated with security of cash, although it was considered slightly less important owing to some retailers believing their markets to be subject to a lower risk of robbery
- A large share of retailers interviewed did not feel that security of staff was a significant driver, owing to them being located in low risk markets
- Several users claim that deploying retail cash automation technology had improved the safety of their employees and reduced the number of robberies. Many non-users also recognised these as benefits of deploying the technology
- Often, the feeling of security staff experience can be an important consideration, even if the actual security threat is considered low. This is the case with **Golden Village** in Singapore, which noted that its retail cash automation devices have made its staff feel more secure, despite the low security risk
- **Telepizza** in Spain noted that the potential for retail cash automation was more limited in its country, owing to a lower security risk, and that it might be higher in other markets, particularly in Latin American countries where assaults and robberies are more common

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Syndicate participants receive an executive report, comprehensive market database and in-depth retailer profiles, plus access to RBR's project team

Client Deliverables

- Printed and electronic (multi-user licence) copies of research findings
- Phase 1
  - Executive report in PowerPoint presenting key market facts and commentary
  - Market Database in Excel
- Phase 2
  - Executive report in PowerPoint synthesising key interview findings
  - In-depth profile of each interviewed retailer
- A conference call presentation of the study results can be organised if desired
- Privileged access to RBR's senior researchers
- The study price is £35,000

Appendix

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RBR has unparalleled expertise in researching cash automation markets, plus deep retail sector and store technology knowledge

Key Qualifications
▸ 30 years' experience delivering international market research to diverse blue-chip client base ▸ Strong understanding of overall retail industry trends ▸ Researching retail store technology for 10 years, including annual studies of POS hardware/software ▸ Unparalleled expertise in cash automation technology in the banking sector ▸ Reputation for premium, independent syndicated research studies funded by industry suppliers

Types of Client
Manufacturers e.g. ARCA, Diebold Nixdorf, Fujitsu, Glory Global Solutions **Technology/service providers** e.g. G4S, IBM, Loomis, Microsoft, PayPal, Visa **Consultancies** e.g. Bain & Company, McKinsey & Company **Private equity firms** and **investment banks** e.g. Advent International, Bain Capital, Goldman Sachs, Morgan Stanley

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The study will provide data in four segments across the retail and hospitality industries

Customer Segments		Examples
Grocery	▸ Grocery: supermarkets/hypermarkets, discounters, convenience stores without fuel ▸ Drugstores	▸ Tesco, Lidl, FamilyMart ▸ Walgreens Boots
Convenience	▸ Convenience stores *with* fuel	▸ Shell, Total
General Merchandise	▸ Mixed general merchandise: department stores, mass merchandisers, cash and carry/warehouse clubs etc. ▸ Speciality retail: electronics, DIY/home, apparel etc.	▸ Walmart, Sears, Target ▸ Best Buy, Home Depot, H&M
Hospitality	▸ Hospitality: quick-service restaurants, etc. ▸ Leisure: theme park, stadium etc.	▸ McDonalds, Olive Garden, Hilton ▸ DisneyWorld, AMC

Non-POS usage is excluded e.g. financial services (banks, pawn shops) , gambling venues, healthcare, government

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Phase 1 focuses on devices that can both store and validate banknotes

Products		
Name	**Banknote Handing Capabilities**	**Location and usage**
Back-office acceptor (“smart safe”)	Validate, count and store	By multiple employees, in the back (or front) office
POS acceptor	Validate, count and store	By single employee, at individual point of sale*
Back-office recycler	Validate, count, store and redispense	By multiple employees, in the back (or front) office
POS recycler	Validate, count, store and redispense	By single employee, at individual point of sale*

- Devices are counted based on the number of controllers (not the number of validators), and attributed based on the badge (manufacturer, CIT company, bank) on the unit
- Customer-facing POS devices handling notes as part of employee-assisted transactions are included
- Coin-only devices , desktop note counters, time-delay safes., smart/skimming cash drawers and self-service terminals (e.g. self-checkouts, kiosks) are excluded