

Business Value Propositions for Next Generation ATMs



For Next Gen API App ATMs



Produced by the ATM Industry Association

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e-mail Mike Lee, ATMIA's CEO, at mike@atmia.com

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1.1. Foreword

In 2018, the ATM is reinventing itself after celebrating its 50th anniversary in 2017. In particular, major deployers, vendors, suppliers and service providers across the globe have signed off a blueprint for a new architecture for ATMs to potentially link over 3 million ATMs to about 5 billion mobile phone users. This is the largest future-proofing exercise ever undertaken by the industry. In this manual, the Consortium, made up of over 140 companies across six continents, articulates the advantages for all sectors of the industry, including the end-user, of the new modular model of ATMs.

The purpose of these Business Value Propositions is to provide material for both internal and external publicity, that is, in communicating messages within the industry and in the public domain.

Here's to another 50 years of ATMs!

Mike Lee, CEO ATMIA

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1.2. Acknowledgements

ATMIA thanks members of the Consortium for Next Generation ATMs for providing feedback on what the true benefits are for consumers, operators, vendors, suppliers and networks of moving towards an interoperable API App model for future ATMs.

1.3. Introduction

Investopedia (www.investopedia.com) defines a value proposition as a business or marketing statement that a company uses to summarize the top reasons why a consumer should buy a product or use a service. This statement convinces a potential consumer that one particular product or service will add more value or better solve a problem than other similar offerings. A business value proposition (BVP) is about highlighting why a product or service is valuable, useful and beneficial to customers.

The following sections provide business value propositions for customers, operators, manufacturers, suppliers and networks for the Next Generation ATM blueprint.

1.4. Business Value Propositions for ATM Customers

Next Generation ATMs will create a positive ATM experience every time a customer interacts with the ATM. For customers, the Next Gen ATM:

- Affords ease of use.
- Provides on-demand services.
- Enables pre-staged transactions, activated or managed by a range of digital devices in seamless partnership with other delivery channels.
- Aligns with personal technologies and lifestyle.
- Evokes a sense of innovation.
- Maximizes accessibility and provides a safe environment for secure transactions.
- Enables personalized communication (greetings, dialogue and affirmation of the individual customer's value).
- Provides sales opportunities and responds to customer inquiries.
- Facilitates a friendly and seamless audio or video assistance and service.
- Offers a predetermined, limited set of important local services – “getting the right service at the right place and at the right time” (convenience ATMs).
- Provides more choice for the consumer through the ability to deploy cross vendor solutions as a result of a common architecture.
- Allows users to access their own financial institution's (FI's) ATM User Interface (UI) environment and services on any ATM of the network via a shared/pooled ATM network.

1.5. Business Value Propositions for Operators

Next Generation ATMs will provide a dynamic, flexible model for greater operability and profitability. For ATM operators, the Next Gen ATM:

- Delivers all facets of the FI's proposition – service, sales, relationship building, promotional and brand.
- Provides a range of community functionality and needs; for example, ticketing for events, sport, transport, bill payment and tax payment.
- Allows portability of user-related apps through an ATM app model.
- Provides the potential to lower total cost of ownership (TCO) by standardizing key architectural components.
- Increases ATM channel profitability, i.e., decreased TCO and increased revenue through added-value functionality.

- Offers the potential to trigger new Fintech partnerships around new architecture.
- Affords new deployment opportunities; for example, by adding cash recyclers to self-check-out at super markets and petrol stations and deploying more modular and streamlined ATMs to new retail and communal locations.
- Allows existing mobile applications to be migrated to the ATM channel.
- Simplifies much software development by replacing it with app development.
- Increases adaptation to different operating environments for new ATM deployments.
- Increases opportunities for outsourcing and new partnerships through more modular ATMs and a new set of standards, leading to greater cost sharing and efficiencies.
- Offers opportunities to create greater economies of scale in the industry.
- Reduces the cost for deployers to develop and maintain applications. (If money transfer services, the national lottery, charities and other groups provide a standard app, most deployers can add more functionality with fairly limited integration costs – for example, no changes on their front-end host systems.)
- Allows virtual banks to add their app to existing ATMS, providing a physical presence, if desired.
- Reduces the need for costly upgrades resulting from untimely software migrations.
- Enhances ecosystem security and lowers the risk and cost of fraud.
- Enhances operations management.
- Enhances the integration of digital and ATM channels for true Omni-channel banking.
- Extends the life of and investment in the ATM through new functionality and innovation.
- Attracts new customers and reinforces the relationship with existing customers through unique and dynamic customer experience.

1.6. Business Value Propositions for Manufacturers and Suppliers

Next Generation ATMs will provide a modularized range of relevant products to foster a happy customer base. For manufacturers and suppliers, the Next Gen ATM:

- Shortens the time to market for new products.
- Enhances the relevance and sophistication of the ATM.
- Increases the investment in the ATM channel.
- Via a modular approach, allows certain functions to be split, allowing for new partnerships with specialist providers for greater efficiencies.
- Increases sales at a lower cost.

1.7. Business Value Propositions for Networks

Next Generation ATMs will keep ATMs essential, ubiquitous and continuously used through a marriage of ATMs and mobile phones. For ATM networks, the Next Gen ATM:

- Joins ATMs and mobile phones, increasing the importance of ATMs as communal hubs and tools of financial inclusion and leading to higher overall transaction volumes.
- Provides easier, more secure transaction processes across networks.
- Drives higher usage through more appealing ATMs.
- Delivers faster speed to value via greater interoperability.