

GLORY

Imperative 2 Initiative: Banking Made Simple?

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IMPERATIVE 2 INITIATIVE: BANKING MADE SIMPLE?

We seem to be living at a time when things are generally increasing in complexity. From understanding and choosing health insurance to operating your smart phone or tablet, things are just more complicated than they used to be. For instance...How many passwords do you need to remember today versus 20 years ago? This is not to discount the wonderful array of options that technology provides us. It is only to say that options add complexity to our lives and compete for our time along with all the other things we need to balance.

Banking is no exception. It is way too complicated. This was the theme developed by Jeffrey Pilcher, CEO/ President of The Financial Brand at their 2015 Forum who stated, “There are a million other things people would rather think about than banking. It is boring, it’s tedious. It’s complex. That’s why financial institutions need to build an innovation strategy completely around making banking easy and saving people time.”ⁱ

The Financial Brand article also cited work done by Siegel+Gale, a prominent branding firm with the tag line, “Simple is Smart.” In the firm’s 2015 Global Brand Simplicity Index Study, the top-rated bank ranked 80th behind many prominent retailers, restaurants, hotel brands and travel firms, along with many manufacturers in automotive, electronics and appliances. A number of travel and service firms including the U.S. Post Office also beat out the top bank brands in the category of simplicity.ⁱⁱ

The companies developing banking technologies are not always helpful in creating simple solutions either, according to one expert. “For omnichannel [banking] experiences to pay off for customers, the design principles of ease-of-use, efficiency and emotion must come to the forefront.” said Rajeev Sawhney, President of Strategic Business at Mphasis. He goes on to state, “There is an innate desire of the technologists to add feature functionality and thereby lose the simplicity that is so essential for everyday users. I am not saying that feature functionality is not essential; all I am saying is that ease-of-use and simplicity should be at the core of the [user] interface design.”ⁱⁱⁱ

Customers Want Simplicity

According to a recent article in American Banker, simplicity is an integral part of delivering a great overall customer experience in stating, “Great customer experience means that customers accomplish all of their needs with minimal effort, with trust and a high degree of delight.”^{iv}

Sometimes simplicity just means reduced hassle in completing a transaction or fewer required steps. Other times simplicity from the customer’s perspective means just having access to a person with the right ‘know how’ to address more complex financial issues, making it simpler for the customer.

Such is the case with many bank customers who are generally ‘tech savvy’ and are also primary adopters of self-directed banking tools. According to FMSI’s Whitepaper, Top Five Practices Holding Your Branch Back, “A significant portion of consumers, including

millennials, are not completely satisfied interacting only with their mobile device or computer when seeking more complex financial advice – leading them to the branch to seek out council (sic) face-to-face.”^v In short, they want someone to make the complex simpler!

How can Glory Help Simplify Banking in the Branch?

Simplification of bank products and branch processes is a broad initiative requiring a wide range of resources and top-down commitment. However, there are some basic things that can be done in the here and now to simplify things for customers and staff within the branch setting.

TCR (Teller Cash Recycler) technology makes completing cash transactions easier and less stressful for bank staff while also enabling greater customer focus and transaction efficiency. The result is a faster transaction for the customer, more time to converse with the customer about

other potential needs, and less stress overall on the staff.

Glory has recently taken branch cash recycling to its simplest form with the introduction of the Vertera ETD (Electronic Teller Drawer). This cash recycling solution provides the majority of benefits around efficiency and an improved customer experience while also minimizing disruption and complexity for the branch. Our ‘tag line’ for this product is “A Keep It Simple Solution.”

We know that financial institutions are trying to reduce the cost to serve by driving customers to self-service devices, even when those customers have made a trip to the branch. While the technology surely exists to conduct most of the transactions traditionally completed by a teller through these devices, Glory maintains that onsite, face-to-face assistance must be available when DESIRED or REQUIRED. This allows your financial institution to simplify things for

the customer when there is confusion in completing a transaction or in cases where the customer is seeking advice, trying to solve a problem or requires information about more complex financial products.

We believe self-service devices should be designed from the ground-up to simplify things for customers. For starters a simple, clear-cut and intuitive user interface is mandatory. Graphics, prompting, shutters and indicator lights all must work together to eliminate confusion and guess work for users, once again keeping things simple. How about a lobby kiosk that 'learns' the transaction types most often used by a given customer and provides a quick start option for that transaction for that specific customer? That would be both convenient and simple!

Back office processing should be largely eliminated whenever possible, and when it is not, technologies should be deployed that reduce the time required for such activities. Glory has the range of solutions along with the 'know-how' required to tackle these labor-intensive and error prone back office cash-handling tasks, cutting them down to size!

“GREAT CUSTOMER EXPERIENCE MEANS THAT CUSTOMERS ACCOMPLISH ALL OF THEIR NEEDS WITH MINIMAL EFFORT, WITH TRUST AND A HIGH DEGREE OF DELIGHT.”

Source: American Banker

The Value of Simplicity

The question now becomes, “Is it worth it?” Going back to the Siegel+Gale 2015 study, up to 29% of people are willing to pay more for simpler experiences and interactions. The premium they are willing to pay varies by industry, but in retail banking the 2015 number is up to 3% more!^{vi}

There is also another payoff. The research shows that globally 75% of consumers are more likely to recommend a brand because it provides simpler experiences and communications.

As reported by PwC, even top bankers agree. “A majority of banking executives (53%) believe that simplification is very important, and 70% are making some level of investment in simplification. Yet, only 17% feel well-prepared. Taking a customer perspective, a majority of executives believe their banks must simplify products, channels and prices/rates. Taking an internal perspective, a

majority of executives believe they must simplify their technology, their processes and their back offices. Bankers believe that simplification will lead to better service (69%), lower costs (58%) and increased profitability (59%)... complexity and redundancy drives poor customer experience, high cost, operational risk, employee frustration and regulator unease.”^{vii}

Simplicity also has value to branch staff. Without the pressure of counting and recounting cash along with the stress

of day-end balancing, staff is able to execute critical bank initiatives such as cross-selling, relationship-building and simplifying things for clients. According to Allegiance, a customer experience improvement firm, “The value of engaged employees can be summed-up in a short five word phrase: Happier employees make happier customers.”^{ix}

It is evident that Glory is not alone in its view that simplicity in banking delivers clear and measurable value.

SIMPLIFICATION OF BANK PRODUCTS AND BRANCH PROCESSES IS A BROAD INITIATIVE REQUIRING A WIDE RANGE OF RESOURCES AND TOP-DOWN COMMITMENT.

Continuing the Conversation

There is a great deal of talk today about Branch Transformation. What customers want is Banking Simplification, and it can be accomplished across all delivery channels and in a wide range of ways, including in the branch!

To learn more about Glory’s technologies that make banking in your branches simpler for your customers as well as your staff, please contact your Glory Account Manager.

- i The Simplicity Revolution in Banking, The Financial Brand, May 11, 2015, P 1.
- ii Global Brand Simplicity Index 2015, Siegel+ Gale, P 35.
- iii Three Design Principles for Omnichannel Experience, BAI Banking Strategies, Rajeev Sawhney, December 2, 2015.
- iv How a Great Customer Experience is Really Delivered, V. Liu and R. Schiff, American Banker, June 25, 2015
- v Top Five Practices Holding Your Branch Back, FMSI Whitepaper, July 2015, P 1.
- vi The Simplicity Premium, Siegel+Gale website: Home|The Simplicity Index|United States|Value of Simplicity
- vii Simplicity by the Numbers, Siegel+Gale website: Home|Why Simplicity|Index Highlights
- viii Retail Banking 2020: Evolution or Revolution? (2014), PwC, PP 28-29.
- ix The Positive Economics of Customer Engagement, LaMalfa, Allegiance, P 3. (Note: Allegiance was acquired in early 2015 by MaritzCX)

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