



How to make ATMs fleet earn

CONTENTS

Introduction	1
ATM costs	2
How to make ATMS earn	2
Conclusion	4

INTRODUCTION

The maintenance cost of ATMs network could reach hundreds of thousands of dollars annually, thus each bank chooses its own strategy to optimize these expenses. Some banks save by cutting the number of newly placed self-service devices and preferring to provide more services through an

Internet bank and motivating clients to make more cashless payments. Other banks, on the contrary, perceive the self-service channel as a promising source of income: their logic is simple - we can spend our money and put up with it, or invest in self-service devices that are able to pay off.

ATM COSTS

The most obvious way to use ATMs with a benefit to your business is to charge customers a service fee, which will depend on the type of service provided and many other factors. For example, in Poland, the cash withdrawal can cost 3-4% of the amount, in Spain the client can pay up to 6%, and in Russia - up to 400 rubles (6.5 US dollars).

The system's opacity of such charges misguides people and forces them to refuse to use "foreign" ATMs, which greatly reduces the availability of the self-service channel for customers trying to save money.

For this reason, banks and independent ATM network operators often avoid direct fees for using devices and provide additional services instead. This way of earning looks much more justified from the point of view of the end user who can get

a unique service using the devices of a particular company.

For example, United Kingdom has around 70,000 cash machines, and over 97% are free to use.¹ Forrester research figured out that ATM channel owners are now rethinking the purpose of their machines, moving away from a cost center approach and instead brainstorming new ways to leverage existing investments.

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2017, Forrester Research²

HOW TO MAKE ATMS EARN

There are three ways how to make your ATM earn without charging customers: using payment services, currency exchange and additional advertising opportunities. Let's look at these three ways.

Use of payment services on an ATM

One of the ways to monetize the work of self-service devices is to provide additional services for customers.

The combination of the standard functionality of the ATM with the possibilities of payment kiosks allows the end user to pay for utilities and telecommunications services, state duties, fines and various goods. In addition, such devices provide more opportunities to perform operations with bank accounts or money orders.

The bank can build mutually beneficial relations with suppliers of various services, offering to use its fleet of devices as a channel for interaction with customers and retaining commission fees in accordance with the concluded agreements.

A wider range of services and a low service charge compared to competitors can be an important competitive advantage of the ATM network. In some cases, banks and independent operators even manage to adopt functions for receiving payments from units of various state

and commercial organizations (hospitals, notary offices, tax services, police departments).

Advanced solutions offer a payment acceptance structure and various analytical reports on the conducted payment transactions. For example, the

solution Payments^{iQ} allows ATM network operator to assess how profitable a particular service is. This makes possible to adapt the set of provided services and to adjust the format in which the services are displayed.

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Planet's strategy is to deploy kiosks free of charge, removing the pay wall and common financial barriers for many merchants desiring to install service-ready, multifunction ATMs to meet their clients growing financial, digital and virtual needs within this fast-moving economy.

2015, Planet Capital Chairman Lee Caplin and Chief Technical Officer Dan Sokol ³

Currency exchange at ATMs

Adding the currency exchange function to your ATM is another way to get more profit.

A global survey of tourism conducted by several European institutions showed that 6 out of 10 people traveling to other countries on a private or business trip face challenges during the process of cash exchange. Often, the reason for this lies in the inappropriate appetite of the owners of exchange offices located at airports and railway stations. Legends are told about hapless tourists being charged a quarter or even a third from exchanged amounts, but unfortunately, more often than not they are based on fact. Nevertheless, currency exchange is a function that is relatively easy to implement on modern ATMs. Moreover, the customer can receive the necessary funds not only at the airport or other places of mass congestion, but at any outlet where these funds may be required. Thus, the level of availability of the service will increase manifold.

Such functionality expansion of self-service devices requires the implementation of a specialized IT solution. In particular, the deployment of the FCX^{iQ} system allows the operator to set and adjust the service fee and the availability of exchange of particular currency pairs for each network device, depending on the level of demand for a particular service. This allows turning every ATM into a compact and efficient currency exchange office that does not require any special care and maintenance.

Currency exchange is a function that is relatively easy to implement on modern ATMs.

Additional advertising opportunities of the ATM

However, the profitability of self-service devices can increase even without any users' fees.

In order to do this, it is enough to realize that in the modern world ATMs are excellent platforms for placing targeted advertising. Nowadays, the world has installed more than 3 million ATMs, each of which can display advertising messages, providing users with information about banking and other products. Many banks and independent operators of ATM networks even install additional screens for their devices to demonstrate their own or partner's advertising.

The profitability of self-service devices can increase even without any users' fees.

By the way, the advertising screens are dynamic and can vary depending on the scenario of the client's operations with the self-service device, including the possibility of interaction. Thus,

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ATM users could soon be able to opt out of ATM surcharges by agreeing to watch an advertisement in the same amount of time it takes for a typical transaction.

the advertiser can count on a sufficiently deep involvement of the client in the essence of the advertising offer, which is especially important for communicating the value of the product and service.

The use of self-service devices opens up new opportunities for the implementation of a Direct Marketing strategy, since the client can be classified by various criteria. This allows banks to focus their marketing activities on the most important customers.

Diebold Nixdorf as the world's largest supplier of self-service systems offers the Vynamic Marketing solution for these purposes, which is able to centrally manage the placement of visual advertising messages and obtain statistics on coverage, segmentation and other information on customer interactions.

Whichever way you look, it's clear that the attitude towards ATM networks is shifting from being exclusively an expense. Financial institutions that remain faithful to the development of their self-service channel are getting very effective tools to increase the profitability of the network of self-service devices, using an additional driver to meet the still actively growing demand for cash.

CONCLUSION

Choosing a reliable technology partner for developing a fleet of self-service devices is extremely important. Banks and independent specialized service providers (ISSPs) often demonstrate flexibility and a client-oriented approach, but do not always have sufficient technological expertise to solve the most complex tasks: providing comprehensive security, expanding the range of services offered on devices, and so on.

The ability to adapt solutions for the infrastructure of a particular customer is the prerogative of market leaders with dozens and even hundreds of narrow-profile specialists, test laboratories and rich research experience. Such companies

can act not only as contractors for integration and service works, but also as consultants helping to plan the development of a network of self-service devices and implement the most complex strategic projects.

BS / 2 helps to develop business for banks, retailers and independent service providers in 80 countries. The tailored solutions meet the industry's highest standards and over 100,000 self-service devices use them at their core.



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