

Can You Afford to Go Cashless in the Café?

The numbers say you can't afford not to take the plunge

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While colleges and universities have readily taken the plunge into cashless technology for dining service, c-store, vending and other types of purchases, most companies have not.

Food service contractors appear to have mixed feelings on the subject. Some, especially the major companies, often propose a cashless system to their corporate clients. Others, mostly mid-sized and small, stick with cash and maybe also offer conventional bank credit and debit cards.

The principal deterrent is cost. A cashless system can cost from \$20,000 to \$50,000 to install. But, as with other high-tech gear, costs decline as the applications find wider acceptance and competition among providers heats up. For example, a vending debit card system capable of handling five machines and 500 cards now has a list price under \$3,000.

The principal advantages of going to a cashless system are increased sales (5% to 10% over an all-cash system, users claim), faster service and elimination of cash handling with all its attendant risks.

Three-year Payback

At one company where the contractor accepts bank credit and debit cards, its credit card service fees were \$3,000 and armored car service cost \$3,800 last year. Eliminating these two costs would pay for a \$20,000 system in less than three years.

A cashless system would permit the elimination of at least one part-time cashier, saving about \$18,000 - by itself, almost the cost of a system.

Add to that eliminating the time consumed by the cashiers and a manager in counting, recording and preparing cash for deposit, and it's difficult to make a case for retaining a cash system.