

# Do you want a receipt?

by Steven E. Fitch MBA

## Case 1

On my way to work, I needed to get some cash so I could have some W.A.M. (*walk around money*). As many of you already know, most banks are closed until 9am, so in order to gain access to my money, I turned to my 24 hour / 7 day a week, high-tech, present day banker representative – Ms. A.T.M. Yeah, she's female especially in my house and for good reason too but that's another article all together... Any hoot, in order to gain access to Ms. A.T.M. I stopped at a local satellite branch for my bank, which will remain nameless - no reason to give them FREE press. At the satellite location, you must use your 3 3/8" by 2 1/8" bank card which holds the key to speak to her as well as the necessary security measures to ensure you are who you say you are, at anytime of the day, as well as at any location around the world.

Once my security clearance was approved, the door clicked and I was able to open it and gain access to Ms. A.T.M, my high-tech, present day banker representative. I entered the door, I slowly walk up to her – humble and hoping she was operational. I inserted my bank card in the appropriate slot and began my transaction, which went like this:

English or Spanish? *I pressed English*

Enter your password: *beep beep beep beep;*

What is your transaction? *withdrawal*

From which account? *whichever one has money*

How much? *80 dollars – that's a good total for some W.A.M.*

Processing your request...

*Since I went to my banks' ATM, I wasn't charged a service fee.*

*Flip flip flip flip - the sound of four twenties coming out of the machine*

Take your money...

**Do you want a receipt? Yes**

Would you like another transaction? *No*

Transaction complete

Please take your card.

*Beep Beep Beep*

Now, I shared all of that to say, that *back in the day*, my mother's experience would have been different, and went a little like this. . .

First and foremost, she couldn't go before heading to work unless she made prior arrangements to come in late. So, in this case, let's say she made these arrangements. . .she would have had to wait until the bank opened at 9:00am. Once she arrived at the bank

- she would have had to fill out a withdrawal slip, then
- wait in line for the teller, then
- watch as the teller raises her eyebrows as she admires the meager balance in her account, then
- receive the money she wanted,
- of course, offer her a service, knowing she didn't need or want it, then
- smile and greet her neighbors in line.

Now you might say, this sounds like a more civilized and humane way to start your day off, but is it *efficient*? *And what are the results of this change*? Technology has allowed our society the following advantages:

- More convenient for people like me, more access to my money.
- More privacy in my banking - fewer tellers looking at my account.
- Fewer employees on the bank's payroll.
- More time to focus on other business issues / transactions during a given day.

*Why is the experience different today than it was years back?*

Because networks of computers and easy-to-use software have enabled banks to deliver its retail services in a more efficient and more convenient way.

Unfortunately, banking is a "*necessary evil*" that can take a large chunk out of already busy schedules. As stated, visiting a branch can be time consuming while using an ATM (or even banking online), by its nature, can automate many of these processes, saving you time and, in many cases, money. With the use of technology, you can access your account and do your banking when (and where) it is convenient for you. In addition, most banks allow you to bank by phone as well. In this case, you are never too far away from accessing information about your money.

Some *Fun* Facts About ATM Machines

- ATM customers spend an average of 20 to 25% more than non-ATM customers.
- 60% of Americans ages 25-34 and 51% ages 25-49 use ATM machines 8 times a month, withdrawing an average of \$55.00 per transaction.
- In 1994, there were 8.3 billion ATM transactions in the United States.
- Bank ATMs average 6,400 transactions per month.
- The most popular day for ATM usage is Friday.
- Among people that use both credit and debit cards, debit cards are used most often. 5.9 times per month versus 5.1 times per month.
- Independent studies show that cash retention among large retailers is 30-33%. Retention among smaller retailers is 35-40%.
- Night clubs are seeing 70-80% of the dispensed cash staying at the club.
- Retail location ATM machines that dispense \$20.00 bills increase store sales by over 8%.

## **Case 2**

When I was in grad-school at Keller Graduate School of Management (shameless plug), I would look at the syllabus immediately to see which book was required, then head over to the student's center to see if anyone was selling this particular book. This way, I could get the pick of the litter. If not, I would jump online and search Amazon.com, type in ISBN (if giving) or the Title of the book, and navigate to what's available. After I pass the advertisements, I observe how much it cost and its availability. Then click on the link of the desired book to verify that this is the book I'm looking for... read the editorial reviews and/or sample chapters of the book. Once I'm sold that this is the book I need, hit the *back* button and scan through the *used* book section... In this area, I've found that these books are being sold by people like me, who, for whatever reason, have found that they don't see a need for this text book any longer. Plus, they are selling it at a discount – make a few extra bucks versus throwing the book away. From my standpoint being the consumer, no reason to pay more than you need to for the same product.

Any hoot, after scanning through the selection and reading sellers notes on the condition of their book and/or how much they enjoyed reading book and how it served its purpose – *Yadda Yadda Yadda*, I can click on the purchase icon and enter in the necessary information to complete the purchase, as well as schedule arrival. At the conclusion of this task, I'm asked, as normal, **Do you want a receipt?**

This is all done within 30 minutes of receiving my 8-week syllabus, as well as no unnecessary traveling and book store visits.

And five years ago, or back in my undergraduate days at Chicago State University (another shameless plug), how would I have accomplished this same feat?

In short, I would have waited for the bookstore to open at 10am (or so). Find the necessary section for my particular book, which would have been moved since my last visit. I used to think that's what bookstores do at night – rearrange furniture and locations of books to make the store more interesting, as well as to make people stay longer in the store. Then I would have to figure out whether this section is organized by author's last name, or subject matter. After 20 minutes or so, I would be forced to walk over to customer service and ask if the book selection I needed was in stock and its location. You are likely to receive the answer to your question in the form of a question... *What?* from a young lady behind the counter, bedecked with purple and red hair (not even the school colors), lots of make-up and chewing gum as if she is saying *Wow* silently as she chewed. After being pointed in a close proximity of the section I was looking for, I still must navigate through the books. Now, if my book selection was not on the shelf, go back over to customer service, fill out a form to order the book, pay for the book in advance, hope the book comes in before week 5, and of course, I'm asked **Do you want a receipt?**

At any rate, it takes a lot of time and energy to purchase a simple book back in the day compared today.

Online shopping has become a natural phenomenal in itself. Price comparison sites such as PriceGrabber enable the consumer to shop smarter, through utilizing services that compare several retailers pricing of a specific product. The consumer not only gets competitive pricing information but also product reviews and site reviews in order to help with their decision of what to buy and where to go on the internet. It also provides customers the ability to cost compare by means unavailable years back, as well as the ability to receive a ton of research on a give item – directly from the manufacturer in some cases, or from people who have used (or purchased) the item.

Bottom line, shopping online can save you money especially when you couple it with online savings codes, deals of the day, and free shipping offers. Retailers do not always offer the same deals in their brick and mortar stores as they do at their online stores. The reason for this is the costs of running an establishment is considerably greater than an online store. Plus many sites wave sales tax charges or shipping costs in order to entice the consumer to buy from them. In addition, reputable sites offer toll-free numbers to the consumer who would rather not post their personal information and credit card numbers online.

If you want additional information about shopping online and security be sure to visit my web site, [www.stevenefitch.com](http://www.stevenefitch.com) and click on *News*.

### **Case 3**

One weekend, I went to the gas station to fill up my SUV for the unpredictable drive to a northern suburb in the Chicagoland area. Here I confront another, similar device into which I insert my encoded and beloved bank card. Following a similarly set of instructions, I choose the grade of fuel, configure the equipment properly, try to keep the gasoline off my hands, and deliver the desired contents into my tank.

As I wait for the tank to fill, I could see an employee inside. There's no reason for them to come out nowadays especially with the addition of outdoor intercom system and most everyone uses the *Self* side of the pumps. Do they even offer *full service* anymore? As I continued to wait for my tank to fill-up, I speculated that I could accomplish this even faster if I had a Speed Pass. Click and the pump tell me I'm finished, announce its accomplishments, and ask,

#### **Do you want a receipt?**

*Would this have happened the same way five years ago?*

Back then, there would have been three or four attendants working the morning rush hour shift. One would have been filling my car, another would have checked my fluids, while another cleaned my windows, checked my air pressure, and then provided me with tips of how to keep maintenance going on my car. Whew! Not that those services are not worthy, but is it worth it each and every time you go get some gas? Not to mention, who's honestly to say that these guys are qualified to this type of advice. And to top it off, if I would have paid by credit card, one of them would have had to take it inside to the embossing machine, then bring the receipt back out for me to sign.

Or, do you remember having to go into the station yourself and ask to fill up your tank, give the attendee \$20 and if it takes \$18.47, you have to go back in to get your change? And heavens forbid, it was raining or snowing.

In this case, technology has allowed companies to include additional bonuses for the consumers that were never available in the past, such as:

- Convenience of paying at the pump
- Acceptance of most major credit and debit cards at thousands of stations
- No additional annual fees associated with the purchase (accept for your credit card interest rate)
- Ability to apply right on the spot for a credit card for a particular gas station, and if approved receive additional benefits such as after 4 purchases within the first 60 days you will get a \$25 credit on your account

Purchasing gas has become so convenient – I wish the price of gas would come down to meet technology at least half way.

## Conclusion

The way we handle daily task from financial transactions to pumping gas to making simple purchases of such items as books, has changed dramatically over the years. Using today's technological edge, a person's time is used more efficiently, with faster, easier, less expensive, and more convenience than ever before. In each of the above cases, I dealt with a computer - an ATM and the gas pump are actually computers which are connected to a nationwide network, running easy-to-use software. The use of such computers, networks, and software enables the industries - retail banking, gasoline distribution, and bookselling - to be conducted in much more convenient and profitable manner for all parties.

Needless to say, basic interface with the consumers is completely different than ever before.

- *Consumers' deal much more directly with the business with fewer live human intermediaries.*
- *For the business owner, there's more capital investment in computers and networks, balanced by less expense for labor and people in the front lines -- much less.*
- *And with today's cheap capital and expensive labor, it's a foregone conclusion that these trends will continue.*
- *And with consumers demanding more convenience, and wanting to conduct their business whenever and wherever they have a free moment, you can be sure that the market will drive all the banks, gas stations, and booksellers to adopt the new model. It's the only way they'll be able to survive in business.*

These *three* businesses have already made the change: Amazon.com will undoubtedly sell more books than any other bookseller in any given year; it's hard to find a gas station without an automated self service pump and/or one without the use of credit card, and just as hard to find a gas station attendant. And almost no business is transacted in the lobby of the bank any longer, especially simple task such as deposits and withdrawals.

Other industries that affect the way we carry out the business of our day-to-day lives, are also beginning to change (or have successfully made the conversion) as a result of the power and ubiquity of computers and networks. Let's look at a few that are just beginning to change, and ask yourself these questions:

*How is it different from the old way?*

*What is causing the change?*

*What disappears?*

- [Stamps](#) and tracking packages (usps.gov & ups.com)
- [Stock](#) (etrade.com)
- [Groceries](#) (peapod.com)
- News (cnn.com)
- [Newspaper](#) (usatoday.com)
- [Radio](#) (npr.org)
- [Television](#) (NBC.com)
- [Shopping](#) (ebay.com)
- [Education](#) (keller.edu - online educational experiences)
- Restaurant (Lou Malnati Pizza with next day delivery)

These are efficient, responsive, effective, faster, cheaper, more convenient, and available to more people in more places at any time. So in a free market, they will prevail. No area of business is untouched, unaffected. They are changing, inexorably, and quickly.

In short, technology has allowed us to live in an era of instant... from instant coffee to microwavable foods to common every day task as stated in this article. Technology can, and will continue to provide us with a glimpse into life as the Jetson's lived but deploying technology for technology sake isn't advantageous. Next time, I'll investigate areas where technology isn't practicable (surgery, dentist, lawyer, traditional grocery store check out, even answering phones).

The face of these industries has changed considerably over the years and to be competitive you had to change or be left behind.