

DIEBOLD NIXDORF PERSPECTIVE

Time to face the key question: What are the banking channels of the future?

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In the last decade, digital technologies have evolved rapidly, directly impacting consumer behaviour and expectations in the financial sector. With these changing behaviours, the pressure rises on financial institutions (FIs) to serve these consumers better, faster and cheaper.

As consumers have shifted their banking activities toward digital channels for routine transactions, cost-cutting pressures have led many FIs to consequently reduce and optimise their branch network. This raises perhaps one of the most vital and strategic questions facing FIs today: how do you ensure the right balance between your physical and digital channels – and (ideally) create that balance by leveraging your existing investments?

Self-service and choice take priority

A customer survey from Banking Voice found that 60% of C-Level banking executives believe the ATM can replace the branch network over time, while 30% think it could be a hybrid model (ATMs and physical branches)*. What's the reality 'on the ground'?

The fact of the matter is the COVID-19 pandemic completely reshaped the world and our lifestyle over the last two years. It accelerated the global demand for, and adoption of, digital-first experiences and self-service channels. We partnered with NielsenIQ to survey 12,000 banking customers globally and discovered significant changes in consumer behaviour, highlighted by increased digital and self-service channel adoption during COVID-19. In the survey, 95% of respondents noted that they use self-service channels frequently, 85% use a digital channel and 82% use ATMs or banking kiosks at least once per month.

In addition, the Banking Voice survey found that 95% of FIs believe there is an opportunity to automate more transactions from teller to self-service. Clearly, most FIs have moved their digital strategies to a top priority to meet the accelerated consumer demand for digital and self-service channels. The question

that comes next is longevity: how many of these changes reflect long-term evolution, and how many are temporary trends based on current events? We believe the majority of these changes will be permanent, and FIs need to react quickly to retain their customers.

Automation should simplify processes

At Diebold Nixdorf, we help FIs merge their physical and digital channels into a seamless, frictionless ecosystem that reflects the way consumers bank today. Through open APIs, flexible software and advanced functionality, we're shifting the ATM from a simple 'cash & dash' machine to a strategic point of engagement, one that's connected to the rest of your organisation's channels.

One of the easiest ways to fast-track your FI's digital evolution is by investing in branch transformation. This will allow you to realise the full benefits of advanced transactions at your self-service channels, conducted directly from your core banking system. We've found it can help you migrate more than 80% of your teller transactions to self-service, helping you save network processing costs and improve branch efficiency. It also makes the self-service experience more convenient and empowers consumers by providing additional capabilities on self-service devices with 24/7 access. As more transactions flow through your self-service channels, it becomes even more important to have tools that allow you to resolve consumer claims in real time. Providing staff with more robust transaction visibility during claims/dispute management is critical for your business, so you can quickly resolve them in minutes instead of days or weeks.

The future is here, whether your organization is ready or not. With simple, seamless tools and solutions, you'll be prepared to meet that future. We can help you think strategically about your branch transformation and digital strategies, so you have an answer to the pivotal channel-choice question. ■

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* Diebold proprietary data



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