

WHITE PAPER

Competing for Transactions: Making a Good Impression Pays Off



An ATM that uses the latest technology and features well-designed graphics will draw customers' attention, make them feel secure about using the machine and, ultimately, increase profits.

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Introduction

You never get a second chance to make a first impression. And a poor first impression — and second, and third — can doom an ATM to a life of unprofitability.

A customer may have second thoughts about using a generic-looking retail ATM, with worn compliance decals and a number to call for refunds written on masking tape. A screen that communicates with blurry green or yellow text piped in directly from the transaction processor, with minimal verbiage that offers no clue as to what financial institution or network operates it, deters users as well.

If that uninviting ATM is in a convenience store or other location, it may as well be invisible to the shoppers who pass it on a daily basis. A consumer will bypass the conveniently located but otherwise unattractive machine for one that inspires confidence.

On the other hand, an ATM with a topper bearing high-impact graphics, or with video displays that offer a tie-in with a local financial institution or even the ATM network, looks inviting. Advertising, whether from the financial institution or perhaps a local retailer, raises the confidence level for the consumer as well.

In this highly competitive environment, every transaction counts. ATM operators have to use every element of the hardware to their advantage. The appearance of an ATM, from the design and branding to the physical location, can positively influence usage rates and revenue.

By Gary Wollenhaupt,
contributing writer,
ATM Marketplace



An ATM without any branding or graphics doesn't inspire confidence — and that means customers find it easy to ignore.

Power of branding

The days of the generic, non-branded ATM are numbered. Those that are left will lose transactions to networks with some level of branding.

Many independent system operators are partnering with financial institutions to place a graphic branding display on the machine. Sometimes it's not a financial institution name that entices consumers. Some processor networks, which can carry as much weight as a bank name, have entered the branding game as well. Professionally designed, high-impact graphics can give the air of a respectable, secure financial institution even if the actual name is unfamiliar to the consumer.

In a typical branding partnership with a financial institution, ATM operators split surcharge revenue with the bank, thrift or credit union. Usage rates go up with bank customers who are drawn to the machine for surcharge-free withdrawal. But there's also typically a spike in volume from users who may not be customers of the partner financial institution but choose to use the machine because of the branding on it.

Of course, a branding partnership with an ISO allows the financial institution to avoid the capital costs, operational complexities, customer-service and cash-management tasks associated with traditional bank-owned ATM placements.

Financial-institution branding for an ATM may run the gamut of the user experience, from a simple banner on top of the machine to a full customization of the user interface. The more integrated the graphic look is with a well-known financial institution, the higher the level of consumer confidence. Consumers are well aware of identity theft and payment card fraud and a branded machine helps overcome misgivings of withdrawing cash from an unknown machine.

Competing for attention

Sure, a monochromatic interface will accomplish the basic cash-dispensing functions of an ATM. But consumers don't live in a monochromatic world anymore. Digital signage populates many retail environments. Consumers conduct mobile banking on their smart phones.

ATMs with interfaces capable of video displays offer institutions the ability to increase the level of persuasion to use the machine and deepen the relationship with the user. Banks use the ATM network to market

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LCD video screens not only attract attention, but they also provide an opportunity for marketing other products while customers are waiting for their cash.

products to customers during the 30 seconds or so that users wait for the machine to dispense cash or provide account information. Banks can use the time the user is captive to market auto loans, home-equity products and other financial services.

Soon video screens will be the minimum required to compete in the digital age. After all, consumers can be connected with their bank in a safe, secure manner with a device that fits in the palm of their hand. Surely an ATM with a 15-inch video screen can offer the same feeling of connectedness to their trusted institution.

Technology has progressed to support these marketing opportunities on the ATM. Costs for LCD video screens have reached the point where 10-inch and even 15-inch displays are common. Forward-thinking ATM manufacturers offer video upgrades for machines in the form of toppers. These screens are perfect for financial institution and third-party marketing messages, as well as attract screens to generate traffic.

More low-tech approaches will still be valuable. Toppers, machine wraps and other display technology provide low-cost, high-impact visual communications.

These affordable displays will be critical for marketing to the digital generation of consumers, reared on video games and smart phones to develop a constant need for visual stimulation.

Real-world studies indicate that replacing a basic retail-level ATM with one with a sizable video display can result in a 10 percent or more increase in volume in the same location.

Marketing in the DNA

In a mostly mature market in the United States and other developed nations, the competition for each transaction is intense. Of course, a number of factors play in to how well an ATM may perform. Everything from machine placement to local traffic patterns will have an impact. Making sure machines in the network maximize visual appeal is one sure-fire way to avoid losing users to more attractive machines.

Forward-thinking ATM manufacturers integrate visual marketing opportunities into the design of their machines. Some platforms can offer the ability to add displays after installation, such as toppers and wraps. These can be added if a branding opportunity arises after a machine is deployed. In selecting an ATM, deployers should consider the financial payback on machines that take into account the visual marketing aspect. A good first impression always pays off.

About the sponsor: *Founded in 1986, Tranax Technologies is the leading innovator of retail ATM and self-service technology. Through vertical integration of advanced research and development and manufacturing, Tranax delivers products and services for existing and emerging market needs. In addition to ATM and self-service systems, Tranax provides complete turnkey solutions, including check cashing, bill payment and gift card/prepaid hybrid ATMs.*

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