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## CASH HOLDS DOWN ITS PLACE AT THE WORLD CUP

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# CASH HOLDS DOWN ITS PLACE AT THE WORLD CUP

With tens of thousands of fans heading to Russia for the Fifa World Cup, *Briony Richter* speaks to Micki Seager, director of product marketing, cash and logistics, and Kyrylo Khomiakov, sales director for cash and logistics at Fiserv, about why cash is still the first choice at large events

**T**he large crowds in Russia will have an enormous impact on banks as visitors and locals opt for cash more than digital payment methods.

As the desire for cash remains unabated, few countries are close to becoming cashless, and that is the case for Russia.

Speaking to *EPI*, Seager explains that cash is the desired choice of payment at many large sporting events: “We do find that cash is still the original real-time payment method; it’s universally accepted. Global events like the Olympics and World Cup try to steer towards digital payments, and while that may be preferred, the demand for cash is still high.”

Globally, society is enjoying an era of digital payments, contactless cards and cryptocurrencies. Use of cash is decreasing in certain countries, although this is to be expected with the rise in digital technology.

Large sporting events can cause chaos for electronic payment methods, especially when it comes to ATM availability. As Seager notes, global events often lean towards digital payments for convenience, but that can have its disadvantages. Throughout the World Cup, retail vendors and match-hosting stadiums usually only accept Visa or cash. Getting to and from stadiums could also be difficult in Russia, as most public transport operators and taxis only take cash.

“There’s a misconception that cash isn’t going to be used,” Seager continues. “When travelling, especially to countries that aren’t familiar to consumers, they always want to carry cash in case. I think it’s a bit of human nature: if the systems go down, consumers don’t want to be stuck with nothing.”

It is important that fans travelling to games do not rely solely on cards and mobile payments. As Seager points out: “There is still a very heavy preference at sporting events to transact with cash. It’s reliable, you know it’s going to be accepted and work.”

## CASH MANAGEMENT

From initial planning through to the last day, banks have to ensure the infrastructure remains efficient and secure. Khomiakov explains: “At the World Cup, bank access to ATMs around the stadiums will be limited, as delivery will be restricted to nights only. Therefore, banks need to plan extensively to accommodate these restrictions.

“Fans will be travelling between the cities, so demand will rise and fall depending on where games are taking place, which days they are taking place, and on fan travel around the country. Banks can work around the schedule of the games and alter the cash flow accordingly.”

Khomiakov notes that although electronic payments are growing fast, use of cash in areas like Russia is also growing. At the World Cup, fans will travel between cities, so demand will vary depending on the stadium tourists are heading to, the days on which games are held, and on the mode of transport chosen.

Seager adds: “Banks have a reputation to maintain at large-scale, high-visibility events, as they don’t want their bank to be the one that runs out of cash.”

Banks need to ensure they monitor demand for cash through the World Cup, and support the cash and logistics supply chain as efficiently as possible. Fiserv can assist banks in managing surges by supporting them in monitoring and managing cash based on demand. A bank can monitor cash availability on each ATM remotely, and if an ATM flags it is low, the bank can change withdrawal limits and arrange for more cash to be supplied.

The Fiserv solution gives the bank the ability to “see ahead of time” and judge how demand is changing and putting less or more demand on the network.

Although there has been a significant boost in contactless payments, consumers in Russia still opt for traditional payments such as cash. Seager highlights that, unlike other countries, demand for cash is not just from older generations. “Cash is still primarily used as the predominant payment method in Russia. Cash is used 63% more than card with Russian millennials.”

Both Seager and Khomiakov highlight that, in the future, there will be a greater shift to digital; however cash will still play a critical role. Having alternatives is good for consumers and business.

Overall cash’s future is bright. At major events like the World Cup it is often the preferred choice of consumers and vendors, and until its certainty and benefits can be replicated by other methods, consumers will continue to use it. ■



Micki Seager, Fiserv



Kyrylo Khomiakov, Fiserv