

The ATM at 50 – What a Long, Strange Trip It's Been

It's hard to believe that the venerable ATM machine is 50 years old. The now-ubiquitous ATM has certainly evolved from its modest roots. And with apologies to the Grateful Dead, it truly has been a long, strange trip. Latest-generation ATMs have evolved to become the foundation for self-service banking as part of an omnichannel banking deployment for many of today's tech-savvy banks and credit unions.

From its roots as a basic cash withdrawal machine with limited note selection and withdrawal amount options, to a multi-faceted financial services e-commerce device, the ATM has come a long way. Depending on the regions of the world and markets, ATMs can now accommodate a wide range of transactions. Examples can include the sale of transit tickets, mobile phone top-offs, and prepaid cards, as well as utility and credit card bill payments, mini-statements, currency exchanges, payroll withdrawals, the setting and re-setting of card PINs, and the delivery of targeted marketing messages, to name just a few examples.

Still, cash remains important in our society, with many consumers choosing ATMs as their preferred way to access their money. Cash is available from more than 400,000 ATMs strategically located at financial institutions or through independent ATM deployers in the U.S.

This ubiquity is important to many consumers and businesses. For example, a 2014 study from the Federal Reserve Bank of San Francisco noted that consumers choose cash for about half of all transactions valued at less than \$50, and cash remains the payment method-of-choice in many spending categories.

The widespread use of intelligent ATMs that use image-deposit technology in banks and credit unions has spurred an increase in new features and functionality being offered to their customers and members. In addition to offering envelope-free deposits, these ATMs typically offer easy-to-use touch screens, an ability to offer a wide variety of deposit and withdrawal options, and in some cases, proximity locators and NFC capabilities.

Increasingly, there is also a convergence of the features between mobile devices and ATMs. This includes cardless, cardfree, and mobile cash withdrawal variants (depending on vendors' choice of terms), that can include QR code or PIN authentication, as well as other features on the horizon, such as person-to-person (P2P) transfers and enhanced bill pay options.

The ATM at the half-century mark has certainly aged well. It is the foundation for self-service banking, and has become a vital tool for today's connected banking customer. It is also critically important to the success of many banks' and credit unions' omnichannel banking efforts.

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