

**WHITE PAPER** You can count a penny earned when you hold onto it.

January 2014

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

Despite the growing popularity of digital banking services, in-store branch visits are still an important element to customer engagement and satisfaction. In an era of self-service, savvy financial institutions (FIs) are always on the lookout for low risk, highly reliable means of providing the customer 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 this service is the self serve coin machine.

Approximately 80% of American households actively save loose change and look to their financial institution to count this saved coin, according to a research by creditunions.com. and many FIs are catching on to this trend and now offer coin-counting machines in the lobby. Here is why:

**It matters to the customer**

64 % of people who save coins redeem them for cash at financial institutions. Clearly, consumers are looking to their FIs to help them turn this "found money" into funds that can be deposited or used for other purposes. Furthermore a recent study revealed that after using the self service coin machine just one time, 54% of customers said they would "definitely" use the machine for future coin redempton or coin counting needs, according to the 2011 BranMark Strategy Group study, "Views and Experiences with Self-Service Coin Counting Machines".



**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.

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.

Since about half of people redeeming coins at an FI make a special trip to do so<sup>1</sup>, 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.

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<sup>1</sup> Assessing the Opportunities for Self-Service Coin Machines in the Financial Segment, BranMark Strategy Group, 2011

## Take steps to ensure the success of your investment

Capgemini's *Voice of the Customer* survey found that fees are the third (59%) most important factor in choosing a bank<sup>2</sup>. 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.<sup>3</sup>

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.<sup>4</sup> 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."<sup>2</sup>

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.<sup>3</sup>

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.

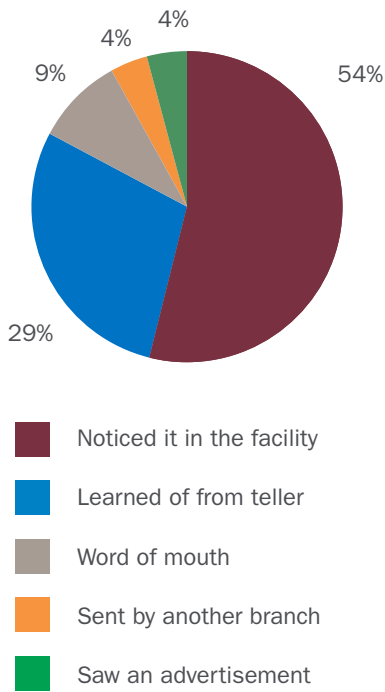
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<sup>2</sup> 2011 World Retail Banking Report, Capgemini/Unicredit/Efmi

<sup>3</sup> U.S. Web Survey, BranMark Strategy Group, 2011

<sup>4</sup> Derived from 12 months of cumulative data collected in field trials – Cummins Allison 2011-2012

Figure 1 – Machine visibility is key to building awareness <sup>5</sup>



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

**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.

BranMark Strategy Group 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.

<sup>5</sup> Assessing the Opportunities for Self-Service Coin Machines in the Financial Segment, BranMark Strategy Group, 2011

## Magner excels at coin processing




Depend on Magner expertise to help you choose a self-service coin center 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

Give careful consideration to vendor selection. Magner self-service coin centers excel at precisely the qualities that customers say are most important to a positive coin redemption experience. As the number one provider of high-speed coin processing equipment, they provide the customers tremendous value and unmatched performance:

- \* Faster
- \* Customer Friendly
- \* Accept coins at once
- \* Reject fewer coins
- \* Noise level is LOW

Founded in 1983, Magner Corporation of America, a family owned US company, is a long-standing market leader in Currency Counters, Authentication Devices, Coin Equipment including Self-Service Coin Centers, Currency Dispensers, and Recycler Solutions. They have become the predominant supplier of money processing equipment, systems and supplies to many of the nation's leading financial institutions and retail businesses as well as many others who process coin and currency.

**BENEFITS OF COIN MACHINES**

-  of coin savers said they would redeem their coins at a local credit union if a **free self-service coin machine** were available.
-  **Consumers feel more secure** redeeming coins at a **credit union** as opposed to a grocery store - giving credit unions a major advantage.
-  Coin machines **attract new members** and **improve customer satisfaction**, increasing overall retention rates.

To learn more about how self-service coin counters can increase foot traffic, improve customer service and maximize teller efficiency please visit [www.informabusiness.com](http://www.informabusiness.com)

**Call the experts today at (800)643-7489 or visit our website at [www.informabusiness.com](http://www.informabusiness.com)**