

Benefits of ATM Branding and Advertising for your Bottom Line

Use ATM advertising to deliver a customized message to a targeted audience.

By Gary Wollenhaupt
Contributing writer,
ATMmarketplace.com

Sponsored by:



Branding and advertising at the ATM can take many forms. At the most basic level, the ATM is a channel to deliver a message to consumers. Additionally, ATMs present a profitable opportunity to not only strengthen brand awareness but also represent prime real estate for generating advertising revenue.

Historically, the more traditional form of an ATM branding partnership is with a financial institution (FI), in which an ATM operated by an independent ATM deployer (IAD) bears the name, logo and graphics of a bank or credit union. Through this partnership a financial institution can offer surcharge-free transactions to its customers and promote brand awareness. Today this is still a viable revenue opportunity for many IADs and financial institutions, typically resulting in increased revenue for the IAD from the FI's brand recognition and credibility as well as increased transaction volume from FI customers. Recently, ATM branding has expanded from traditional FI use to merchant vendors who use both graphic vinyl wraps and ATM toppers to increase awareness for branded products at retail locations.

The latest opportunity to profit from an ATM is through leveraging ATM screens and toppers for third-party advertising.



CORD Financial Services

In a busy consumer location, raising the profile of an ATM with branding or advertising can increase traffic volumes.

Many standard ATM screens can relay messages, but for machine models that do not support display capabilities in the standard screen, a video topper can add this functionality. Through use of ATM toppers, either as video displays or static displays like a small billboard, a national or regional consumer brand can advertise on ATM toppers to take advantage of the

captive audience using the ATM or even simply passing by in a retail location. This form of advertising is becoming more viable as video displays become more prominent and Internet-connected machines, coupled with advancing ATM software, can easily transfer advertising content from remote locations to ATM portfolios of all sizes.

Tracking the effectiveness of ATM advertising has historically been difficult, as it can be with other out-of-home media, but developments in utilizing the unique functions of the ATM can provide redemption data to vendors in certain types of campaigns.

This white paper, sponsored by Temple, Texas-based CORD Financial Services, will explore some of the benefits of branding and advertising for financial institutions, merchants, vendors and ATM deployers.

These benefits include maximizing visibility and traffic with merchant, IAD and FI branding and generating revenue from third-party advertising.

Maximize visibility and traffic with ATM co-branding

The Financial Brand's 2012 Bank & Credit Union Marketing Survey reports that bank and credit union executives site a "lack of marketing investment" as a top challenge, which ultimately reduces their organization's opportunity for success.

The survey also found that marketers for FIs face some primary challenges:

- The need for better measurement of marketing results during a time of constrained budgets and limited human resources.

CASE STUDY: Happy State Bank and Trust Company

Happy State Bank and Trust Company, based in Texas, has worked with its ATM vendor, CORD Financial Services, to brand off-premises ATMs throughout the Texas Panhandle and South Plains regions. The bank offers surcharge-free transactions for its customers at the branded off-premises locations, primarily in convenience stores at high-traffic highway intersections. The bank partnered with CORD to install attention-getting graphics that incorporate elements of the bank's overall brand identity including colors, type styles and other graphic elements.

The colorful wraps create an attractive brand presence for the bank even in cities where it does not have bricks-and-mortar branches, said Cari Roach, marketing director for the bank.

"The ATM wraps bring attention to our brand, and it's a billboard for us in the store," she said. "It's not only signage for us in that town, but it's a convenience for our customers."

Installing attention-getting graphics that incorporate elements of the bank's overall brand identity can increase awareness at off-premises locations.



- The importance of expanding share of wallet through cross-selling, especially with credit products.
- Changing the media mix used for integrated customer communication, with a greater emphasis on less familiar online and social media channels.

ATM co-branding can help marketers and FIs combat these primary challenges and overcome the financial obstacles of cost-effective advertising to increase branch awareness and reach. Branding is everywhere, and ATM operators have an opportunity to generate revenue by using the unique power of the ATM to grab consumers' attention.

In a co-branding opportunity, the FI pays a monthly fee to the IAD for placing the bank's graphics on the ATM, and offers a surcharge-free use for accountholders. For the FIs, co-branding is a cost-effective way to reach consumers in their community and credibly expand branch reach beyond local markets.

In an average bank co-branding agreement an IAD will charge \$200 to \$400 per month for a co-branding package. For an ATM with 1,000 users per month that equates to less than half a cent per user, a very competitive advertising rate, said CORD Financial Services' Director of Business Development Thomas Hailey. FIs also don't have to make the capital investment in deploying ATMs; they can simply brand existing machines in their market area.

From an FI perspective, branding elements such as wraps and video toppers give consumers confidence in the security of the ATM in what may be an unfamiliar

ATM advertising is 65 percent less expensive and 200 percent more effective than direct mail.

merchant location. An ATM branded with a bank's identity immediately has a higher level of confidence from consumers, because banks are usually held in high regard by consumers.

Although there is no widely available data on the effectiveness of generic ATM branding, there's a strong indication in the industry that it pays off for IADs.

"We hear it claimed that a branded ATM will do more transaction than a non-branded ATM," said Greg Mercer, senior vice president with Payment Alliance International, a Louisville, Ky.-based IAD. "When an ATM is branded by a bank they do get more transactions because consumers are driven there."

Cost effective advertising for third-party vendors

As the mass media market fragments, branding and advertising on ATMs offer vendors a cost-effective channel to reach their audiences and influence product sales near the point of purchase.

Data from the Nielsen Global AdView Pulse reflects the growth of digital and other media types compared to higher costs forms of traditional media such as TV, print and radio. Internet ad spending grew 24 percent year-over-year in 2011, increasing in almost all markets measured despite budget cuts for traditional media. At the same time,

outdoor advertising expenditures grew 7.7 percent. This growth is an indication of the importance of reaching consumers who are spending less time in front of the TV and more time on the go.

According to NCR Inc., ATM advertising is 65 percent less expensive and 200 percent more effective than direct mail. Promotional messages also can reach audiences in a fraction of the time.

Relative to TV advertising rates, which can range from \$50 to \$1,500 for local networks and up to several million for 30-second spots during nationally broadcast events, ATM advertising is far more affordable and targets an audience at or near the point of purchase. Ad program rates on ATMs can depend on how many transactions occur at the ATM site, the demographics of the site, the amount of foot traffic, the type, number, and duration of ads, and the contract length. Prices range from \$30 to over \$100,000, based on a cost-per-thousand exposure, a common measurement in the advertising industry.

The bottom line for advertisers: ATMs represent a cost-effective channel and lend themselves to more promotional flexibility than other mediums.

Branding and advertising revenue benefits

ATMs offer advertisers a channel to reach consumers near where they will make a purchase. Even a simple ATM wrap or topper advertisement can elevate the ATM from a drab machine stuck in a corner of a convenience store to a high-energy, high-profit destination. In a busy consumer



ATM couponing allows advertisers to deliver coupons on the receipt.

location such as gaming centers, amusement parks, bowling alleys and restaurants, raising the profile of an ATM with branding or advertising can increase traffic volumes. Respondents in KLCI Research Group's Trends and Futures research study reported transaction volumes increased 15 percent on machines with a topper.

Third-party advertising on ATMs is the win-win situation for IADs, merchants and the advertisers. Video-capable machines, either through a topper or onboard screens, can display ads from major brands such as beverage and snack food distributors and tobacco companies.

All parties benefit from the advertising; IADs gain a revenue stream from play-

ing these ads via their ATM network, and merchants and advertisers both experience increased sales from the promotion.

Industry studies show that about 20 to 40 percent of the cash withdrawn in a store is spent in the store. Boosting that amount by even a few percentage points could result in significantly increased sales.

“If you have a machine attracting more attention, customers are going to spend more of that money in the store,” Mercer said. “If the ad is for a brand that’s sold in the store, it’s not a big leap to assume you’ll see a spike in the sales.”

Recent advancements in ATM couponing, coupled with remote monitoring, allow IADs to provide advertisers with the data they need to track promotion effectiveness. For instance, a convenience store chain could advertise products it sells, such as soda and snacks, via the ATM screen, and then the ATM could be set up to deliver coupons on the receipt, or the store could offer a discount with a receipt from the ATM that day.

“The ability to report on ad visibility and redemption is critical to the success of an ATM advertising program and IADs can offer the support necessary to make these programs both compelling and successful for all parties involved,” said Andrea Osgood, marketing coordinator for CORD Financial Services.

Outsource advertising operations with IADs

One challenge for IADs is developing a critical mass of ATM locations that is large enough to attract advertisers. Another challenge is actually selling the ATM advertising network to media buying agencies or brands.

An IAD can work with merchants to leverage their relationships with brands in their location to secure advertising commitments. An ATM graphic company could assist with wraps and video toppers to implement the strategy,

Dealing with advertisers or their ad agencies can be overwhelming for a merchant or small IAD. Few have the expertise to engage in media sales on a national level. Instead, a large IAD can provide ad management services for the ATMs, serving as a facilitator between the advertiser and the ATM operator.

“An IAD will have to work with the customer to understand what solution will be the best for them,” Osgood said. “It takes more than a design and putting a wrap on the ATM to be successful.”

About the sponsor: Based in Temple, Texas, CORD Financial Services is a nationwide provider of ATM systems, transaction processing and management. CORD specializes in providing customers with quality ATM parts, equipment and service. As an industry leader, CORD is a trusted partner for over 6,500 ATMs across the United States.