

Digital Tech Gives Financial Institutions a Competitive Edge

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April 24, 2023

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Financial institutions (FIs), with their gleaming floors, plush chairs, and coffee stations, are welcoming places, yet there is a sense of change in the air. Tellers stand ready to assist customers as soon as they walk in, but many people now choose to accomplish financial tasks remotely, depositing their paychecks on a mobile phone or applying online for a loan. Others line up at the drive-through, where staffers reach through a window counting out cash.

Influenced by the ease of online shopping, today's consumers seek more digital-first access points, greater convenience, and better personalization—and that's making bank executives reconsider the way they deliver services, says [Andrew Aceto, Executive Director of Marketing for NCR Banking. NCR Corporation, a leading enterprise technology provider](#), helps financial organizations transform, connect, and run their business to meet the needs of today's customers and the bankers who serve them.

As FIs mull their options for change, fintechs have responded with stand-alone services for key financial products including loans, credit cards, mortgages, and investments—all available to consumers without a bank visit.

“Traditional banking services are being disaggregated, and all lines of business are seeing change and new players,” Aceto says. “In the face of these macro forces, financial institutions need to ask, ‘How can I drive profitable growth? How can I deliver an exceptional experience

that differentiates my brand?”

While there is no one-size-fits-all answer, by creating the right mix of innovative technologies and in-person services, FIs can improve the experience of both customers and employees, while at the same time making their operations more efficient.

Like #ATMs, ITMs are stand-alone self-service #kiosks, allowing customers to make deposits and withdrawals. But unlike traditional ATMs, ITMs also offer #remote consumer assistance at the touch of a button. @NCRCorporation via @insightdottech

Improving Efficiency and Convenience with Interactive Teller Machines

With modern technology, FIs can give customers the personalized attention they want while deploying staff more effectively. Interactive teller machines (ITMs) are a great example.

Like ATMs, ITMs are stand-alone self-service kiosks, allowing customers to make deposits and withdrawals. But unlike traditional ATMs, ITMs also offer remote consumer assistance at the touch of a button. That’s a great convenience for customers who don’t want to be confined to branch hours—and for tellers, who can serve customers from home or the call center, driving operational efficiency while extending hours of service.

In the traditional model, every branch requires staff to handle the everyday transactions for their customers. Using ITMs, the financial institution can serve customers in multiple locations from their central office, allowing branches to shift staff focus to advisory and consultancy services. Powered by enterprise software and powerful Intel processors, personalized interactions via the ITM help enable the delivery of customer service and brand reputation for remote locations.

“You’ve just gone from a model where many of your transactions require the banker to handle cash, coins, and checks to one where they don’t do it at all,” Aceto says. “They don’t have to balance a cash drawer, so they can open their shift and close at the end of the day quicker. Transactions are much faster, and tellers can have a better, more intimate conversation with the customer because they’re not spending time counting money.”

With the efficiency they gain through ITMs, FIs can transform and modernize their branch network to refocus their workforce and shift the branch format to one that meets the needs of the local consumer. That may be a city center landmark branch offering every service and specialist, or a small digital-only branch in a residential area. Broadening the type of branches can help optimize the branch strategy and enable capital to be invested in transforming other consumer touchpoints with the brand.

Instead of managing routine transactions, in-person staff can engage in more complex interactions and offer new services. For example, a bank in Connecticut is hosting weekly training sessions on QuickBooks to draw local business owners.

“Small business owners have much higher deposits than others and are a very important customer for most banks,” Aceto says.

Simplifying Operations with a Cloud-based Infrastructure

Managing ITM transactions and other digital services in the cloud allows the FI to unify procedures across locations, delivering further efficiencies and streamlining the customer experience.

“Traditionally, FIs build their technology specific to the channel. There’s a budget for ATMs, a budget for branches, a budget for the contact center, etc. With the cloud, you don’t have to build and code services separately—you can develop a service centrally, then connect it to any channel through APIs and microservices,” Aceto explains.

That saves time and money for FIs. And switching to the cloud eliminates the expense and hassle of managing infrastructure. “You don’t have to worry about buying racks, blade servers, storage space, network connectivity, and security. Someone else takes care of that so you can focus on the business,” Aceto says.

For customers, unified cloud-based procedures make interactions with the FI smoother and easier.

“With our platform, a customer can start opening an account online, stop and call the contact center, then go to the branch with their business partner to finalize it. Everyone uses the same application,” Aceto says.

The Future of Digital Banking Technologies

Transferring existing services to the cloud is just the beginning. With an edge-to-cloud infrastructure, FIs can easily tweak their processes or create new ones as technology and consumer expectations change.

“We have a customer who removed the traditional teller system from their branches, which was a great deal of significant and expensive infrastructure,” Aceto says. “They put tablets in bankers’ hands. Bankers walk around and help people check a balance, do a transfer, make a payment, or change an address.”

In addition to making interactions more personal, tablets are more intuitive and reflect the technology people use daily, reducing staff training. Employees prefer the popular devices, giving the bank a competitive advantage in a time of labor shortages, Aceto says.

Aceto sees ITMs and tablets as part of an endless chain of improvement stretching across banking's digital and physical realms.

“The future is not digital-only, it's digital everywhere,” he says. “It's a consumer-led dialog about reshaping services to deliver a better experience, and at the same time, driving efficiencies.”

Edited by Georganne Benesch, Associate Editorial Director for insight.tech.