

ATM INSIGHTS

# More than Just the Cost of Doing Business: The Role of the ATM as a High-Value Service Channel



**40%** teller volume successfully migrated to ATMs by financial institutions since 2010

Source: [bain.com](http://bain.com), Customer Loyalty in Retail Banking: Global Edition, December 4, 2012

The rise of electronic transaction channels has transformed the banking industry, making smaller, less expensive branches a reality and sparking new opportunity for the ATM. Today’s advanced technology provides new ways for ATMs to deliver a secure, enhanced customer experience, lower costs and increased revenues. Harnessing this opportunity to maintain a competitive edge, however, requires that your financial institution have the right ATM migration plan.

### The industry is changing and so should your ATM strategy

Financial institutions shouldn’t view migrating transactions to electronic channels as a threat, but rather as a unique opportunity to serve a new and different group of consumers. Tapped by customers/members for quick and easy transactions, the ATM is a powerful self-service channel that is often strategically under-utilized.

A recent Cummins Allison survey of banks and credit unions showed just how significant ATMs are, with 83% ranking the ATM as very or extremely important.<sup>1</sup> Yet many financial institutions view the ATM as a cost of doing business, failing to see their value as a delivery channel. As a result, this unique opportunity is wasted.

### Improved customer service and experience

A well-executed ATM strategy that includes investing in high-quality ATM technology can deliver a host of benefits: improved customer service and experience, lower costs, increased brand awareness and growth in product sales opportunities, to name a few.

The demand for ubiquitous services available 24/7 from a location and channel of the customer’s/member’s choice is only part of the story. As McKinsey and Company note in their Retail Banking Insights report, while customers have embraced multi-channel access, they also expect higher value from face-to-face interactions at their bank branch.<sup>2</sup> By migrating routine transactions to ATM stations, tellers can focus on making their higher-value interactions with customers/members more personal.

### Reducing costs and increasing wallet share

Increased use of the ATM can be leveraged for improving the customer/member experience and increasing wallet share. This can be achieved in a variety of ways, including on-screen marketing and advertising programs that educate users about new products and services, increasing brand awareness and sales. ATM messaging can include promotions for credit cards, CDs, mortgages and products/services targeted to businesses.

<sup>1</sup> [cumminsallison.com](http://cumminsallison.com), The Changing Face of the ATM Market, 2015

<sup>2</sup> [mckinsey.com](http://mckinsey.com), The Future of U.S. Retail-Banking Distribution, August 2014

**ATM Insights** is a publication that presents timely reports on new ATM technologies and capabilities, and on progressive thinking and new developments in the financial industry.



Self-service channels such as ATMs help drive down costs by moving transactions from the branch teller line to the ATM. Bain Capital explains: At one large bank, branch employees spend an average of 60% of their time on low-value transactions, administration and idle time. Removing many tellers from the branches and replacing them with next-generation ATMs would allow this bank to eliminate 15% of branch staff and redeploy them on high-value advisory-type activities.<sup>3</sup>

Deposit automation has become one of the fastest growing new banking technologies. It offers customers the advanced functionality and convenience that they want, and allows financial institutions to reduce expenses while they retain/expand their customer/member base.

### Differentiating the ATM experience

One of the prime catalysts in the transformation of banking is the ongoing evolution in ATM capabilities. To remain competitive, it is essential to have an updated ATM fleet with the latest technology and functionality. Updating equipment also ensures your compliance with government and industry regulations.

Capabilities that help personalize and enrich customer interactions and deliver better service are at the center of the ATM transformation. Technological advancements improving the quality of the ATM experience include image-enabled deposits, electronic receipts and remote teller assistance for challenging transactions. Historical transaction preferences from CRM data can also be leveraged for personalization of services. This drives brand loyalty and promotes business growth.

Having the right ATM migration plan is critical to a financial institution's future growth and long-term success. ATMs are a proven, affordable way for banks and credit unions to expand their footprint and reduce the costs associated with providing service in the branch. Let Cummins Allison assess your current and future technology requirements against your branch transformation goals.

<sup>3</sup> [bain.com](http://bain.com), Customer Loyalty in Retail Banking: Global Edition, December 4, 2012



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### When you are ready to replace, add or expand your ATM network, let's talk.

Cummins Allison offers a complete line of high-quality, reliable ATMs to fit any branch configuration. Call 800 786 5528 or click [cumminsallison.com/letstalk](http://cumminsallison.com/letstalk).

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Cummins Allison is a global leader in developing solutions that quickly and efficiently count, sort and authenticate currency, checks and coin. We also offer a complete line of full-function automated teller machines (ATMs). Our leadership in technology and product innovation spans more than 125 years. Cummins Allison serves the majority of financial institutions worldwide, as well as leading organizations in retail, gaming, law enforcement and government. Ninety-seven percent of our customers would recommend our products and services.

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