

Banks mix convenience with choices to keep customers

By: Lance Traweek, Reporter June 19, 2015 0

Some customers like only face-to-face interaction with their bank, while others never want to step foot into one if they can help it. Many do only online banking or mobile banking – the rest prefer the ability to do both.

Technology is changing the industry, so banks are watching customers' patterns closely and making decisions accordingly, with options such as remote banking, mobile banking, ATMs and remote deposit of checks for businesses.

"Our customers are telling us what they want, which is more choice and the convenience of self-service technologies – including online and mobile banking and our new ATMs," said Pam Evans, head of Chase branches in Louisiana. "We measure customer satisfaction at each branch. Our scores in branches with the new ATMs are going up. That includes New Orleans."

The new ATMs resemble a large tablet, which Evans said are easy to use and have extra functionality. The first one in the state was launched in Algiers Point last year and has grown in popularity, Evans said.

Chase will have 12 branches in the New Orleans area with the new ATMs by the end of the month.

Evans said customers of all age groups and backgrounds are adopting new technologies. In fact, 19 million customers use Chase's mobile app, up 20 percent from last year.

Evans said customers are now using ATMs to make deposits more than any other channel. Chase is also working on giving their customers the ability to make mortgage and credit card payments at the ATMs.

New ways to shift toward more cost-efficient technology will likely continue, said Kyle Waters, owner and manager



Chase offers new ATM tablets for customers who visit the banks. Photo courtesy Chase Bank

of Metairie-based Loan Evaluation Services.

“Having a branch network is very expensive given the personnel and real estate costs,” Waters said. “And banks are under pressure to lower expenses in this low-rate environment.”

Larger banks like Chase, Capital One and Regions have led the way for mid-size banks like Whitney and Iberia as well as community banks like Gulf Coast Bank and Trust and Metairie Bank.

So, while Metairie Bank has yet to open a “teller-less” branch, president and CEO Ron Samford said its next branch, planned for the North Shore, will feature more automation, via-smart ATMs and cash dispensing, as well as deposit-accepting automaton inside instead of teller stations. New branches will be smaller than existing branches, in terms of square footage and will provide more consultative sessions with customers and prospects looking for financial advice in person.

Metairie Bank is following the trend of employing universal bankers who can assist with deposits and open new accounts. These are paid more than bank tellers and have more expertise to help customers with items like financing options and loan applications.

“We’re already looking to hire universal bankers instead of tellers going forward,” Samford said.

The number of branch transactions at Metairie Bank has declined annually by 6 percent to 7 percent for the last three years, he said. However, total transactions, including electronic transactions, have increased by 1 percent to 2 percent each year.

“Clearly, that’s the wave of the future,” Samford said.

The increase for Metairie Bank is led by online banking, debit card, mobile deposits, ATM check deposits and remote deposit capture for small businesses.

After opening one of its newer branches a year ago with a one-manned teller on Magazine Street, Gulf Coast Bank and Trust continues to transition toward fewer tellers.

The bank is adding branches, so no layoffs are planned. But new teller positions aren’t being created.

“The old days of people coming in to make deposits and cash checks are over,” said Guy Williams, president and CEO of Gulf Coast Bank. “The volume we used to have on Fridays with people coming in to cash checks is gone.”

Four out of five U.S. homes with Internet now bank online, according to a survey by Fiserv Inc. Nearly 72.5 million, or 80 percent, of U.S. households with Internet, now bank online. That's up 4 percent from 69.7 million in 2009.

Gulf Coast is evolving its newest branch in Gretna. Renovations will include cash recyclers, two tellers and a few universal bankers.

With cash recyclers, the teller will not count out the money. They push a button and the machine will dispense the money.

"It enhances security and eliminates the barrier," he said.

He said not having the money in drawers creates a more intimate interaction.

"If you think of the experience of standing in line, it's not a friendly environment," he said. "There is no longer a barrier between you and the teller counter. We are trying to serve the customer the way they want to be served."

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