



The Case For ATM Advertising

ATM advertising delivers a customised message to a targeted audience. It also enables advertisers to measure the effectiveness of their campaigns, giving results which are often far higher than for other advertising channels. So why aren't more organisations using it?

ATMs have become much more than cash withdrawal machines. The most sophisticated units are now full-service banking channels, offering enormous potential for enhanced service delivery.

They are also a much under-used marketing channel. As revenues from interchange and transaction fees decline in many markets, ATM advertising is opening up a potential new revenue stream.

ATMs still represent the largest investment by banks in self-service financial distribution so there is an obvious need to generate as high a return from this investment as possible. At the same time, many Independent ATM Deployers (IADs) face additional cost challenges as a result of high site rentals and a lack of high-profit locations in some markets.

High Transaction Volumes, Mass Reach

What makes ATMs such an attractive advertising channel is the number of people who use them and the amount of cash they dispense. For example, in the United Kingdom, some 21 million people use an ATM every week and over 75% of the country's cash reaches consumers through them (1).

While some 52 percent of ATMs were still located in or outside bank branches at the end of 2006 (2), this number is declining. A rapidly-growing proportion of units can now be found in locations such as convenience stores, railway stations, shopping centres and petrol stations. All of these are high-volume ATM usage locations, making them very attractive for ATM advertisers.

Interest in ATM advertising is coming from a wide range of sectors. As well as the obvious potential for retailers, organisations as varied as police forces and sports broadcasters have used ATM advertising in the UK to communicate messages to a wide audience while airlines, for example, have made promotional offers in this way.



ATM users are a sought-after target demographic. The vast majority will have bank accounts and good credit ratings. ATMs may also be the only cost-effective way to engage with some customer segments notoriously difficult for other media to reach, e.g. males aged between 18 and 35. People feel comfortable using ATMs. They are a trusted customer interface, in most cases used by cardholders at least once a week.

Many of the off-site ATMs are located in areas where consumers could make a purchase decision, such as retail outlets. As cardholders are waiting for the machine to process their cash withdrawal, the bank or IDA is in a very strong position to communicate its own or a third party's message on the screen. Alternatively, the ATM can dispense vouchers or customised ATM receipts to cardholders to be redeemed at retail outlets.

(1): Source: i-design

(2): Source: Retail Banking Research

Compelling Proposition

ATM advertising is a major opportunity for banks to cross-sell more of their own products. Third party advertisers want to get one-to-one access to the huge number of people who use ATMs.

Advertising can be delivered through a variety of channels:

- On-screen advertising
- ATM receipts can be printed with barcodes that can be redeemed as part of the offer to customers
- Coupons can be dispensed by the machines and used to get discounts off the cost of future purchases.

For some banks ATM advertising is replacing direct mail altogether. Diebold estimates that response rates of up to 20 percent can be generated on self-service terminals - ten times higher than the average for direct mail campaigns.

With the vast majority of ATMs now using Windows technology, they are now able to handle more content delivery and advertising functions.

ATM advertising content can be highly targeted. The bank's CRM system (or one hosted by its third party processor) could, for example, pre-qualify debit cardholders eligible for a credit card. When making an ATM transaction, a message could flash up inviting the customer to press a button on the machine to have the card sent to them. The same is true for other products too. The value to a bank of selling a mortgage or pension to an ATM user can be huge over the lifetime of the product.

While deployers with large ATM networks may have an advantage in terms of coverage, third party messages can be highly customised, down to the level of having different campaigns running on individual ATMs. The results of any campaign can be measured in great detail. According to NCR, ATM advertising is 65% cheaper and 200% more effective than direct mail.

For example, an ATM standing beside the soft drinks department in a grocery store would be an excellent place for a soft drinks manufacturer to run a campaign, targeting existing or potential new customers.

Launching A Programme

Once a bank or IAD decides to launch an ATM advertising programme, the programme can be created in-house or through a payment processing organisation such as First Data.

ATM deployers need to select which of their units will participate in the advertising programme, as well providing details of their locations and transaction volumes - via a third party processor or dealing directly with a media agency - to potential advertisers. The deployer should also decide which type of advertising it will carry.

If First Data is processing the ATM transactions for the bank or IAD it can also co-ordinate the media agency, carry out the coding of on-screen advertising from artwork supplied by third party advertisers, implement advertising and provide quarterly revenue reporting.

Strong Business Case

The business case for ATM advertising is strong. As has been shown, it often delivers far higher returns than direct mail and other advertising media. Customers can be targeted in a range of ways - on-screen messages, coupons, or offers on their ATM receipts.

ATM advertising opens up a new revenue stream for ATM deployers and, most importantly, provides value to advertisers who can measure the effectiveness of their advertising spend to a very granular level.

As advertisers look for more return on their investments and ATM deployers strive to generate higher returns from their IT infrastructure investments, ATM advertising looks like a win-win for all parties.

For more information on how First Data can help your organisation develop and implement an ATM advertising programme, please contact Paul Stanley at First Data: paul.stanley@firstdata.com

About The Author



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Paul Stanley is Vice President of Market Development and Payment Strategy for First Data in EMEA. Paul is tasked with developing businesses in ATMs, Prepaid, Loyalty and Consumer Finance for Banks and Retailers across the region.

Paul has 19 years experience of the EMEA payments industry, having previously worked for HSBC, LINK Interchange Network Ltd and NCR Corporation. Paul was the founder and CEO of Moneybox plc, which deployed a network of convenience ATMs across Europe, developed stored value card solutions for the workplace and provided outsourcing services to banks and retailers.

Paul has also provided consultancy services to financial institutions, payments businesses, venture capitalists, government agencies and charities throughout the region.