


[SP HOME](#)
[E-MAGAZINE](#)
[FORUM](#)
[AD DISPLAY](#)
[RESOURCES](#)
[REGISTER](#)
[LOG IN](#)

Fast Finder



16:33:01 (CST) 1-12-2012
The Bancorp Bank to issue The Approved Card

11:24:30 (CST) 1-12-2012
Site updates prepaid card recommendations

11:08:26 (CST) 1-12-2012
Billeo adds payments to Active Context platform

11:56:12 (CST) 1-11-2012
ElectraCard unveils electraPrepaid 3.0ITx

11:07:02 (CST) 1-11-2012
Visa, Better ATM Services pilot ATM-dispensed gift cards

View: 5 | 10

<< back - next >>

[List by Date](#) | [Search](#)

Send Us a Press Release

[RSS FEED](#)

Resource Guide



Glossary of Terms



Issue 12:01:A - January 13, 2012

Gift cards reinvigorate ATM channel



ISOs invested in the ATM channel have a new service to sell: gift cards. Mesa, Ariz.-based ATM technology developer **Better ATM Services Inc.** said on Jan. 10, 2012, that a pilot program in collaboration with Visa Inc. was underway where three Arizona credit unions are testing the effectiveness of ATMs that dispense open-loop, Visa-branded gift cards.

The news followed a November 2011 announcement that Better ATM Services partnered with ATM manufacturer **Triton Systems** to offer closed-loop gift cards via Triton's network of off-premise ATMs. Better ATM Services' technology integrates into new and existing Triton ATM models allowing gift cards to be dispensed via cash trays. Now with the Visa pilot, ATMs can also dispense open-loop gift cards (used wherever Visa is accepted), as well as closed-loop, retailer-specific gift cards.

The new ATM functionality means ISOs have a "whole new value-add to bring to each of their locations," said Todd Nuttall, Chief Executive Officer at Better ATM Services. Additionally, gift card-enabled ATMs make merchants "stickier."

"Today ISOs have seen a lot of their money, their

[HOME](#)
[E-MAGAZINE](#)
[FORUM](#)
[RESOURCES](#)


Proudly sponsored by:



Upcoming Events

January 30, 2012
Prepaid Card Compliance Conference

January 31, 2012
NEAA Winter Seminar & Outing

February 8, 2012
2012 Payments Summit

February 21, 2012
Isis Mobil Innovation Forum

March 12, 2012
Prepaid Expo USA 2012



CHANGE YOUR LIFE
WITH OUR
PARTNERSHIP
PROGRAM

Washington DC, DC | [Apply Now](#)

CHANGE YOUR LIFE
WITH OUR
PARTNERSHIP
PROGRAM

Tampa Bay, CA | [Apply Now](#)

CHANGE YOUR LIFE
WITH OUR
PARTNERSHIP
PROGRAM

San Francisco, CA | [Apply Now](#)



The Green Sheet
WINNER



AWARDS FOR
PUBLICATION EXCELLENCE

Copyright 2012.
The Green Sheet Inc.

profit, come down, because all it takes for them to lose revenue is another ISO to come in and offer that store location five cents a transaction less to steal the location," Nuttall said.

"With our technology, you move into a store and you go ahead and add gift cards to that [store's] ATM. And maybe you do it for free. But now you've made it sticky to where it's very difficult for another ISO to come in and just bid a few cents less and take over the business."

Nuttall noted that gift card-configured ATMs can dispense other types of prepaid cards as well, depending on the needs of merchants' clientele. For example, international phone cards can be offered through ATMs for merchants that service immigrant communities, or transit cards for businesses near mass transit facilities.

The 'sleeping giant' of incentives

Nuttall said the ATM dispensing gift cards are made of polyester as opposed to plastic and are thinner than standard payment cards. Also, the cards are dispensed as "sheets" of three different "panels" – each sheet being a little larger than a \$20 bill. Users snap off the gift card

(the first panel) from the middle panel (containing customer service information) and the third panel (containing incentives and promotional offers).

Nuttall called the incentive/promotional panel the "sleeping giant" of the scheme. Research conducted by Better ATM Services showed customers first examined the third panel to see what offers they were receiving, such as a free tire repair promotion or \$25 in free meals at a local eatery. "It's amazing what you can put on it as part of promotions that



guide people on how they use that money," he said.

Bridging payment gaps

Nuttall likens Better ATM Services to gift card mall innovator Blackhawk Network; the ATM technology provider is basically doing with ATMs what Blackhawk did with retailers – opening up a new channel for the sale of gift cards.

Nuttall said the U.S. ATM industry has reached a saturation point, with machines blanketing the country and already positioned in the most desirable locations. "What we hope to bring is a new set of revenues that actually allows it to continue to expand, [where] more locations are more profitable, even more convenient to customers," he added.

Nuttall also believes banks and the card brands can be winners, too. By not providing prepaid cards themselves, banks taught customers to go elsewhere to purchase the products, he said; by making buying prepaid cards at ATMs as convenient as withdrawing cash, banks can recapture some of that lost business.

As for the card brands, their overarching goal is to displace cash, Nuttall said. "Where is cash born?" he asked. "Cash is born in the ATM ... and if there's anything you can do to give more value to people to put it on a card right from the ATM, now every transaction that they do from that point on is on your program. So, for them, this represents a pretty substantial incremental distribution channel and usage channel."

[Go to Story Index](#) | [Print this Story](#)