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Deposit automation: enhancing customer experience through efficiency, accuracy and speed

Advanced function ATMs drive channel optimisation with deposit and currency automation



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By David Wetzel, Vice President and Managing Director at Diebold Europe, Middle East & Africa

As deposit automation technology takes off globally – the number of units is projected to reach as many as 670,000 by 2018 according to Retail Banking Research – many financial institutions are finding that the added efficiency of this technology is providing staff with more time to sell and service customers.

The powerful combination of self-service efficiency and deposit automation accuracy allows institutions to drive routine transactions, particularly deposits, to the automatic teller machine (ATM). This can reduce the cost per deposit transaction by as much as 84 percent, according to Verdi & Co. Additionally, advanced function ATMs are enhancing the customer experience with added speed, convenience and functionality (e.g. currency exchange), which further strengthens ties to the institution. By optimising banking channels with deposit automation technology, institutions are doing more than reducing costs, they're redefining standards in service.

The proven reliability and cost savings of the deposit automation solution is opening doors to greater acceptance by customers and institutions. Customers benefit from the availability, ease of use and fast transaction speeds. Institutions receive greater operational efficiencies through lower replenishment costs, reduced daily deposit pick-ups and more time to focus on sales and customer service. Deposit automation technology also eliminates empty envelope fraud, which according to FICO's Card Alert Fraud Manager, accounts for 49 percent of all ATM fraud. It also helps minimise the opportunity for cheque kiting (cheque fraud committed during the float time) and closed

account fraud. By employing advanced functionality ATMs to mitigate risks and enhance service, an institution can strengthen customer relationships and its brand image.

An example of how a customised deposit automation solution is enhancing customer experience can be seen at Dexia – a retail bank with 5.5 million customers in Belgium, Luxembourg, Slovakia and Turkey. The company has re-engineered its branches into spacious, open environments that include self-service terminals and personal bankers rather than traditional tellers. Through a tailored deposit automation solution, Dexia was able to move all cash transactions to the ATMs, which speeds up transaction times for customers and provides staff with more time to focus on value-added, personal banking services.

The open branch ATMs are equipped with deposit automation functionality that can handle all cash transactions, including authorising large amounts in all euro denominations. The ATMs also enable cash process optimisation and cost reduction by automatically recycling deposited notes and making



Diebold's Opteva 328 Bulk Cash Recycling ATM shown at the ATMIA/RBR Middle East ATMs 2010 conference last month



them available for re-dispensing. Dexia's open branch ATM area now offers 24/7 service, and the automation of all transactions ensures optimal customer service, which addresses such needs as greater uptime, immediate crediting of cash-in transactions and heightened security.

Another innovative deposit automation solution that strengthens brand and enhances the customer experience is in play at Moscow-based Master Bank, which transformed its ATM channel into a versatile currency exchange network. Despite currency exchange being one of Russia's most popular banking features, financial institutions working under agreements with existing currency exchange venues were experiencing greatly reduced revenue generation, while customers were receiving limited services. Through advanced function ATMs that accept up to 100 notes and feature coin dispensers, Master Bank now offers customers and non-customers a streamlined, round-the-clock currency exchange solution that dispenses dollars, euros or rubles, down to the last coin.

For Master Bank, adding currency exchange capabilities to its ATM channel's functionality helps reduce transaction costs and improve overall operational efficiency, and reinforces its image as a highly technological financial institution to both

customers and non-customers. Additionally, the innovative currency exchange solution releases Master Bank from alliances with third-party currency exchange operations, ultimately boosting the bank's revenues.

As financial institutions look to differentiate themselves from the competition, they are focusing more and more on direct channels such as ATMs. Institutions that leverage their ATM networks with deposit automation technology can help drive more transactions through a less expensive channel. With respect to small business clients especially, offering a quick and accurate way to conduct banking business will support growth and customer retention.

Today's deposit automation technology is offering consumers and financial institutions more than an enhanced self-service deposit experience; it is strengthening relationships. When deployed as a strategic initiative, optimising the self-service channel with deposit automation technology helps improve efficiencies for deposit handling, while strengthening brand differentiation and improving fraud prevention. ■

To learn more about how Dexia and Master Bank are taking deposit automation to new heights with the help of Diebold's customised solutions, download the case studies at www.diebold.com/customerexperience.

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