

CARDTRONICS PERSPECTIVE

Localising physical channel strategies in a digital-first world

By Brian Bailey, Managing Director, Global Financial Institutions, Cardtronics

One of the best parts about my job is the fact that I get to speak to financial institutions (FIs), large and small, across the globe. Everywhere, financial services providers are working to meet multiple challenges, but what do these top-line trends actually mean for the retail and branch strategies of FIs on the ground?

Meeting customer demand and expectations

Worldwide, there has been a boom of fintech start-ups and so called 'disruptors'. The fact that this field receives such great attention shows that institutions (as well as investors) are aware of the large opportunities that lie in improving the customer experience in financial services. Customer-centricity is at the heart of every strategic conversation in the sector. But is it just the digital channels that need to attend to meeting customers' expectations?

For many, the ongoing importance of a steady cash supply to local communities is a pillar in a successful retail banking strategy. An example of the need for cash in a digital-first world is the UK, where mobile banking is predicted to increase by a staggering 161% over the five years from 2015 to 2020, according to the British Bankers' Association. At the same time, the Global Cash Index by PYMNTS.com predicts that, overall, UK cash use is set to grow as well.

We have thus launched our financial institution-specific OnATM solutions. Our aim is to enable banks to satisfy basic customer needs, such as having access to a ready cash supply via ATMs, while having time to focus on the customer experience improvement delivered through amazing omni channel experiences.

Unlocking cost efficiencies

This 'customer-centric experience' revolution is taking place during a time when FIs are focused on driving efficiencies and reducing costs. It is right and prudent for banks to look for cost efficiencies where possible. However, alongside this, there is an ongoing need for banks to ensure that a wide-enough variety of services are supplied. A way of achieving the right kind

of efficiencies is to rely on specialist partners for the services that are not part of a bank's future operating model. Our OnBranch solutions therefore support FIs in running and maintaining ATMs and other hardware in both branches and off-site locations, while branch staff can focus on high-value customer engagement and service delivery.

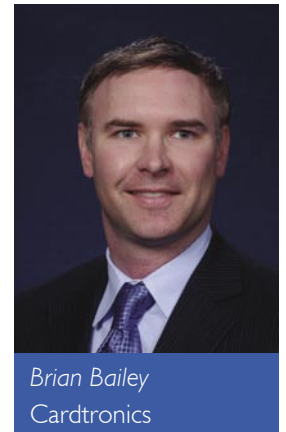
But what happens if banks close the doors of their branches altogether? We have found this global challenge to be particularly prevalent in the UK, where more than 1,500 communities have been left without a 'last bank in town' since 1990. Our answer is the new OnHub initiative, which delivers transaction 'hubs' to local high streets so that members of the community, businesses and retailers can continue to withdraw and deposit banknotes, coins and cheques.

A new focus on growth and trust

Looking forward, the prospect of new, modern digital competitors has put growth back at the top of the agenda for retail banking after years of driving efficiency amidst flat to declining top lines. At the same time, banks must ensure security and compliance standards are maintained while channel and infrastructure strategies undergo major overhauls.

Maintaining and increasing the brand presence on high streets and in key consumer locations can be a strong driver in trust and customer awareness. In the USA, we have been successful in offering banks expanded points of presence by placing their brands at our retailer-based ATMs, and we have decided that the time is right to take this experience to the global level through our OnPoint solution. Similarly, also in the USA, we have built the world's largest surcharge-free network, Allpoint. This serves financial institutions' needs for convenient cash access for their customers at ATMs in the Cardtronics global portfolio, instantly giving customers access to a network that exceeds 55,000 ATMs worldwide.

With more than 225,000 ATMs across the world, we are ready to be the specialist partner in supplying local services for a global banking sector that is tailored around the needs of the customer. ■



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