

I-DESIGN PERSPECTIVE

How ATMs drive customer action for retailers and brands

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When ATMs are put into retail locations, in-store customer spend tends to increase. This is supported by plenty of reliable research. However, ATMs are capable of much more, with retailers and third-party brands regularly using them in the UK to directly influence customer spend and drive specific customer actions.

ATM advertising in the UK began in earnest a decade ago when British Airways achieved a global first by promoting its short-haul flights to busy commuters on the London Underground using i-design's end-to-end service, atmAd. Much of the banking industry was sceptical at first, including one individual who said to me that the day he saw *The Muppets* on an ATM would be the day he would eat his hat. When Kermit and Miss Piggy graced ATM screens in the UK in 2012 to promote their latest movie, I called to ask him if he would like BBQ sauce with his hat!

In the past decade, ATM advertising has transformed the perceptions of both consumers and retail-based

network owners. From Kellogg's to Heinz and McDonald's to Samsung, the ATM in the UK is now firmly established as a compelling media platform for major advertisers and financial institutions.

Why is ATM advertising highly effective?

ATMs are part of the out-of-home (OOH) advertising sector, among the family of posters, screens and transit advertising formats. A particular strength of this medium is that it is generally seen in the few moments before a shopping visit – known as the 'last window of influence'.

Everyone knows that TV does a great job at brand-building, but the time lag between viewing an ad and actually visiting the shops is far greater than for OOH. Only 10%¹ of shoppers have seen a TV advert 30 minutes before entering a shop, compared to 88% for OOH viewers.

The ATM is unique compared to other media channels because it delivers relevant promotional messages during each customer transaction at a key moment in the shopper's journey to influence purchasing behaviour. Due to its one-to-one nature, the ATM provides intimate last-minute reminders to consumers. Research from a major supermarket has shown that 83% of ATM users go in-store immediately after withdrawing cash. It is a real opportunity for advertisers to enjoy a high-quality interaction at the start of a shopping trip. Research conducted on behalf of a major quick-service restaurant reinforces this. Their atmAd campaign achieved unprompted recall levels of 60% – that's 60% of all ATM users recalling the specific brand shown on the ATM².

The ATM is an effective advertising medium also because it continues to influence users after they have left the terminal, by way of a coupon that can be redeemed in-store or online. It can produce branded receipts that double-up as coupons which can be used immediately in-store. Coupons are simple, immediate and increasingly loved by the British public.



Coupon usage continues to soar, with 90%³ of UK consumers now regularly using some sort of coupon. Over the last three years alone, atmAd has distributed 21 million ATM coupons from relevant brands to consumers in retail locations. One such atmAd campaign for a well-known Unilever brand offered customers a coupon giving £1 off the advertised product, and it received a staggering 108,000 redemptions⁴.

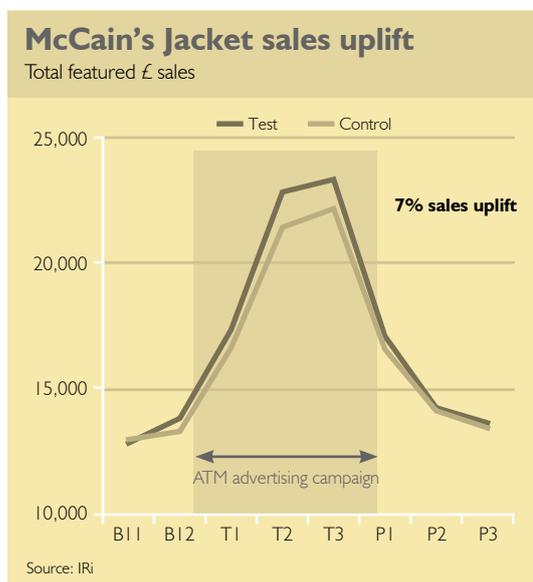
In the media world, the ATM channel competes with hundreds of other offerings, and it must, as a minimum, provide the same level of quality, flexibility, targeting and accountability as the competition. This has led to a seismic shift in mindset within the traditional UK ATM community. Ten years ago, it took 3-6 months to apply a simple graphical change to a screen. Today, content changes in real time, and new campaigns are expected to 'go live' within minutes.

Quite simply, it is the immediacy of a 'right time, right place, right customer' communication that drives the customer action. The enabling technologies and business processes must be able to support the new immediacy-driven mindset.

Undeniable proof that ATMs can drive incremental sales

In order to prove just how effective marketing on ATMs at retail locations can be, i-design recently commissioned independent retail analysts IRI to isolate and measure sales for products promoted on ATMs. The results revealed the true sales impact of utilising marketing on ATMs in the customer journey.

IRi set about analysing store-level sales data for ATM advertising campaigns at Tesco and Asda stores



(ATMs at these supermarkets carried various adverts for major brands). Using sophisticated tests and controls, IRI isolated the effect of ATM advertising and measured sales uplift and return on investment (ROI).

The results exceeded all expectations. A campaign for a popular table sauce achieved an ROI of £6.36⁵. In simple terms, that is £6.36 in sales for every £1 spent on ATM marketing. Similar results emerged for a campaign for McCain's Jacket Potatoes which achieved an ROI of £3.09⁶.

Interestingly, the analysis also showed that it was not only the advertised brand variant that enjoyed increased sales. In the case of McCain's Jackets, a clear halo effect was observed for the entire McCain's range. The combined ROI for the full McCain's range was actually £5.41. ATMs were directly responsible for guiding customers to the freezer section and for the subsequent sales uplift across the brand's portfolio.

So what can this mean in terms of additional cash in the retailer's till? Well, an incremental sales uplift of a specific food product directly attributed to an atmAd campaign has been seen as high as £125,000.

Why is this so important?

Driving customer actions and increasing sales has benefits for everyone in the retail chain. For retailers, ATM advertising leads to increased customer spend in-store. For ATM networks running advertising for third-party brands, there is additional income from advertiser revenue. For third-party brands, ATMs are an extremely effective communication channel delivering strong ROI and sales uplift.

For consumers, ATMs are functional and convenient – an integral part of their shopping journey. But crucially, they also help inform shoppers of offers, promotions and ways of saving money in an unobtrusive way. In fact, independent research has shown that 19% of users believe the ATM transaction is faster when atmAd is running, despite there being no actual time difference. This is because the customer is engaged during what is typically waiting or 'dead' time in the transaction. That's something that's genuinely beneficial for customers.

As long as the ATM continues to be part of a customer's journey, it remains a compelling media channel that offers a 'last window of influence' in the out-of-home environment. ■

¹OMC Research 2011; ²McDonald's Research; ³Valassis 2013
⁴Unilever – Sure Max Pro; ^{5,6}IRi data 2014

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