



Bringing the
**personal branch
banking experience**
to the ATM

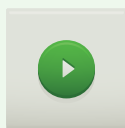
Putting the retail back
into retail banking



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how to use this Interactive eBook



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The retail banking customer environment is changing

Due to dissatisfaction with customer service, analysts' surveys advise that over a third of global retail banking customers moved providers in 2011. Losing this segment of customers reduces the opportunity to sell more financial products at the branch, negatively impacting profitability and growth.

Retaining and developing the existing customer relationship is vital, as it provides a much greater return on investment than attracting new ones.

To achieve this, the uniqueness of the branch banking experience is still regarded as key to success. However, when efficiently transforming the branch customer engagement model there are key challenges to address.





THE CHALLENGES

- ? How do you deliver the branch banking experience outside normal banking hours to meet growing customer demand for convenience?
- ? How do you deliver this experience in locations that suit the customer?
- ? How can you gain more control over staff deployment and associated costs, while still reaching out to customers to grow sales revenue?
- ? How do you fully integrate this with an end-to-end, multi-channel strategy?





The ATM remains the most recognized banking channel as it satisfies many consumers' daily banking needs. Yet, while the new multi-function, self-service ATMs offer the convenience of completing more complex self-service transactions, they fail to recreate the level of engagement found in-branch.

However, innovative technologies are now emerging that deliver a combination of self-service banking with time and location convenience and humanization of the experience.

Delivering a best-in-class retail branch customer experience **through the ATM**



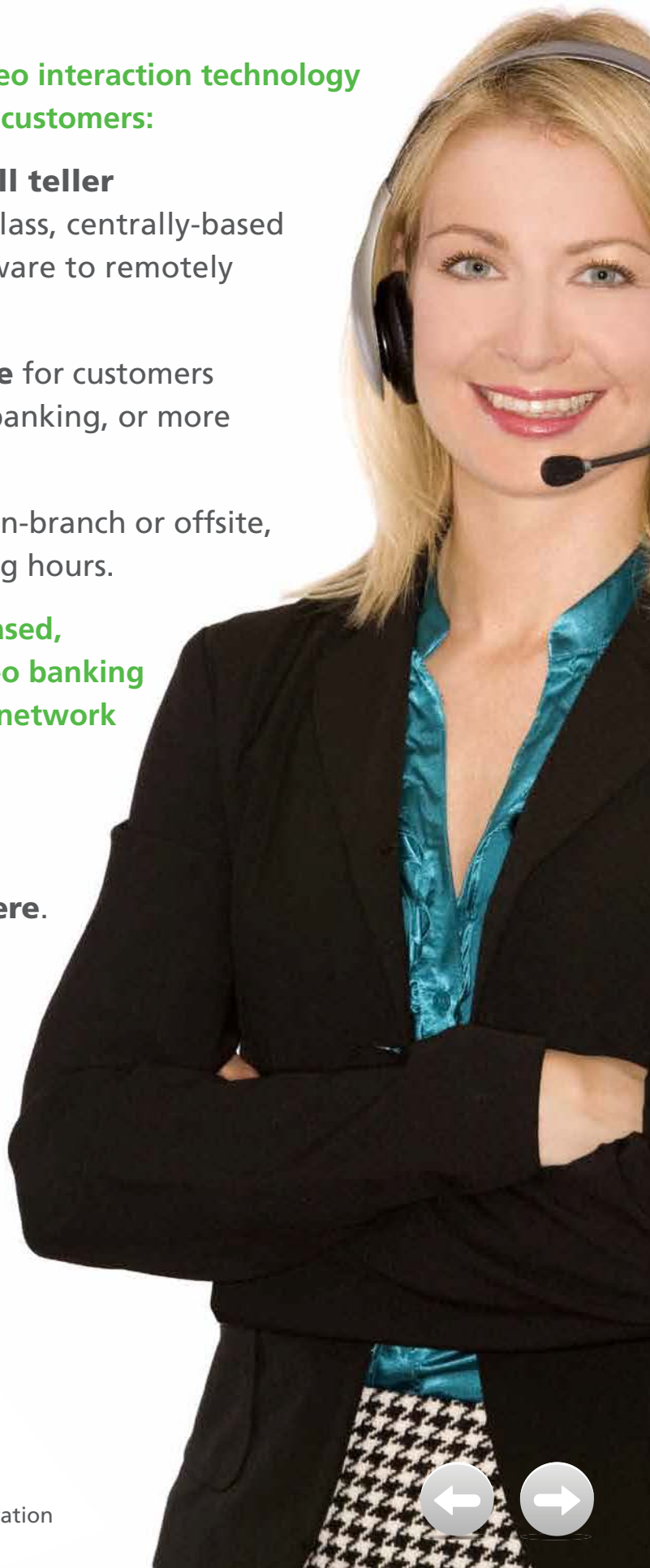


Integrated on the ATM, the latest video interaction technology enables financial institutions to offer customers:

- The **choice to recreate the full teller experience**—utilizing best-in-class, centrally-based tellers using revolutionary software to remotely drive the ATM transaction.
- A **rich audio/visual experience** for customers while conducting their routine banking, or more in-depth transactions.
- **Complete teller availability**, in-branch or offsite, in and outside of normal banking hours.

Locating and equipping a centrally-based, specialized video teller team in a video banking call center results in effective branch network performance through:

- The ability to deliver customer satisfaction with **face-to-face interaction, anytime, anywhere.**
- True replication of the branch transaction experience, in a **low cost, self-service environment.**
- The chance to truly close the intimacy gap—**24 hours a day, 7 days a week.**





Presence and preference: The impact on retail bank growth

Combining today's improved range of ATM services with centrally based tellers equipped to remote drive ATM functions enables high quality, live video/audio interaction. This means banking services can be delivered in a highly personalized manner, anywhere the ATM is deployed.

EXPAND PRESENCE

At any business location

To serve customer critical footfall, but without the need to commit to a substantial physical investment.

At previously ignored sites

To grow and expand customer acquisition in new markets while aligning the level of investment to the level of returns.

At new sites

To allow testing for business returns before a full investment is made.

At unviable sites

Where economics make a full branch unrealistic, but brand presence is paramount.





Meeting **strategic goals**

As well as transforming the customer experience, ATM video interaction technology helps financial institutions meet key strategic growth metrics.

- To encourage and facilitate **migration of transactions** away from the teller.
- To enable **efficient staff deployment** and improve teller management and productivity.
- To deliver high levels of **customer satisfaction**, improving customer loyalty.
- To ensure that **targeted sales and service messages can be delivered in a personal way**, getting acknowledgement and results, unlike mass marketing mediums.

By optimizing the ATM channel, banks can extend their reach to customers who would rarely, if ever, visit a branch, and contribute to new revenue streams.





Transaction migration

The statistics for migration are compelling:

FACT

Global research carried out by NCR reveals that **only 10% of teller time is spent interacting with customers** while carrying out routine transactions at the counter.

FACT

Teller transaction **costs can be up to 4 times greater** than the equivalent ATM transaction.

FACT

With the video teller driving the transaction, early adopters have found that **completion time is 50% less than regular teller counter service**—with all of the safety and security, of the ATM.

Typically **50% of customers migrate from the teller line to self-service** when Intelligent Deposit enabled ATMs are deployed. Video tellers can be the crucial next stage migration agents to compliment and enhance this strategy, personally educating and effectively migrating, the remaining customer base.

MAKING IT WORK

THE DEMAND

For one financial institution, customer consultation revealed a **61% demand for increasing “opening hours”** as offered by the video teller.

THE RESULT

Meeting this need by deploying video interaction ATM technology resulted in a substantial **44% transaction volume migration** away from core hour teller activity.

THE OPPORTUNITY

This cleared the way to transform and develop branch outlets to **focus on service and advice**. Something that most networks have struggled to do for many years.





Will consumers accept migration to a video teller solution?

Across multiple demographics, city/provincial locations and earnings bands, the Marriott School of Business carried out detailed consumer consultations, both before and after customers had used video teller interaction.

Statistics based on the results of the study were conclusive.

BEFORE

Would you use ATM Video Teller Banking?

- 82% expected it would fit their banking needs.
- 85% of each demographic would be happy to use the solution.
- 85% of customers in the \$30k to \$90k p.a. income bracket said they'd be willing to use it.
- The highest acceptance rate came from the highest value customers i.e., earning \$90k+.

What would you use it for?

- 80% or more would use the service for general banking transactions.
- 60% would use it for bill payment and new product initiation.
- 46% would prefer using the ATM video teller for making cash deposits, rather than an unassisted ATM.

AFTER

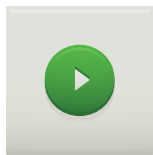
Having used Interactive Video Banking at the ATM, the results based on the same user groups as before, were even more positive.

- Across the 25-65 age demographic, 90% of consumers were satisfied with the service.
- 91% of the most senior age group (65+) were very satisfied with their experience.
- Across the lowest, middle and highest earnings brackets, 90% or more of users liked the new service.

One final compelling statistic underlines the benefits of adopting this migration strategy.

- Almost 40% of customers, in the group most likely to buy high margin, advisory products would switch or choose their banking provider if it offered this kind of service delivery channel.





Play Video

Profitably expanding the branch footprint

ATM video interaction immediately supports expansion strategies across a number of scenarios—all achievable at significantly lower cost due to the nature of the video banking staff and technology infrastructure. **This lets banks:**

Enhance the drive thru experience, deploy offsite brand presence

Create differentiated, brand expansion at the drive-up lane. Video banking at the ATM transforms the drive-up experience, enabled by a cost-effective staffing productivity model which expands face-to-face service hours at this important channel, and the removal of legacy vacuum tube technology.

Test the market

Inexpensively replicating the branch footprint in new territories enables growth in market share and sales leads before committing to a full physical branch.

Enhance deposit-taking opportunities

Customer asset growth drives much of the balance sheet strength of retail banking organizations. So the ability to engage with and retain customers at their most touched channel gives banks a significant commercial advantage.



Today's consumers demand access to the branch experience. Ernst and Young's recent global consumer survey confirms this fact.

- Poor levels of personalized service and branch location proximity led 25% of customers to change banks in 2011.
- Across mature and emerging wealthy economies, 26% of customers would change their bank if access to a personalized service and advice was removed from their branch.

The introduction of a video banking solution at the ATM addresses both of these issues, delivering:

- A highly personal on demand to the customer night or day.
- Locations and formats previously only seen as "branch of the future" concepts.





Can service expansion really be achieved with ATM video interaction technology?

First adopters have generated valuable statistics that endorse the deployment of this technology for service expansion.

Redistributing teller footfall

In response to demand, early adopters have been able to offer any business hours their customers want—reducing customer footfall by up to 44% during core hours and redistributing customers across the video banking resource, which:

- Frees up valuable time in-branch for customer service during the business day.
- Offers customers the same devoted consistent service, out-of-hours.

Expanding service hours

In theory, service availability can be expanded almost without limit. Ultimately, it's customers that will determine, through demand, what new business hours banks offer (such as where and on what days). Yet, early adopters of the technology have found they can still strictly define their offering and maintain control of infrastructure.





Early adopters offering **RETAIL BANKING**
supported by **VIDEO TELLER** 7 days a week,
7 am to 7 pm **RESULTED IN:**

an **86%**
EXPANSION of
HOURS of BUSINESS

a 41% REDUCTION in
overall teller **WORKFORCE COSTS**



Customer

Experience

Impact

Strategic

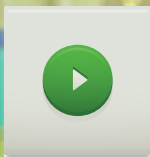
Migration

Expansion

Productivity

Sales

NCR



Play Video

Maximizing teller productivity

The use of centralized virtual tellers delivers:

- **Efficiency** in terms of the total number of tellers deployed to service the customer base.
- **Adaptability** to instantly re-deploy staff to match customer demand
- **Control** over the quality and consistency of the customer experience as well as over sales and lead generation management.

Current branch staff management models rely on previous trends to predict future staff requirements. However, inevitable and variable factors (such as sickness, travel and holiday cover) can reduce effectiveness.

Teller downtime at individual branches can be an advantage—by allowing redeployment of those resources to meet peak demand. Likewise, staff attendance variables can now be addressed instantly with no need for intensive management to juggle staff and transport them to other sites for support.



Tellers can be simply assigned to the video ATMs at the affected branch



Customer

Experience

Impact

Strategic

Migration

Expansion

Productivity

Sales

NCR

Managing consistent quality from a disparate workforce in a multi-site environment has always been a challenge, and can result in:

- Poor customer service.
- Underperformance across risk, sales and productivity.

The creation and management of a centralized team, however, addresses this management issue.

1. Regional managers can deploy the very best staff from their teller pool as interactive tellers.
2. Micro management of the application of these skills is much easier.
3. Those selected as interactive tellers can be given mandates and powers, such as the power to approve immediate release of funds against deposited checks and other instruments, replicating and deploying the powers that in-branch management have.





EARLY ADOPTERS

have **BENEFITTED** substantially, **ACHIEVING**

○ effective **migration** ○

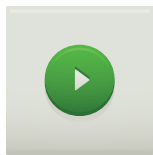
○ service **expansion** ○

○ increased **productivity** ○

The most advanced early adopters have also experienced:

- **A 41% drop in teller costs**—by redefining their back office and front office teller workforce, redistributing staff to achieve a reduction in front-end tellers from 74 to 44.
- **A deployment ratio of 1 new video teller for every 3 traditional tellers**—thanks to the footfall spread achieved by offering extended hours.
- **A reduction of 50% in transaction handling time compared to a traditional teller**—due to the teller driving the ATM modules, superseding manual cash handling.
- **A consistent 95%+ customer service scoring**—enabled by a new default staff performance model created with very specific, high skill level demands.
- **Teller attrition rates falling from 30% to 5% per annum**—due to a completely new career model with a grading hierarchy unlike any other branch or call center environment.





Play Video



Sales enablement

Moving your customers
from impulse to action

Over 54% of the revenue generated by the world's most profitable banks is from basic retail banking services. So the importance of having a branch network to facilitate this is indisputable.

The following statistics also back this up:



80% of sales revenue is generated through the branch channel.



4 out of 5 financial product sales are concluded in branch, even when initiated via other channels.



26% of customers would move brands if the availability of personal advice was removed from branches.

Individual branch outlets can easily be profitable whether or not footfall exists to quantify their operation. But to remain so they need to make a specific level of revenue from product sales.





The importance of the teller

Tellers are the most important element of the in-branch sales and profitability cycle

Compared to other branch sales specialists, they're responsible for the most amount of daily customer interaction, often by a factor of 10. As a result, tellers bear the highest targets for lead generation. However, the standard branch model means:

- Lead generation is restricted to traditional 9 to 5 hours.
- The skill level of tellers varies significantly across branches.
- Sales activity (with observation and coaching to improve performance) is typically lost at the expense of maintaining branch operations when faced with sickness, travel or holiday issues.

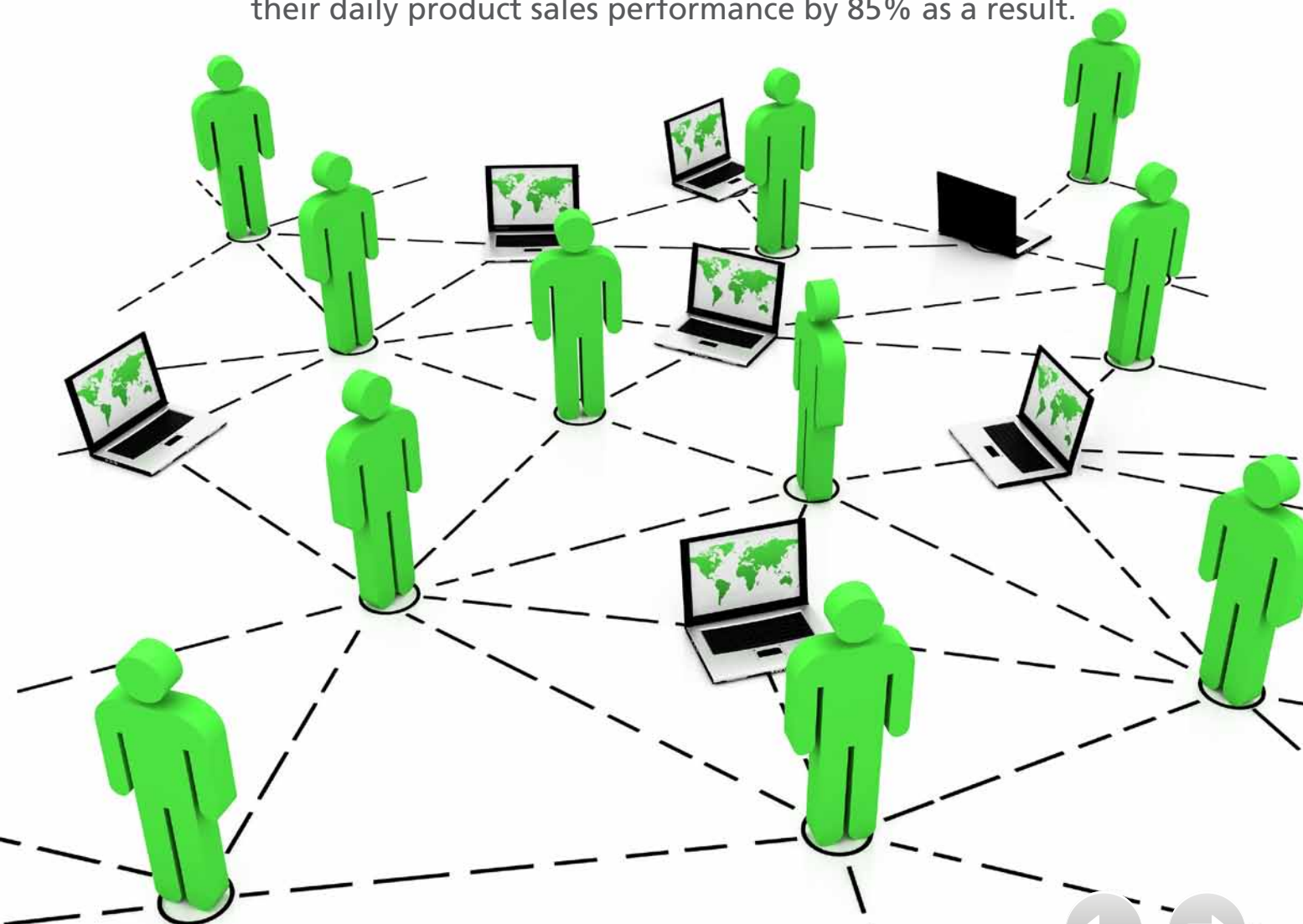
Ineffective management of these issues is a major contributor to the 30% of underperforming branches that exist in mature economies.





Utilizing interactive video banking at the ATM can directly affect sales and accelerate transformation to a successful advisory branch environment by:

- Achieving greater control over teller performance variances. Centralizing teller teams ensures that only best-in-class, sales focused tellers are deployed both on and offsite, to consistently generate quality referrals for branch advisors.
- Migrating customer transactional engagement to a live video teller. This focuses branch staff entirely on meeting customers needs and selling more financial products.
- Early adopters have used this strategy to transform their branches into service and advisory centres, with staff increasing their daily product sales performance by 85% as a result.





Play Video

Fullfilling the need:

NCR APTRA™ Interactive Teller

Following extensive research and development, NCR has produced and field-tested a scalable video interaction solution embedded in the ATM, incorporating best-in-class technology that has made NCR the industry leader in ATM hardware and software.

the convenience of
SELF-SERVICE
 +
 the **BRANCH**
 experience
 in one solution:
 NCR APTRA™
Interactive Teller

Customer

Experience

Impact

Strategic

Migration

Expansion

Productivity

Sales

NCR





Customer

Experience

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Sales

NCR

By combining video and remote transaction processing technology within the ATM, NCR APTRA Interactive Teller gives customers the choice of self-service or connecting with a remote teller in a highly personalized, two-way audio/video interaction.

Utilizing NCR APTRA Interactive Teller with a multi-function NCR SelfServ™ ATM (which provides deposit, withdrawal, bill payment and immediate check image processing services) gives financial institutions the opportunity to provide a viable, full service, extended footprint, virtually anywhere, 24x7.

The benefits to customers:

- The convenience of next evolution of in branch automation and service delivery.
- A personalized, convenient face-to-face transaction service.
- Greater satisfaction thanks to an enhanced ATM experience.

The benefits to banks:

- Enjoy improved branch productivity and increased sales opportunities.
- Gain a competitive edge over other financial institutions by adopting early.
- Reach new customers and retain existing market share.



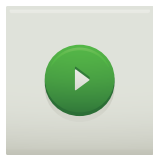


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Play Video

Why NCR?

With over 125 years of experience and knowledge, NCR is a leading global provider of payments, assisted- and self-service solutions. NCR has been the global number one manufacturer of ATMs for more than 26 consecutive years. We help our clients around the world improve their customer interactions, implement change quickly and proactively, and transform their businesses to become leaders and change agents. We can help you, too.

Find out how NCR can help you incrementally transform the customer experience in your branch network, with solutions that benefit both your customers and your bottom line.

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