

ATM INSIGHTS

# The critical role of ATMs in the transformation of branch banking



## Bank branches declining

U.S. bank branches dropped from **99,540** in **2009** to **94,715** by **2014**.



## ATMs growing

**2.75 million** ATMs in **2013**, forecasted to grow to **over 3.22 million** by **2016**.

Sources: FDIC, ATMIA and Value Partners

Reports of the death of branch banking are decidedly premature. Branch banking isn't going away any time soon, but the branches of tomorrow are going to look very different than the branches of yesterday. The reasons are the rise of high-tech banking, customer demand for faster, more convenient bank transactions and the need to optimize operational expenses.

### Transition to high-tech branch banking

One of the prime catalysts in the transformation of branch banking is a new generation of ATMs that makes the transition to high-tech branch banking easier, more customer-friendly and more profitable. Research backs up this conclusion. While recent surveys note that in the past five years, the number of U.S. branches is dropping, they also note that banks are continuing to invest in their branches. The fact remains that banks that have a visible network of branch locations tend to bring about more confidence and credibility than those that don't.

According to a recent Cummins Allison survey of banks and credit unions, financial institutions are increasingly focused on ATM capabilities to help in branch transformation. In addition, as institutions replace aging ATMs or expand their current ATM fleets, many plan to explore installing ATMs with new high-tech capabilities, such as chip-and-PIN card technology, video conferencing, remote teller assistance, automated deposit and more.

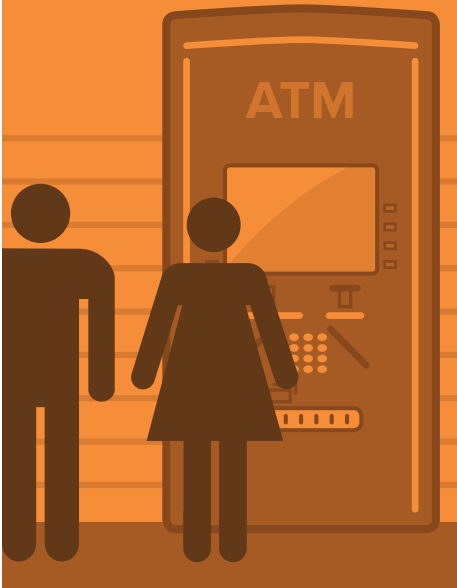
### Convenience centers to sales centers

As with most changes in the financial industry, this one is all about customer service; ensuring that your institution can serve your customers when, where and how they want to do their banking. In today's marketplace, branch bank transformation must take into account behavior of technology-savvy customers as well as the more "traditional" clients. Mobile banking is a significant factor in the reduction of the number of visits to brick-and-mortar branches. In response to these changing consumer behaviors, the trend is now to incorporate digital technology in the transformation of branches from convenience centers to true sales centers. Today's multi-purpose ATMs play a critical role in this transition.

### Optimizing expenses yields positive growth

What will the branch of tomorrow look like? In many cases, the largest difference will be that there will be fewer tellers — or no tellers at all — onsite. Instead, there will be more self-service equipment providing multiple services such as manage account balances, open loans, process currency or coins.

**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.



Next generation ATMs will be capable of doing everything from dispensing cash to accepting deposits and transfers to selling products such as loans and new accounts via remote teleconference with a teller or bank officer. In many branches, customers entering during normal banking hours will be greeted by a concierge who will discern what they wish to accomplish, then help them locate an appropriate ATM, assisting them if they want or need help during the transaction. ATMs will also continue to provide round-the-clock automated banking services for added customer convenience.

### **ATM reliability**

Because new ATMs will be taking on a larger role in banking, reliability becomes more essential than ever. As more customers look to ATMs to perform more of their banking and financial activities, machines that are slow or out of service can reduce customer satisfaction and risk losing business. To ensure reliability, financial institutions are increasingly turning to suppliers with local repair, parts and maintenance presence, with timely response that brings machines back to working order in a matter of hours, not days.

### **Customer satisfaction**

It's clear that an essential part of the new paradigm in branch banking is providing multi-purpose ATMs that increase the satisfaction of the institution's entire customer base, from Baby Boomers to Millennials. Bottom line, as financial institutions begin the transformation of branch banking, ATMs will be fundamental to their success.



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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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