

COIN PROCESSING FOR GROCERS

Make Handling Coin Profitable



Earn money and save money: your coin management strategy

Grocery stores that have coin redemption machines are likely to draw more business than ever, as many banks have stopped counting coins for their customers, but retailers may be able to extend the benefits of coin redemption beyond revenue generation and gain thousands of dollars more per year. Keep reading to learn how Cummins Allison coin counters can help you save money as well as earn more of it.





Coin management: a hidden cost in your operation

Grocers often struggle with the high cost and time commitment of managing coin within their stores. These burdensome tasks can include:

- Ordering rolled coin for the day or week
- Managing coin in tills
- Filling coin hoppers in self-checkout lanes
- Providing rolled coin to customers as a service
- Processing coin from store-owned vending machines

Cash management expenses contribute significantly to a retailer's cost of doing business, claiming valuable resources that are already in short supply. With margins so thin, merchants are continually searching for any area of the budget that can be trimmed. Coin management is such an area. Crunching the numbers, it is apparent what a drain this is on operations.

Costs of managing coin



Savings from packaging your own coin

| Tills per week | Coin rolls per till | Coin rolls per week | Coin rolls cost per roll | Coin rolls cost per week |
|----------------|---------------------|----------------------|--------------------------|--------------------------|
| 140 | 6 | 840 | \$0.13 | \$109.20 |
| | | Coin orders per week | Fee per order | Order cost per week |
| | | 1 | \$2.50 | \$2.50 |

Savings of rolling your own coin for one store per week

\$111.70

Savings from rolling your own coin per year (example – for one store)

\$5,808.40

Savings from rolling your own coin per year (example – for ten stores)

\$58,084.00

Savings from rolling your own coin per year (example – for fifty stores)

\$290,420.00

Self-service coin counters: low cost revenue generator

In today's highly competitive marketplace, grocers must offer value-added services that enhance their customers' in-store experience. According to Marshal Cohen, at NPD Group, "The competition has gained momentum, and consumer behavior has shifted . . . If the retailer doesn't change with them, they'll get further and further away."

Self-service coin redemption is one cost-effective way to achieve this goal. Putting a coin counter in the front of the store, directly past the checkouts, allows customers to easily see the machine and promotional materials advertising the service. Whether you're managing a chain of superstores or you are a smaller independent grocer, self-service coin counters can deliver powerful benefits that grow your business and improve your bottom line.

"Self-service coin machines are now part of our customers' shopping experience. The self-service coin machines are providing a fast, efficient service, enhancing the customer in-store experience and driving income."

– Clint Woodman, vice president,
Woodman's Markets



Improve Customer Experiences

80% of customers prefer self-service coin counting.*

*Assessing the Opportunities for SSC Machines in the Financial Segment: BranMark Strategy Group, 2011

Buying, leasing or placement: the business advantages

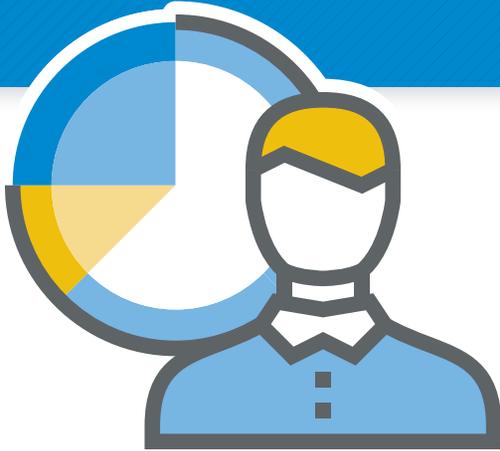
Most grocers have coin machines owned and placed by another company that keeps almost all of the profit.

For supermarkets that prefer the placement model, Cummins Allison offers it, too – and normally pays you a higher commission than others. However, regardless of the provider chosen, the benefit of this model stops there. You cannot access the money inside the machine for any reason.

So while “hands-off” convenience is very attractive for some organizations, some feel it isn’t worth the trade-off. These grocers are breaking the mold by leasing or purchasing their coin machines from Cummins Allison. They have discovered the added value and revenue potential in the options Cummins Allison provides. Not only can they realize all of the profit themselves, they can also repurpose the coin to their stores.



Return on investment



The revenue from purchased or leased coin machines is considerably higher. For example, when you manage the coin yourself, you decide what user fees to charge, and you keep the profit. The cost of the equipment and fees is typically recovered in as little as 12 months – turning your coin operations into a significant profit center for your stores.

Potential increase in collected fees for buy/lease

| | Coins redeemed monthly at \$3,500/week | Fee revenues retained monthly | | Total fee revenues retained per year |
|---|--|-------------------------------|--------------|--------------------------------------|
| | | Owned 10.9% | Placement 2% | |
| Coin redemption: buy or lease from Cummins Allison | \$15,050 | \$1,640 | | \$19,685 |
| Coin redemption: other vendor | \$15,050 | | \$301 | \$3,612 |
| Increase in fee revenues retained <i>per machine</i> when you lease or own machines from Cummins Allison | | | | \$16,073 |

Cost savings



When you lease or own a machine, you have access to the redeemed coins inside, and – with a coin packaging solution – this coin can be recycled back into your own operations. When you package coin from the machine and use it to stock your cash drawers, the cost benefit is twofold:

1. Reduce the pick-up and processing fees for redeemed coin
2. Eliminate the cost of buying rolled coin from banks or armored carriers

CASE STUDY:

Lewis Fresh Market | Waukegan, Illinois



Retailers such as Lewis Fresh Market in Waukegan, Illinois, have used Cummins Allison coin counters to help boost their revenue beyond the machine's processing fee.

Customer service manager, Anna Taracena, stated, "We take bags of coin to the small

Cummins Allison coin wrapping machine in our office and roll them for use in our registers. So far we have been able to supply cash drawer coins for all three of our stores with the coin supply we have coming from this one machine. We don't go to the bank for coins anymore."

Higher profits: one reason our solution is growing in grocery

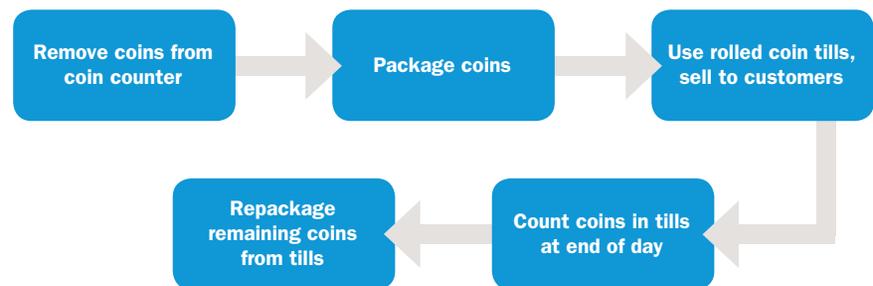


The coins inside your Money Machine coin counters are an untapped resource. You can tap into that resource for significant savings.

Seven of the top seventy-five U.S. grocery chains and the top two chains in the UK have transitioned from their previous self-service coin program to Cummins Allison as the more profitable alternative.

They made this change to gain the following benefits:

- Up to 7% profit earned on coin volume
- A faster, more dependable coin counting service for customers
- Increased revenue for their stores



Get the best coin counter and recycle your coin



Join the grocers that are making the switch to Cummins Allison – the best self-service coin counting value in the industry – and increase revenue, ROI and customer satisfaction.

With our solution, you can end your dependence on outside sources for rolled coin, reducing your total cost of operations.

Learn how you can immediately benefit from a solution with us. Get an analysis for your stores that shows you exactly how much money you can make when you switch to Cummins Allison. You'll be glad you did. Visit us at cumminsallison.com/coinrecycling



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