

WHITE PAPER

Self-Service Coin Counters increase foot traffic, improve customer service and maximize teller efficiency

Executive summary

In an era of self-service, savvy financial institutions (FIs) are always on the lookout for low risk, highly reliable means of providing the patron with a better overall experience. Additionally, increasing teller efficiency and cross-selling potential is highly attractive. A program that achieves all of these objectives while adding the convenience of a new service should be a welcome addition to any FI.

Supported by the widespread¹ consumer practice of coin saving and redemption, self-service coin counters are a proven example of such a program. Consumer use of these coin machines in the U.S. financial industry has grown steadily over the past decade.

Coin savers who redeem their coins at a retail location or at an FI that does not have a self-service coin machine would prefer having the option to use the self-service method to cash in at their FI. But many institutions have not yet begun to offer self-service coin machines as an option – despite evidence of increased foot traffic, reduced teller workload, cross-selling potential and an enhanced user experience.

Drawing current patrons and new faces into the branch, coin-counting machines create valuable opportunities for interacting positively with existing clients as well as prospective new accounts.

High visibility of the self-service option builds awareness and brings patrons in. FIs can generate interest quickly and maintain a steady stream of traffic into their facilities by actively promoting their self-service coin counters. Looking at key factors that influence how savers in the U.S. choose to redeem their coins helps FIs develop a strategy to motivate savers to use their machines.

The right self-service solutions enhance service to patrons and also reduce the burden on tellers. They are convenient, dependable and allow FIs to choose the features that work best for their organization. Choosing high-performing, reliable equipment from a vendor committed to quality and service ensures a positive experience for both customers and employees and may tip the balance in favor of a highly successful program.



Banks, like other successful organizations, must continually evaluate their operations, seeking ways to increase efficiency, decrease costs and create new revenue opportunities.²

¹ It is estimated that at least one person in up to 80% of U.S. households saves loose change. Assessing the Opportunities for Self-Service Coin Machines in the Financial Segment, BranMark Strategy Group, 2011

² From complexity to client centricity: With simple smart service, IBM Institute for Business Value, 2011

...households having annual incomes that exceed \$75,000 have a much higher propensity to save spare change than those with incomes below \$25,000

Why FIs should invest in self-service coin counters

Increase foot traffic

Customers still consider the branch a top channel for carrying out their banking business, despite the growing influence of direct channels. Customers like visiting the branches for face-to-face interactions and quality of service.³

Cashing in coins while conducting other business is a natural extension of normal patron activity. Redeeming coins allows account holders to deposit some or all of the cash and build toward savings goals.

Placing a self-service coin counter in branch locations increases customer visits to those facilities, creating opportunities for face-to-face engagement, cross-selling and prospecting new accounts.

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Since about half of people redeeming coins at an FI make a special trip to do so,⁴ persuading coin savers to come into a branch to cash in their coins may be as simple as making them aware that this fast, easy option is available. They may even step up the frequency of their visits when they know redemption will be quick and easy.

Plan to take advantage of this uptick in foot traffic when machines are installed by applying an effective marketing strategy. Strong promotion and high visibility of machines ensures that you are making the most of the coin counter's ability to draw customers into the branches.

The benefit your organization derives from additional face-to-face interaction with

customers is a product of how actively and creatively you make use of the opportunity.

A 2011 study showed that branches are growing in importance to customers for advisory services and relationship management, as well being the preferred channel when applying for complex products like mortgages and loans.³

Another survey found that households having annual incomes that exceed \$75,000 have a much higher propensity to save spare change than those with incomes below \$25,000.⁴ With this demographic, coin savers are likely to be an ideal audience for cross-selling.

Maximize your investment by imaginative up-selling of other financial products and offering attractive new account opportunities to your self-service coin users.

Improve customer service

Traditional FI coin redemption, such as rolling or wrapping coins, leads to customer dissatisfaction. Coin savers must wait in line holding either their coin container or the rolls of coins they have counted and packaged in advance.

But with automated redemption, this step is eliminated. Rather than pay a fee to use a machine at a retail store, customers can come into the branch to redeem their coins at no cost – using the no-fee self-service coin counter – resulting in better satisfied customers.

BranMark's survey showed that savers are very receptive to the idea of using this method for redemption, particularly in place of time-consuming counting and rolling of coins, or waiting in line to cash them in.⁴ Patrons and tellers alike are relieved from the aspects of coin redemption that have created frustration or stress, transforming negative into positive.

Installing self-service coin counters in branch locations and promoting features that patrons associate with a pleasant coin redemption experience – low or no cost,

³ 2011 World Retail Banking Report, Capgemini/Unicredit/Efmi

⁴ Assessing the Opportunities for Self-Service Coin Machines in the Financial Segment, BranMark Strategy Group, 2011

convenience, ease of use and payout or deposit options – can proactively help to prevent loss of patronage via migration to machines installed at retail locations.

To compete for this customer segment, coin counters placed at multiple branches with extended hours of availability can help to promote the perception of convenience and bring more patrons and non-patrons in with their coins.

Maximize teller efficiency

Capgemini, one of the world's largest management consulting services, reported that "Retail banks today are under enormous pressure to both improve service quality and reduce costs," but at the same time, "inefficient processes are frustrating to customers and decrease the ability of the bank to generate more sales and provide better quality of service."⁵

The installation of self service options that allow customers to perform simple transactions – such as check deposits and cash withdrawals – without teller assistance have proliferated the FI landscape. Capgemini wrote, "In addition to minimizing the need for tellers, the self-service machines are expected to improve security through decreased cash handling."⁵

Applying the concept of better efficiency, reduced risk and the corresponding cost savings to the coin redemption process is simply the next logical step in this strategy.

Self-service coin machines free tellers from time-consuming coin counting – reducing the cost of labor inherent in providing this service. Coins are handled more efficiently while tellers pursue higher value customer-facing activities – enhancing your customer service image. Patrons gain both the ability to get their coins counted quickly and the freedom to engage with your employees in more effective and positive ways.

Take steps to ensure the success of your investment

Play up the no-fee angle

Capgemini's Voice of the Customer survey found that fees are the third (59%) most important factor in choosing a bank.⁵ FIs are the first choice for 56% of savers cashing in their coins in the U.S. Of those who do so using self-service coin counters, approximately 60% redeem at a bank and 40% at a credit union. A "no fee" policy is their primary motivation.⁶

Machines used in retail stores typically charge a fee of 9.8%. Coin savers' aversion to paying these fees gives FIs a selling tool. Average coin totals processed in a single month in a typical FI installation may well exceed \$27,000, saving patrons more than \$2,600 in fees.⁷ Annual fee savings in excess of \$31,000 (for a single branch) could then be advertised to customers.

If you have a no-fee policy for account holders, promote the savings they enjoy by using your machine.

No fee means no one else profits from customers' coin saving activity; it also means they are saving money faster and reaching goals quicker.

Capgemini also observed that "today's high-value customers exhibit reduced loyalty and have an increased ability to spread their relationships across multiple banks."⁵

BranMark reported that a large number of respondents (64-80%) of those who currently use coin counters in a retail location would be likely to use a convenient no-fee self-service option at an FI, if it were available – regardless of whether they had an account at the FI.⁶

Hence, the decision not to charge a fee, or to charge a much lower fee than savers are paying elsewhere, may entice non-account holders to visit your facility, and perhaps even open an account. But by the same token, they could turn to your competitors if no-fee coin redemption is not available at your facility.



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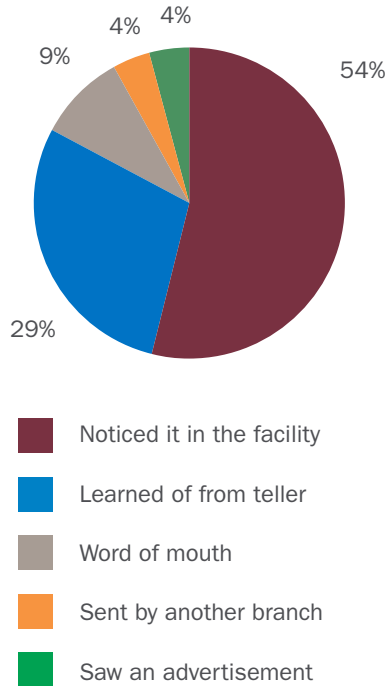
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⁵ 2011 World Retail Banking Report, Capgemini/Unicredit/Efmi

⁶ U.S. Web Survey, BranMark Strategy Group, 2011

⁷ Derived from 12 months of cumulative data collected in field trials – Cummins Allison 2011-2012

Figure 1 – Machine visibility is key to building awareness



Prior to being interviewed, 54% of patrons who knew of the coin counter had noticed it in the facility⁸

Win new business and customer loyalty

Prioritizing the ongoing promotion of self-service coin counters – including encouraging employees to talk with patrons about the machines – is a very strong success factor borne out by self-service coin case studies. FIs whose managers were actively involved in supporting their self-service coin programs saw higher use of the equipment and came to view the machines as an important means of providing better service, improving employee productivity and generating customer loyalty.

Survey respondents shared the following ideas for improving patron awareness and increasing usage of self-service coin counters:

- Better placement in the facility
- Use more signage in the branch
- Include in bank newsletters
- Show on website
- Emails to customers, brochures

Visibility: Out of sight, out of mind

Location and machine appearance play significant roles in building awareness of and generating excitement about using self-service machines. Place the unit in a highly visible location where it can attract the notice of your patrons who save coins and encourage them to view it as a convenient place to cash in – or to deposit the proceeds into their account.

Prominent placement at the entrance or in the lobby is a great start; most coin redemption customers say they learned of a coin counter when they saw it in the facility. But not all of your patrons will notice the machine. A little additional effort to draw attention to the machine – and let people know what it is for – can be very beneficial.

Machine signage is an option that allows you to incorporate your own branding and message. Colorful skins can be created that are placed directly on the body of the coin counter, as well as signage that attaches directly to the outer casing and appears above it. In addition, posters or flyers can be placed on entrance and

exit doors as well as near teller stations. On-screen graphics featured on some machines can be a great way to acquaint coin savers with your other financial products.

Arouse interest and incent usage

Many account holders may come into the branch infrequently. Give them a reason to pay you a visit! Build awareness quickly by using simple promotional tools to publicize the availability of a convenient, self-service coin counter in your branch. Use marketing tools such as signage, promotions, e-communications and a banner on your website to increase awareness and bring people in with their coins.

Features and services that may be offered to generate excitement in your service include:

- **Incentive programs** that provide inducements to attract new users
- **Branded collection containers** to increase the likelihood that patrons will save and redeem coins at your facility
- **Special purpose accounts** take advantage of savings goals to encourage frequent coin deposits
- **Seasonal marketing efforts** to take advantage of savers' inclination to cash in coins for vacations or holiday gifts

Aggressively market your no-fee redemption policy to existing and potential patrons. Machine ownership allows complete flexibility in fee setting. If you plan to charge a fee, try to select a percentage that is below the prevailing market. Consider implementing a two-level fee structure – by charging account holders a lesser fee or no fee, for example.

⁸ Assessing the Opportunities for Self-Service Coin Machines in the Financial Segment, BranMark Strategy Group, 2011

Entice current patrons and others to save and redeem coins at your facility by developing promotional and merchandising materials

Craft your message

What is your message? No fees or lower fees? Taking the pain out of coin redemption? Savings incentives? Choose one and make it yours, or try a variety of tactics and look for a corresponding spike in usage when a message resonates with your audience.

Some marketing messages ideas:

- No hassle, one-stop-banking
- No waiting in line with coins
- Deposited coins earn interest and contribute toward savings goals
- Avoid paying fees and save more money

You can also entice current patrons and others to save and redeem coins at your facility by developing promotional and merchandising materials targeted toward typical savings goals:

- Vacations
- Entertainment
- General living expenses
- Rainy day expenses
- Special purchases
- Children's accounts

The competitive advantage gained by providing the best equipment

The success of a self-service coin program hinges on customers' and employees' positive interactions with the coin counter. If service quality and ease of use are the two most important factors in choosing a bank, it follows that these will also be factors in a customer's approach to coin redemption. Conscientious equipment selection can make a critical difference to your patrons, giving you a competitive advantage.

Operating efficiencies and serviceability should be high priorities. Most important to customers are features that provide the easiest, quickest coin redemption experience:

- Simple operation/clear instructions
- Fewer rejected coins
- Large receptacles that accept coins all at once
- Less frequency of jams

Most important to employees are features that allow them to wait on customers without giving a second thought to the coin counting machine:

- Easy for customers to operate
- Easy to collect coins and run reports
- Little or no down time
- Fast response to service requests

Most important to customers are features that provide the easiest, quickest coin redemption experience.



Across product lines, 97% of our customers recommend us

Cummins Allison excels at coin processing

Give careful consideration to vendor selection. Cummins Allison self-service coin counters excel at precisely the qualities that survey respondents say are most important to a positive coin redemption experience. As the number one provider of high-speed coin processing equipment, we give our customers tremendous value and unmatched performance:

- Faster
- Simpler to use
- Accept coins all at once
- Reject fewer coins
- Jam less often

In U.S. trials, 9 out of 10 FI customers reacted positively to Cummins Allison self-service coin counters compared to previous redemption methods, and nearly

100% of study participants preferred the Cummins Allison machine over the competitor. Our coin counters receive consistently high marks from FIs and their patrons after installation.

Across product lines, 97% of our customers recommend us.

No other coin redemption manufacturer can make all of these claims:

- More than 50,000 installs worldwide
- Up to 4,100 coins processed per minute
- Fastest coin sorting and processing equipment on the market
- 99.995% accuracy
- 98% uptime
- Industry-proven reliability

Depend on Cummins Allison expertise to help you choose a self-service coin counter that is tailored to the needs and priorities of individual branches or the overarching goals of the larger organization. Take advantage of our extensive experience helping FIs evaluate the success factors and other considerations that apply to self-service coin machine installations, weighing available features and ease of operation against cost to find your ideal solution.



To learn more about how self-service coin counters can increase foot traffic, improve customer service and maximize teller efficiency please visit cumminsallison.com/ssc2



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Generations of Vision and Excellence

Cummins Allison sets the standard for accuracy and dependability.

Cummins Allison is a global leader in developing solutions that quickly and efficiently count, sort and authenticate currency, cheques and coin. With a 125-year heritage of leadership in technology and product innovation, Cummins Allison serves the majority of financial institutions worldwide, as well as leading organizations in retail, gaming, law enforcement and government. Ninety-seven percent of our customers recommend our products and services.

CA holds more than 350 U.S. patents and invests double the industry average in R&D. Our world-class sales and service network includes hundreds of local representatives in more than 50 offices in North America, 4 wholly-owned subsidiaries in Europe and is represented in more than 70 countries around the world.

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