



Despite explosive growth in mobile and wireless technologies over the past decade, for the banking and financial industries, branch offices and ATMs are still where the majority of banking transactions occur. Which is why many institutions are using technology to help transform their branches and roll out new self-service options that more closely align with the anytime, anywhere expectations of modern consumers.

From tablet, video, and location-based solutions that create an interactive branch-office experience to wireless networks that provide expanded access to ATMs, technology is helping banks and financial institutions meet customers on their own terms, ultimately driving new opportunities and sales.

CEB, a leading member-based advisory company, conducted independent research and analysis of the retail banking industry as it relates to creating the next-generation branch and ATM services. It identified several key areas where banks can focus on customer engagement, as well as key technology enhancements for branches and ATMs. The following white paper, sponsored by Verizon, is CEB's unaltered study in its entirety: "Building Customer-Friendly Branch and ATM Experiences."





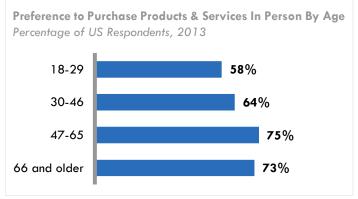




BUILDING CUSTOMER FRIENDLY BRANCH & ATM EXPERIENCES

The growth in digital channel usage over the past ten years has come at the cost of branch traffic. According to CEB Analysis, 96% of US banks are strategizing or undergoing a major transformation in response to the decline in their business.

While customers are choosing alternative channels to interact with financial products and services, a majority of bank customers of all ages still prefer to purchase new products within the branch. In particular, customers choose the branch to open accounts, add new products, and apply for credit cards or loans.



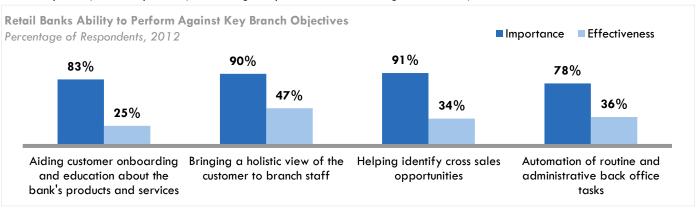
n = 1,432 - 1,517

Source: CEB 2013 Customer Experience Survey

THE BRANCH REMAINS A KEY AREA FOR CUSTOMER ENGAGEMENT

FSIs remain committed to their branches, but are choosing branch transformation and self-service enablement as a way to realign the branch's services with the customer's needs. However, current key objectives—outlined in the chart below—are not being met by existing branch operations. Most branches have already right-sized their staff, so new advances must come from process or technology improvements, including ATM investments. Small technology investments can provide quicker benefit to FSIs before or during a branch transformation or self-service technology investment project by improving efficiency or more effectively enabling sales.

- 1. Aid customer onboarding and education. FSIs are exploring paperless onboarding and video experts as methods to improve the level and efficiency of service within the branch. Wifi and 4G add flexibility in the branch, opening new physical areas for interaction between staff and customers, as well as powering ATMs.
- 2. Create a holistic view of the customer. More customers are choosing a multichannel approach than ever, and branch staff play a key role in conflict resolution as the "face" of the institution. Effective cross-channel integration of data enables branch staff to resolve customer dissatisfaction.
- 3. Identify cross sales opportunities. Data integration and applications can provide frontline sales staff with consistent offers for similar customer segments.
- 4. Automate routine and administrative tasks. By improving back office technology—with teller automation systems, cash dispensers, and image capture—and enabling self-service, FSIs allow staff to focus on customers.



n = 47



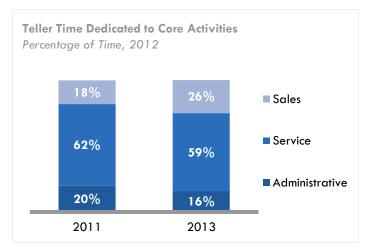
KEY TECHNOLOGY ENHANCEMENTS FOR BRANCHES & ATMS

From 2011-2013, institutions saw a drastic shift in their customers' expectations for branch interactions and the time requirements of branch staff. Branch staff must spend more time on sales & service than ever before and require the tools to succeed.

TABLET TECHNOLOGY

Paperless onboarding allows customers to complete applications and provide information via tablet. Not only does this cut down on waiting time, but the device refocuses the role of the branch staff to be about collaboration rather than information gathering.

Currently, branch staff will provide the client with offers based on their knowledge of the client or recall of available offers. Incorporating specified tablet applications into the process, FSIs can streamline the sales process to ensure staff make the same offer to a particular client profile and clients receive the most relevant recommendations.



n = 72. Source: CEB Analysis.

LOCATION-BASED SERVICES

Location-based services offer banks a twofold benefit in the branch. Location-based data allows branch customers to perform all or part of their authentication on their device. Similarly, when integrated to branch staff desktops, location-based services can notify the staff of the arrival of VIP customers into the branch creating a seamless welcome experience for the client.

VIDEO CONNECTIVITY

Branch presence no longer requires local presence. Video capability allows customers to interact with remote experts from the branch, allowing the bank to provide access to additional products and services by centralizing expertise rather than hiring only local staff.

CROSS-CHANNEL DATA INTEGRATION

Digital channel and multichannel usage grew by 5% from 2010-2013. For effective sales and service in the branch, staff must be able to access the appropriate data to see the actions customers have taken in other channels. Understanding the holistic view of a customers' interaction provides staff better insights for collaboration, problem resolution and possible cross sell.

REMOTE CALL CENTERS

Outfitting the branch with call center capability and cross training staff allows the bank to best utilize their existing branch resources during downtime. Typically rural branches have lower business volumes but more tenured staff. FSIs can leverage these staff in the call center or as video experts during downtime in the branch with small capital investment and training improving the collaboration infrastructure throughout the bank.



KEY TECHNOLOGY ENHANCEMENTS FOR BRANCHES & ATMS

The growth of online and mobile channel usage has made customers more comfortable with self-service. Branches can leverage the desire for fast service to improve the customer experience and reduce transactional requirements for staff.

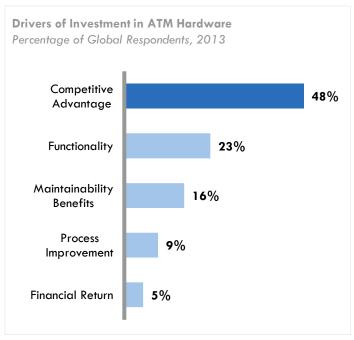
WIRELESS TECHNOLOGY FOR BRANCHES & ATMS

Wireless capability outfits the branch with fast and easy communication capabilities. Using rugged tablets with secure connectivity provides bank staff more mobility within the branch, opening new areas for physical interaction and untethering sales and service from a desk.

Wireless capability also allows clients to browse or onboard from mobile devices while waiting for service or as part of the service experience. Similarly, some banks have seen a cost savings by switching to wireless connectivity because of its usage-based fee structure and improved connection speeds.

Banks are investing in new ATM hardware as a source of competitive advantage. Wireless ATMs allow the bank to deploy ATMs to new environments without worrying about an analog connection.

Reducing the long term maintenance costs is another impetus for investment in new ATM technology for nearly 1 in 4 banks. Banks may achieve cost savings from an investment in wireless technology due to the lower comparative cost with leased line telecommunications.



n = 47. Source: CEB Analysis.

SFIE-SERVICE KIOSKS

A number of banks are beginning to leverage self-service kiosks to create an empowered branch experience for customers. Incorporating self-service technology into the branch automates basic transactions and shifts the staff role to one of adding guidance rather than simple task performance in the interaction.

PROCESS AUTOMATION

Improving back office technology can significantly reduce the time staff devote to manual and administrative tasks, freeing up time for sales or service. According to a recent CEB survey, 41% of banks plan to invest in teller automation software by 2017, many to improve their operational process. Other technology, like image capture or cash dispensers/recyclers, can target specific workflows for the teller and improve efficiency.

Thank you for reading this paper about building customer-friendly branch and ATM experiences. As you operate in an environment of evolving customer expectations, let us help you align your products and services with what your customers want. Verizon offers a variety of technologies designed to help financial institutions with their unique challenges.

veri<u>zon</u>

Our solutions can help you succeed in a world of increasing cyber threats and intensifying competitive pressure. With Verizon, you can learn to manage risk, understand your customers, create competitive advantages and transform operations in ways that drive growth and increase performance.



- Drive Growth and
 Business Performance
- Manage Risk

- Omni-channel Strategy
- Web/digital Experiences

Customer Experience

- Customer Intelligence
- Expansion and Innovation
- Operational Efficiency
- Workforce Productivity
- •
- Security
- Compliance
- Operational Continuity

Verizon Solutions:





Digital Experience Optimization



Customer Analytics Enablement



Secure Application Delivery



Operational Transformation



Productivity and Collaboration



Risk Monitoring and Management



Technology Compliance



Defense and Continuity

Platforms

- Intelligent Networking
- Advanced Communications
- Cloud
 - M2M Mobility
- Security



Managed Services



Professional Services

Verizon's expertise in Intelligent Networking, Cloud, Security, M2M, and Mobility, plus our Managed Services and Professional Services, allow us to offer solutions to address customer needs in these important areas.

SOLUTIONS FOR BUSINESS AROUND THE WORLD

Verizon is a global leader in delivering broadband and other wireless and wireline communication services to consumer, business, government, and wholesale customers.

- We manage and protect systems for many strategically important financial institutions around the globe.
- We build, manage, and deliver an integrated suite of global technologies that help enterprises implement and accelerate their business strategies.
- We're a trusted partner to many of the world's largest companies—nearly all Fortune 500 companies use Verizon technology services.

Find out more about our innovative solutions and how we can help your branch meet the changing needs of your customers. Visit verizonenterprise.com/industry/finance/ or speak with an account representative today.

CEB, a leading member-based advisory company, equips more than 10,000 organizations around the globe with insights, tools, and actionable solutions to transform enterprise performance. By combining advanced research and analytics with best practices from member companies, CEB helps leaders realize outsized returns by more effectively managing talent, information, customers, and risk. Member companies include approximately 85 percent of the Fortune 500, half the Dow Jones Asian Titans, and nearly 85 percent of the FTSE 100. More information is available at cebglobal.com



