

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 widespread consumer practice of coin saving and redemption, self-service coin counters are a proven example of such a program. Consumer use of self-service coin machines in the financial industry has grown steadily in the Canadian market since about 2009, when the practice began to take hold. Installing self-service machines cuts costs by increasing operating efficiencies, opens doors to new revenue opportunities via cross-selling and promotes deeper loyalty through better service.

Coin savers who redeem their coins at a retail location or at an FI that does not have a self-service machine would prefer having the option to use this method to cash in. But some institutions have not yet begun to offer the self-service

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, the 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 Canada 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 favour of a highly successful program.



J.D. Power's customer satisfaction survey of retail banks finds that achieving high levels of overall satisfaction has a strong positive effect on bank customer loyalty and commitment, as well as share of wallet¹

¹ TORONTO: 22 July 2010 — J.D. Power and Associates Reports: Customer Satisfaction with Retail Banks in Canada Increases as Industry Strengthens Following Global Financial Crisis

...households having annual incomes that exceed \$75K have a much higher propensity to save spare change than those with incomes below \$50K

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.²

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.

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. 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.

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As many as a third of coin savers make a special trip to their branch to redeem coins.³ They may even step up the frequency of their visits when they are released from the unpleasant task of wrapping or rolling the coins and they know redemption will be quick and easy. Plan to apply an effective marketing strategy in your branches to take advantage of this uptick in foot traffic when machines are installed. 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.

One survey found that households having annual incomes that exceed \$75K have a much higher propensity to save spare change than those with incomes below \$50K.³ With this demographic, coin savers are likely to be an ideal audience for cross-selling. 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.² Maximize your investment by imaginative cross-selling of other financial products and offering attractive new account opportunities to your self-service coin users.

Improve Customer Service

Traditional FI coin redemption leads to customer dissatisfaction. Coin savers are forced to prepare coins by counting and wrapping or rolling them before bringing them in for redemption. This task is easily automated using a self-service machine, resulting in more satisfied customers. If their FI installs no-fee self-service coin counters, customers can either pay a fee to use a machine at a retail store or come into the branch to redeem their coins at no cost – a win-win situation.

BranMark's survey showed that savers are very receptive to the idea of using a no-fee self-service coin counter for redemption, particularly in place of time-consuming wrapping or rolling of coins.³ Patrons and tellers alike are relieved from the aspects of coin redemption that have created frustration or stress, transforming negative into positive.

² 2011 World Retail Banking Report, Capgemini/Unicredit/Efmi

³ BranMark Strategy Group, Evaluating the Canadian Market Opportunities for Self-Service Coin Counting Machines, 2011

Installing self-service coin counters in branch locations and promoting features that patrons associate with a pleasant coin redemption experience – low or no cost, 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 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.”⁴

The installation of self service options that allow customers to perform simple transactions such as cheque 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.”⁴

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 labour 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

FIs are the first choice of 57% of Canadians cashing in their coins, and their primary motivation is a “no fee” policy. Two-thirds of survey respondents said they were unwilling to pay any fee for coin counting and only 5% of respondents said they were willing to pay a fee of 5% or more.⁵ Machines used in retail stores typically charge fees as high as 11.9%.

Coin savers aversion to fees gives FIs a selling tool. If you have a no-fee policy for account holders, promote the savings they enjoy by using your machine. Average coin totals processed in a single month in a typical FI installation can exceed \$25K, saving patrons more than \$2,975 in fees. With an installation of 25 machines, an annual fee savings of close to \$900K could be advertised to customers. No fee means no one else profits from customers’ work of saving those coins; it also means they are saving money faster and reaching goals more quickly.



The decision not to charge a fee, or to charge a much lower fee than someone is paying elsewhere, may entice non-account holders to open an account at your facility as well. Capgemini’s Voice of the Customer survey found that fees are the third (59%) most important factor in choosing a bank. Capgemini also observed that “today’s high-value customers exhibit reduced loyalty and have an increased ability to spread their relationships across multiple banks.”⁴

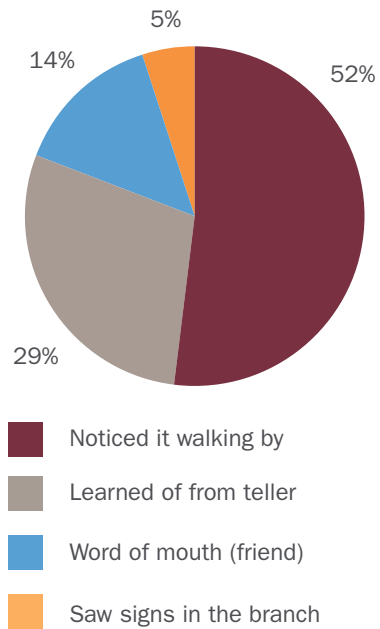
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Figure 1 – Machine visibility is key to building awareness



Prior to being interviewed, 52% of patrons who knew of the coin counter had noticed it in the facility⁶

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:

- High traffic/high visibility location near entrance or exit
- Use signs to identify the machine and its purpose
- Advertise via flyers, e-communications and websites⁶

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.

The J.D. Power report remarked on the opportunity for improvement for FIs in communicating about new products.⁷ 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. Colourful 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.

Publicity: Arouse interest and incent usage

Many account holders may come into the branch infrequently, if ever. 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.

⁶ BranMark Strategy Group, Evaluating the Canadian Market Opportunities for self Service Coin Counting Machines, 2011

⁷ TORONTO: 22 July 2010 — J.D. Power and Associates Reports: Customer Satisfaction with Retail Banks in Canada Increases as Industry Strengthens Following Global Financial Crisis

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
- Quit wrapping or rolling 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
- Money for the kids



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 Canadian 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 rating
- 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 100-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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