

**NCR PERSPECTIVE**

# Innovative solutions drive business results at the branch

*By Paul Race, VP of Marketing Services, NCR*

**The key to satisfying customer service expectations and retaining customer loyalty lies in the adoption of innovative, yet easy to use technologies**

Branch staff involvement in retail banking transactions can be an inhibitor or a driver of profitability. Manual teller transactions are far more expensive than those carried out via automated channels, yet four out of five financial products are sold face-to-face, generating 80% of the branch's revenues.

The branch experience remains core to retail banking. It is a major element in demonstrating the bank's superior customer service proposition, and as a channel its performance improvement can be directly controlled. Great customer service builds loyalty and provides the opportunity for more sales, driving revenue and profit.

In driving business results at the branch, key concerns are the efficient deployment of staff, customer satisfaction and the sale of financial services products.

## **Redefining service – the key to acquisition and retention**

Bank customers today are technology savvy. They are also time-conscious and have increasingly mobile lifestyles. They expect consistent levels of service wherever they are and whenever they want to interact with their bank. Yet when it comes to purchasing financial products, they often want more than a technology-driven experience – they seek a level of person-to-person interaction.

McKinsey research shows that globally, 48% of customers are vulnerable to defection to other brands as a result of service dissatisfaction with their main bank. Given the branch's capacity to improve loyalty, keeping it at the hub of multichannel, customer-centric delivery is an important strategy.

For financial institutions, the key to satisfying customer service expectations and retaining customer loyalty lies in the adoption of innovative, yet easy-to-use technologies that drive and enable branch transformation, and consistently replicate

the positive retail experiences that customers meet in their everyday lives.

## **Harnessing technology**

Thanks to new technologies, banks are in a position to alter the way a branch operates. The introduction of new technology as a means of transforming service provision (e.g. enabling the migration of high cost transactions, improving customer service and generating new sales opportunities) is best done incrementally. Banks can migrate labour intensive and expensive teller transactions to the self-service channel and remove cash handing from the teller, which reduces costs and releases time for personal interaction with the customer. They can put appointment-making in the hands of the customer, significantly improving convenience, lessening 'no shows' and maximising revenue generating opportunities. Through video banking, they can even enable ATMs to replicate the branch customer experience 24/7.

## **Migrating routine transactions**

As well as the business benefits of migrating transactions to a lower cost channel, solutions such as intelligent deposit ATMs and financial kiosks provide consumers with a choice of how they carry out transactions – another key factor in improving customer satisfaction.

From the bank's perspective, teller supported transactions cost significantly more to deliver than the same transaction at the ATM. What's more, NCR's global research reveals that on average only 10% of teller time is spent interacting with customers, with the rest spent on basic account maintenance and payment transactions.

Around a half of branch transactions involve the deposit of cheques or cash. With Intelligent Deposit ATMs providing proof of deposit, large numbers of expensive teller transactions can be migrated to self-service. NCR, for example, has taken Intelligent Deposit a step further by introducing the Scalable

**Intelligent deposit ATMs and financial kiosks provide consumers with choice around how they carry out transactions**

Deposit Module (SDM). It responds to customer requirements for ease of use and speedier transactions by enabling users to deposit cash and cheques simultaneously in any orientation through a single slot. A typical consumer transaction of five bank notes and two cheques can be completed in less than 60 seconds, twice as fast as any other solution on the market.

These are not the only transactions that can be migrated from counters and advisors. In their everyday lives, consumers have become accustomed to using kiosk check-in for flights and self-service check-out in grocery stores. NCR's financial kiosks are designed with advanced user interface technology for ease of use, enabling branch customers to complete routine transactions such as statement printing and balance transfers without any assistance. The kiosks are also being deployed for product discovery – enabling customers to search for and find the product that matches their needs. They can download the URL for more details, as well as an application form, straight to their mobile phone. All of this helps move the customer from impulse to action, and makes it easy for them to complete the purchase.

#### **Efficient, improved customer service**

Significant numbers of cash transactions still take place at the teller counter. This means there is an opportunity to address the cost and service implications whilst simultaneously leveraging the opportunity afforded by the personal interaction. Teller Cash Recyclers, for example, enable the basic automation of counting cash deposits and withdrawals at the teller counter, and make the deposited notes instantly available for re-dispensing. Their introduction not only improves transaction processes but enables branch efficiency improvement, allowing tellers to engage fully with clients in a secure open-plan environment.

#### **Putting the customer in control**

A key issue in the multichannel environments of today's banks is the inefficiency in the generation of sales opportunities, which are best done as face-to-face meetings at the branch.

NCR APTRA™ Self-Scheduler puts customers in control of appointment scheduling. Customers can book an appointment at a convenient time and branch using a kiosk, online banking or mobile banking. They receive immediate confirmation

via e-mail and an SMS reminder on the day of the appointment. Where the solution has already been introduced, NCR has seen the rate of missed appointments fall to less than 15% and sales conversions increase by 20%.

#### **What next?**

Innovation is about the creation of new forms of value in anticipation of future demand.

NCR's latest solution, APTRA™ Interactive Teller, provides the next evolution in branch automation and service delivery, while enabling flexible brand footprint deployment. It closes the intimacy gap that exists across the automated channels by embedding video banking technology in the ATM, combining the benefits of self-service and the face-to-face experience of the branch in one package.

NCR first patented video conferencing at the ATM more than fifteen years ago. At that time, however, ATM bandwidth and consumer acceptance of the technology were such that the timing was not right for deployment. But time has passed and most of today's ATMs are IP-enabled with much higher bandwidth communications capability. The consumerisation of IT has led to many people regularly using video messenger and video Skype as part of their daily lives. These two trends have combined to enable video banking to play a key part in transforming the customer's retail banking experience.

Mark McCallum, Global Marketing Director of Branch Transformation at NCR, said, "NCR has long been at the forefront of innovation in self-service banking, being the leading provider of hardware and software solutions across multiple channels. Our self-service solutions help financial institutions to increase their points of presence and close the loop in terms of customer service. At the branch level we are focused on matching technology with consumer lifestyle, providing banking services that significantly enhance the customer experience, improve revenue generation and optimise costs."

By deploying solutions such as intelligent deposit ATMs with SDM, financial kiosks, Teller Cash Recyclers or NCR APTRA Self-Scheduler, banks will experience a quantum shift in the customer experience they deliver and the level of customer satisfaction they achieve, which will ultimately improve the overall profitability of their retail branch network. ■

**A key issue in the multichannel environments of today's banks is the inefficiency in the generation of sales opportunities**

**NCR's APTRA™ Interactive Teller, provides the next evolution in branch automation and service delivery**

