

# **NexTier Bank Enhances Service Excellence and Successfully Handles Breach with Dynamic Card Solutions' Instant Issuance Technology**

*Pennsylvania bank system incorporates CardWizard to exceed day-to-day customer needs by instantly offering new and reissued customer cards*

Speed, ease of use and instant access drive demand for products and services in the 21<sup>st</sup> century. The banking and card industry is no exception. As financial institutions fight to gain and retain customers, the need for technology enhancements and an overall change of banking practices must evolve. New offerings are being considered to enhance the customer experience such as mobile banking, online bill pay, loyalty and rewards programs and easier and more convenient access to funds.

In recent years, instant issuance has drawn interest in the industry as a method to increase the customer experience by providing access to debit, ATM, credit and prepaid cards. Reducing the time it takes for a customer to activate and use a new card improves customer satisfaction by eliminating the wait time to receive a new card while increasing card activity. But the benefits don't stop with the customer; financial institutions also benefit through increased activation rates of 100 percent from the industry rate of 59 percent. Instantly issuing cards increases the SHIFT and LIFT available to the financial institution, leading to increased interchange revenue that equates to a little more than 1 percent of the transaction value every time a customer uses a signature-based debit card at a retail location. By getting active cards to customers soon, financial institutions are seeing an impact on interchange revenues because a customer is using the card and spending more quickly (SHIFT). Additionally, the percentage of cards that actually get used increases by 10 percent or more when cards are issued instantly (LIFT).

With its Operations Center in Butler, Pa., north of Pittsburgh, NexTier Bank is committed to discovering the best instant issuance card system to meet customer needs. Founded in 1878, NexTier Bank's rich history and tradition have spanned more than 12 decades. With more than \$500 million in assets, NexTier Bank has 16 branches throughout Pittsburgh. With its tagline, "Experience the Next Level," NexTier Bank is committed to providing comprehensive solutions and expertise for privately held businesses and individuals.

## **The Challenge**

According to its president, Margaret Irvine Weir, the bank understands that good customer service is the most valuable piece of the customer experience. Keeping with its customer promise to "experience the next level" in banking, NexTier executives

discovered that the current 7-10 day wait for debit or ATM cards was affecting overall customer satisfaction levels throughout its bank system.

In addition to no ATM fees and online bill pay, instant access to debit and ATM cards was the next logical step in taking the experience to the next level. In many cases, it simply wasn't reasonable to expect members to wait up to two weeks to access their funds on a new debit account. In order to keep customers happy and improve their satisfaction, NexTier Bank wanted to make obtaining a debit card more efficient and convenient and knew that to do so, a change to its issuance process was necessary.

### **The Solution**

In 2006, NexTier representatives came across instant issuance technology as a possible answer to this issue. Based on initial proposals, NexTier decided to move forward with Dynamic Card Solutions (DCS) based on the user-friendly interface, overall investment, reliability, security of its instant issuance software and based on the company's reputation as the leading provider of instant issue software for Visa and MasterCard branded plastics in the United States.

"When comparing our choices, it was easy to determine that DCS had the right product for our needs, therefore we didn't need to look any further," said Kathy Kriebel, vice president of deposit operations at NexTier Bank. "In addition to a solid product, DCS provides a high level of support throughout the entire implementation process and was available with onsite support when it was needed."

NexTier's approach to instant issuance differed slightly from typical installations in that 15 of its branches were loaded with the CardWizard software, while the systems card embosser machines were housed separately in the bank's main card operation building. Traditionally, financial institutions integrate the CardWizard software into their current systems and install an embosser within each branch. With this method, bank tellers can issue a card on-the-spot. In addition to DCS' secure system, the bank added a second layer of security for its customers to ensure that each card contained the correct information. This layer of security requires that assigned bank employees double-check each card to ensure that each card is high quality and includes correct information before it is shipped to the customer.

### **Overcoming Unplanned Obstacles**

In addition to using DCS' CardWizard software to instantly issue cards for its current customers on a day-to-day basis, NexTier was able to capitalize on its instant issuance systems during last year's massive computer breach at TJX Companies--a large retailer that operates more than 2,000 retail stores under brands such as Bob's Stores, HomeGoods, Marshalls, T.J. Maxx and A.J. Wright. The breach occurred on a portion of TJX Companies' network that handles credit card, debit card, check, and merchandise transactions domestically and abroad, causing major problems for financial institutions and customers. Most affected institutions were forced to rely on card processors to cancel and reissue cards of affected customers, and because so many providers were

backed up with emergency orders, it was taking up to a month or more for them to reissue and send cards to each customer.

NexTier, however, was able to take advantage of its CardWizard system and immediately reissue cards to its 1,950 affected customers. Once the news of the breach hit, NexTier representatives called several processing companies to get bids on reissuing cards for its customers. The lowest estimate was six weeks to turn around card orders. At that point, representatives decided to take on the massive reissuing process in-house. After calling DCS to ensure they could order enough supplies, that each embosser could handle the accelerated card issuance and that all bases were covered to make this happen, the team began processing the orders internally.

The NexTier team began calling each customer to explain the situation, why they needed the information and how they could reissue cards quickly with customer support. Turning to its CardWizard instant issuance system, a team of 20 NexTier representatives were dedicated solely to reissuing cards during the seven days of the process. The inclusion of CardWizard with NexTier's reissuance process made it possible for customers to have their cards an entire month earlier than others affected.

"In an unexpected situation such as the TJX breach, the benefits of the CardWizard system were immediately clear: We were able to provide immediate support to our customers and handle a situation that could have become a nightmare had we not used the CardWizard instant issue system," Kriebel said. "While a portion of our team was focused on customer support and calming customer fears, another portion was dedicated to reissuing cards. Our customers appreciated the immediate response to this breach and remained loyal to NexTier because of it."

## **Results**

Since implementing its CardWizard instant issuance system more than a year ago, NexTier has received positive feedback from its customers on the quick turn-around for debit and ATM cards. For the bank, they have seen noticeably increased card distribution levels while also seeing increased interchange revenue.

To date, NexTier has issued approximately 8,335 debit cards using instant issuance. "After implementing instant issuance in our branches, we have received great customer feedback, our employees are seeing the benefits, and the interchange revenue has been noticeable," Kriebel said. "CardWizard has been a great choice for us and we would recommend it to others looking for enhanced customer experience and ROI benefits."

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