Instant Card Issuance: The Here and Now

Up the Ante on Customer Satisfaction

HARLAND CLARKE®

Instant card issuance, once regarded as too expensive and cumbersome to offer consumers in the branch, is now an *affordable and compelling option* for financial institutions.
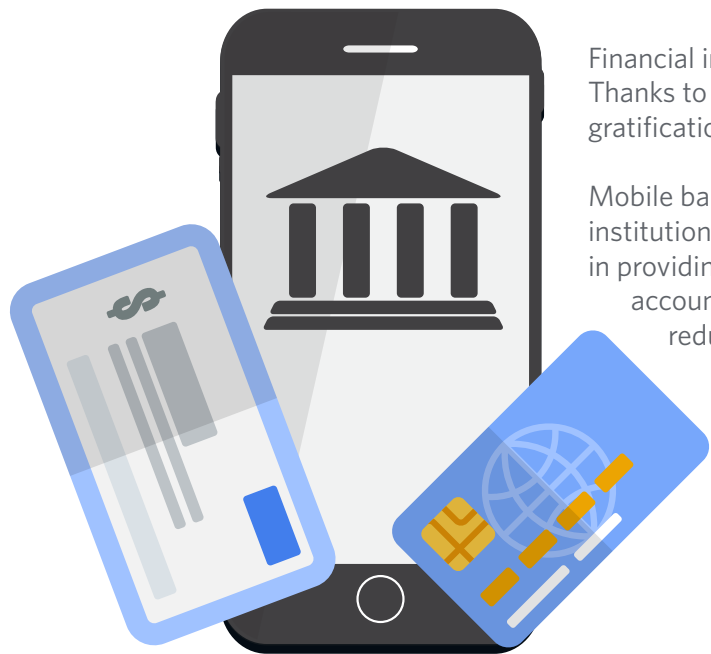
Financial institutions face real pressure to offer better in-branch service to account holders. Thanks to the internet, social media and mobile services, consumers expect instant gratification for everything from food to travel to information. Banking is no exception.

Mobile banking and remote deposit capture are important conveniences that financial institutions can offer to help differentiate themselves. Instant card issuance goes a step further in providing a competitive edge. Instant issuance helps not only in the acquisition of new account holders, it also contributes to the bottom line by generating greater revenue and reducing costs.

*Thanks to **cloud-based software-as-a-service (SaaS) and other technologies,** banks and credit unions are able to make a big impact with little investment.*

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Key Advances

A defining moment in instant issuance occurred in 2009 when MasterCard® and Visa® changed their rules to allow for print non-embossed (flat-surfaced) credit and debit cards. This allowed laser printer technologies to enter into the market, significantly reducing the cost of printing instant issue cards. Gone was the need to use bulky and expensive embossed-card printers. (Embossed cards were originally used as an anti-fraud measure, but eventually became viewed as a security issue because of the paper trail they left behind.) Electronic authorizations supplanted the old "knuckle busters" — the bulky charge plates still occasionally found in merchants such as taxicabs and kiosks.

Advances in flat card technology have reduced the size of printers. Today's versions are smaller than toaster ovens. Prices have also fallen. Compared with old embossed-card printers, which took up more space than a refrigerator and were noisy to use, flat-card printers are compact and relatively silent. They can easily be accommodated inside the branch.

The right vendor can offer a cloud-based environment, eliminating the need for heavy overhead in-branch. All data is encrypted so that cards are printed safely, securely and quickly. As a result, minimal IT support is required to issue cards in the branch.

No Time Like the Present

Every new technology needs to offer at least one compelling value proposition to gain traction in the market. Instant card issuance offers the following:

Improved cardholder experience. Cardholders can obtain a card at the time of account opening, or get a replacement card upon request, quickly and easily. This saves time and avoids the inconvenience of having to wait up to 10 business days for delivery. Cardholders can access funds immediately once the card is activated, and the cards can be personalized.

Increased use and activation. Instant issuance better positions your debit card as top of wallet. Placing a card in the hands of a consumer at the time their account is opened has been shown to increase activation rates and revenue for the branch.[1]

Enhanced security. Instant issuance helps reduce the cost of card fulfillment and mail fraud. Because there's no need to mail the card, there's no possibility of it being intercepted. Because the cardholder personalizes their PIN on the spot, there's no need to send a PIN mailer.

Lower cost. The simple printers used to issue cards today are much more affordable than their predecessors. Some financial institutions have cited as much as a 50 percent drop in the cost of issuing cards onsite.[2]

Competitive advantage. Your branch can issue cards immediately on the spot, offering more convenience than your rival across the street. At a time when consumers expect instant gratification, instant issuance is a key way for your financial institution to stay ahead of competitors.

How It Works

To produce a card, the financial institution representative enters the relevant account holder data via a secure website. The account holder selects a PIN. The card production software processes the order, calculates secure keys and other necessary encoded information. Encrypted data is then sent to a printer back at the branch, where the card is programmed and printed in a matter of seconds.

[1] Bank Systems and Technology, *Instant Issuance: A Game-Changer for Banks*, 2013

[2] Research, Harland Clarke

What to Look For in a Card-Issuance Solution

When researching vendors, there are several considerations to keep in mind.

Simplicity. Make sure the product uses a web-based application that is user friendly. That way, your customer service representatives can add data from any computer they choose. The vendor should provide setup, training and support.

Reliability. In the past, financial institutions had to spend too much time installing a secure infrastructure, involving multiple servers and extensive resources from IT. Now, printers should require little maintenance, no annual contracts, quiet operation and a small footprint in the branch.

Affordability. Your instant card issuance program should pay for itself in a reasonable timeframe. Pricing should be straightforward and easy to understand. Today's cloud-based technology no longer requires long service contracts and/or separate hardware to purchase.

Balance. Financial institutions struggle with an "either/or" mentality when evaluating a card issuance strategy. Central issuance through a personalization bureau is still an integral part of the card production and delivery strategy. However, instant issuance is good for new account opening and for lost/stolen card replacement. The right vendor will be able to assist with creating a workable strategy. **The primary objectives of your financial institution should be to keep your card top of wallet and minimizing any interruption in usage by the cardholder.**

Security. The service should be PCI Certified and meet Visa and MasterCard requirements. Ideally, the printer would not hold sensitive financial card keys on the device, but rather operate from a host server in a secure Visa/MasterCard-certified facility provided by the vendor. PINs and three-digit codes on the back of MasterCard and Visa cards should be kept at the vendor, not the branch. Vendors should also have a feature that allows for PIN selection by the account holder onsite.

Give Consumers What They Want

In a world where instant gratification is expected everywhere, including inside the branches of banks and credit unions, instant card issuance offers an affordable and easy way for financial institutions to meet account holder needs. It is fast becoming a must-have for driving revenue, reducing costs and improving the customer experience.

For more information about how Harland Clarke can help you strengthen account holder relationships through instant card issuance, email us at **cardservices@harlandclarke.com or visit us at harlandclarke.com/card@once**