

# CR2 Market Insight - How Covid 19 is Shaping Self-Service Banking Trends in Africa



The COVID-19 pandemic has accelerated Africa's need to transform and adapt self-service banking to meet consumer needs, with smart ATMs playing an essential role.

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**G**lobally, 2020 saw rapid and unprecedented changes in the banking sector. Lockdowns, calls for social distancing, and a demand for online banking solutions forced banks and financial services to quickly adapt and restructure their offerings to meet changing customer behaviour and needs, putting the focus on more robust and efficient self-service banking options.

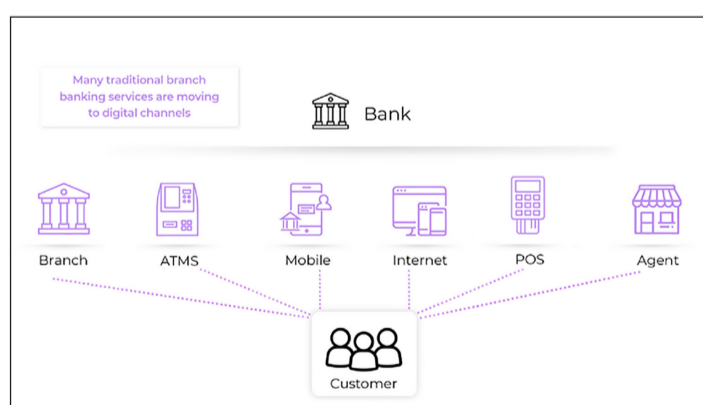
A steep growth in digital banking has also created a more digitally savvy customer who expects more from their ATM than simple cash deposits and withdrawals. A growing number of African banks are recognising this, offering

a more advanced set of services and transactions at self-service terminals.

### The Power of the ATM

The acceleration of digital innovations across all aspects of life means customers have quickly become accustomed to fast, intuitive experiences, and now expect the same from their banks and financial institutions, especially in the self-service space like online, mobile banking and ATMs.

While previously the services offered to customers at ATMs was siloed, today's smarter ATMs serve as an entry point to a range of digital experiences related to all aspects of their finances,



including remote personal service. Customers can also engage with the ATM in a variety of ways, beyond inserting a card and tapping in a pin.

Absa Bank Ghana's recently deployed 50 Intelligent ATMs which are equipped with NFC (Near Field Communication)

technology, allowing contactless withdrawals. "[This] ensures our customers get easy access to cash and many other banking services at the ATM, especially during this period," says the bank's Retail Banking Director, Charles Addo.

Similarly, in Nigeria, FirstBank has introduced FastTrack ATMs, which are completely touchless. Customers use their mobile phones to conduct transactions, using the Bank's quick codes or mobile banking app before visiting the machine, and then complete the transaction at the machine by tapping an NFC card on the ATM screen.

In a fiercely competitive market, it is imperative that banks and financial institutions recognise the importance of installing smart

ATM software that will allow for continued upgrades for future innovations.

### Lean Branches

As part of its transformation into 'The Bank of the Future', Egypt's Commercial International Bank (CIB) acknowledges the need for the rationalisation of branches and has launched a digital transformation programme, moving many traditional branch banking services to digital channels, including ATMs.

This is in keeping with the global trend of creating 'lean branches', effectively reducing the number of tellers required to assist customers and carry out services. Lean branches allow banks to optimise service respond to health concerns for more low and no-touch banking experiences than physical face-to-face interaction with a teller, while also reducing cost, mainly through the installation of self-service teller machines, including VTMs (Video Teller Machines). Installed within the branch, these VTMs allow customers to perform a full range of self-service transactions, including the ability to interact with customer service personnel via live video, maintaining the option for human engagement.

In Africa, where many bank branches are in remote locations, the reduced cost of video banking means branches can stay open and maintain financial inclusion; no matter where customers are located, they can have access to specialist advice and information related to their specific needs.

While VTMs had a small foothold in Africa pre-COVID, there is already a larger uptake, a trend that is likely to continue. Absa Bank recently launched in-branch personal digital bankers, facilitating banking transactions and queries within the branch that are powered by artificial intelligence combining face recognition and voice activation to help customers swiftly check balances, pay bills, transfer funds and more. Similarly Access Bank, the largest retail bank in Africa with more than 40 million customers and the largest ATM network in Nigeria, launched FacePay, the first of its kind face recognition payment solution in Africa. "This novel solution digitally automates in-branch transactions and allows customers to carry out transactions within banking halls as a self-service function," says Access Bank's CEO Herbert Wigwe.

### Market Ready

CR2, a leading provider of Digital, Self-Service and



Payment software solutions is helping banks to respond to these dynamics, with the ability to offer ATM services safely, minimising the need to touch the physical ATM, with features such as contactless ATM access over NFC, QR Code access and e-receipts.

CR2 assist with the migration of more advanced transactions from the teller to self-service terminals and offer a rich set of

capabilities such as those mentioned above, as well as:

- Account opening and on-boarding
- Cash lodgement
- Bill payment
- Card issuing
- Foreign exchange
- Cheque scan deposit
- Digital wallet load and unload
- Remittances/Payments
- Loan origination/Instant loan
- Card self-service features
- Registration for mobile banking
- Social security disbursement
- New product application

Similarly, CR2 is seeing demand from banks wishing to provide a more effective and efficient management of their ATM fleet during COVID-19, through use of tools and technologies such as:

- Remote Key Loading (RKL)
- Remote web administration
- More effective cash management with a dashboard

### Outlook

There is no doubt that the demand for digital and self-service banking will continue to grow, and in many markets ATMs will play a key transformational role in drives for financial and digital inclusion. The recent initiative by the Central Bank of Egypt to help increase the number of ATMs throughout the country by a further 20,000 machines is an example of this trend, with Egypt's award-winning QNB Alahli already increasing its number of ATMs to provide improved access to its more than 1.2 million customers.

Taking all of the above into account, it is imperative that financial institutions ensure ATMs are adapted to deliver an array of safe and efficient banking services and transactions to customers that go beyond cash withdrawals.

**For more in formation:**

[www.CR2.com](http://www.CR2.com)

**Nigel Sutton nige@seventeen59pr.com**