



It's about people

PUTTING RELATIONSHIPS BACK INTO BANKING

A white paper by Auriga

In the all-consuming online world that seems to have enveloped us, in which so many business and personal interactions are anonymous and purely functional, banks need to use technology as a way to build personal relationships, not eradicate them.

Banks face mounting pressure to control costs while improving client service and experience. This comes in part from customers who are demanding easier, 24 hour a day access through PCs, tablets and mobile. It is also the result of new entrants to the banking sector and the arrival of a number of 'fintech' companies whose new approaches and often lower costs are constantly increasing the pressure on more established providers. For many, the only way they can square the circle is to invest in technology as a way to replace staff and save money by deploying an army of machines. It is unarguable that technology can help banks to reduce costs and, for many forms of transaction, machines may be more accurate and of course faster than people. It is easy to imagine a future of fully automated banks with no people at all and it may be what many banks envisage. It would be hard to see, however, why a customer would choose one bank over another in such a scenario.

It is undoubtedly true that customers will choose a bank on the ease of use and reliability of their technology, but it will be the human interactions that create the trust that generates enhanced

loyalty and a competitive advantage for banks in the future. Sleek modern branches, open for longer during the day and over weekends with a wide range of machine-delivered services and a person they can get to know and trust, points the way to the future of retail banking.

We believe that banks need to see technology as a way of enabling enhanced personal relationships. New technology is not a means of eradicating people, but is a way of enabling and empowering bank staff to do more, and serve customers better. The bank of the future will succeed because it has the very best technology and the very best people.

According to a report by Accenture¹, more than half of UK bank customers use a branch every month while 21% use a branch at least once a week. Strikingly, 54% of 18 to 24-year-olds visit branches once a month against 39% in 2012, the biggest rise among any age group. Accenture's research suggests banks need to focus on the customer experience, a novelty for many more traditional institutions, but a key feature of the most successful companies in a whole range of industries.

Accenture argue that whatever the interaction, it must involve a simple and clean end-to-end experience which goes beyond "just transactions" to make interactions seamless, engaging and personal, and build a presence and voice where customers are communicating.

1. Accenture 2014 UK Financial Services Customer Survey "Winning the race for relevance with banking customers".

They say that banks also need to introduce new formats, digitally enabled features and branch locations to reflect evolving customer behaviours and needs.

Changing customer needs and expectations will become an ever more important factor in determining the winners and losers in the banking sector. In evidence to Parliament, the British Bankers' Association says that whilst the number of visits to bank branches are declining, when people do visit a branch they do so because they need to deal with more complicated issues. Research by CACI², a consultancy, on behalf of the British Bankers Association, revealed that UK current account customers visited their bank branch 427 million times in 2015, compared with 895 million logins on a mobile app and 705 million on a computer. CACI expect the number of branch visits to fall to 268 million by 2020, while mobile app use will more than double to 2.3 billion.

Helping customers successfully achieve what they set out to do quickly and easily will build loyalty and enhance the bank's reputation. Auriga believes that its products can help banks realise that objective.

Auriga's vision for customer-centric branches

Auriga's vision for meeting these new customer expectations and delivering this new bank branch model is called WinWebServer (WWS).

WWS enables banks to deploy technology to make significant cost reductions and offer an improved, consistent, yet personalised customer experience. Branches empowered by WWS can support cash-out, cash-in, note/coin recycling and cheque deposit machines from multiple hardware vendors.

WWS also enables kiosks with document scanners, tablets and Assisted Self-service Devices/Assisted Self-Service Terminals (ASD/ASST), as well as screens providing information and direction. This frees up time for a staff member to help customers with more complex enquiries or problems that need resolving. Importantly this staff member will

provide the personal link to the bank, a person who the customer can get to know and trust, and of course someone able to make new product suggestions if and when necessary. The bank staff member provides enhanced customer support based on information provided by WWS on the tablet he or she is holding. The technology provides the staff member with an 'omnichannel' overview of the customer's circumstances and interactions which dramatically enhances the customer experience.

This technology suite seamlessly integrates the customers' online, mobile and branch experience. This means that when a customer visits a branch, the staff member can easily see the customers' situation and is able to provide advice or support as needed. This produces a highly personalised and impactful interaction between customer and bank. In some ways this enables banks to restore the sense that the bank is looking after its customers, recognising them, taking their needs into account and seeing them as more than just a source of revenue by providing them a personalised and contextualised offer/service.

WWS is fundamentally about putting the person back into the heart of the relationship between a customer and his or her bank. Technology becomes not a barrier, separating the bank from the public, but an enabler allowing more positive and rewarding experiences for both parties.

We believe this is the future of branches and the future of banking.



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