Financial Instant Issuance: not all solutions are created equal

What is FII?

Instant Issuance allows Financial Institutions to provide Customers with new or replacement ATM, Debit or Credit cards in the branch. This process can supplement central issuance, which now only needs to generate cards that are expiring, or based on volume can replace central issuance altogether. There are many benefits to financial instant issuance, including *customer satisfaction* gains, additional *revenue generation* and *cost savings*.

As with many solutions, features and functionality can vary greatly. When comparing solutions, pay close attention to the following differences:

- Does the solution issue permanent cards or only temporary cards that need to be replaced and drive up cost?

- What is the quality of the card printed in terms of print quality, print coverage and card longevity? There are substantial differences in this area.

- Are you limited to pre-printed card stock or have the flexibility to print many different designs on blank card stock? With pre-printed cards you have to manage the inventory of multiple card stocks and purchase more expensive printers with multiple feed hoppers vs. the possibility of only needing blank card stock, which decreases cost while increasing usability.

- The quality and reliability of printer hardware varies greatly. Perform your due diligence here as some of the best known names in the industry have a poor reputation for reliability.

- What level of integration is provided to your banking and card systems? Does your employee need to use multiple systems to produce a card from start to finish?

- How long does it take to print and encode cards?

With the correct solution, instantly issued cards rival or exceed pre-printed cards in print quality and longevity, while providing customer service benefits that centrally issued cards cannot compete with. Financial Instant Issuance is also proven to add revenue through increased card usage.

Why FII

Whether issuing a card for a new account or replacing a card due to it being lost, stolen or compromised by one of today's many data breaches, Instant Issuance provides many benefits to your Institution and your Customers.

Customer Satisfaction

Not too long ago, offering Instant Issuance was seen as a competitive advantage driven by an increased customer experience.

Today, *not* offering Instant Issuance can be easily seen as a competitive *disadvantage* by consumers who expect real-time delivery of goods and services in all aspects of their lives.

With Instant Issuance, Customers receive a permanent card in the branch that is activated and ready to use before they leave — or at the latest, is activated overnight. If their card was lost, stolen or compromised, the Customer has peace of mind that the old card is no longer valid while there is no disruption in service for them. A centrally issued card typically takes 5-7 business days to arrive. During that time, the Customer does not have easy, if any, access to funds in their account to make purchases. This causes undo stress and hardship to your Customer.

A 2016 AITE Group study indicates that **53%** of US consumers received replacement cards in the prior 12 month period due to fraud or breach. How quickly their FI replaced that card had a direct impact on how often they used the replacement card and even if they switched FI's. **18%** used their new card less, **10%** where unhappy in how their FI handle the process while **6%** changed FI's altogether.

Studies also show that Cardholders are **22%** more likely to be very-to-extremely satisfied with their FI overall if they received an instantly issued card. Satisfaction jumps to **30%** if replacing a lost or compromised card. These Customers are also more likely to purchase other products and services, increasing wallet share, while recommending their FI to others.

Depending on the solution chosen, FI's that can offer a choice of card designs based on the complete card being printed in branch are more likely to gain coveted "top of wallet" status, as Customer can choose the one with significant meaning to them.

Increased Revenue

Many FI's that implement an Instant Issuance solution see increased revenue from their card portfolio. The most obvious increase comes from interchange fees collected. While your Customer waits for their centrally issued card to be created, mailed and activated, the FI is losing revenue. Instead, a card created and activated instantly can be used as soon as the Customer leaves the branch and is generating revenue.

FI's who offer instant issuance see higher card utilization and experience a **34% increase** in the number of purchase transactions over the life of the card compared to those who do not offer Instant Issuance. There is also an increase in the average purchase amount adding additional revenue.

Card activation is a concern with central issuance. Most studies indicate that **40% - 50%** of centrally issued cards are never activated. This creates significant cost to the FI that is never recovered as those cards never generate revenue.

Instant Issuance is also proven to **increase cross sales** as FI personnel are leveraging the positive customer experience and higher satisfaction into developing deeper relationships.

Lower Operating Costs

There are multiple areas of cost savings by implementing a Financial Instant Issuance solution. Most of them are focused on the costs associated with creating, mailing and activating a centrally issued card. Each card generates two mailings, one for the card and one for the PIN. Each mailing has costs for the envelope, inserts and postage. It is estimated that each card issued centrally costs approximately $5 to produce while a card issued instantly at the branch carries a cost of approximately $2.

Card fraud is on the rise and centrally issued cards are subject to being stolen in transit. Instant Issuance removes this common form of fraud and lowers an FI's fraud losses.

Why Panini

Panini is one of only a few providers that offers a complete solution that is fully compliant with all in-branch VISA and MasterCard security requirements. What sets us apart from the competition is our ability to provide a best of breed solution with unmatched quality, reliability, service and support.

Hardware

The Panini **Cardmint FX** printer uses *retransfer technology* which provides print quality and longevity rivaling pre-printed cards'.

Many vendors offer card printers that use direct-to-card technology. These printers offer inferior image quality and aren't capable of printing all the way to the cards' edge. This creates a card that looks temporary, with a card life of less than a year in many cases. The Cardmint FX provides over-the-edge printing and produces vibrant, clear images, and increased card life can be achieved by adding the optional lamination module. Cards created with Cardmint can have a lifespan that exceeds three years with normal use.

Printer reliability is generally a major concern. With all the customer satisfaction benefits of Instant Issuance, you can't afford a solution that is unreliable. Panini Cardmint printers have an unmatched reputation in the industry for quality and reliability. In fact, some of the best-known manufactures have consistent quality control issues.

Moreover, not all retransfer printers are the same. Cardmint printers are faster than most competitive alternatives: printing cards and encoding EMV chips and magnetic stripes is up to 50% faster. Also, don't be fooled by printer resolution specifications. Although Cardmint FX is available in both 300dpi and 600dpi versions, cards printed on the 300dpi machine provide clearer and brighter images than most competitors' 600dpi units. Cardmint printed cards even look better than a major supplier's pre-printed cards done at 1200dpi! You don't need to take our word for it: we would be happy to provide sample cards so you can do your own comparison.

Cardmint printers are available in single or dual hopper configurations and provide *flat card printing* standard, with an optional laminator module and an *embosser* add-on module available in 1H 2018.

Software

Panini offers Cards On The Spot instant issuance software, which is extremely intuitive and easy to use while being incredibly robust. We all agree that if the solution isn't intuitive, branch employees are unlikely to use it. Cards On The Spot offers many advantages over competing solutions.

Panini doesn't make you fit into a predetermined mold. We offer 4 levels of software delivery modes with varying levels of integration which offer unparalleled flexibility to meet your budget, integration needs and implementation timelines.

Cards On The Spot provides the most comprehensive Core Banking system and Transaction Processor integration in the market. With our *Platinum* version, the entire issuance process happens within COTS. Many Instant Issuance solutions touting core integration still require the card to be issued within the core software first before moving to the issuance software for card printing. This two-step process is not as efficient and requires the end user to learn and use two separate user interfaces. COTS also provides a full record to your Transaction Processor vs. the typical skeleton record, providing the widest acceptance of the card at time of issue.

Our solution is browser-based for ease of deployment and maintenance, and licensed by branch vs. per seat allowing all workstations in the branch to have access to COTS. We also don't hide licensing fees in year two and three, making it easy for you to understand your overall costs. Our intuitive user interface makes the issuance process easier for your employees, while also providing powerful card management, consumable tracking and reporting functions.

Summary

There are many Instant Issuance solutions on the market today, but only one that combines; the most reliable printer with unmatched print quality, with the most complete and intuitive issuance software, along with Panini renowned service and support.

Here's a summary of Panini's Competitive Differentiators:

■ Most reliable card printer on the market which produces cards that exceed pre-printed cards in terms of print quality while matching their longevity. Frequently replacing other manufacturers' printers.

■ Modular design with add-ons for lamination and embossing makes service and support easier.

■ Comprehensive integration to Core Banking platform & Transaction Network Processor allow for the most widely accepted card at time of issuance.

■ Intuitive yet powerful, full featured browser-based software that is easy to deploy and support.

■ Panini reputation for outstanding service and support.

To learn more about Panini's Financial Instant Issuance solution, please contact us today at:

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Sources; Instant Issuance: U.S. Current State Assessment, AITE Group, June 2017. Instant Issuance Payment Cards: Fulfilling Consumer Expectations for Immediacy, Javelin Group, October 2015. Panini and Matica Technologies analyses.

www.panini.com