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# Atlanta establishments go cashless, despite some drawbacks

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Mercedes-Benz Stadium made business news headlines in March by becoming the first major sportsplex in America to switch to a cashless transaction system for concession and merchandise sales. Though Atlanta has few establishments that are 100% cashless, the trend is garnering interest.

The stadium – and others who have “gone cashless” – have cited efficiency and security as reasons for doing so. Nevertheless, some consumers and legislators view the practice as restrictive, if not discriminatory, and likely to impose a hardship on those who do not have bank accounts or credit cards.

After the first half dozen events with the cashless policy in place, Mercedes-Benz Stadium officials reported to Atlanta Business Chronicle and others mostly favorable results such as faster-moving concession lines. Sales figures also indicated an uptick in per capita purchases.

After testing card-only payments in various areas throughout the stadium in 2018, its leadership determined that “cashless stands had minimal to no effect in overall sales purchasing behavior around the stadium and [they] increased efficiency, said [Steve Cannon](#), CEO of AMB Group.

As for answering criticism that going cashless is discriminatory, Cannon said the process at Mercedes-Benz Stadium is far from it.

“Knowing that there are some who prefer not to use their own cards or who prefer to carry cash, we placed ten cash-to-card kiosks around the stadium to make it a seamless process,” he explained. “Guests are able to feed the cash into the machine and obtain a pre-paid debit card with the same amount with no transaction fee. These cards can be utilized as any other pre-paid debit card or credit card within the stadium as well as outside the stadium.”

In response to patron feedback, the stadium has changed locations of some of the machines and added some, Cannon said, adding that “our fans have transitioned very nicely with very minimal problems.”

The idea of removing cash as a payment method “isn’t a one-size-fits-all proposition,” said [Jessica Hussain](#), senior tax partner at Aprio, who has written on the topic.



TASTE OF ATLANTA

An early adopter of the cashless transaction model, Dale DeSena started in 2001 using prepaid paper coupons as “currency” for food and beverage purchases during Taste of Atlanta, an annual outdoor food and drink event at Historic Fourth Ward Park.

"It's more like one-size-fits-one after carefully considering your specific situation," Hussain said.

Going cashless alleviates the need for handling cash, which all but removes the risk of crime. In a highly publicized case in 2018, Chelsea Beller, the 29-year-old manager of Barcelona Wine Bar on Howell Mill Road, was shot and killed after three men forced their way into the restaurant and ordered her to open the restaurant safe. Four men are currently facing 34 charges in the incident, including felony murder and armed robbery. Beller's murder prompted Connecticut-based Barteca Restaurant Group, parent company of Barcelona, to institute a cashless policy at the Barcelona Wine Bar and Bartaco in Atlanta. A handful of other metro area restaurants and at least one coffee shop followed suit.

A cashless business also is less susceptible to manual errors, which can occur when making change or closing out the register. Bank reconciliation and other routine back-office tasks are more efficiently completed. The cost of making cash deposits or paying for armored car services goes away, and customers benefit from a streamlined checkout experience, Hussain explained.

"Also, credit cards provide a ton of data, which can help a business owner analyze customer activity and devise more effective marketing and promotional campaigns," she added.

The latter benefit was a "game-changer" for Dale DeSena, founder and CEO of Taste of Atlanta. An early adopter of the cashless transaction model, DeSena started in 2001 using prepaid paper coupons as "currency" for food and beverage purchases during Taste of Atlanta, an annual outdoor food and drink event at Historic Fourth Ward Park.

When processing the coupons became unreliable and time-consuming, DeSena spent two years researching radio frequency identification (RFID) technology. Four years, three RFID companies and a sizable financial investment later, Taste of Atlanta debuted "Taste Points," a proprietary cashless transaction solution, in 2015.

With each paid ticket, attendees receive a wristband pre-loaded with "Taste Points," from which they can purchase food and beverages at the vendors, as well as other benefits such as downloading recipes. The system uses a secure wi-fi network and server. Because the wristband is scanned, guests have a history of their purchases and restaurants know who visited them and can follow up, DeSena explained.

"How many times have you been to a food festival and said, 'I ate this really great fried chicken or tasted this fabulous wine, but can't remember the name of the restaurant it came from?'" she said. "We are now a data company as much as we are a food festival. A restaurant can use this data as a kind of focus group. For the restaurant owner, data is king."

There are drawbacks to cashless, purveyors said. No cash means an increase in transaction fees, and cash tips vanish. The most contentious argument in the cashless debate is that it discriminates against low-income people, the largest group that is "unbanked," or do not have bank accounts or sometimes credit cards.

"The concern lies in the burden a cashless policy potentially places on the unbanked or those with limited incomes," said Atlanta City Council member Natalyn Archibong, who has expressed interest in legislation other cities have passed banning cashless business establishments. "Due to the income inequality gap in Atlanta, I am very concerned about policies established by retail businesses that will increase the burden on our lower-income citizens."

Legislators in Philadelphia, San Francisco, New Jersey and Massachusetts, have banned cashless stores. New York City is considering similar legislation, while bills limiting or prohibiting cashless brick-and-mortar stores are moving forward in Connecticut, Rhode Island and Washington, D.C.

Atlanta does not have plans to consider such legislation currently, as there are not many establishments that are cashless. But, Archibong said, "if a cashless system would make it more difficult or more expensive for lower-income citizens to purchase basic goods and services necessary, that situation would likely trigger interest in the City Council."

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## Cash at a glance

In 2018, consumers used cash in 26% of transactions, down from 30% in 2017. Debit cards were the most used instrument, accounting for 28% of payments. Credit cards accounted for 23% of payments, a 2 percentage-point increase from 2017. Cash was used for 49% of payments under \$10.

*Source: 2019 Findings from the Diary of Consumer Payment Choice*

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