



For Next Gen API App ATMs



Survey for Consortium for Next Generation ATMs

Results and Analysis

Profile of Respondents

Job titles:

SVP, Commercial Manager, Service Manager, Repair ATM Manager, Managing Partner, ATM Specialist, President, EVP, CTO, CEO, Director of Ops, Director, Director ATM Technology, ATM Manager, Product Marketing, Head - IT Architecture, ATM Channel Manager, Product Manager, ATM consultant, Associate Vice President, Enterprise Architecture Manager, Enterprise Architect, VPEA, ATM Product Manager, Vice President Director, Product Manager, ATM Operations – VP, Vice President, VP, COO, ATM Operations Analyst, MD, Business Development Director

Countries:

Japan, USA, United Kingdom, Austria, Vietnam, Argentina, Panamá, South Africa, Canada, Spain, United Arab Emirates, Brazil, Puerto Rico, Germany and Turkey

Q1 Which do you consider to be a more powerful lever for the long-term future success of ATMs?

ANSWER CHOICES	RESPONSES	
Innovation visible to consumers, to drive growth of ATM usage	34.88%	15
Streamlining or re-inventing operational systems to improve ATM economic efficiency and profitability	13.95%	6
Both are equally important	51.16%	22
TOTAL		43

Commentary More than twice the number of respondents choose “innovation visible to consumers” compared to those who selected “streamlining or reinventing operational systems to improve ATM economic efficiency and profitability” as the powerful lever for driving future success for ATMs. 51.16% thought both factors were *equally* important. “Innovation for consumers”, therefore, carries a slight edge in the minds of respondents as the most powerful driver for ATMs of the future.

Q2 Choose the Top 3 Factors, Features and Qualities that, in your opinion, will help drive ATM usage and commercial success in the future (at least five years from now).

ANSWER CHOICES	RESPONSES
Improving customer experience at ATMs	60.47% 26
Pre-staging transactions and other use of Apps / Linking the ATM to the mobile phone	58.14% 25
Extending the bank's automation and self-service capacity / Branch transformation	41.86% 18
Solving the problem of costly upgrades associated with OS migrations	25.58% 11
Extending value add services at ATMs	44.19% 19
Providing fast and secure cash withdrawals	25.58% 11
Better operability and profitability of channel	20.93% 9
ATM and infrastructure security	27.91% 12
Total Respondents: 43	

Commentary

Looking at a 5 year window of the future, the respondents rated “improving customer experience at ATMs” as the top factor which will drive ATM usage and commercial success in future, followed closely by “prestaging transactions and other use of Apps/linking the ATM to the mobile phone”. These two factors were the top tier of critical success factors for future ATMs.

In the second tier, “extending value added services at ATMs” and “extending the bank’s automation and self-service capacity as part of branch transformation” were the next two most important factors.

In the third tier, “ATM and infrastructure security”, “providing fast and secure cash withdrawals”, “solving the problem of costly upgrades with OS migrations” and “better operability and profitability of channel” lagged behind the first two tiers of factors.

Respondents rated customer experience and linking to customer owned devices as much more important factor for future success than security, operability and even profitability. This is a startling conclusion, making the next gen ATM project fundamentally customer-centric in the vision of senior industry executives.

Q3 Choose the Top 3 Risks you consider the biggest threat to the long-term future of the ATM.

ANSWER CHOICES	RESPONSES	
Cyber attacks on ATM systems / banking infrastructure that supports ATMs	76.74%	33
Physical attacks on ATMs	34.88%	15
Lack of investment in the channel	67.44%	29
Fintechs	34.88%	15
The war on cash	55.81%	24
Virtual currencies	20.93%	9
Total Respondents: 43		

Commentary

The top risk to the future of ATMs was seen as cyber attacks, followed by a lack of investment in the channel. The third top risk was seen as the war on cash. Rated as a lower level of risk than the top three threats were physical attacks, Fintechs and virtual currencies. The way to address these top three risks would be shore up cyber security, to invest in next gen ATMs and to conduct continued PR advocating the continued use of cash as a fundamental right.

Q4 Is the self-service channel included in your digital transformation strategy and budget?

ANSWER CHOICES	RESPONSES	
Yes	53.49%	23
No	11.63%	5
Unsure	34.88%	15
TOTAL		43

Commentary

A narrow majority of respondents (53.5%) stated that they've planned to invest in self-service as part of an overall digital transformation strategy. A small minority (11.6%) have decided not to invest in this channel while more than a third of respondents (35%) are unsure. This indicates that there is still a large slice of the industry which is uncertain about the future, making them hesitant to invest.

Q5 If you answered NO or UNSURE to the above question, which of the following outcomes would be sufficient by itself to support including self-service channel IT infrastructure investments in your digital transformation budget?

ANSWER CHOICES	RESPONSES	
Standardised app development	8.70%	2
Behave like a mobile platform in terms of agility, innovation and user experience	30.43%	7
Both a standardised app and behave like a mobile platform	47.83%	11
Both together would not be sufficient	13.04%	3
TOTAL		23

Commentary

Just under half the respondents (48%) would shift from uncertainty to choosing to invest in the self-service channel if a standard app was in the offing along with a more “mobile” look and feel to the self-service user experience (both of which are key aspects of the next gen ATM architecture). The most important factor in changing mind-sets from negative to positive regarding the future of the self-service channel is behaving “like a mobile platform in terms of agility, innovation and user experience”, more than three times as important as the development of a standard app.

Q6 Do you consider the self-service channel as the most secured digital user platform?

ANSWER CHOICES	RESPONSES	
Yes	30.23%	13
No	34.88%	15
Unsure	34.88%	15
TOTAL		43

Commentary

There is a great deal of uncertainty about this question. Fewer than a third of respondents (30%) agreed that the self-service channel is the most secured digital platform. More than a third (35%) believe it isn’t the most secure user platform. The next gen ATM project stated from the outset that a new level of ecosystem security would be required for next gen architecture.

Q7 Market adoption theory groups the market into Innovators, Early Adopters, Early Majority, Late Majority and Laggards based on how rapidly an organization responds to technological change. Which category do you think your organisation fits into, in respect to ATMs?

ANSWER CHOICES	RESPONSES	
Innovator (regularly brings out unique new products, systems, services and technologies)	16.28%	7
Early Adopter (among the first to invest in, use or try out new technologies, systems and ways of interfacing with the customer)	23.26%	10
Early Majority (the first sizable segment of a population to adopt an innovative technology. The early majority tends to be roughly 34% of the population, and will adopt a new product after seeing it used successfully by either "innovators" and "early adopters" that they know personally. Source: Investopedia)	39.53%	17
Late Majority (the last sizable segment of a population to adopt an innovative technology. The late majority accounts for roughly 34% of the population, and will adopt a new product only after seeing that the majority of the population already has. Source: Investopedia)	18.60%	8
Laggard (Laggards in marketing comprise a group who avoid change and may not be willing to adopt a new product until all traditional alternatives are no longer available. The group is mostly concerned with reliability and low cost and represents about 16% of the consumer population. Source: Study.com)	2.33%	1
TOTAL		43

Commentary

Roughly 40% of the respondents in our industry regard themselves as Early Majority, higher than the norm of 34% of the population. This is a positive outcome. 23% are Early Adopters and 16% are Innovators. Adding Early Majority, Early Adopters and Innovators together gives a resounding 79%. 19% are Late Majority and only 2% are self-confessed Laggards. The appetite for change and innovation is there.

Q8 At this time, does your organization have an intention to implement the Next Generation Blueprint standards?

ANSWER CHOICES	RESPONSES	
Yes, we are already planning to do so	13.95%	6
Yes, we intend to make a plan immediately after the Blueprint is adopted	20.93%	9
Yes, we intend to make a plan within 1-3 years after the Blueprint is adopted	23.26%	10
No, we will not decide whether to do so until after the final version of the Blueprint is adopted	34.88%	15
No, we have no intention to implement the Blueprint until we see most other industry stakeholders doing so	6.98%	3
TOTAL		43

Commentary

35% of respondents are in a wait-and-see mode, awaiting the final signing off of the blueprint before deciding whether or not to implement the blueprint. 35% of respondents – exactly the same number in a wait-and-see mode – are already intent on embracing the blueprint, with a further 23% ready to do so. These two groups of next-gen supporters add up to 58%, a clear majority. What is very encouraging is that only 7% have ruled out implementing the blueprint until they have seen what others have done.

Q9 What aspect of the blueprint standards are you likely to implement first?

ANSWER CHOICES	RESPONSES	
Value added & banking services	18.60%	8
Machine learning & big data analysis	2.33%	1
Monitoring & management	18.60%	8
We are likely to work on 2 or 3 aspects simultaneously	39.53%	17
Unsure	20.93%	9
TOTAL		43

Commentary

40% of respondents are likely to implement several aspects of the blueprint simultaneously, indicating an enthusiastic embrace of the next gen architecture. 21% are unsure. 19% would start with value added and banking services. 19% would go for monitoring and management technology first. Surprisingly, only 2% would opt to start with machine learning and big data analysis.

Q10 Why do you consider these aspects, as indicated in your answers to Q9, of blueprint standards your highest priority?

We have our own standards that may or may not align.

because it's the only real innovation

Interested in increasing or maintaining average revenue and profit per machine while also automating operations.

Because They are part of Company's Strategy.

Grow the channel usage

As a Service Provider we see Branch Transformation as a continued business line for our firm

They are the most relevant to our client base.

Feasibility is already checked

App model for ATM applications

we already have a solution for monitoring & management system.

Necessary to optimize the channel operationally in order to remain viable for additional growth and investment.

Utilising technology advances on the ATM to lower existing channel costs.

Value added and banking services - this is what we provide in our product suite

Because we provide ATM services to other companies like banks or IAD's as a wholesale company.

We have been creating our new solution of a " modern" ATM. We are paying attention to the evolution of NexGen Blueprint so it can complement our solution in the future and to fit the standards.

I believe 2 of these are need sooner than the others.

ensuring customers have consistent and convenience cash access is the primary concern.

We need a simpler platform that can be easily implemented and conform to the standards on other platforms.

Value added and monitoring are the two aspects of most interest. We are always looking to build value on our existing footprint and improve operational efficiency.

It needs to be a systemic approach. No single aspect can have a higher priority if improving the whole is the goal.



Improve interoperability as cost advantage



Core business

Commentary

A very wide range of reasons are given for choosing the priorities indicated in the previous question, giving an insight into industry thinking behind this prioritisation.

Q11 Which of the following needs resonates with you? Check only your top 3.

ANSWER CHOICES	RESPONSES	
I need to get more life out of my existing investments	25.58%	11
I need to easily create new transactions myself	20.93%	9
I need vendors who are as flexible as I need to be in order to compete	48.84%	21
I need my hardware to be better-integrated, regardless of its manufacturer or volume or location	46.51%	20
I need greater automation in my bank branches	23.26%	10
My customers are demanding a richer, more personalised consumer experience	44.19%	19
I need deeper leverage of the global internet economy	9.30%	4
I need an effective transformation plan that is fast, safe and flexible	25.58%	11
I need a delivery organisation that can respond to market opportunities and threats in weeks not months	44.19%	19
Total Respondents: 43		

Commentary

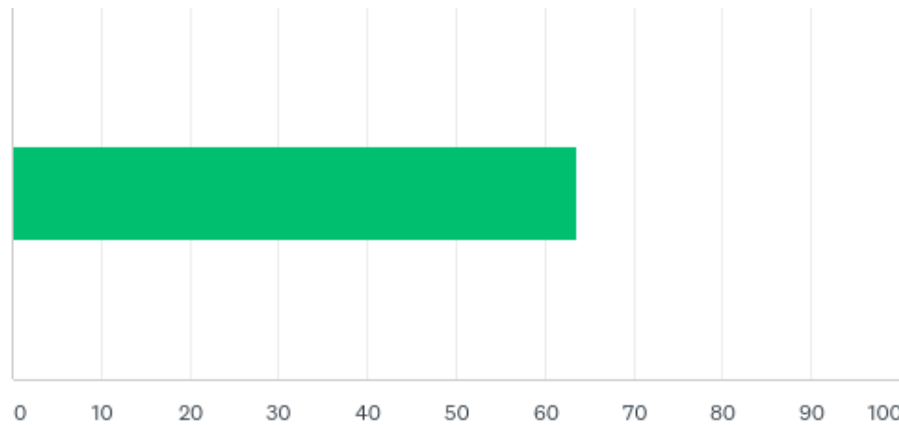
In the top tier of industry needs are “I need vendors who as flexible as I need to be in order to compete”, “I need my hardware to be better integrated, regardless of its manufacturer or volume or location”, “my customers are demanding a richer, more perosnalised consumer experience” and “I need a delivery organisation than can respond to market opportunities and threats in weeks not months”.

In the second tier of industry needs, are “I need to get more life out of my existing investments”, “I need an effective transformation plan that is fast, safe and flexible”, “I need greatre automation in my bank branches” and “I need to easily create new transactions myself”.

In the third tier of industry needs, surprisngly, is, “I need deeper leverage of the global internet economy”.

Q12 Please rate how well you think the Blueprint, in its present form, provides the best way forward for ATM systems architecture over the next five years and beyond.

ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	64	2,735	43
Total Respondents: 43			



Commentary

The respondents believe that the blueprint is a strong design for driving the future of ATMs, with an average score of 64%. This indicates support for the core of the new architecture, while, at the same time, showing there are some elements which still need to be refined and evolved. Some of the answers below give a flavour of the reasons behind this 64% average score.

Q13 Please explain why you rated the Blueprint as you did and/or provide comments on the Consortium for Next Generation ATMs.

May not align

It's a bit too abstract for me

Haven't fully reviewed all of it yet

Because it have included Big Data, Analytics, Machine Learning

Looks to focus on opportunity and also capture risk aversion

There is not a clear picture of the impact of the Blueprint on my organization.

In the moment the blueprint only shows the big picture. There is much space for interpretation of what the different parts of the architecture exactly mean.

I cant understand who invest for this system

Good start, but the devil is in the detail...

Different stakeholders with different interests influencing the blueprint to their advantages.

I think that once the standards are defined for working within the blueprint, then things will be clearer

I think it's a big opportunity to disrupt this channel, but it must do with the support and investment of the industry

As a business stakeholder, still not totally clear to which extent the new Blueprint will address our ongoing architecture challenges

My company does not invest in early technologies

It's a very good start and there is more development to be done

This sector is too slow and doesn't follow the technology evolution of the market

I think the Blueprint conceptually is where the ATM likely needs to be but the vast undertaking it will require from multiple players including vendors, networks, processors, and customers makes this difficult to reach any higher than somewhat.

The team has done a great job and I look forward to the next steps

Still unclear what the "big" leap forward will be, doesn't appear forward thinking enough.

knowledge thirst

It's still in development and doesn't necessarily fit all financial institutions the same. There will need to be integrated alternatives developed for it to be more adoptive.

It is only a start point - implementation is not included - banks and ISO tasks

Rather complete

Commentary

Overall, there is a positive sentiment towards the next gen ATM blueprint. In addition, there is a realistic caution that there is still some development and technological evolution required to reach the Desired Future of the industry.

Q14 What benefit of Next-Gen ATM networks most excites you about the (long-term) future?

reliability

No Windows

standardization

Additional revenue streams

Customer satisfaction, more Security and Reduce Channel cost

Free of Microsoft updates

Opportunity to grow the channel

new features and integrations with mobile

ubiquity

Sustaining the ATM

The integration of the mobile device into the ATM network.

Near-real time enhancements to customer experience and services

getting information

Continued relevance of the ATM channel for many more years.

Embracing new technologies (AI, Big Data, SmartPhone)

providing a blueprint to work from

Independence of OS

The App-based model, where new services/features are supposed to be delivered with the same agility of other digital channels and such services will be easily interoperable with other channels

flexibility and agility for new features

Expanded use of remote ATM management and monitoring systems for improved product distribution and maintenance

Low coupling of services and ATM

API/App based model. APIs are the current in so many other banking technologies today so it only makes sense that to better the ATM channel support of a API model is where we need to go

Easier integration to other banking systems

Manageable upgrades and changes to the OS and features offered

Working with innovative companies to offer the link between physical currency as a compliment to p2p money transfers, decentralized banking networks etc to truly disrupt current retail banking model.

Being first to market

Industry standardized protocols

revolutionary design

Commentary

A huge variety of benefits resulted from this question, showing a wide range of potential positive outcomes for the industry through the global next gen ATM project.