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CASE STUDY: Convenience & Gas

Convenience store generates additional revenue with Access Cash ATM while reducing banking deposit fees and gaining visibility into cash forecasting.

“With the Access Cash portal, I can verify transactions within minutes.”

- Owner

Background

Situated in the Greater Toronto Area, in Ontario, this combined gas and convenience store provides quick and easy access to amenities such as gas, grocery and cash. The area is boosted with an influx of over 200,000 visitors in the winter and over 20,000 in the summer, becoming a handy one-stop shop for all— as the area’s key source of cash. “Someone has to drive 20-30 minutes to the nearest bank.

Business Challenge

When the owners took over the combined convenience store and Esso gas station, the Access Cash ATM was already installed, with the sellers loading their own cash, so the new owners assumed the contract and loading process. In the beginning, the couple say managing and loading the ATM was a process of trial and error, so they kept a close track of the cash balance by logging onto the machine to see the settlements and cash position. “We’d have to see how much cash came out of the ATM on Friday, Saturday and Sunday to know what we could use as a deposit,” say the owners. “We’d need the (Access Cash) portal to do that because of the lag in the deposits on weekends.” They still do this, but it’s not as important as their ATM bank balance has been building.

The couple run their ATM separately from the convenience store business, which enables them to purchase money from the store to refill the ATM, instead of incurring high cash deposits charges at the bank. “When we do deposits (at the bank) for our business, we get our ATM business to purchase all of the twenties, so that we’re not depositing twenties and then have to go to the bank to purchase twenties to refill the ATM,” they say. “It helps reduce our banking fees on the business side, and on the ATM side, it gives us most of the twenties that we need to operate,” they add. When the couple first started loading the ATM, they started out with a smaller sum of cash for loading, which meant they’d have to replenish the ATM in the summer time 2-3 times per week, as they kept using that cash. However, three years later, their ATM revenues have grown along with their bank account, so they don’t have to load as often.

The Solution

The owner and her husband who have a placed ATM and load their own cash, say the Access Cash portal is a fantastic tool to help them manage their ATM. They’re able to leverage the Access Cash portal for cash visibility, balancing and troubleshooting, as needed. Today, they use the Access Cash portal weekly—sometimes two to three times a week.



Convenience & Gas Store

SUMMARY

Region: GTA, ON, CANADA

Industry: Convenience & Gas

Business Challenges:

- No bank nearby to easily get cash
- Owner loads ATM with cash

Solution:

- 1 placed ATM/ owner loaded
- Leverage Access Cash portal for cash visibility, balancing and troubleshooting (as needed)

Key Results:

- \$12K in annual revenue, plus additional in-store revenue from cash purchases
- Convenient access to cash for customers, while driving additional in-store sales
- Loading ATM with store cash reduces banking fees, provides added security and time savings.
- Weekly visibility into ATM operations through the Access Cash customer portal.

In convenience stores, an average of 20-30% of cash withdrawn from the ATM is spent on location.

Self-loading ATM cash reduces bank fees, saves time and provides added security

For a small business, depositing cash is expensive, so to reduce bank fees, the couple uses the twenties from their store that would have been deposited into the bank, and they replenishes the ATM with them. "We pay a banking fee (\$2.50) per thousand dollars that we deposit in cash at the branch," they say. "Whereas when we deposit cheques, it's about 35 cents per cheque." Assuming a deposit of \$16,000 worth of twenties, the couple would pay \$40 in bank fees for that deposit versus writing the business a cheque for \$16,000 - only costing them 35 cents. "The savings adds up," they add. "Another benefit is that typically when you want to withdraw a large sum of cash, the bank needs 24-hours' notice, so it saves us that time and hassle from not having to call the bank, order cash, it saves us travel time (to and from the bank), and provides security from not having to carry a lot of cash both ways (as a deposit in or a withdrawal out)," they conclude.

Access Cash portal provides visibility into cash position and helps with troubleshooting

The couple still leverages the Access Cash portal to inform them of their cash position, and for troubleshooting. A customer recently withdrew \$40 from the ATM and his receipt said \$40, but the cash dispensed/received from the ATM was \$60. "Within minutes," they say. "we were able to validate what happened because his transaction was in the portal." In real-time, the owners were able to reconcile how much money was in the cartridge versus the bank vs in limbo. "Without the Access Cash portal, we wouldn't have that visibility," they conclude.

Key Outcomes

In-store revenue generator

The owners generate \$12,000 in ATM revenue annually - which is on par with the National Association of Convenience Stores' State of the Industry report noting that ATMs generate \$984 per month, second only to Lottery/Lotto as an in-store other income generator.

ATM provides customers with access to cash, while driving in-store sales

In convenience stores, an average of 20-30% of cash withdrawn from the ATM is spent on location. The owners reaffirm this saying that when a customer walks in to get cash from their ATM, there's additional revenue from customers who often purchase lottery, coffee, milk or cigarettes while they're in-store. "On a few occasions, we've had our POS down, or a customer credit card was declined," say the owners. "Because we have an ATM onsite, the customer was able to pay for gas". Also, as the store doesn't provide cash back at the till, if someone needs cash, they are directed to the ATM.

About Access Cash

Access Cash is Canada's market leader for ATM and cash distribution network services. With offices across Canada and in the US, Access Cash has a strong North American presence, managing more than 10,000 ATMs and making cash accessible and affordable to cardholders everywhere under the Access Cash™ brand in Canada and as CashNGo™ in the United States. Access Cash offers its proprietary advanced platform for cash distribution network management, as a Software as a Service (SaaS) solution for banks and retailers under the Perativ™ brand. As recognized experts in efficiently managing cash distribution networks, cash inventory, and SLA monitoring across a diverse mix of businesses and industries, our clients include banks, big-box retailers, hotels, and small/medium-sized merchants.