

Can the Humble ATM Become a Customer-Retention Tool?

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By Penny Crosman

Since 1966, the automated teller machine has been a simple box that accepts debit cards and dispenses cash. End of story. But lately, as banks try to reach elusive customers who are too busy or don't care to visit a branch, many institutions are reinventing the ATM, adding functionality to the machines in an effort to deepen relationships with customers for whom the ATM is their primary point of contact with the bank.

Many banks, including Bank of America and J.P. Morgan Chase, have added check scanners to their ATMs so the machines can accept checks without envelopes and issue receipts, more closely matching the experience of a teller window. Bank of America recently converted all 18,000 of its automated teller machines into "talking ATMs" equipped with audio equipment and headphones so that customers (primarily the visually impaired) can speak live with a bank representative while using the machines. And Sberbank in Moscow recently outfitted its "branch of the future" with terminals that allow customers to interact with service reps through audio and videoconferencing.

Community Choice Credit Union (\$460 million in assets) is using its ATM fleet to extend its value proposition. The Farmington, Mich.-based credit union has been installing ATMs, known as Personal Tellers, fitted with videoconferencing technology so that customers who can't (or don't want to) go to a branch during normal business hours can still "meet" with a banker to complete their transactions.

According to CIO and SVP Daniel P. Munro, Community Choice recently completed the process of identifying its unique selling proposition, a large portion of which is based on personal service. So the institution sought a cost-effective way to reach out to its 56,000 members from a central location. "We realized we could take somebody in our contact center and have them deliver person-to-person service ... through a machine that allows us to do full-service teller transaction processing and still have a one-to-one interaction with members," Munro says.

The first Personal Teller, from Sandy, Utah-based uGenius, was installed in May 2009 at the credit union's headquarters. To date, five of the machines have been deployed in three branches, and Community Choice has budgeted to buy another three by the end of the year, Munro reports, noting that they are priced about the same as a standard ATM.

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The machines allow the credit union essentially to extend its branch hours, relates Munro. The ATMs, he explains, provide a location where members can interact with bank staff even if the nearest branch is closed. Additional videoconferencing-equipped ATMs will be positioned inside the credit union's seven branches so that customers can use them during normal branch hours for self service, like self-scanning groceries at a grocery store.

Contact center staff (referred to as personal advisers) at the other end of the video stream have been specially trained to handle video interactions. For identification purposes, a member places his driver's license face down on a glass plate, allowing an internal camera to capture a digital image.

From a technology standpoint, "One of the main worries is always integration," Munro acknowledges. But, "These are wonderfully unintegrated," he says of the uGenius ATMs. "They can be installed and up and running in a couple of hours." Although the bank's Jack Henry core system is not directly integrated with the machines, Munro adds, it can be used to remotely control the machines via an IP connection so that a personal adviser can have it dispense cash or receive a payment.

In the future, Community Choice and uGenius may add to some of the machines the ability to function as a standard ATM -- currently, nonmembers cannot use their cards to withdraw cash from the machines; they only accept Community Choice cards.

Munro relates a story about a comedian who advised his audience not to self-scan their groceries, "Because then they'll call you and ask you to clean up Aisle Three," he recalls. But Munro insists Community Choice's new video-enabled ATMs are intended only to add convenience to the customer experience. "We hate to see a member at our door 20 minutes after it closes," he notes.