



A mother and son use NCR's self check-out technology at Sainsbury's supermarket in the United Kingdom. B2B contributed photo by NCR

Self-service on the rise

Automated retail and banking machines pioneer NCR shifting focus to new markets

By Kristin McAllister

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DAYTON — Today, we are increasingly interacting with a device during transactions and not a human being.

We are purchasing groceries, checking into hotels, doctors' offices and airlines more and more often through self-service kiosks.

And helping businesses provide customers these convenient, self-service options is Dayton-based NCR Corp., a global leader in the self-service market.

"Over the last 10 years, there's been real fundamental changes in the way we interact with businesses," said Bill Nuti, NCR president and chief executive officer.

NCR's self-service products — think ATMs, self-check-in and self-checkout kiosks — process more than 20 billion transactions a year.

Throughout the country, self-service is on the rise, according to a report on self-checkout systems in North America by independent global research and advisory firm IHL Consulting Group.

The annual report shows that 98 percent of all survey respondents have used self-checkout and that in 2006, consumers spent more than \$137 billion on self-checkout transactions at retailers, up 24 percent from 2005.



Bill Nuti

NCR has done well in its core markets of banking and retail self-service products.

In 2006, the Fortune 500 company earned \$172 million in non-pension operating income from its Financial Self-Service Division and \$35 million from its retail store automation division.

However, Greg Buzek, a former NCR marketing and development executive and IHL founder and president, said the Dayton-based giant has been slow in going after other markets primed for the picking.

"I think they've been slow to the medical market," Buzek said. "The technology has been there for 15 years, but they've been entrenched in retail and hospitality."

Capitalizing on those ripened markets is just what Nuti has in mind.

Shifting strategies, targeting new markets

Founded in 1884 and made famous for its self-service products in banking and retail — ATM services and self-checkout kiosks —

NCR is now marketing to new industries, Nuti said.

Those industries, he said, are travel, hospitality, entertainment and gaming, and the public sector and health care.

The reason for the shift?

For one thing, Nuti said, a recent survey by NCR found that 77 percent of participants said they were more likely to do business with companies that offer self-service.

That consumer reasoning is something that Ken Keller, acting general manager of Hyatt Place Cincinnati — Northeast, said is perceptible at the Mason hotel, where guests regularly use an NCR EasyPoint Xpress Check-In kiosk.

"It's very convenient, makes life a lot easier for them," Keller said. "And what's great about it is that it allows guests to look at everything from their rate to their airline information."

The kiosk is designed to offer intuitive, contemporary and efficient service, and provide for a faster check-in/out.

It also will confirm reservations and encode, validate and dispense room keys. And if requested, it will provide printouts for guests.

"It gives all of their information right in

front of them, so that before they hit check-in, they can make sure everything is correct,” Keller said.

And it only takes about 30 seconds.

Keeping pace with demand

Nuti cites the Internet as an impetus in propelling both the public’s and the business world’s preference for self-service.

“We’re interacting with airlines in a fundamentally different way than you did just a short time ago,” he said, referring to self-service kiosk stations that allow you to check-in with an airline.

“Equally, we did not have the option to go to self-checkout lanes,” Nuti said. “Today, you’re interacting with retailers, particularly grocers, in a very different way than you used to.”

At the core of these changes are three key influences, Nuti said:

- Innovation and the adoption of new technologies;

- Shifted trends and consumer behavior of people 15 to 35 who prefer to interact with businesses through alternative channels,

- And businesses seeking higher levels of productivity and cost savings.

“We help them do that by attracting a widening demographic of people through our self-service,” Nuti said.

Michael Webster, vice president and general manager of NCR Self-Service Solutions Division in Atlanta, said innovation takes its lead from consumers.

“The consumer is driving the adoption of self-service, not technology,” he said. “Technology is enabling it. The real drive behind it is the consumer’s desire.”

Consumers are demanding self-service services across multiple channels, Webster said.

“We’re pushing into car rental, shipping services, allowing customers to expand their reach,” he said.

He said NCR is also looking into the integration of biometrics with mobility in self-service solutions.

“Where I use my cell phone as an electronic wallet, or use biometric to authenticate who I say I am or to check-in somewhere,” Webster said.

A new game

“I’m very excited about it. It’s been quite some time since we’ve played offense,” Nuti said. “We’ve played great defense for a long time. Now, we’ve introduced a balanced effect.”

What it boils down to, Nuti said, is not just meeting customers’ and consumers’ needs and expectations, but exceeding them.

“The most priceless commodity in the world is your time,” he said. “We give your time back.”

“The new NCR will be ever so focused on making sure that self-service is effective for our customers and a growing part of our businesses,” Webster said.

Nuti concurred.

“We’re leading the way businesses interacts with their customers any time, any where,” he said.

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US Airways in Charlotte N.C. is just one major airline using NCR’s self check-in technology airline tickets. B2B contributed Photo by NCR

Five ways businesses can benefit from self-service products

1. Improve customer satisfaction by providing increased privacy, greater control, more choices and reduced walk-aways due to long lines.
2. Increase revenue through suggestive selling display screen at the self-service unit.
3. Extend service hours to as much as 24/7 and improve scheduling/staffing flexibility at peak times.
4. Improve customer reach through language selections and alternative payment options or targeted promotions.
5. Increase customer satisfaction and staff productivity by freeing staff to provide personalized service.

Source: NCR Corp.