

WHY Cash MAY STILL BE



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What parking professionals might want to think about before going completely cashless.

By Bryan Alexander



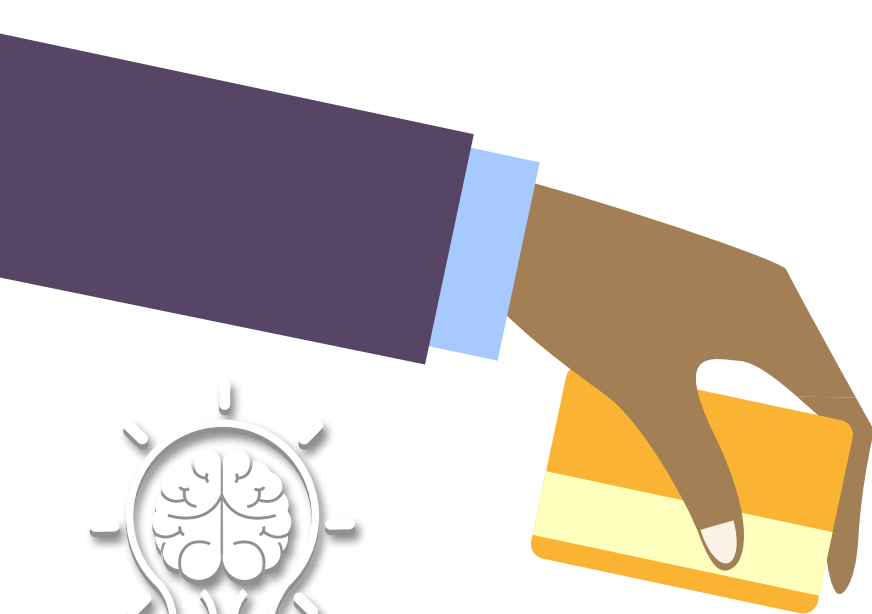
THE DATA BREACHES THAT HIT THE PARKING INDUSTRY in 2014 offered a stark reminder that parking is just as vulnerable to credit card fraud as any other industry. Worldwide, credit card fraud has reached \$14 billion a year, and while the hit experienced by the parking industry was relatively minor, for the companies that were affected—and their customers— the impact was painful.

This is just one of the reasons some parking patrons still prefer to pay with cash. Many have faced the difficulty of having their personal data compromised and having to deal with the time-consuming and stressful aftermath. For those drivers, cash can be a more attractive option for transactions that are quick and simple.

Others may prefer to pay with cash because they've maxed out credit cards or don't want to add to existing balances. These are some reasons why being able to accept cash represents good customer service.

Parking management trends have moved away from cash payment in recent years. During the past two decades, many owners have moved to automate their parking facilities. These fully-automated parking structures are more convenient for parkers in many ways because it's quicker and less complicated to enter and exit parking areas. Automated access and revenue control systems also make it much easier for owners and operators to manage their parking assets.

The associated hardware and software tools record valuable utilization and revenue data that can be used to make parking operations more efficient and profitable.



Automation can reduce the risk of theft because there aren't staff at exit booths handling cash (who might either be robbed by others or, sadly, tempted by easy access to so many dollar bills in-hand). This is a vitally important issue for parking owners and operators. It's estimated that as much as 20 percent of cash parking revenues collected by collection booth attendants may not make it into the cash register; crime and employee safety are real concerns. For all these reasons, the advent of parking's technology age has enhanced parking operations in recent years.

I think many owners have taken automation a step too far by going entirely cash-free. They require parkers to either pay in advance on a monthly basis or pay for daily transactions with credit cards. Parking owners who only accept credit card payments for parking unnecessarily turn away parkers who wish to use cash—and their competition is reaping the benefits. In an industry in which profit margins are often low and every dollar counts, parking owners can't afford to cede business to their competitors who do accept cash.

Unlike credit card payments that carry a processing fee of 2.5 to 3 percent, there are no outright fees associated with cash payments. What about the cost of PCI compliance? Or the potential liability owners will have to take on if they aren't compliant? And now with the introduction of EMV standards, parking owners and operators are taking on an added layer of liability if they don't fully embrace the new standards. Being able to accept cash payment for parking can moderate these risks and save owners money.



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History and New Technology

It's easy to see why many parking owners turned to credit card payment exclusively when they automated their municipal facilities, beginning in the 1990s. At the time, cash payment equipment was large and couldn't easily be integrated into standard access and revenue control equipment. Also, traditional cash equipment didn't recycle bills as change, so cash boxes had to be emptied

frequently. Not only was this costly and inconvenient, but it increased the risk of theft.

Fortunately, cash payment equipment has improved dramatically in recent years. Today, it can easily be integrated into standard access and revenue control equipment, and it's much faster. In fact, the typical cash transaction can usually be completed just as quickly as a credit card transaction.

Cash recycling has also reached the parking industry and can easily be integrated into existing access and revenue control equipment. This makes cash recycling technology something worth investigating for both retrofits of existing parking facilities and inclusion in new ones.

Cash recycling re-uses bills that have been used to pay for parking as change for other patrons. So, say a parker uses a \$10 and a \$5 bill to pay for parking. Those bills are stored for use as change. If the next parker pays with a \$20 bill, a \$5 bill that was previously paid is returned to him or her as change. This dramatically speeds up transactions. It eliminates the need for frequent collection and emptying of the equipment and can allow permit parking operators to go days—or even weeks—before having to empty equipment. It also reduces the risk of theft—after all, the less frequently staff have to empty cash boxes, the less inviting a target they are to criminals. Cash is collected in locked modules that can't be opened until they are returned to the owner's or operator's counting room, dramatically reducing the risk that some may go missing.

Today's automated cash transactions are quick, usually just as fast as credit card transactions. The best cash recycling equipment returns change from the same slot that payments are inserted into, making it much more intuitive and simple for parkers to use. In essence, cash recycling technology offers comparable ease and convenience to credit card payment, so parkers who prefer to pay with cash are no longer penalized for their choice.

Cash recycling provides an additional layer of security in this age of data theft. Hackers and other criminals are steadily becoming more sophisticated, and private data will continue to be at risk. Cash collection poses none of those risks.

The Benefits of Cash

The parking industry is in the midst of a technology revolution, and parking owners have more options than ever for making parking more user-friendly, manageable, and profitable. Today, parking-centric cash-accepting technologies are making it easier and more manageable for parking facilities to accept cash payment for parking and, as a result, helping owners be more competitive and profitable. 