

ROI CASE STUDY Technology tips that actually drive revenue

By John Ginovsky

One-to-one ATM messaging, online appointment booking, mobile RDC, and online banking for business are four new technologies that have significantly boosted revenue for BMO Bank of Montreal, which has an extensive branch network in the U.S.'s Midwest and West Coast.

Speaking at a recent retail bank conference, Andrew Irvine, senior vice-president of the bank, explains how.

One-to-one ATM messaging: "We deployed it 12 to 18 months ago and what we're seeing is quite amazing, in customer response. We are basically delivering targeted messages around simple products, like credit card limit increases. We'll up-sell from a mass-market card to a gold card, for example, or offer \$15,000 to \$20,000 lines of credit.

"All of those products can be simultaneously bought and fulfilled literally at the ATM. Just click yes and it's done. What we're seeing in our pilots, across thousands of customers, is that 20-30% who have seen the ads are clicking yes...The ROI of this is very strong."

Online appointment booking: "We have had online appointment booking in our contact center where the contact center agents can book appointments right away directly in the platform banker calendars. Our contact center probably does 100,000 appointments a year, if not more, really channeling appointments to the branch network, increasing yield.

"What we did recently, we asked, why does it have to go to our contact center agents? Why can't we take the capability and enable it online in a self-service manner? So we did that. Now our customers get to choose. Do they want to buy online? Absolutely, we can do that. Or would you rather book an appointment in the branch? Absolutely, we can do that.

"It's customer-preference based. We're probably seeing about 1,000 appointments booked per week. We're seeing in those sales \$100 of increased revenue per appointment that we are generating. For us, that's about \$6 million a year of incremental revenue, much of which comes from annuity-like products.

"This is a very high ROI initiative, and it's a fabulous customer experience. It gives control to our customers. They set the time for when they want to book appointments. It takes 20-30 seconds. They get reminders. The appointment goes into their Outlook calendars. Our customers love this capability."

Mobile remote deposit capture: "We were late to this game in the United States, but not so in Canada. In Canada we were much earlier...What's interesting, and we didn't expect it, is that 30% of our mobile customers are pretty heavy RDC users. That's a much higher RDC penetration of the mobile user base than we believe many of our competitors have. It surprised us."

"It's actually starting to drive transaction volumes out of the branch. We also have a number of image-enabled ATMs. So we're starting to see branch check deposits fall in the nature of 20-40%, which is great because we have more capacity to do other sales-focused activities."

Online banking for business: "This is a commercial treasury portal that we run. It does very large transaction volumes on a monthly basis, more than \$1 trillion."

"Given that we are fully aware that this is the lifeblood of many of our corporate accounts and commercial customers, we need to make sure that we have really good usability and good feature function. We're also maniacal about how we think about risk management in this application. So we have strong mobile alert features for financial controllers, who can get alerts based on however they would want to set their capabilities to manage their cash flow."

"We have multifactor authentication. We have token-based authentication. We have very strong anti-malware capabilities. It's fully FFIEC compliant."

"It's robust and we're really pushing the capabilities that we have in this tool with our customers. For example, we're going to add a Chinese cash management capability so U.S. corporates are able to manage local Chinese cash in this tool, which we think is a pretty significant innovation."

About the Author

John Ginovsky is contributing editor of ABA Banking Journal and editor of the publication's TechTopics e-newsletter. For more than two decades he has written about the commercial banking industry. In particular, he's specialized in the technological side of banking and how it relates to the actual business of banking. He previously was senior editor for Community Banker magazine (which merged with ABA Banking Journal) and was a staff writer for ABA's Bankers News. You can email him at jginovsky@sbpublish.com

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