WHITE PAPER

It's Not Just About ATM Availability.
It's About the Customer.

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ATM deployers need to ask themselves, "How well do I know my ATM network, how well do I know my customer, and how quickly can I resolve ATM issues?"

It's no longer good enough just to ensure a high level of ATM availability such as 98-99 percent. In today's era of high volumes of self-service transactions, new metrics apply.

Traditionally, ATM availability has been measured by the amount of time an ATM is down, which fails to take into consideration the value of specific high-usage time periods compared to low-usage time periods. This measure also fails to take into account the fact that some ATM locations have greater importance from the customer service viewpoint, as they get more traffic than others. Some customers also have greater importance than others, as they perform more transactions and take advantage of more banking services across the board.

As their customers increasingly migrate from the teller channel to self-service transactions, using multi-function ATMs for transactions previously handled by tellers such as high-value cash withdrawals, fund transfers, bill payments and cash or check deposits, FIs must ensure their ATM channel is available 24x7 to deliver services to customers. This means that ATM deployers must improve their ability to quickly resolve issues at their ATMs, under-

stand service usage by customer segment and manage the performance of cross-channel customer transactions, regardless of where they start and end.

According to London, U.K.-based RBR's "Global ATM Market and Forecasts to 2020" report, 92 billion cash withdrawals were made at ATMs globally in 2014, representing a 7 percent increase from 2013. In 2014, the global ATM installed base passed the 3 million mark, RBR says.

RBR also says 31 percent of ATMs worldwide included automated deposit functionality in 2014, a year-over-year increase of 3 percent with 20 percent of North American ATMs offering automated deposits.

What customers expect

With the proliferation of ATMs and other self-service devices, customers evidently are embracing the ability to perform bank transactions at their convenience. And, as ATMs become increasingly advanced, customer expectations to have instant access to these services will grow.

"For most FIs, ATM transactions are on the rise and comprise a growing share of customer transactions," Celent Banking Practice Senior Analyst Bob Meara told an ATM Marketplace webinar sponsored by INETCO in October 2015. In that environment, particularly as

ATM Withdrawal Volumes Continue to Grow Globally

Global cash withdrawal volume (billions), 2010-2020

source: RBR Global ATM Market and Forecasts to 2020
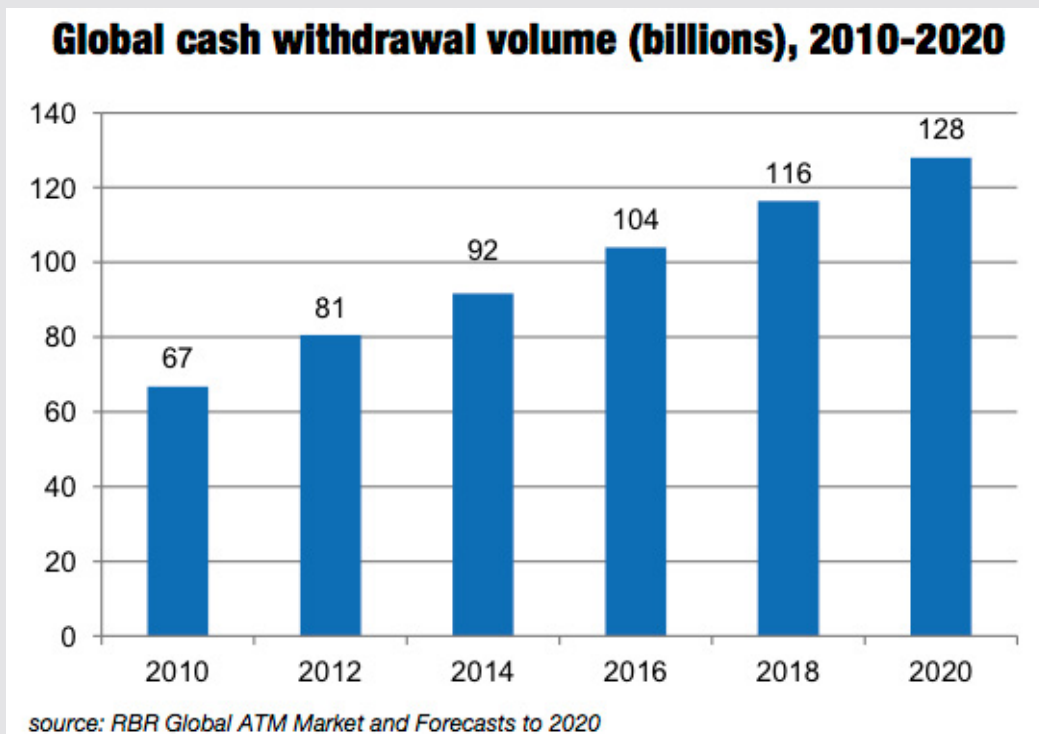
they enter the branch lobby, maximizing uptime and understanding customer usage and experience will become even more important.

Meara noted that customers now expect to receive instant help if they experience problems at an ATM.

"For most of its life, the ATM has been isolated from the rest of the bank," Meara said. "If an ATM malfunctioned, consumers didn't have the expectation that they could receive help. In today's environment, consumers are conditioned to have access to near-instant help — anytime, anywhere. When problems occur (at ATMs), staff will need to be in a position to help. Monitoring solutions, therefore will have multiple users in the bank going forward — help desks, remote tellers, branch staff."

"Deployers need to take action to resolve ATM problems in real time," said David Johnson, product management director at Fiserv. "This involves issue detection, identifying a resolution plan, communicating with all relevant staff using any means of communications they prefer, proactively monitoring the progress of the fix and understanding whether the resolution occurred according to plan or was delayed."

Why availability is failing the customer

High ATM availability doesn't tell the whole story, and doesn't automatically mean happy customers or a positive customer experience.

In fact, a more useful statistic than ATM availability is the number of failed customer interactions at ATMs. And even more useful than that is the ability to pinpoint what services failed, isolate where this issue occurred (i.e. device, dynamic applications, networks or back-end connections), and analyze how your revenues and the customer experience are being affected.

ATM providers need to look beyond 'is the ATM up and working?' to analyze the impact of peak downtime and value-added services downtime on customers. The key issue is to consider the cost of lost opportunities from failed customer interactions leading to dissatisfied customers.

FIs need to be able to log how many failed interactions occurred while an ATM was out of service, and when these failed interactions occurred – during periods of peak traffic or during quiet periods such as late at night. For example, if an FI's ATM network operates at 99 percent availability during peak times, but has an overall availability rate of 90 percent, then clearly failures are occurring during periods of lower usage by customers.

"A metric telling you how many customers you've let down because an ATM has failed is very useful. But what is really vital is the ability to follow through and resolve the issue as quickly as possible."

— David Johnson, Product Management Director at Fiserv

FIs must be able to determine how failed ATM interactions affect their relationship with existing and potential customers both in terms of damage to their brand and actual lost opportunity costs.

"ATM availability strategies continue to evolve and expand, mostly driven by easier data retrieval and growing customer demands," said Marc Borbas, VP of product marketing at INETCO. "We have gone from simply monitoring device uptime/downtime to knowing the number of successful customer interactions completed, and to now putting an analytics lens on these transactions to understand what services actually failed, what customer segments were the victims, and how much revenue was actually lost in the process."

Yet ATM deployers mustn't lose site of the fact that, while it is very useful to know how many customers they've let down because an ATM has failed, the ability to resolve the issue as quickly as possible, particularly when it matters, is vital.

The benefits of using device management and analytics software

There is a need for a high degree of visibility within an ATM network using device management and analytics software to bring together data such as ATM failure, usage, predictive behavior and reliability metrics so that deployers can understand how well they are delivering products and services to their customers.

One benefit of using analytics software is the ability to more accurately direct resources to improve ATM uptime during peak periods, rather than wasting resources on making improvements during periods where there is little traffic. It is here that ATM management and monitoring technology offering real-time analytics and vendor management capabilities play a key role.

Other benefits to analytics are the ability to analyze customer behavior, break down the revenues and costs of each individual ATM, and analyze overall channel performance based upon card types, ATM locations, customer products and cross-channel usage. A customer-centric view into ATM performance and usage behaviors will help improve customer conversion rates, support more sophisticated ATM services without service disruption and deepen customer banking engagement.

In an article published in London, U.K.-based [RBR](#)'s Banking Automation Bulletin, Fiserv's David Johnson wrote, "Traditional ATM management solutions have relied on information coming from the ATM switch, but now it's necessary to monitor hardware and software components that may not be connected to a conventional ATM switching environment. Leading FIs, ATM deployers and retailers are leveraging transaction data streamed off the wire, as well as a new generation of solutions that run on the device itself."

"Being able to remotely monitor activity and gather information, including detailed status reports on the many hardware, platform and software components that make up self-service delivery channels, is just the beginning. A high-performing ATM management system should also enable FIs to resolve issues anywhere on the ATM channel network, update marketing content and provide debugging capabilities – all from a remote location. When staff members are able to quickly and easily reset a machine or retrieve a log file without sending someone to an ATM, everyone wins."

Best practices in maximizing availability for customers

To ensure maximum availability, ATM deployers should take the following steps:

- Identify ATMs which, because of their high usage volumes, need to be targeted for specific action to minimize failed interactions, and ensure that their ATM management system can prioritize these devices for attention.

- Carry out software updates and other scheduled maintenance activities when customers are unlikely to be using their ATMs, such as in the middle of the night.

- Use a real-time ATM monitoring and management system that offers true multi-vendor management processes and automated routing to internal and/or external problem owners, as well as providing management reporting on vendor performance, customer usage and internal help desk operations.

- Have the capability, in real-time, to monitor services against set SLA timers and proactively escalate until the ATM is up and running, and be able to independently report on and hold service vendors accountable to ensure high levels of performance and availability.

- Ensure their ATM monitoring and management system offers them the ability to create ad hoc queries as well as the flexibility to create their own, unbiased KPIs rather than just use the vendor's recommended KPIs. A mobile-enabled solution also allows for faster response and corrective action. Consider new KPIs focused on the customer:

  - **Impact of lost opportunities** – evaluating ATM availability in terms of parameters including location time of day or peak transaction periods.

  - **Transaction completion rates/failed customer interactions** – this provides a better way to evaluate how ATM network performance correlates to customer experience.

"Your ATM management system needs to offer you the flexibility to create your own, unbiased KPIs rather than just use your vendor's recommended KPIs."

- **Transaction slowdowns** – the number of transactions that failed to complete as expected by the customer, and as specified or agreed to by a service provider.
- **Average queuing times at an ATM** - understanding peak demand periods and how long customers are waiting to be serviced to take necessary actions.
- Establish a customer-centric lens into ATM performance and usage behaviors to improve customer conversion rates, understand when, where and how your customers bank, and deepen customer banking engagement.

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