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Case Study

Open to ideas and innovations

Be it at a restaurant, bar, open-air swimming pool or gymnastics display: With Sonect, people withdraw their cash whenever and wherever they need it. The innovative app from this Zurich-based fintech firm is benefitting not only customers of the bank Hypothekarbank Lenzburg, in the form of a dense network of real and virtual ATMs, but also the involved businesses, in the form of higher revenue and lower costs.

It began on a winter's night in Bern, with a lack of cash. Sandipan Chakraborty, who later became a founder of Sonect, had nothing on hand to pay the babysitter with, so he had to turn up his coat collar again and venture out into the bitter cold to the nearest ATM, far away. At the corner, he glanced inside a restaurant. Why not obtain cash and goods on the spot? The idea of converting businesses, stores, restaurants and bars into additional ATMs was born, and the foundation of Sonect was laid.

“Our suggestion: Invest in a virtual cash dispenser, instead of in hardware.”

Virtual ATM as a service

In May 2017, Sonect went online with its solution. Shortly afterward, contact was made with Hypothekarbank Lenzburg. “In order to increase its presence locally, we suggested that Hypothekarbank Lenzburg offer its customers the Sonect app. To invest in a virtual cash dispenser, instead of in new and expensive hardware.” says Sandipan Chakraborty looking back. The bank had already heard of the start-up and was open to this innovation. “After the first contact over the phone, it all went very quickly,” says Chakraborty. “Following on from our first meeting, we conducted the technical analysis and worked out the business case,” adds the founder of the Zurich-based fintech firm, summarizing the first steps.

After the first talks with Hypothekbank Lenzburg, and clarification of the technical and financial feasibility, Finstar® was brought on board. “From both a technological and personal point of view, it was very harmonious from the start,” states Chakraborty. “Finstar® is also open to new ideas and highly innovative. The open API is just one example.” The open interfaces were also a prerequisite for quick integration of Sonect into Finstar®. “Thanks to the open API, fintech firms can connect their solution to Finstar® in next to no time.” On this basis, partners are able to grow by entering new markets in a cost-efficient and, above all, time-efficient way.

A world first from Aargau

Sonect went live just a quarter of a year after the cooperation agreement was signed. “The Finstar® team and our team were about the same size. We approached each other on an equal footing, which characterizes the whole project.” Chakraborty is also convinced that big ideas do not need big teams but, first and foremost, great minds. He describes the cooperation with Finstar® as partnership-based, rather than as a customer-supplier relationship. “For Sonect and Finstar®, it was a premiere, a world first from Aargau. That bound us together as well.”

Thus, the partnership goes beyond purely technical matters: Sonect and Finstar®, or Hypothekbank Lenzburg respectively, address restaurants and businesses in a coordinated manner, so as to convert them into virtual cash dispensers. In this way, their number in the region doubled rapidly and more banking customers were acquired for the app. Switzerland-wide, Hypothekbank Lenzburg customers can withdraw cash from around 580 Volg stores, 900 k kiosks and over 60 AGROLA TopShops in their vicinity – and the network is constantly being expanded. “With a smartphone and our app, anyone can act as a virtual ATM, and anyone with a smartphone can withdraw cash, free of charge.”

Sandipan Chakraborty
CEO and founder of Sonect



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“Big ideas don’t need big teams.
Just great minds.”

Less cash, higher frequencies

With its eponymous app for iOS and Android, Sonect connects people who need to withdraw cash locally with businesses that want to reduce not only their cash, but also the costs that cash management entails. “Businesses become virtual ATMs, which saves time and money,” says Chakraborty. “At the same time, Sonect increases frequencies and revenue, because people often don’t just withdraw cash, they make purchases too.” For its part, Hypothekarbank Lenzburg offers its banking customers a digital platform for withdrawing cash anytime and anywhere, regardless of whether traditional ATMs are present.

All the while, extremely close attention is paid to security aspects. “When a user has used the app to request an amount at a store, they immediately receive an encrypted barcode on their phone.” The EAN code is only valid once, for just 15 minutes. As soon as the right store has scanned the code, the transaction is completed with the handover of the cash and a receipt.

A completely different experience

The decision to integrate the Sonect solution into Finstar Open Platform was made for several reasons: On the one hand, it allows Hypothekarbank Lenzburg to expand its ATM network without major investment in infrastructure or costly expenditure on maintenance, servicing and cash management for its dispensers. On the other hand, the bank can reach new regions with its site-independent service. “If we get one, two or three restaurants or stores in every town to offer our service, then a bank quickly has a comprehensive network at its disposal for cost-free cash withdrawal,” says Chakraborty, looking into the future. In the context of customer acquisition and retention, he sees another point that plays a decisive role: “As digitization continues, personal contact is becoming more and more important, also for banks. Cash withdrawal with the aid of our app establishes a relationship, like at the counter. It’s a completely different experience to interacting with a machine.”



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Cash just around the corner

Cash withdrawal, all the time, everywhere, free of charge, bringing people into contact with each other – Sonect makes this vision a reality. Thanks to the app from this Swiss fintech firm, users withdraw cash easily from stores just around the corner, such as Volg stores, k kiosks, Press & Books stores or AGROLA TopShops. The solution also makes sense for all participating stores: The offer of cash withdrawal optimizes frequencies and sales. For Finstar banks, Sonect brings a reduction of costs and an expansion of their ATM networks, far beyond the usual sales areas and channels.

Digitanalog fusion

“All over the world, permanently installed ATMs are being removed because they’re too expensive,” notes Chakraborty. Is this not a clear indication that cash payment is becoming less important? “As a matter of fact, there are currently over two thousand electronic payment methods. But Sonect is the only app that can be used to withdraw cash.”

“Sonect is the only app that can be used to withdraw cash without an ATM.”

The Sonect co-founder explains that in 2016, there were still over 107 billion cash transactions at ATMs worldwide. “That amounts to a six-percent rise compared to 2015. Even in Switzerland, it does happen that people have no cash to pay with. Together with Hypothekbank Lenzburg, we provide banking customers with something that they still want and use.”

Effectively, Sonect is a fusion of digital and analog: a digital request and a withdrawal of analog cash. “It’s reliable, secure, convenient and customer-friendly. When purchasing a service or product, people are often unaware that they can only pay in cash. This is precisely where Sonect helps.”

A human interaction

When asked about Sonect’s goals, the Sonect CEO answers as follows: “To make people happy and to do something for the community.” Today, people spend so much time in front of monitors – including when they are at an ATM. With Sonect though, the customer stays put, talks to a human being while withdrawing cash, and has a say on which banknotes are used.

“We want to make people happy and to do something for the community.”

With Sonect, people visit nearby restaurants and stores. They approach the owners and staff, communicate and consume, ideally together. This makes the neighborhood become closer-knit, while the stores acquire and retain customers.” Cash withdrawal with Sonect is a human interaction. That’s no longer common in this day and age, so it’s appreciated all the more.”

finstar

c/o Hypothekbank Lenzburg AG
Bahnhofstrasse 2
CH-5600 Lenzburg
+41 62 885 11 11

info@finstar.ch
www.finstar.ch

