

Video ATMs let customers interact remotely

December 6 2012, by Hadley Malcolm

Your bank teller could soon be coming to you through a 30-inch flat screen. In an age where more customers, particularly millennials, prefer to bank online, banks are looking for ways to keep branches relevant while reducing costs. Several institutions, mainly credit unions and community banks, are starting to deploy video ATMs that allow customers to interact with tellers remotely and "smart offices" that enable video conferencing with loan officers.

It's all part of an attempt to rebrand the branch experience by putting less emphasis on transactions and more on customer service, said Gene Pranger, CEO of uGenius, a technology company behind software and hardware that enables [video](#) banking.

"By deploying this type of strategy you change the dynamics of the branch," Pranger said. "Instead of being a transaction destination they become a financial answer and solution destination."

The company has more than 35 clients, and all have replaced some or all of their bank tellers with "personal teller machines," which function as regular [ATMs](#) but also have a built-in [video screen](#) that allows customers to call tellers remotely for assistance. Handsets, a chat feature and a signature pad ensure additional privacy and security.

The process maintains a personalized experience while cutting costs by centralizing tellers, and lets banks focus on using their branches entirely for more in-depth customer questions or concerns.

"The manager and the folks in the branch don't have to worry about filling in for tellers and doing all sorts of operational duties - they can just focus on our members as they walk in or call in," says Willard Ross, chief retail officer for Coastal Federal Credit Union, which serves about 195,000 customers in Raleigh, N.C.

Coastal doesn't employ any tellers in branches anymore - they all work from the third floor of CFCU headquarters in Raleigh to service the bank's 63 personal teller machines across 15 branches. Meanwhile, three to four account managers are on hand in the branches.

Since the credit union started implementing uGenius' personal teller machines about two and a half years ago, sales of new accounts and loans per day within its 15 branches have nearly doubled, Ross says. It has also reduced teller costs by 40 percent, and lines aren't as long because teller sessions are about a minute faster with the machines.

Soon, the credit union will also have several drive-through personal teller machines and is looking into adopting uGenius' "smart office" - a private room within a branch that allows customers to connect with loan officers or other experts remotely via video, share documents and complete transactions with a signature pad.

While it's mostly smaller banks and credit unions that are using the technology so far, commercial banks are expected to adopt it in the next two to three years.

"I would be surprised if we didn't (see widespread adoption) across all sizes of institutions," said Doug Johnson, vice president of risk management policy at the American Bankers Association.

Bank of America expanded video conferencing to more than 40 of its 5,500 branches in the spring. Customers can connect with loan

officers and other specialists remotely, share and print documents and complete applications.

Johnson also expects banks to start operating fewer branches, and use the ones they do have more efficiently.

"Over time I think we'll see that need to have the proper level of customer experience at the branch with the necessity to also limit the amount of man power at that branch," he said, "and video can play a great role."

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