

Added-Value Services to Boost Next Gen ATMs



Produced by the ATM Industry Association

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Table of Contents

Foreword.....	4
Executive Summary	5
INTRODUCTION	5
ADDED-VALUE TRANSACTIONS.....	5
THE TOOLS.....	6
CONCLUSIONS.....	6
Acknowledgements	8
Chapter 1. Introduction.....	9
1.1. BACKGROUND.....	9
1.2. THE GLOBAL ATM ESTATE.....	10
1.3. THE FUTURE OF CASH	12
1.4. A WORD ABOUT BRAND.....	12
1.5. CONCLUSION	13
Chapter 2. Added-Value Services.....	14
2.1. INTRODUCTION.....	14
2.2. THE CATALOG OF EXAMPLES	14
2.3. CONTEXT AND CATEGORIES	15
2.4. 50 EXAMPLES OF ADDED-VALUE SERVICES.....	16
2.5. VIDEO AND AUDIO.....	18
2.6. ADDED-VALUE SERVICES AND THE BRAND (IN PRACTICE)	19
2.7. CONCLUSION	19
Chapter 3. Software for Added-Value Services.....	20
3.1. INTRODUCTION.....	20
3.2. THE TOOLKIT	21
3.3. ENHANCED FEATURES	22
3.4. IADS AND SHARED-NETWORK OPERATORS	23
3.5. CONCLUSION	24
Chapter 4. Conclusions.....	25
4.1. AN OPTIMISTIC OUTLOOK.....	25
4.2. THE CASE FOR ADDED-VALUE SERVICES.....	25
4.3. A FINAL COMMENT	26
4.4. AN OPTIMISTIC FUTURE	27
Appendix A. Notes on Added-Value Services.....	28

Foreword

As the ATM industry undergoes its most significant technological transformation in recent times, to ensure it is fully adapted to the emerging mobile-digital age, *Added-Value Services to Boost Next Gen ATMs* provides a timely and sophisticated analysis of how greater architectural flexibility in future ATMs can enable the introduction of added-value services going well beyond traditional banking transactions. The ATM of the future will provide cash plus a growing range of services. Many of them are described in these pages through case studies and trend analysis.

Importantly, the added-value services can provide new revenue as well as brand reinforcement. In addition, this new work argues persuasively that many of these services serve the community, for example, supporting law enforcement and emergency services. The use of the word “community” is intended to include the local population and all types of commercial and other organizations. This, in turn, generates goodwill, a “soft” benefit.

Expertly researched by international banking consultant David Cavell, against a background of global trends in our industry, the manual outlines 50 examples of added-value services the ATM is now capable of providing.

By reading this work, you will understand that a new generation of ATM services is now able to deliver hard and soft benefits to customers, non-customers and the wider community. At the end, you will, perhaps, agree with the report’s author that there are solid grounds for optimism about the ATM’s future.

Mike Lee, CEO ATMIA

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Executive Summary

Introduction

The ATM has migrated from its historic primary role of cash dispenser to offer a wider range of services in addition to cash and has become a major component of the digital omni-channel mix.

The ATM can deliver increasingly sophisticated added-value services that extend beyond the traditional daily banking transactions. It is for this reason that the ATMIA decided to produce a report to brief executives and senior managers on these developments.

This report complements the *Next Gen API App ATM Blueprint* signed off by the ATMIA in 2017.

The report also considers directly related issues, including the future of the ATM, that of cash, and the role of brand.

- **The ATM:** Industry research findings point to an enduring demand for ATMs and an emerging global situation that might be regarded as optimistic.
- **Cash:** The ATMIA supports the principle that all customers should have the right to make payments through whatever method they choose, whether cash or non-cash methods. Recent surveys and data support the view that cash demand will continue well into the future.
- **Brand:** The commoditization of retail banking revealed by Accenture research published in 2014 is unlikely to have changed materially since publication. Strong brands create differentiation and competitive advantage. Added-value services delivered by ATMs support this strategy.

Added-Value Transactions

Chapter 2 provides no fewer than 50 varied examples of added-value services the ATM is now capable of providing, drawn from a number of sources. Service to the community was adopted as a theme in order to better illustrate the potential of added-value services.

The examples are presented in five different contexts. These are:

- General customer facilities,
- Student facilities,

- Identifying with the community,
- Entertaining the community, and
- Working with the community.

Brief notes about each service are included in Appendix A.

Many more examples were identified in the process of researching this report, and the list will grow further with experience.

The extent to which an ATM can contribute to each added-value service has been addressed in three categories:

- Category 1: The ATM completely fulfills the service offered.
- Category 2: The ATM plays an important contributory role.
- Category 3: The ATM provides screen-based advertising or other communications.

The Tools

Web technology and HTML5 facilitate a much-improved toolkit for the developer of added-value services. In addition, ATM screens are now larger, with higher definition. However, this is an advantage rather than a critical requirement.

Using a standard product, and with minimal IT involvement, the developer is able to define and design a number of discrete areas on the ATM screen. These can be dedicated to header and footer panels, logos and advertisements, all set against a separately designed background. Within each, the developer can create a separate stream of graphics, animations and text.

Standardized software is available as a package to run on an operator's system, or the vendor can run bespoke facilities. Vendors will provide the necessary training.

A strategically significant feature is how the tools work for an Independent ATM Deployer (IAD) or a shared network with compatible machines. The ability to monetize the services may justify any required machine upgrades. For example, an IAD could partner with organizations to sell its use of the ATM screens for a range of purposes. A shared-network operator could work for its members in a similar way.

Conclusions

Hard benefits will arise through the increased potential for sales to customers and non-customers at the machine as a result of increased ATM use generated by added-value services or as a result of ATM promotional activity. The promotional activity can be personalized.

Soft benefits will arise from the goodwill attracted to the brand by the added-value services, including support for the police and emergency services. Other soft benefits include greater brand exposure and creating levels of awareness and empathy from which business will arise.

The hard and soft benefits will offset any drop in footfall if the demand for cash withdrawals starts to decline in a particular market. They also contribute to the justification for replacing older machines.

The added-value services discussed in this report provide another critical building block in defining the Next Generation ATM and offer a paradigm shift in the role and value of the ATM.

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Chapter 1. Introduction

1.1. Background

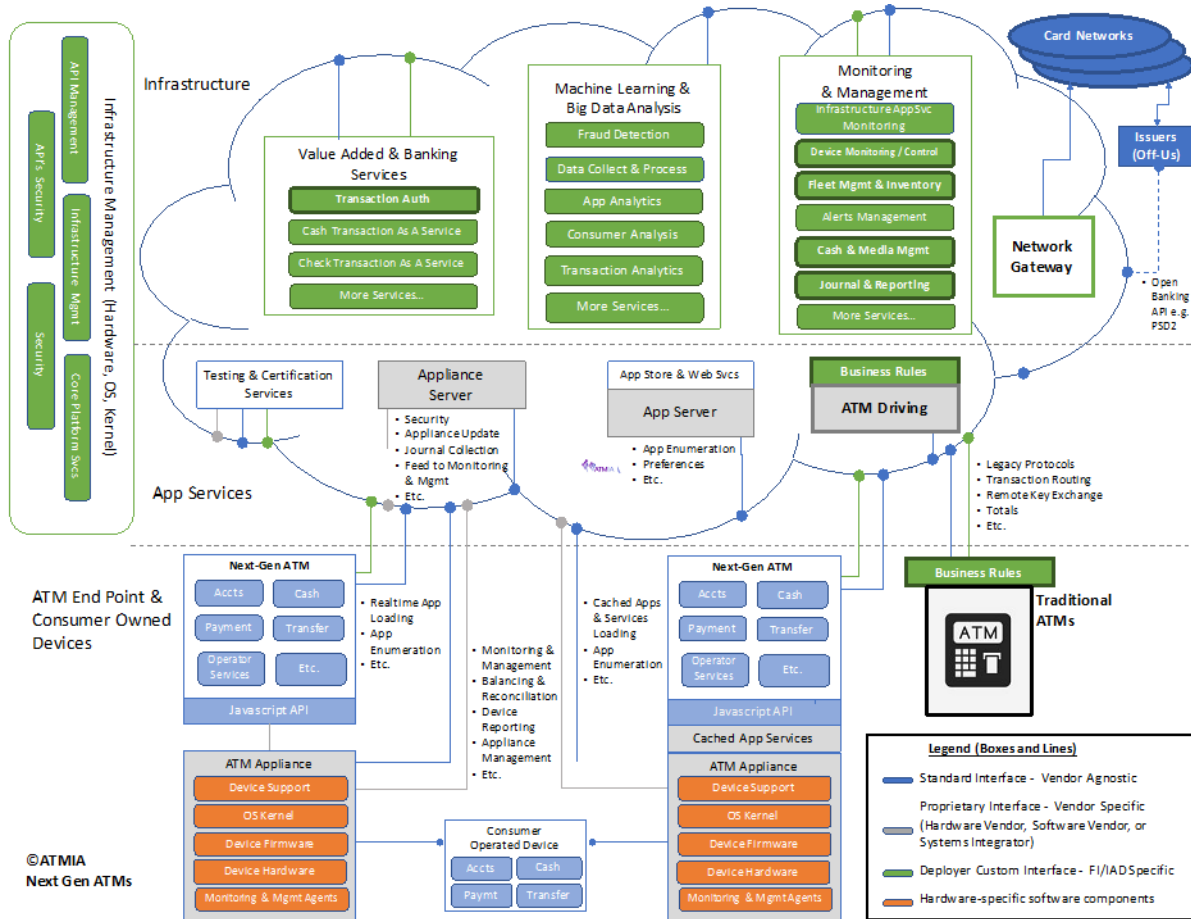
All retail banking channels, including the ATM, have four principal objectives, which may be summarized as follows.

1. To represent and project the brand (or sub-brand) of the bank;
2. To protect and develop the bank's existing customer base;
3. To acquire new customers; and
4. To provide the level of service critical to its location.

Historically, the primary purpose of the ATM has largely been to fulfill the 4th objective, often with limited or no ability to fulfill the other three.

However, as this report will show, increasingly sophisticated added-value services which support the achievement of all of the above objectives can now be delivered by the ATM. Added-value services may be both financial and non-financial. It is for this reason that the ATMIA decided to produce a report to brief executives and senior managers concerned with ATM and omni-channel strategy on the potential that now exists. This report complements the development of the *Next Gen API App ATM Blueprint* signed off by the ATMIA in 2017.

Figure: Overview of the Next Gen ATM



The report looks beyond the traditional role of the ATM and identifies a new generation of services that are able to deliver benefits to customers, non-customers and the wider community. The use of the word “community” is intended to include the local population and all types of commercial and other organizations.

The report identifies and provides examples of the types of added-value services that can be offered by existing and Next Generation ATMs. For the sake of completeness, the report also briefly discusses major directly related topics, including the future of the ATM and cash, together with the issue of brand.

1.2. The Global ATM Estate

Two strategic issues are beginning to raise particular concerns about the existing or future position for ATMs: the closures of retail branches across the global market that host ATMs and pressures placed on the use of cash in some markets.

Branch closures are resulting principally from mergers and digital disintermediation. A reduced demand for cash is directly related to an increase in payments made through digital channels or a further extension to the use of cards, for example, through the growth in contactless points of sale.

The drivers behind the move to digital payments come from a variety of sources, including governments, banks and networks. The reasons include acquisition of data, increased control, acquisition of taxes and profits. Associated factors that could have a negative impact on ATM viability include enforced reductions in ATM fees and reduced levels of interchange.

On the other hand, we continue to see many examples of how ATMs play the role of principal channel, as in the case of Seven Bank:

Seven Bank – ATM-Led Retail Banking

The experience of the Japanese institution Seven Bank provides a fine illustration of the ability of the ATM to lead an omni-channel strategy in partnership with mobiles. Launched in 2001, the bank has built a base of 1.9 million accounts served by 23,368 ATMs across Japan (population 126 million) in the period to 2018. Its original name was IY Bank, but this was changed in 2005. The principal source of growth in the bank's installed base has been machines located in 7-Eleven convenience stores. The bank also partners with 601 financial service institutions, ensuring the cards they issue can be used at its ATMs.

Seven Bank is dedicated to the continuous proactive improvement of the services it can deliver through its machines. It seeks to create new styles of ATM usage as a key strand in its commitment to profitable differentiation.

The services the bank currently offers include transaction accounts, personal loans, international money transfers and many others. It has also willingly adopted the next generation of machines as each has become available. The second generation of machines could serve 80 users per hour. Third generation machines have a capacity that is 25% larger, serving 100 per hour. The transaction time required by a second generation machine is one-third less than its predecessor.

In 2017 the bank's ATMs handled 815 million transactions in Japan, of which around 85% were from customers of deposit-taking financial institutions. 22 million people visit Seven and i-Group stores every day.

Seven Bank now operates outside of Japan with significant businesses where it has installed more than 14,000 ATMs, including in the USA and Indonesia. The American business was launched in 2012 and has over 1 million accounts. The Indonesian business now has over 1.5 million accounts. Looking to the future, the bank continues to diversify and foresees growth of a further 3,000 ATMs by 2020.

Industry research has shown that there were three years of declining global ATM shipments from 2015 to 2017. However, this has been counterbalanced by an enduring demand for replacement machines. There is clear optimism that the ATM is likely to remain at the heart of retail banking strategy.

It is now appropriate to understand what other services can be offered for all types of ATMs. The ATMIA believes, therefore, that it is once again relevant to review the potential for the latest generation of technology to deliver ATM services that may be categorized as added-value.

1.3. The Future of Cash

The ATMIA supports the principle that all customers should have the right to make payments through whatever method they choose, including cash. It follows that there must be a continuation of the ubiquitous access to cash the growing global ATM network has provided and a continuation of the acceptance of cash as a means of payment.

The 2018 G4S “World Cash Report” shows that cash in circulation across all parts of the globe has increased to 9.6% of GDP, up from 8.1% in 2011. Cash remains the most widely used payment instrument. This confirmed the similar findings of a survey of 42 economies accounting for 75% of global GDP published by the Federal Reserve Bank of San Francisco in 2017. Of particular note was the finding that Millennials use cash more than any other market segment in the USA. In the United Kingdom, a 2017 survey carried out by Mintel found there was a reluctance to give up cash. The finding was supported by the Bank of England, which reports a significant increase in cash transactions and notes in circulation in recent years.

Elsewhere, the issue of culture is seen as a key factor in the continuing preference for cash, displayed by the population of Switzerland. A survey by the Swiss National Bank (SNB) in autumn 2017 showed that cash remains the most common method of payment, used for 70% of the payments made by households. 37% of Swiss households also maintained cash. Moreover, while acknowledging differences from country to country, SNB found similar payment behavior in the overall average across the whole of the Euro area.

In summary, a cultural attachment to its use and an appreciation of its simplicity sustain the demand for cash in most countries. Here we are reminded of the principle of the ATMIA, stated above, that cash should continue to be readily available for those who prefer to use it.

1.4. A Word about Brand

The commoditization of much of the retail banking sector was graphically illustrated in research findings published by Accenture in 2014. These showed that nearly three-quarters of US customers and two-thirds in Canada considered their relationship with their bank merely transactional. It is arguable that many bank customers in other markets take a similar view. The use of ATMs on a utility basis solely for routine transactions will have contributed to this state of affairs.

Research findings that are four years old might reasonably be dismissed as out-of-date in a fast changing industry. However, it seems unlikely that the situation has changed materially since the survey. This research should be regarded as a wake-up call in an increasingly competitive market. A strong brand incorporates a set of intrinsic values with which a customer or non-customer can empathize and bond. It can do much to capture the hearts and minds of customers and overcome the historical trend towards the commoditization reflected in the findings of the Accenture survey.

This chapter asserts that the principal objective of any channel, including the ATM, is to project and represent the brand (or sub-brand). The ATM can play a major role here. The values inherent within a bank's brand and the ways in which it is experienced will do much to build a strong relationship with customers. Moreover, it will often sustain relationships that might otherwise decay through complaint or dissatisfaction. Brand will provide the basis for positive differentiation and competitive advantage. The provision of a menu of added-value services through its ATMs is a further means to differentiate a bank and enhance the customers' perception of the brand.

1.5. Conclusion

Despite a slow-down in shipments in recent years, the size of the global ATM estate continues to increase. Nevertheless, this report recognizes the demand for cash may fall in individual markets, increasing the need for ATMs to go beyond the traditional range of transactions.

Research conducted during the development of this report has confirmed the ability of the ATM to deliver a significantly broader range of services – added-value services. The report asserts that the advantages delivered by the provision of added-value services do and will continue to offer beneficial opportunities for the operators of both viable and challenged ATMs.

Chapter 2. Added-Value Services

2.1. Introduction

The historic menu of cash and non-cash-related ATM functionality has enabled it to progressively assume all the duties of the branch teller and much of the work carried out at the inquiry counter. The deployment of Customer Relationship Management technology (CRM) has introduced personalized services and sales. Users may also open accounts and receive a frontline response to an online loan application.

For the purposes of this report, added-value transactions largely lie outside the daily banking facilities mentioned above. A grey area exists where the ATM enables payments for fines or utility services, including telecom companies and mobile top-ups. The payment of utility bills and similar items is historically one of the main services provided by tellers for customers and non-customers alike. The sale of insurance products is also part of this fringe group of services. However, when the ATM is used to provide tickets for events or public transport, as is the case at CaixaBank, then the functionality extends the relevance of the ATM beyond traditional financial services. It provides genuine added-value for both customers and non-customers.

2.2. The Catalog of Examples

This chapter provides 50 examples of the extensive range of added-value services the ATM is now capable of providing. Service to the community was adopted as a theme in order to better illustrate the potential of added-value services. It is not comprehensive. Many more were identified in the process of researching this report. However, the list is sufficiently large and varied to illustrate the potential that has yet to be tapped by so many operators. Only a limited number are already being offered.

The individual examples are drawn from a variety of sources. Some have been harvested from the disparate range of added-value services already provided by the world's leading ATMs operators. Others have been contributed by hardware and software suppliers. Many have been adapted where appropriate from a playbook of over 90 tactics that have or can be used to create "destination branches." Ideas drawn from the activities of retailers have also been included. Brief notes on each of the 50 items are set out in Appendix A.

All of the example services are capable of being delivered by the tools now available to the industry, as discussed in Chapter 3, “Software for Added-Value Services,” including the ability to select the locations at which they will feature and the times at which they will appear. Physical fulfillment can be provided through an A4 printer or tally roll, where it is required.

CaixaBank – Added Value Leadership

With a population of around 47 million people, Spain is one of the largest countries in Europe. CaixaBank is now a major Spanish financial services player with an asset base of Euros 383 trillion. By 2017 the bank operated over 4,600 branches and more than 9,400 ATMs, handling 641 million transactions.

The CaixaBank-developed Punt Groc ATM is the result of one of the most comprehensive and complex redevelopments of the customer interface ever undertaken. For example, screen displays have been redesigned using feedback from eye tracking tests carried out in the bank’s usability laboratory. The ATM has two screens set in a redesigned fascia. The top screen carries informational and marketing messages while the lower screen conducts the business of the customer transaction through a confidentiality filter. CaixaBank ATMs offer customers over 250 functions, including many added-value transactions.

Examples of these include ticket dispensing for a wide range of events. The machines carry a separate roll of blank ticket stationery. Customers may select the event, the seat(s) they require and, after payment, have the ATM dispense the tickets. The ATM displays a seat plan. Alternatively, customers have used the ATM as the pick-up point for pre-ordered event tickets, which the machine is only required to print and dispense.

Other non-banking facilities include the popular use of the machines to purchase public transport tickets. Commercial arrangements remunerate the bank for providing all of these facilities.

The bank also benefits from having its brand seen as a valuable public facility. Marketers and software developers are responsible for creating both general promotional material and marketing packages. The bank’s customer relationship management (CRM) system is used to select and manage the promotion of marketing propositions for its own clients. All users see the idle time displays.

2.3. Context and Categories

The research conducted when developing this report identified many existing and new opportunities to provide added-value services. The following notes provide examples of added-value services, which are presented in five different contexts. Where a service infers activity at a branch, it is reflecting an initiative that has already been taken by a bank, building society or credit union. The use of the word “communities” is intended to include the local population and all types of commercial and other organizations.

The extent to which an ATM can contribute to each added-value service has been addressed in three categories:

- **Category 1:** The first category envisions the ATM completely fulfilling the service. In its simplest form, the service could ask the customer to choose from a selection on screen. The preference is logged centrally with other preferences, and the customer has no further involvement.
- **Category 2:** The second category of added-value services has the ATM playing an important contributory role. The service is fulfilled and the customer's requirement is met at a later time or date through another place or channel. This is best exemplified by the sale of tickets for an event or transport. The ATM provides the ticket, but the user's need is fulfilled by their attendance at the event or use of the transport system. The ATM could also be ticketing or promoting an event, function or service offered at a local branch. Alternatively, the ATM user may respond to an onscreen promotion and register their interest as a first step in the purchase process, but the process of qualification and fulfillment will be carried out by a third party (system).
- **Category 3:** The final category of added-value features is the use of the ATM's screen for straightforward advertising, promotions or other communications. These can be as varied as commercial promotions, meeting notices for a local association or where to access debt counselling services. In both the second and third categories, the ATM may be partnering with a third-party organization or bank branch. Such promotions must, of course, be compatible with the ATM operator's brand.

2.4. 50 Examples of Added-Value Services

Following are 50 examples of added-value services by context and then category (or categories) based upon the level of service provided.

Context: General Customer Facilities	
Category	Added-Value Service
1	"Choose a charity" to which the bank will donate.
1	Make and pay for a religious or charitable donation.
1	Talk to the user in a local accent, tell a joke.
1	Run a news banner, e.g., headlines, match scores, weather.
1	Sell gold and silver coins.
1	Provide a view of the user's pension fund.
1	Purchase a camping permit.
1, 2	Sell or buy securities.
2	Issue a voucher for refreshments – free, discounted or charged.
2	Issue a voucher for Halloween handouts at a shop or branch.

Context: General Customer Facilities	
Category	Added-Value Service
2	Book the use of a branch or other meeting rooms by local SMEs, clubs and organizations.
2, 3	Sell and promote experiences, e.g., a driving course.
3	Promote the availability of new residents' information at the branch, e.g., schools, professions, trades, medics.
3	Promote a branch internet café, lounge or book exchange.
3	Promote good financial habits for young users.

Context: Student Facilities	
Category	Added-Value Service
1	Display prize winners, etc., onscreen.
1	Display high-profile alumni onscreen.
1	Allow students to view exam results.
1	Run a video of university events, matches.
1, 2	Undertake student surveys.
2, 3	Sell or promote the sale of university/college-branded merchandise.
2, 3	Ticket or promote events, e.g., meet high-profile alumni, student union events.
2, 3	Ticket or promote events at the branch.
3	Promote free Wi-Fi and café hang-out facilities at the branch.
3	Promote the student union.

Context: Identifying with the Community	
Category	Added-Value Service
1	Provide an onscreen community notice board.
1	Dispense surprise petrol or gift vouchers.
1	Play and promote local music.
2, 3	Sell community-branded merchandise.
2, 3	Sell merchandise supporting a local artist, promote the artist.
3	Provide displays for local business, clubs and organizations, schools.
3	Provide displays of local history, celebrations, local developments, plans.
3	Profile local achievements, e.g., school success.
3	Profile local heroes, e.g., councilors, sports, authors, etc.

Context: Identifying with the Community	
Category	Added-Value Service
3	Promote farmers' markets or local market openings.

Context: Entertaining the Community	
Category	Added-Value Service
2, 3	Ticket and promote local events and festivals.
2, 3	Ticket and promote book and poetry readings – branch or otherwise.
2, 3	Ticket and promote fitness, yoga, face paint sessions, magicians, balloon artists, cookery demonstrations and workshops – branch or otherwise.
2, 3	Ticket and promote art exhibitions – branch or otherwise.
2, 3	Ticket and promote meet-the-celebrity or author – branch or otherwise.
3	Promote a plan for the school holidays.

Context: Working with the Community	
Category	Added-Value Service
1	Display police advisories and wanted criminals.
1	Report a crime – written message or video link.
2	Promote local safety issues.
2, 3	Ticket and promote business education events.
2, 3	Ticket and promote charity events, talks by citizen advice bureaus, local services, authorities, etc.
2, 3	Select and pay for a book for onward charitable donation.
3	Promote financial planning, e.g., for marriage, retirement.
3	Run promotions for local estate agents and travel agents.
3	Promote debt counselling.

2.5. Video and Audio

Many of the added-value services listed could be enhanced by the use of video on-demand or by surprise intervention, for example, a local concierge, a direct line to an organization's representative, a seasonal line to Father Christmas or a surprise interruption by a celebrity, all available universally or at predetermined locations and times.

The use of audio is implied in a number of the listed items, but may have a greater role to play in non-confidential situations.

2.6. Added-Value Services and the Brand (in Practice)

Any added-value service offered by an ATM must be aligned with the values of the brand. For example, gambling features built in to stimulate ATM usage may not be compatible with either the bank's values or other added-value services, for example, a religious donation.

A range of practical issues needs to be addressed when designing the content for added-value services. Screen displays which comply with corporate image standards are a basic requirement. The latest generation of screen technology provides an ample scope of functionality. The color scheme may also be reflected in the machine's surroundings.

The ATM has the undivided attention of its users. Thus, there is a need for a structured program that also uses the customer dialog to transmit brand and other messages. These may be set within an ongoing, generalized screen display run during idle time, or they may be introduced into the dialog with the user. Multi-zone screens now allow a broad range of banking and non-financial communications to be displayed before or during the dialog.

2.7. Conclusion

It is important to embrace the subject of added-value services as a composite program and in a rigorously managed manner. It is acknowledged that the ATM is now just one of a number of digital channels available to customers and other channels which may also deliver some of the services mentioned. However, the opportunity to access these services through other channels will vary by market and circumstances. Hence, it remains appropriate to regard them as a valuable addition to the range of services provided by an ATM.

Experience suggests that once operators have engaged with the principle of delivering added value through their machines, they will go on to create more, often unique, additional services.

Many of the elements in this package of measures have already been recognized by some players, large and small. Other institutions have not regarded their ATM service as a critical success factor. However, as competition and the need to differentiate increase, so will the value of leveraging the capabilities of the ATM at the branch and remotely.

Chapter 3. Software for Added-Value Services

3.1. Introduction

Over recent years, an increasing number of ATMs with high-quality screens has delivered strong corporate branding, personalization, CRM-driven sales, third-party sales and advertising. Some of the technology to achieve this has existed for many years. For example, the personalization of ATM transactions and CRM-driven cross-selling date back to before the mid- 2000s, when OCBC and NCR received a 2004 ATMIA award for their work.

This chapter discusses the latest generation of tools that are now available from leading industry suppliers. It gives an indication of the increasingly sophisticated and flexible facilities such tools provide for the development and deployment of a much wider range of added-value services through the ATM. The benefits include a richer experience for both customers and non-customers using the ATM.

Early initiatives in this area required a significant contribution from an institution's IT department. However, today's operators can now take advantage of a new generation of tools designed to be used by any department within a financial institution, independent ATM deployer or shared network through a standard desktop terminal. The design, creation and deployment of new ATM services now demands little more skill and knowledge than that needed to build PowerPoint presentations. Any member of staff can be nominated to be a developer. The training required to make full use of the system will usually be given by the vendor at the developer's office. This will embrace both the standard packages and any additional features developed by integration with the operator's system, for example, analytics and additional reports.

Standardized software is available as a package from a vendor to run on an operator's system, subject to the usual licensing arrangements. Alternatively, bespoke facilities can be run on the vendor's system. Operators may decide what level of self-sufficiency they require. In all cases, it will be necessary to agree to the terms, including the billing method and frequency. Integration with the ATM operator's system is more costly, but opens up the potential to apply segmentation, use analytics and further personalize the service (and make cross-sales) through CRM-driven functionality. This will require facilitating work performed by the operator's IT department.

3.2. The Toolkit

Using web technology and HTML5 provides a much-improved toolkit for the developer of the added-value services, including greater flexibility. Attract and transaction sequences have historically often occupied all of the screen. CaixaBank in Spain responded in 2008 by launching its highly-successful Punt Groc ATM concept with two screens, as discussed in Chapter 2, “Added-Value Services.” The upper screen carried advertising messages, and the lower screen handled its broad range of transactions through a privacy filter. However, the single screens installed in ATMs are now larger, with higher definition – an advantage, but not critically important. Using a standard product comprising templates with drag and drop methodology, the developer is able to define and design a number of discrete areas on the ATM screen which are large enough to be viable. Areas can be dedicated to header and footer panels, logos and advertisements, all set against a separately designed background.

Within each of these areas the developer can create a separate stream of graphics, animations and text. Screen features can be created in multiple languages to accommodate local diversity or the wider demands of a particular site, for example, an airport or university. Guidance on best practice in screen design is usually available from a vendor’s usability experts and can add much to the effectiveness of the ATM promotions and messages.

Displays can be passive imagery or they may operate interactively with the customer, for example, offering a choice of yes/no to a question the ATM poses or collecting personal information. The facilities include the use of touchscreen technology. Specific background designs can be set up on the screen, if required, or it can carry a standard set of graphics that reflect the corporate brand image of the operator. The multi-channel capabilities of a leading software toolkit allows the developer to create features and displays that can also run on mobile phones and other digital channels.

Content may be created by the operator or acquired from external sources, such as design agencies. The web-based tools mean that it is also possible to delegate the development of part of the screen to another area of the organization, like the local branch or corporate office manager. The developer may store the new communication in his system while it is circulated to colleagues or external bodies for comment, validation and authorization. If required, it is possible to specify the length of time the feature will run, in addition to the locations and times of day. The new feature may be allotted a level of priority compared to other ATM communications operating in the network. Once deployed, the system will provide the ATM operator with reports on the number of impressions, take-up and individual responses.

In addition to standard transaction functionality, leading ATM services will usually offer:

- General promotions of financial products and services;
- CRM-driven personalized promotions;

- Account and loan application screens;
- CRM-driven personalized transactions, including preferences and favorites; and
- Video banking.

However, with the tools discussed in this chapter, the ATM is able to further extend its capabilities to embrace added-value services, as discussed in Chapter 2, “Added-Value Services,” and annotated in Appendix A.

3.3. Enhanced Features

The basic tools are sophisticated and provide many options. However, where developers are using tools integrated with the operator’s own system, they can take advantage of a set of enhanced capabilities. For example, it becomes possible to define how frequently and how many times the feature should be displayed to an individual customer. Integration also enables the use of segmentation capabilities. The attributes of customers and the nature of their account(s) are examples of the rules that may be created in order to better target the ATM message. The bank identification number (BIN) may also be used as a segmentation tool.

A video banking link can be introduced to the screen display on a permanent or as-required service. This can simply be a face-to-face call center-based service, or it can deliver specialist advice to follow up a promotion run through the ATM (and perhaps other digital channels). Accounts and loans can be promoted with applications completed on-screen. Decisions are then provided by the operator’s credit evaluation suite. A4 printing by the ATM or an adjacent device enables documentation to be issued to applicants, as does the sending of SMS or emails.

Event booking with seat allocation is already well established as an ATM service, as is the sale of transport tickets. Alternatively, the ATM may simply act as the authentication and fulfillment point for a transaction that has been set up and paid for through other channels. Fulfillment can be undertaken through a printed tally roll or cassette-dispensed voucher.

Spark ATM

The facilities provided by a major South African independent ATM deployer exemplify the valuable contribution such services can make, especially in challenging markets. Spark rightly regards itself as a leading independent deployer in South Africa, having built a network of 3,850 machines by 2017, following its launch ten years previously. It places an emphasis on using the latest ATM technology. A key feature of the service Spark provides is on-screen ATM advertising, for which it claims to have a captive audience of 13 million viewers each week (equivalent to around 30% of the population). The company states that its ATM screens are the largest network of indoor digital advertising screens in the country. Promotional messages and the brand image of a client-host can also be created on the tally roll of the machine. Spark reports that 80% of cash withdrawals occur before the customer shops.

The attract screen of a Spark ATM displays images in a rotating loop, with each being visible for a period of predefined seconds. The overall experience exposes the ATM user to five separate messages in 30 seconds. This allows the product or service being promoted to be illustrated in greater depth, with a final call to action. The software used to create the advertising features also allows features to be targeted by location. Many of these locations, for example, stores, resorts, pubs and hotels, may otherwise be difficult to reach. Spark can add further value for the advertiser through the provision of demographics by province, local information and details of traders. In turn, Spark clients receive feedback on the ATM usage through which their advertisements have appeared.

3.4. IADs and Shared-Network Operators

A strategically significant feature of this latest generation of development tools is their ability to work equally well for compatible ATMs within an IAD or shared network. The IAD is able to work jointly with commercial and other types of organizations to allow their use of the ATM screen facilities for a range of purposes. A shared-network operator could work with its members in a similar way. When a user presents his card or mobile, the software is able to present him with a sequence of screens that carry the brand imagery of his own bank. IADs and shared-network organizations use the facility to personalize their services and run promotions through ATMs that have often been viewed in the past as a local utility. Not all such machines currently meet the required standards to take advantage of the new added-value services, and there will be a need for IADs to assess the value of upgrading all or selected numbers of their ATMs. However, the ability to monetize certain services may justify or pay for any required upgrade.

IADs are now taking over an increasing share of banks' ATM operations, and shared networks are growing. Not only will the toolkit allow them to enhance the traditional service offered to merchants, but it will also enable them to offer a branded and customer-personalized service to the banks for which they operate. Similar arrangements are possible for shared-network operators that can work as agents for nominated ATMs within their systems.

A centrally located center of competence within either type of organization would be able to create or source the required communications. Using the facilities described above, it would then be possible to allocate time and track the messages. The IAD may enter such arrangements as a facilitator or partner. The shared-network operator would be working with and for its members. This is an example of how the latest generation of design tools offers new opportunities, many of which will have a commercial value. It also raises the possibility that it would be commercially viable in certain locations to upgrade low-specification ATMs to enable such commercial arrangements to be put in place.

3.5. Conclusion

This report seeks to demonstrate ways in which the ATM can play a more rounded role in its local markets and communities by offering many new added-value services and offers numerous suggestions for ways to support such a strategy.

This chapter has introduced the tools that are now available to create and deliver new added-value services through a rich graphical interface. The same tools also provide the analyses and reports that enable operators to better understand the impact of their strategies. A user-friendly toolkit ensures that institutions are no longer constrained by the need to mobilize resources from their IT departments. The skills can be acquired by staff in many different disciplines, including business units located away from the head office. It also suggests potential opportunities for IADs and shared-network operators.

Chapter 4. Conclusions

4.1. An Optimistic Outlook

The ATM has migrated from its historic primary role of cash dispenser to offer a wider range of services; thus, it has become a major component of the digital omni-channel mix. Some of the added-value services identified by this report can also be delivered through mobiles and other digital channels. However, such is the overall size of the catalog of added-value services able to be channeled through ATMs that the ATM now offers the potential to generate valuable incremental benefits. The examples of added-value services set out in Chapter 2 and Appendix A will do much to move the ATM away from its role as a cash-dispensing and branch-replacement utility. In addition, the services can be used by both shared-network operators and independent ATM deployers.

The added-value services described in this report contribute to all the key objectives of a delivery channel, as set out in Chapter 1, “Introduction.” In summary, they greatly increase the effectiveness of the ATM in its role of:

- Representing and projecting the brand;
- Including community outreach;
- Developing stronger customer relationships;
- Acquiring new customers; and
- Continuing to offer valuable services at the location.

These enhanced capabilities will be increasingly valuable as a means of greater differentiation in the face of growing competition.

There is also cause for optimism when reviewing the size and quality of the global estate of ATMs, especially when factoring in the demand for replacement machines.

4.2. The Case for Added-Value Services

The development of a function through which added-value services will be created and deployed will require resources and commitment. However, it does open up a new area of activity from which benefits, both hard and soft, will flow. The key will be creating significant propositions that increase the volume of ATM users.

Hard benefits will arise through the increased potential for sales to a greater footfall of customers or non-customers at the machine or as a result of promotional activity run on the ATM. Promotional activity can be personalized, with attractive screen displays bringing relevant products and services to life. It may be more generic, aimed at non-customers using or passing the machine. Alternatively, the ATM screen may be playing its part in a major promotional effort streamed through all digital channels and screens in the network.

Soft benefits will arise from the widespread goodwill the brand will attract as a result of its stronger image and community support, including universities and other educational establishments. Partnerships with community organizations can take the form of pro-bono promotions of local associations or commercial deals for advertising businesses. Indeed, research has also revealed a situation where the bank earned a fee for collecting donations through its ATMs.

As mentioned in Chapter 2, the facility exists to support police work and can be extended to the emergency forces. Other soft benefits arise from a higher volume of footfall viewing professionally developed communications, including greater exposure of the brand and its values, thereby creating enhanced levels of awareness and empathy from which business will arise.

Overall, the hard and soft benefits derived from such strategic plays will offset any adverse effect if the demand for cash withdrawals does start to decline in a particular market. It will also contribute to the justification for replacing older machines.

4.3. A Final Comment

This report seeks to illustrate existing capabilities for developing added-value services at the ATM, along with the opportunities they offer. More will arise in the future from creativity and new technological developments. The report is issued solely for the purpose expressed in the introductory chapter, and it does not supersede any other ATMIA publication. The following ATMIA publications can be useful companion documents:

- *Best Practice Guide to the Next Generation ATM User Interface*
- *Best Practice Guide to Maximizing ATM Accessibility*
- *Global ATM Innovations Manual*
- *Best Practice for Customer Security Education*

The report has made many statements about the level of support operators can now source. However, it has not usually quoted the source of the knowledge in order to avoid the issue of advertorial content. The ATMIA will be pleased to put any reader requiring further information in contact with the author. Equally, it welcomes any opinions or insights on the subject.

4.4. An Optimistic Future

This report looks forward to a future in which the full potential of the ATM is realized, including not only its traditional role, but also the added-value services it can deliver for both customers and the wider community. IADs and shared networks can also position themselves to take advantage of the same software facilities.

Added-value services provide another critical building block in the process of defining the characteristics of the Next Generation ATM. They offer the opportunity to achieve a paradigm shift in the role and value of the ATM.

The provision of cash and wider financial transactions PLUS added-value services at ATMs complements the primary goal of Next Generation ATMs spearheaded by ATMIA, which is to maintain the relevance of ATMs to today's – and tomorrow's – digitally-savvy customers.

Appendix A. Notes on Added-Value Services

Chapter 2 provided 50 examples of the extensive range of added-value services the ATM is now capable of delivering. Following are notes related to these 50 examples:

Context: General Customer Facilities:

Category (1, 2, or 3)	Initiative
1	<p>“Choose a charity” to which the bank will donate.</p> <p>This practice is already well established among retailers. Caja Navarra in Spain applied the principle when delivering its statutory social contribution. It can be run on the ATM through touchscreens or keyboards. Explanatory displays and notes can provide context for the ATM user and increase the effectiveness of the appeal.</p>
1	<p>Make and pay for a religious or charitable donation.</p> <p>Such transactions can be handled free of charge. Alternatively, the ATM acquirer may enter into a revenue-sharing arrangement with the beneficiary association. Explanatory displays and notes can provide context for the ATM user and increase the effectiveness of the appeal.</p>
1	<p>Talk to the user in a local accent, tell a joke.</p> <p>The use of voice communications in local accents, perhaps using a well-known personality, can be attractive. Bank Machine in the UK used a language option of “cockney” to bring a popular, jovial option to the use of its services.</p>
1	<p>Run a news banner, for example, headlines, match scores, weather.</p> <p>Frequently run in branches on a separate digital display, ATM screens can carry dedicated panels providing a regular flow of news of all types. It can be varied by location. It might be sponsored and/or receive content from a local or national agency.</p>
1	<p>Sell gold and silver coins.</p> <p>This is a well-established practice. Kuvoyt Turk Bank is among the financial institutions across the world offering ATM facilities for both the withdrawal and deposit of gold coins. These types of transactions may also be carried out on behalf of dealers for a commission.</p>

- 1 Provide a view of the user's pension fund.

The Labor Secretariat in Sri Lanka installed a small fleet of ATMs with the functionality to enable members of the country's Employment Provident Fund to check the balance of their retirement account. The Sri Lankan application provides a signpost for many other similar ATM-based services.
- 1 Purchase a camping permit.

This may relate to either a general permission to camp or the allocation of a specific plot at a site. It could be delivered from either a cassette or the tally roll.
- 1, 2 Sell or buy securities.

The principal Singapore banks have been among the pioneers in offering customers the ability to trade in many different forms of public and government securities. IDBI Bank in India was the first bank in the country to sell government securities through an ATM.
- 2 Issue a voucher for refreshments – free, discounted or charged.

This initiative uses either a cassette or the tally roll to generate vouchers, usually as part of a promotion or other advertising. This feature lends itself to a commercial income-earning partnership. It may be linked to some other activity or event in the community.
- 2 Issue a voucher for Halloween handouts at a shop or branch.

The same remarks apply to this promotional idea. The funding for the promotion might come from a retailer or a bank.
- 2 Book the use of a branch or other meeting rooms by local SMEs, clubs and organizations.

Making the facilities of a branch available to both customers and non-customers is a well-established practice. Local organizations and SMEs have been ready users of these facilities. Enabling the ATM to carry out the booking function is a further convenience.
- 2, 3 Sell and promote experiences, for example, a driving course.

Experiences have been growing in popularity as gifts, and they now embrace many different activities. The ATM is well placed to promote experiences through strong visual images that could also include the use of video. The voucher providing proof of payment and entitlement could be issued from a cassette or through an enhanced tally roll.
- 3 Promote the availability of new residents' information at the branch, for example, schools, professions, trades and medics.

This idea was tried in branches in the United Kingdom and is carried out in part by many banks across the world. The ATM can play a role without creating excessive waits for staff in the queue. The information can be provided through web links or the operators can run their own service, drawing content from participants.

- 3 Promote a branch internet café, lounge or book exchange.
Designers are becoming increasingly creative, and a new generation of branches is welcoming the community in more ways than previously seen. The ability to promote the branch as a destination through a remote site adds much value to the campaign to create awareness of the facilities. Pictures of the branch and its attractions would work well to create a greater understanding of what is being offered.
- 3 Promote good financial habits for young users.
Young people of all ages have many heroes. The use of these in conjunction with attractive educational graphic media (including video) is just one way of communicating valuable education.

Context: Student Facilities:

- | Category (1, 2, or 3) | Initiative |
|-----------------------|---|
| 1 | Display prize winners, etc., onscreen.
The graduation season and other high-profile occasions will highlight students of merit. They can be showcased on the ATM screen. |
| 1 | Display high-profile alumni onscreen.
Similar remarks apply to alumni, for example, those who are awarded honors or honorary doctorates later in their career, or those with other notable achievements. |
| 1 | Allow students to view exam results.
This is a sensitive feature that emerged during the research program. It most likely replicates a service already provided through other digital channels. It may, of course, require the permission of the information recipient. |
| 1 | Run a video of university events and matches.
There will be many events during the educational year (and beyond) that lend themselves to video, which may then be played back on the ATM with appropriate explanations. |
| 1, 2 | Undertake student surveys.
Many bodies may seek to canvass students' opinions. Using screen survey buttons – with or without an incentive – can generate significant footfall. This is another signpost application which can be run for many other types of communities, for example, employers and unions. |
| 2, 3 | Sell or promote the sale of university/college-branded merchandise.
An online catalog can be created and promoted onscreen. Purchases may be made at the ATM at predefined opening times (to avoid high traffic periods) or 24 hours per day. Fulfillment can be at designated retailers or the branch. |
| 2, 3 | Ticket or promote events, for example, meet high-profile alumni or student union events. |

A willingness to offer a digital booking office to supplement other channels adds to student convenience and builds goodwill. Additional content can provide information about the event's subject.

2, 3 Ticket or promote events at the branch.

Branches located within or close to a university or college should seek to become a destination for both the institution's staff and its students. The ATM offers valuable facilities through which to promote and sell events.

3 Promote free Wi-Fi and café hang-out facilities at the branch.

There are many contexts in which the branch is being positioned and equipped as a young person's destination. The DBS Bank's Remix branch concept in Singapore, with its back office digitally-enabled spaces, was a pioneer in this field. More have emerged in recent years.

3 Promote the student union.

These important and valuable associations usually have a high profile. Nevertheless, promoting them and/or their individual activities can do much to engender goodwill. Content may include contact details and officers' backgrounds or simply a link to the website if the student requires more information.

Context: Identifying with the Community

Category (1, 2, or 3)	Initiative
-----------------------	------------

1 Provide an onscreen community notice board.

The "Client House" concept launched by ING Belgium in 2017 is among the latest branches and lounges to provide community notice boards. The tools discussed in this report allow the ATM to play a similar role.

1 Dispense surprise petrol or gift vouchers.

The tally roll or a cassette can be used to fulfill this type of initiative, which usually carries a commercial/promotional justification. An onscreen display can add to the impact and explain the purpose of the gesture.

1 Play and promote local music.

Regional music engenders strong local support in many parts of the world. For example, initiatives by Umpqua Bank in the USA, a market leader in branch innovation, have included support for local music. Onscreen graphics, video and speakers can be deployed.

2, 3 Sell community-branded merchandise.

2, 3 Sell merchandise supporting a local artist, promote the artist.

An online catalog can be created and promoted onscreen. Purchases may be made at the ATM at predefined opening times (to avoid high traffic periods) or 24 hours per day. Fulfillment can be at designated retailers or the branch.

- 3 Provide displays for local businesses, schools, clubs and organizations.
- 3 Provide displays of local history, celebrations, local developments and plans.
- 3 Profile local achievements, for example, school success.
- 3 Profile local heroes, e.g., councilors, sports figures, authors, etc.
The creative tools described in this report and the ability to dedicate areas of the screen to extra-transactional messages make the ATM an ideal channel for this type of communication. Much of the content will usually be in the public domain and readily available to the screen designer.
- 3 Promote farmers’ markets or local market openings.
The information conveyed in this case may be limited to the basics of location and times. Alternatively, full use of the ATM screen facilities could generate images that are both informative and attractive.

Context: Entertaining the Community

- | Category (1, 2, or 3) | Initiative |
|-----------------------|--|
| 2, 3 | Ticket and promote local events and festivals. |
| 2, 3 | Ticket and promote book and poetry readings – branch or otherwise. |
| 2, 3 | Ticket and promote fitness, yoga, face paint sessions, magicians, balloon artists, cookery demonstrations and workshops – branch or otherwise. |
| 2, 3 | Ticket and promote art exhibitions – branch or otherwise. |
| 2, 3 | Ticket and promote meet-the-celebrity or author – branch or otherwise.

The ATM can supply tickets for the event from its tally roll or cassette, including a seating plan from which the ATM user will select. The information conveyed in each case may be limited to the basics of location and times. Alternatively, full use of the ATM screen facilities could generate images that are both informative and attractive. |
| 3 | Promote a plan for the school holidays.

Information about happenings or weather, suggestions for the day or creation of a daily/weekly plan exemplify the information or schemes that can be run to meet this timeless requirement. It may also include advertisements for holiday jobs. |

Context: Working with the Community

- | Category (1, 2, or 3) | Initiative |
|-----------------------|--|
| 1 | Display police advisories and wanted criminals.

This initiative provides the police with an additional channel through which to communicate with the community. |

- 1 Report a crime – written message or video link.

The ATM can provide the means for members of the public to enter space that requires no authorization, from which they can send a written message or communicate with an agent by video link.
- 2 Promote local safety issues.

Similarly, this initiative provides the local authority and emergency services with an additional channel through which to communicate with the community. Seaside safety, fire risk and traffic dangers are among the many issues where existing communications programs could also embrace the ATM.
- 2, 3 Ticket and promote business education events.
- 2, 3 Ticket and promote charity events, talks by citizen advice bureaus, local services, authorities, etc.

The ATM will supply tickets for the event from its tally roll or cassette. This may also include the provision of a seating plan from which the ATM user will select. The information conveyed in each case may be limited to the basics of location and times. Alternatively, full use of the ATM screen facilities could generate images that are both informative and attractive. This type of ATM booking facility has been widely offered in Spain.
- 2, 3 Select and pay for a book for onward charitable donation.

The customer buys a book through the ATM from a varying/rotating onscreen choice. The bank or bookseller wraps it and sends it to a charity. The participating bookseller may sell it at a preferential rate. This is already an established practice within the book retailing sector.
- 3 Promote financial planning, for example, for marriage or retirement.

The main thrust of the communications will be subtle and professional with a clear indication of how the support can be accessed, for example, at the branch.
- 3 Run promotions for local estate and travel agents.

The Sparkasse Bank in Germany is among the banks which have considered providing access to complementary services through their branches. There is now the capability to open the ATM in a similar manner. There may be much readily available content that can be transferred into the ATM system.
- 3 Promote debt counselling.

Banks, building societies, credit unions and sponsored agencies are among the many institutions that have sought to assist customers facing financial difficulties. The ATM can play an important role by raising awareness of support and guiding those in need on how to access the support they require. Vancity Credit Union in Canada ran a campaign to divert consumers from the use of payday and other high-cost lenders.