

# Differentiated Service Experience Smart & Video ATMs

## The Future of Banking – Today!

Every successful business excels in at least one area! In this series, we present selected models of success, called “Patterns”, as potential starting points for the future of your bank.

Pattern from: Retail Bank, USA



# Creating a differentiated service experience

Retail banks are currently seeking to shed traditional ATM constraints and humanise the customer experience across multiple touchpoints. This Pattern examines how the next generation 'smart and video' ATMs will contribute to this process.

Enhanced with 'smart' functionalities and interactive video, smart ATMs can process 85% of traditional branch transactions and have new features such as large flat screens that resemble a tablet, accepting bill remittances, cashing checks, depositing checks with cash back, and video chat with remote teller. The interactive video component creates a distinct service experience while providing the bank with a lower cost solution to meet customers' basic financial transaction needs. Achieving this objective is important to the omni-channel strategy for all banks moving forward.

An established super regional bank was experiencing pressure to reduce operating costs, increase revenue, and improve time-to-serve performance. Industry-wide teller transactions have been trending down ~5% annually resulting in FTE reductions, often reaching minimum levels in many branches. The bank was challenged to do more with fewer FTE in the physical branches while sales and customer retention goals continued to increase annually.

## Motivation

To increase branch sales and raise service productivity, the bank focused on:

- Shifting FTE capacity from low- to high-value activities in the branches
- Leveraging historical ATM convenience to deliver a differentiated service experience
- Improving service quality cost effectively

By incorporating leading practices from non-banking industries (eg, airlines and car rental agencies), the bank piloted an innovative solution to install next generation ATMs with video functionality enabled in high traffic customer areas supported by a remote teller team.

## Conclusion

### What worked well?

- Selection and training of video tellers
- Infrastructure build to effectively route the video calls and measure performance

### What could have been done better?

- Education on the value-add for both customer and branch staff
- Better site selection based on anticipated use and willingness to adopt new technology

## Our assessment

### Benefits for the bank

#### Qualitative

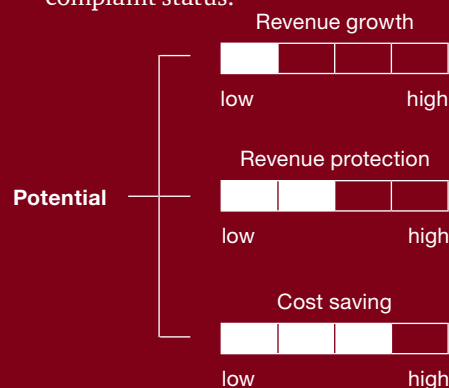
- Increases flexibility through an enhanced service model including tablet alerts to local staff or remote video for assistance
- Extends processing hours beyond traditional branch open hours
- Flattens customer peak time demand due to extended hours supported by flexible call centre staff model
- Improves real-time service quality monitoring via centralised sites versus disparate physical branches
- Collects real-time electronic customer survey at end of session
- Increases points of presence with human assistance a touch away

#### Quantitative

- Lowers cost to serve with ~1 FTE to 3 machines
- Saves ~20% on processing cost per transaction via increased throughput per FTE
- Creates branch FTE capacity to focus on sales advice and problem resolution

### Possible enhancements

- Evolve to integrated platform with retail branch systems
- Integrate 'next best offer' intelligence enabling tellers to offer bank products based on customer marketing preferences after the initial offering
- Enhance tablet functionality with 360° customer view providing teller customer's overall bank relationship, ability to view recent activity to handle basic inquiries, and inform customer on any active complaint status.



## ***The enhanced service model***

### **Fit and purpose in overall omni-channel strategy**

Customers experience a disconnect between what they expect from their financial institution and what they experience when they process a transaction via traditional, often siloed channels such as branch, ATM, on-line or mobile. Banks must reevaluate their legacy strategy and technology to redefine the brand's presence in both the virtual and physical marketplace. Financial institutions must also make investment decisions based on servicing options the customer values. Next Generation ATMs position the bank to increase satisfaction and share of wallet at every touchpoint.

- Deposit and withdrawal transactions continue to dominate transaction flows through the bank. These transactions are not core drivers of revenue. Placing smart and video ATMs in the physical footprint allows customers to start and/or complete transactions more efficiently so that employees can focus on revenue-generating activities.
- Humanising the customer experience across multiple touchpoints with the introduction of video ATMs and planned 'next best bank product offer' functionality enable employees to deliver quality, tailored needs-based conversations in the future. This enables banks to proactively serve customers holistically across multiple channels

### **Understanding customer experience and service expectations**

It is crucial that banks consider the strategic benefit to be achieved when investing in next generation ATMs such as the appeal to small business customers that may not want to use their mobile phones for remote deposit capture of 10+ checks due to the time it takes and deposit limits.

Smart and video ATMs with remote tellers can support a wide array of transaction capabilities including complex functionality such as potential fraud and large deposit overrides, withdrawal limit exceptions, etc. This in turn transforms the traditional teller role to more of a strategic financial advisor for customers with presentation of tailored bank offers to maximise return on their deposits, discounted loan rates, etc.

## ***Core differentiators***

### **Improve customer time to serve by maximising throughput with remote tellers**

To improve time to serve throughout the customer journey from initiation to close, leading banks integrate technology between transaction processing modes. This allows customers to transition between queues (eg, self-service to local teller assistance). Smart and video ATMs can be integrated with tablet functionality to produce alerts to branch advisors to facilitate efficient transaction processing (eg, complete remote overrides for withdrawals over card limit, high dollar check deposit, etc.) or to strengthen customer rapport (eg, alerting the presence of high value customers upon authentication at the smart and video ATM).

### **Present timely and relevant bank offers tailored to your customer**

Although physical branch locations won't cease to exist, banks are experiencing rapid shrinkage of their physical footprint as customers migrate toward alternate channels. Leading banks are rethinking their sales and service strategy to facilitate more real-time and relevant needs based conversations around their customers' financial future.

These banks leverage insights gained across various channels. For instance, they know when customers are researching financial products on the web and leverage additional touchpoints such as the ATM channel to present offers and capture customer action to speak with a branch advisor, receive a call at their earliest convenience or decline.

### **Deliver a higher quality service encounter**

Equipping employees (remote and on-premise) with adequate technology training will enable the front-line staff to educate and deliver tailored service solutions to customers based on when and where they want to do their banking that fits best for them.

Empowering employees as champions of the smart and video ATMs to reduce customers' adoption barriers will enable the shifting of low value transactions to more cost effective channels while positioning employees in more advisor roles leading to greater satisfaction for both customers and employees.

### **Provide a platform for real-time, centralised customer feedback to the bank to take action on**

Despite the growing presence of digital interactions, customers still seek human support to complete their banking needs.

The ability to collect real-time feedback on a customer's experience at a next generation ATM quickly places the customer at the heart of everything the bank does.

This real-time feedback enables bank's customer experience teams to analyse customer feedback faster rather than waiting on a traditional survey approach and assists with prioritising future enhancements.

## **About us**

Our clients face diverse challenges, strive to put new ideas into practice and seek expert advice. They turn to us for comprehensive support and practical solutions that deliver maximum value. Whether for a global player, a family business or a public institution, we leverage all of our assets: experience, industry knowledge, high standards of quality, commitment to innovation and the resources of our expert network in 157 countries. Building a trusting and cooperative relationship with our clients is particularly important to us – the better we know and understand our clients' needs, the more effectively we can support them.

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## **About the Centre of Excellence Retail Banking**

We help our clients tackle current and future challenges in the retail banking space by designing individual solutions that match their needs. One key way of doing so is including the lessons learned from global best practices – both within and outside of the financial services industry. In close collaboration with teams from different PwC lines of services, we support our clients in all phases of their initiatives – from strategy development to implementation.

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