

NCR PERSPECTIVE

Meeting customer needs globally

By Paul Race, Vice President of Marketing Services, NCR

One of the challenges to retail banks is how best to provide exceptional customer service and cost-effective transaction processing

Payment systems vary greatly worldwide, but the challenge to banks everywhere is to deliver solutions that are efficient and easy to use, providing consumers with the convenience and confidence they require in performing transactions.

Whether an economy is primarily cash-based or is still reliant on paper cheques, one of the challenges to any retail bank is how best to provide exceptional customer service as well as a cost-effective means of processing transactions – including both withdrawals and deposits of funds.

Matching bank and customer needs

For banks, there is a need to establish the most efficient means of dealing with the teller transactions that are expensive and time consuming. In a cash-centric economy, the ATM channel provides the opportunity to migrate routine transactions away from the teller counter, allowing staff to focus on more value added activities and to drive revenues.

For consumers, avoiding queues for cash and cheque transactions at the branch is only really possible if there is a quick, secure and easy-to-use alternative.

Breaking the mould

Intelligent deposit solutions that provide the consumer with a receipt that itemises (by denomination) all cash deposited and has an image of any cheque deposited, have provided the breakthrough in giving consumers the confidence to move away from the teller counter. The receipt provides the 'proof' that the customer has completed the transaction at the ATM and they can deposit cash and/or cheques with confidence, at a time suitable to them. The technology is easy to use, intuitive, reliable and provides a trusted payment mechanism with 'guaranteed' transactions. Another important benefit, especially to small

businesses, is that where cheque truncation is allowed, then funds may be made available immediately.

But increasingly this is seen as only part of the solution. Innovative financial institutions are now looking at ways of improving the automated deposit channel, both in terms of customer service and operational efficiencies. Innovative solutions may enable new transaction types such as bill payment, mobile phone top-up and foreign exchange, improving customer service levels and improving the business case for the introduction of more deposit-enabled ATMs.

Room for improvement?

For banks, the deployment of deposit-enabled ATMs will mean transactions are conducted at a fraction of the cost of counter services or overnight drop facilities (which involve daily opening of envelopes and manual checks of signatures, cash amounts etc). However, does it necessarily represent the most efficient use of resources? ATMs still need to be emptied of cheques and notes, sometimes at times when they are in demand for dispensing cash. Is there a better alternative that makes use of deposited cash to meet consumer withdrawal needs (thereby reducing cash in transit visits)?

For consumers, education at the branch and the confidence associated with the new ATM receipt have already led to a significant take-up of automated deposit. But are there any remaining inhibitors to using a cheque/cash deposit facility, and how might customer service be improved? Greater ease of use and improved transaction speed will increase customer satisfaction. With equivalent teller transactions costing up to three times that of a deposit at the ATM, it is essential to do everything possible to enable this shift in behaviour.

Faster and easier

For example, in situations where consumers need to deposit both cheques and cash, one issue that

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impacts upon transaction time and perceived ease of use is the need to use more than one slot when making a 'mixed' deposit.

In the USA, many banks have seen a doubling in ATM deposits. As the move away from envelope-based deposits gathers pace, there are increasing benefits to banks in enabling the processing of more transactions per ATM, which improves the customer experience without adding more machines.

NCR's Scalable Deposit Module (SDM) makes such deposits easier and faster, allowing consumers to deposit cash and cheques simultaneously in any orientation through a single slot. A typical consumer transaction of five banknotes and two cheques can be completed in less than 60 seconds, faster than any other available solution. In the USA, Chase recently announced that their introduction of ATMs equipped with the SDM module is "making it even easier for customers to make deposits at more of our ATMs". But this is not a solution suitable uniquely for the USA. In Europe, for countries such as France and the UK, where both cheques and cash are prevalent, this solution could provide a significant improvement in customer service in some instances, cutting transaction times in half and reducing queues at the ATM during busy periods.

Efficient and secure

Whilst recognising the potential for automation to significantly reduce the cost of cash withdrawal and deposit transactions, it is clear that there are some areas, such as ATM cash replenishment, that still represent a significant expense. One way to reduce these costs of doing business is to re-use the cash deposited at the machine.

Locations where there has been high take-up of cash deposit coupled with large numbers of cash withdrawals would be suited to an intelligent deposit solution with a cash recycling component. Though a perfect balance may never be achieved

between cash-in and cash-out, the potential remains to reduce CIT visits (typically by up to a third).

ING Belgium is one example of a European bank that is widely deploying cash recycling ATMs, with plans to deploy over 1,200 such units. As well as ensuring maximum availability, the deployment of these ATMs in the bank's new open-plan branches enables transactions to be carried out in a secure, welcoming environment, as cash is no longer handled over the counter.

More than deposit

Once deployed, the Intelligent Deposit technology provides for wider opportunities than simply depositing money into the customer's own account. It can also be used to enable the payment of bills, repayment of loans or even foreign exchange transactions. Citibank Romania is one example of a bank that has used the technology to develop a fully automated bill payment solution, now widely used by utility companies. Using bunch note accept and bar code readers to capture payment details, the automated cash payment solution has improved convenience and raised the bank's profile amongst the country's large number of unbanked individuals.

Bob Tramontano, the Vice President of Financial Industry Marketing at NCR, explained how deposit automation continues to evolve to meet customer needs. He said "In the case of Intelligent Deposit there is no 'one size fits all' solution. In each country, and at one level even at each branch, the market and opportunities will vary. Customer satisfaction is at the core of our approach, both in terms of anticipating and providing the services customers need and doing so in a way that enhances the deployer's profile and generates further business opportunities." ■

If you would like more information on the innovation being driven by NCR, e-mail paul.race@ncr.com.

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