



5 Insights from Intersect 2019

International invitation-only fintech conference Intersect 2019 was held on September 8-11 in Las Vegas. During the event, the major global manufacturer of banking equipment, Diebold Nixdorf, showed the new DN Series ATM line announced in the summer, and the representatives of Diebold Nixdorf's top management told how the world of banking services has changed in recent years.

"Intersect 2019 provides an opportunity to meet with representatives of leading world companies working in the banking sector, discuss the main trends and features of the industry, learn the latest news in the world of banking equipment," says Penkių kontinentų bankinės technologijos (BS/2) CEO Tomas Augucevicius. "In turn, following the results of the exhibition, we are pleased to talk about the things affected the market of banking services."

1. Cash is still popular

Financial technologies are developing rapidly, but despite this fact, paper money is still very popular. "We are active in 130 different countries, and many countries are still very, very cash-intensive", said Diebold Nixdorf president and CEO Gerrard Schmid in his speech at Intersect 2019.

Today people who have not used banking services before, come to banks with their money. "We see transaction activity continue to grow very rapidly as more and more of the unbanked population are moving from stuffing cash under their mattresses to being participants in the financial industry", said Gerrard Schmid.

All this leads to the growing popularity of bank branches and self-service devices. Banks strive to automate customers' touchpoints by choosing solutions that best meet customers' needs. At the same time, banks all over the world are stagnating if they are in no hurry to introduce digital transformations.

2. People change their attitude toward ATMs

One of the most important trends in the banking world is a shift in the users' attitude toward ATMs. Today ATMs are not only devices through which you can withdraw your cash: people expect that terminals will become a kind of banks branches, where they can pay for goods and services or replenish their accounts.

"So, what you're seeing is a rapid conversion between the digital world and the physical world", said Gerrard Schmid.

Today, different banking service channels are developing in parallel and this situation is unique because there has never been such a thing in the world of banking technology.

3. Cash Recycler Systems are ready to push all other models of ATMs out of market

The market situation for self-service devices in different countries can be diametrically opposite. For example, in European countries, Cash Recycler Systems are widespread, while in the USA they are just starting to gain popularity. The American consumer is interested in them. It is profitable for banks to install recyclers because they help to increase the efficiency of customer service and save on cash collection. It is possible that in the future, Cash Recycler Systems will push other terminal devices out of the market.

This summer Diebold Nixdorf announced the release of new DN Series ATMs. These devices are quite universal: they can be used both as cash-in or cash-out terminals, as well as recycler systems.

4. Bank branches continue to work

As we see (and as Gerrard Schmid noted in his speech), today both digital and physical channels of interaction between the bank and its clients are important. Banks are starting to use new technologies and close branches that become unnecessary. This way banks pay more attention to the development of self-service channels.

However, Schmid is sure that bank branches will continue to work, but their functions will transform.

Even now you can deposit to your current account or get a loan through the terminal. But experts say that when people have a large amount of money in their hands, they prefer to contact the bank branch because they feel safer there.

"Branches are here to stay. There is no scenario that I can envision where banks are going to be fully branchless", Schmid assured.

5. Small and medium enterprises are not satisfied with banking

During the conference, Diebold Nixdorf provided interesting numbers. Only 13% of representatives of small and medium enterprises are satisfied with the services that they receive in their bank branches. At the same time, 53.3% of representatives would prefer a dedicated service operator for SMEs, 46.7% - would like the banking branches to have a longer working day, 44.7% are not satisfied with the long queues and long waiting time, and 36% would like the banks to have more self-service devices.

These figures indicate that representatives of small and medium-sized businesses are generally dissatisfied with the level of service that they receive today in traditional banking branches, and, of course, banks are forced to solve this problem and look for a new banking model that would provide SMEs with the optimal set services and the highest level of service.