

Using kiosk banking to lower cost

[Finance](#), [Banks](#)



Kiosk Banking Introduction: The report discusses the role of use of management information technology in core banking operations to decrease costs and increase efficiency. Electronic kiosks have utility not only in information sharing but also in providing cash deposit and credit facilities.

Summary

Information system technology is coming in handy for banks as they look to increase their reach and customer handling without increasing costs. After the success of Automatic Teller Machines (ATMs), banks are looking to set up Automated Loan Machines (ALMs) at strategic locations. Such machines, also called electronic kiosks, are used for data retrieval, information gathering, and dispensing banking services. They have an interface platform and a personal computer powered by software to handle financial transactions. Some kiosks also have videoconferencing, magnetic stripe readers, smart card reader and “ electronic pads” that reproduce signatures on laser printed mortgage forms. The banks also realized later that the use of kiosks needs to be marketed pro-actively. These machines can’t attract customers on their own.

Olivetti North America Inc, of Liberty Lake, Washington and NCR, Dayton, Ohio are the market leaders in manufacture of kiosks, though not without competition. The kiosks may differ in variety, color, style and working.

Washington Mutual Bank of Seattle has installed its kiosks in discount stores where they are used for requesting loan applications besides normal banking functions. The Bank is also experimenting in the kiosk usage in absence of store staff. The Bank feels that the kiosks have made a positive difference to the business. Ed Reger, vice-president of the Bank says that unlike some

other banks, they will not give up on developing customer relations and will not put up kiosks in stand alone environment. Reger feels that places like retail outlets, offices of realtors, and retirement homes hold great potential for the use of kiosks. In a typical kiosk operation, a person can fill an application to open a bank account, append electronic signatures and discuss with customer service department through video conferencing. However, the high costs associated with the technology dissuade smaller institutions from using it. Meanwhile NCR and Affinity Technology group have joined hands to put to use NCR software to develop automated lending capabilities. On the other hand, Olivetti kiosks have different core module for different operations. The machine of Dyad Inc., another manufacturer helps the customers to secure a loan up to \$1500. C Michael Bowers, Dyad's CEO emphasizes the installation of kiosks at retail outlets to dole out cash loans to the consumers. Kiosks of Newly Wired are being used to give access to the real estate listing to pre-qualifying customers. In a panel discussion at the Bank Administration Institute's Retail Delivery Conference, technocrats expressed optimism about greater use of kiosk, ALM and ATM technology in future. Overall, it was felt, that customers were happy with the usage of the technology. Partnership of non banking sector with banks in kiosk technology has shown good results in Europe. It was also felt that the customers need to be prodded to use the technology. It is imperative that financial institutions too look at the kiosk technology as a channel to actually finance people rather than use them as information delivery system.

Conclusion: Information systems technology does not get embedded in public behavior through a push-button system. Consumers actually need to

be made to realize its utility through human interface. Human controls always remain important in Management Information Systems.