

Doing More With Your ATM Channel

Tips for Improving the
Effectiveness of
Your ATM Program

ATMs can perform far more than basic transactions. Financial institutions taking advantage of new and evolving capabilities can provide consumers with convenient, comprehensive and contactless services and experiences.

ATMs have always been a prime source of cash for consumers. Despite the COVID-19 pandemic and widespread predictions of a cashless society, 88 percent of consumers still carry cash, according to recent consumer research from Fiserv. The Expectations & Experiences: COVID-19 and Household Finances survey found that, of that 88 percent, 37 percent of consumers routinely carry more than \$50.

But providing access to cash is just a fraction of an ATM's potential. Curiosity about new ATM capabilities is also garnering significant consumer attention. For example, the survey found that 45 percent of consumers are interested in using an ATM without using a debit card.

People are establishing new routines around financial services and ATMs. To capitalize on these emerging trends and preferences, financial institutions can start by reviewing their ATM fleet performance and examining new service models and transaction capabilities.

Financial institutions focused on innovation and addressing their consumers' needs stand to be rewarded for their long-term planning.

Provide Full Service All the Time

Current pandemic planning and long-underway branch transformation programs have shifted the focus from branch locations to technologically advanced delivery services that can achieve greater efficiency and improve the consumer experience.

Two terminal types illustrate this shift in focus:

Video Teller Machines (VTMs) – VTMs generally mirror existing teller processes and are available to accountholders for expanded services. They enable consumers to initiate video sessions from the terminal for live assistance with cash and check deposits, withdrawals, transfers, general inquiries and other financial institution-defined services. VTMs can enable extended service hours, reduce COVID-19 risks for branch staff and consumers, support new locations, and provide alternative service options when branches or drive-throughs are closed.

Interactive Branch Kiosks (IBKs) – IBKs generally replace the need for remote-teller assistance and are available to consumers for expanded services. They enable extended business hours and location availability, provide access to most account types, deliver account balances and perform account transfers. IBKs are integrated with account processors and can provide enhanced services without the need for an associate. Consumers can access their full banking profiles on an IBK, cash checks, process deposits, perform withdrawals and make loan payments.

Maximize ATM Channel Offerings

ATMs have unique characteristics that make them ideal for a widening array of products and services. Here are some examples:

Cardless Transactions – ATM solutions that meet consumers' needs for convenient access to cash and financial services are important to maintaining strong relationships and attracting new cardholders. So why not consider offering cardless ATM services?

With cardless ATM transactions, accountholders can use an access code, rather than a physical card, to get cash. Financial institutions can typically implement the service with minimal cost and effort, allowing banks and credit unions to remain competitive while meeting consumers' expectations for ease and convenience.

Consumers can use their mobile devices to generate a secure code, locate a cardless-enabled ATM, and get cash safely and instantly. Single-use codes, withdrawal limits and time restrictions for card use provide added security. And with a physical card not needed at the ATM, skimming is virtually eliminated.

Cardless transactions are especially convenient for accountholders who are waiting for a lost, stolen or breached card to be replaced because they can still access cash immediately.

Marketing Services – Financial institutions also can use ATMs to share information – such as special interest rates, savings rates, and new products and services – and remotely change the messages to fit specific locations.

Marketing Services allow the consumer experience at the ATM to go beyond transactions, creating a valuable interaction that can lead to stronger relationships and revenue streams.

To Surcharge or Not to Surcharge

No discussion about enhancing the value of an ATM fleet would be complete without an examination of surcharging.

As consumers continue to realize the convenience of quick access to cash and a growing line of products and services, surcharges can assist in generating additional income. Flexible surcharging capabilities enable financial institutions to charge a flat rate or a percentage of the transaction total every time a cardholder withdraws cash from an ATM.

Surcharging is not allowed in all states, so financial institutions can assign surcharging based on location. To further ensure compliance with federal and state laws, as well as industry requirements, different surcharge levels can be set based on network routing.

At the terminal level, network rules require that each out-of-network cardholder be assessed the same surcharge. However, not every terminal in a financial institution's network must charge the same rate. Fees can be assigned according to geography, demographics and transaction volume at each ATM.

Notifying cardholders about the surcharge prior to a transaction is essential, and each network requires that its unique, precise wording be displayed. Make sure to display the surcharge message and the amount.

It's also important to consider not applying a surcharge. Average ATM transaction fees are increasing annually,

creating a strong demand for fee-free cash. Surcharge-free ATM access continues to be one of the most coveted accountholder perks that a financial institution can offer.

Responding to that consumer demand can help financial institutions differentiate themselves in a competitive market, and they can do it by joining a large national network of surcharge-free ATMs. That kind of affiliation can help financial institutions better serve consumers by offering them no-cost ATMs near home and work and while traveling.

Surcharge-free ATMs also aid in retaining accountholders who move out of a financial institution's service area. That kind of service helps extend an institution's brand, mitigate competitive threats and increase interchange income opportunities.

Keep Your ATMs Clean

The pandemic has raised awareness among consumers of the cleanliness of every touchpoint. Keeping ATMs clean has always been a priority, but it's even more important now.

Follow each ATM manufacturer's recommended instructions for cleaning. In general, regularly clean all terminal areas with wipes or another antiviral disinfectant. Focus the cleaning on keypads and PIN pads, cash and receipt dispensers, screens and card entry slots.

Do not spray liquid onto the ATM or its components. Wear disposable gloves when cleaning and disinfecting surfaces and discard them after each cleaning. If reusable gloves are used, they should be dedicated to cleaning and disinfecting for COVID-19 and should not be used for any other purposes. Clean hands immediately after removing the gloves.

Go All In

Consider outsourcing ATM program management and operation to a qualified service provider to provide control and visibility into the cost, status and reliability of the ATM fleet. A managed service could provide robust support that leads to a more efficient, secure and profitable ATM program.

Among the benefits of outsourcing are:

Streamlined Vendor Management – Eliminate the need to juggle multiple ATM vendor relationships. The service provider becomes a single point of contact to coordinate all aspects of the ATM program.

Strengthened Compliance and Security – It's easier to keep up with industry standards and fraud prevention when a qualified vendor is responsible for the work.

Maximized Revenue and Managed Costs – ATM revenues may grow as cardholders experience increased uptime and an enhanced experience across the network. A qualified vendor can also help budget for ATM expenses and manage fleet upgrades or expansions. Large vendors also have purchasing power that may help minimize a financial institution's capital investment.

Brand Building – Every ATM transaction is an opportunity to strengthen cardholder connections. A qualified vendor may be able to provide cardholders with enhanced ATM features and a better ATM experience that aids in attracting new business.

By focusing on consumers' needs, financial institutions can leverage the expertise of a vendor to create a competitive advantage. That relationship can lead to improved engagement, higher ATM use and greater convenience while also reducing ATM management expenses.

There's Not Much an ATM Can't Do

The ATM has come a long way from being just a cash dispenser. It can be reimagined as a financial service center that can readily perform value-added interactions with cardholders.

Understanding the evolution of the ATM can position financial institutions to meet consumer expectations for enhanced service delivery.


About the Author


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