

A Forrester Total Economic Impact™  
Study Commissioned By Diebold Nixdorf  
July 2017

# The Total Economic Impact™ Of Diebold Nixdorf's Marketing At The ATM Solution

Cost Savings And Business Benefits  
Enabled By Leveraging The ATM As A  
Marketing Channel

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## ABOUT FORRESTER CONSULTING

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# Executive Summary

The rise of online and mobile banking means that banks can drive more and more customers from the branch to other self-service channels for transactional purposes than ever before. The downside of this operational efficiency is that branch staff have fewer opportunities to engage in customer conversations and deliver custom messages and product offers.<sup>1</sup> Simultaneously, ATMs have long been viewed as a cost center: a necessary expense for enabling convenient service to customers.

But 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. Leaders see ATMs as an alternative way to reach customers who are no longer engaging with tellers for their transactional banking, as well as non-customers who are using their banks' ATMs. Taking advantage of this channel for communication, however, requires the right technology to deliver targeted messages to customers, at the right time.

Diebold Nixdorf provides ATM software that allows ATM owners to engage and market to customers through their ATM network. Diebold Nixdorf commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) that enterprises may realize by leveraging Diebold's *Marketing at the ATM* solution. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of leveraging the ATM as a marketing channel at their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed several customers with years of experience using Diebold's *Marketing at the ATM*. Prior to using Marketing at the ATM software, the customers did not use the ATM for customer communication and marketing.

## Key Findings

**Quantified benefits.** The following risk-adjusted quantified benefits are representative of those experienced by the companies interviewed:

- › **Cross-sell, upsell, and acquisition campaigns drove an incremental profit of \$16.9 million present value (PV).** Interviewees leveraged their ATMs for a variety of campaigns — ranging from awareness to customized product offers. Product campaigns saw an average conversion rate of 2.5%, each worth an average of \$75 in incremental revenue.
- › **Shifting campaigns from direct mail to the ATM channel saved \$1.8 million PV in marketing costs.** With the ability to reach customers through the ATM, the companies interviewed said they shifted campaigns from direct mail channels to the ATM channel and drove significant cost savings (e.g., print and postage).

**Unquantified benefits.** The interviewed organizations experienced the following benefits, which are not quantified for this study:

## Benefits\*



Incremental profit (PV):  
**\$16.9 million**



Marketing cost savings (PV):  
**\$1.8 million**



**Expanded reach and awareness**

\*For a composite organization with \$15 billion in annual revenue and 5,000 ATMs



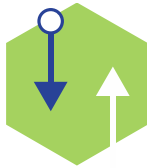
**ROI**  
**327%**



**Benefits PV**  
**\$18.7 million**



**NPV**  
**\$14.3 million**



**Payback**  
**6 months**

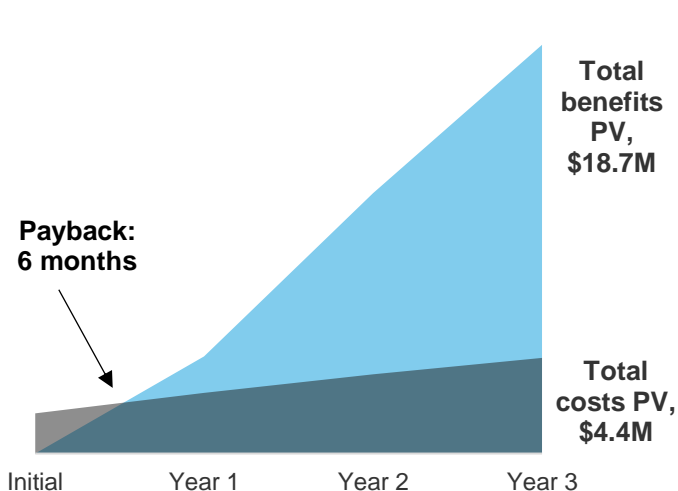
- › **Leveraging the ATM channel for marketing increased reach and drove awareness.** The interviewed banks used the ATM channels to reach prospects and customers for whom they did not have email addresses and could therefore not reach in other digital channels. ATM marketing also provided a way to engage customers who were no longer visiting branches or speaking to tellers.

**Costs.** The interviewed organizations experienced the following risk-adjusted costs:

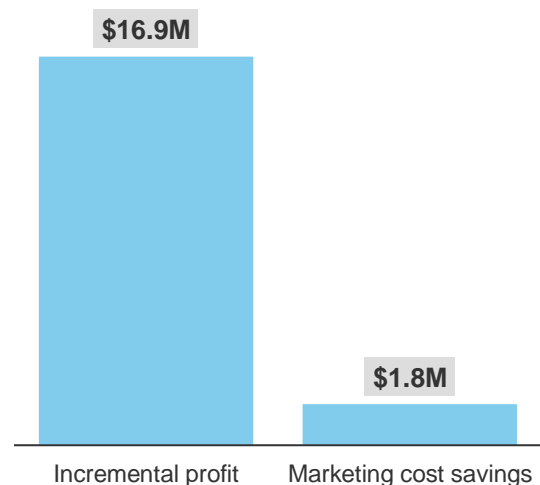
- › **Technology fees were \$1.5 million PV.** Fees to Diebold Nixdorf included perpetual licensing for 5,000 ATMs and one server, plus three years of maintenance.
- › **Implementation included fees to Diebold Nixdorf and resource time, totaling \$800,000 PV.** Implementation required 150 days of professional service support and four full-time equivalents (FTEs).
- › **Content creation and deployment fees were \$1.7 million PV.** Content creation fees varied widely, depending on the product or message and existing creative. Costs included fees to agencies as well as internal resource time to develop the content and deploy the campaign across all ATMs.
- › **Ongoing management required just over one FTE, totaling \$361,000 PV.** Managing the software and the relationship with Diebold Nixdorf required one FTE from the ATM channel team and 10% of an FTE from IT.

Forrester's interviews with four customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced PV benefits of \$18,691,195 over three years versus PV costs of \$4,374,553, adding up to a net present value (NPV) of \$14,316,641 and an ROI of 327%.

### Financial Summary



### Benefits (Three-Year)



The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Diebold Nixdorf's *Marketing at the ATM* solution.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Diebold Nixdorf's *Marketing at the ATM* solution can have on an organization:



### **DUE DILIGENCE**

Interviewed Diebold Nixdorf stakeholders and Forrester analysts to gather data relative to Marketing at the ATM.



### **CUSTOMER INTERVIEWS**

Interviewed four organizations using Marketing at the ATM to obtain data with respect to costs, benefits, and risks.



### **COMPOSITE ORGANIZATION**

Designed a composite organization based on characteristics of the interviewed organizations.



### **FINANCIAL MODEL FRAMEWORK**

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.



### **CASE STUDY**

Employed four fundamental elements of TEI in modeling the impact of Diebold Nixdorf's Marketing at the ATM solution: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

## DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Diebold Nixdorf and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Diebold Nixdorf's *Marketing at the ATM* solution.

Diebold Nixdorf reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Diebold Nixdorf provided the customer names for the interviews but did not participate in the interviews.

# The Marketing At The ATM Customer Journey

## BEFORE AND AFTER INVESTING IN MARKETING AT THE ATM

### Interviewed Organizations

For this study, Forrester conducted four interviews with Diebold Nixdorf’s *Marketing at the ATM* solution customers. Interviewed customers include the following:

INDUSTRY	REGION	REVENUE	INTERVIEWEE	ATM NETWORK
Banking	North America, multinational	\$30 billion	VP of ATM sales	Has 2,500 ATMs with 14 million transactions per month
Banking	North America, national	\$16 billion	SVP of product and channel	Has 9,000 ATMs with 32 million transactions per month
Banking	Europe, multinational	\$2 billion	Banking sales director	Has 1,500 ATMs that reach 4 million unique customers
Banking	North America, national	\$3 billion	Director of ATM channel and branch strategy	Has 1,000 ATMs with 1.6 million transactions per month

### Key Challenges

Prior to their investment in Diebold Nixdorf’s *Marketing at the ATM* solution, the interviewees saw an opportunity to:

- › **Expand their reach among customers and prospects.** ATM traffic included consumers who were not already customers of the bank, providing an opportunity to promote the brand and raise awareness among prospects. One interviewee also mentioned that his bank lacked email addresses for many customers, and the ATM provided a way to reach them during key campaigns.
- › **Engage customers in the digital age.** Several interviewees noted changing customer behavior, with fewer and fewer headed to tellers to complete transactions. More and more, customers were conducting financial transactions on their mobile phones, causing the bank to lose opportunities for tellers to engage these customers. By leveraging the ATM channel to deliver a message or promote a new product, the bank found a way to reach these customers when they did come into the branch or leverage an offsite ATM.
- › **Develop a cohesive omnichannel strategy.** Several interviewees were in the process of building a cohesive omnichannel strategy; they saw the ATM as not only a low-cost channel to include but also as an opportunity to ensure a consistent experience across all customer touchpoints.

“More and more customers are moving to self-serve options, which is taking away the opportunity for agents to pitch new products. *Marketing at the ATM* gave us a way to maintain conversation with those customers.”

*VP of ATM sales, multinational bank*



## Key Results

One interviewee said: “The solution allows us to make the ATM feel more like you’re interacting with a teller. We call it *humanizing the ATM*.” Leveraging the ATM channel for targeted marketing allowed the interviewees to:

- › **Reach customers and prospects in a new channel.** The ATM provided a new method for reaching customers and prospects. One interviewee’s ATM traffic was over 50% off-us consumers, greatly expanding how many prospects they reached.
- › **Engage customers in the digital age.** With fewer customers engaging branch tellers, interviewees confirmed that they could deliver key messages to customers during their ATM transactions.
- › **Develop a cohesive omnichannel strategy.** Several interviewees integrated the ATM channel with their CRM systems, enabling them to run integrated campaigns across channels. They could track which customers saw which messages in which channels, eliminating repetition and ensuring consistency.
- › **Shift marketing campaigns onto the ATM channel.** With the addition of a new channel to communicate with prospects and customers, interviewees found that they could shift campaigns off the costlier direct mail channel and drive awareness for cross-sell and upsell campaigns.

“We started using the ATM as a low-cost channel but have found that it helps us reach more customers by being available 24x7. It expands our reach and helps us target specific audiences.”

*Banking sales director,  
multinational bank*



## Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section.

The composite organization is a bank with \$15 billion in annual revenue. It maintains a fleet of 5,000 ATMs that see 14 million transactions each month. Those ATMs are leveraged as part of a broader omnichannel marketing and engagement strategy, running about 50 campaigns per year, which are segmented based on location, time of day, events, and user status (such as customer versus prospect or product ownership).

The financial analysis is based on an organization of this size, but Forrester recognizes that the benefits identified are applicable to smaller organizations as well.



### Key assumptions

\$15 billion annual revenue  
5,000 ATMs

# Financial Analysis

## QUANTIFIED BENEFIT AND COST DATA AS APPLIED TO THE COMPOSITE

### Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Incremental profit	\$4,158,000	\$8,316,000	\$8,316,000	\$20,790,000	\$16,900,661
Btr	Marketing cost savings	\$720,000	\$720,000	\$720,000	\$2,160,000	\$1,790,533
	Total benefits (risk-adjusted)	<b>\$4,878,000</b>	<b>\$9,036,000</b>	<b>\$9,036,000</b>	<b>\$22,950,000</b>	<b>\$18,691,195</b>

### Incremental Profit

ATM campaigns enabled the banks to meet a variety of goals across different audiences. ATM marketers and channel managers segmented campaigns by location, geography, time of day, event, and customer type (prospect, customer, product ownership, etc.). Some campaigns were engagement- or awareness-focused, such as reminding customers at ATMs in a certain district that an important local festival was approaching. Other campaigns had a sales focus, offering customers new products based on their current portfolio, reminding newer customers about features and options, or offering prospects incentives to open an account. Most often, these campaigns were funneled to the ATM as part of a larger omnichannel marketing strategy. Banks often tracked delivery to ensure customers did not see the same message in multiple channels at a specific frequency. Interviews revealed that:

- › Regardless of the size of the bank, most ATM marketers and channel managers ran upwards of 50 campaigns per year across their fleet. A portion of these were sales-driven, promoting cross-sell, upsell, or acquisition offers.
- › For the interviewees with the ability to track results, conversion rates varied. The VP of ATM sales at a multinational bank saw conversion rates of 23% on offers for credit limit increases versus his traditional 8% on email. The SVP of product and channel at a smaller national bank experienced conversion rates between 3.5% and 5% on the ATM channel.
- › One interviewee’s ATM marketing program delivered \$3 million in customer lifetime value to the bank each month.

For the composite organization, Forrester assumed that:

- › Across its fleet of ATMs, it conducted 14 million transactions each month.
- › Given campaign monitoring to reduce multiple views and the mix of awareness and product campaigns, 7.5% of those transactions included an acquisition, cross-sell, or upsell offer to a unique customer in Year 1. As the composite developed internal competencies and grew the ATM marketing program, this percentage grew to 15% in years 2 and 3.

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of nearly \$18.7 million.



One interviewee saw conversion rates of **23%** on the ATM channel for credit limit increases versus 8% on email.



- › Based on data from Forrester’s CX Index and subject matter experts, the average revenue associated with a new account or product was assumed to be \$75 each year.
- › The bank’s operating margin was 22%.

The incremental profit benefit will vary based on an organization’s:

- › Campaign strategy — whether it skews to awareness- or sales-focused campaigns — and the frequency upon which campaigns are retired and launched.
- › Product mix amongst campaigns and, therefore, the average revenue associated with new accounts and products.
- › Traffic to the ATMs — both sustained volume and unique visitors.
- › Conversion rates.
- › Operating margin.

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year risk-adjusted total PV of \$16,900,661.

Incremental Profit: Calculation Table					
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Monthly ATM transactions		14,000,000	14,000,000	14,000,000
A2	Percent of unique ATM transactions leveraged for a cross-sell, upsell, or acquisition campaign		7.5%	15%	15%
A3	Conversion rate		2.5%	2.5%	2.5%
A4	Average revenue per conversion		\$75	\$75	\$75
A5	Operating margin		22%	22%	22%
At	Incremental profit	$A1 \cdot A2 \cdot A3 \cdot A4 \cdot A5 \cdot 12$	\$5,197,500	\$10,395,000	\$10,395,000
	Risk adjustment	↓20%			
<b>Atr</b>	<b>Incremental profit (risk-adjusted)</b>		<b>\$4,158,000</b>	<b>\$8,316,000</b>	<b>\$8,316,000</b>

## Marketing Cost Savings

Historically, banks have leveraged direct mail efforts to reach customers for cross-sell and upsell campaigns. When they converted the ATM channel to a marketing channel, interviewees cut back on the number of direct mail campaigns because they were reaching the same audience and delivering the same message on a much more cost-effective channel.

For the composite organization, Forrester assumed that:

- › It diverted four campaigns each year from direct mail to the ATM channel.
- › Each of these campaigns reached 200,000 customers.
- › It cost \$1 to send each mailing.

The marketing cost savings benefit will vary with:

- › The number of customers reached via the ATM and, therefore, the number of campaigns that could be reduced.



The ATM channel replaced several direct mail campaigns, saving printing and postage costs.

- › The cost of each mailing.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$1,790,533.

### Marketing Cost Savings: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Number of campaigns diverted from mail		4	4	4
B2	Number of customers contacted through each campaign		200,000	200,000	200,000
B3	Savings per mailing		\$1	\$1	\$1
Bt	Marketing cost savings	B1*B2*B3	\$800,000	\$800,000	\$800,000
	Risk adjustment	↓10%			
<b>Btr</b>	<b>Marketing cost savings (risk-adjusted)</b>		<b>\$720,000</b>	<b>\$720,000</b>	<b>\$720,000</b>

### Increased reach and awareness

Communicating through the ATM channel allowed interviewees to reach customers and prospects.

- › The SVP of ATM product and channel stated: “We see 32 million transactions a month. About half of them — that’s 16 million — were with noncustomers. In what other channels could we make an impression on 16 million new potential customers every month?”
- › The banking sales director at a multinational bank said he expanded the reach of his campaigns by 25%. Including this new audience in his campaigns then allowed him to reach 100% of his customers with campaign messaging.



By leveraging the ATM channel, interviewees reached customers and prospects with whom they previously were not communicating.

### Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Diebold Nixdorf’s *Marketing at the ATM* solution and later realize additional uses and business opportunities, including:

- › **Capturing customer data.** Built-in interactive functionality allows marketers and ATM channel managers to use the *Marketing at the ATM* software to capture data from customers. Customers who are interested in learning more about an offer can input a phone number or email address for follow-up, not only creating a lead for the bank but also compiling additional channels for future campaigns.
- › **Delivering third-party ads.** Banks that partner with local businesses can offer them advertising space on their ATMs, creating more appealing partnership agreements and supporting commerce in the local community. The SVP of product and channel at a national bank described this benefit: “It’s a differentiator for us with our partners. The fact that we can do marketing for them and manage it on a short timeline makes us a very appealing partner.”

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the “right” or the ability to engage in future initiatives but not the obligation to do so.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

## Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Ctr	Technology fees	\$1,024,800	\$184,464	\$184,464	\$184,464	\$1,578,192	\$1,483,535
Dtr	Implementation	\$814,000	\$0	\$0	\$0	\$814,000	\$814,000
Etr	Content creation and deployment	\$0	\$690,000	\$690,000	\$690,000	\$2,070,000	\$1,715,928
Ftr	Ongoing management	\$0	\$145,200	\$145,200	\$145,200	\$435,600	\$361,091
	<b>Total costs (risk-adjusted)</b>	<b>\$1,838,800</b>	<b>\$1,019,664</b>	<b>\$1,019,664</b>	<b>\$1,019,664</b>	<b>\$4,897,792</b>	<b>\$4,374,553</b>

## Technology Fees

Interviewees' fees to Diebold Nixdorf for its *Marketing at the ATM* solution varied based on the type of implementation (on-premises versus managed) as well as the size of the ATM fleet.

For the composite organization, the model assumed an on-premises implementation. Initial fees included a perpetual license for each ATM and a server license fee. Ongoing fees — in years 1 through 3 — included annual support costs.

Diebold Nixdorf supplied realistic quotes for the model based on the composite organization's size; however, fees will vary based on:

- › Whether an organization chooses an on-premises implementation or managed hosting.
- › The size of the ATM fleet.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted total PV of \$1,483,535.

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of nearly \$4.4 million.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

## Technology Fees: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
C1	Licensing		\$976,000			
C2	Support			\$175,680	\$175,680	\$175,680
Ct	Technology Fees	C1+C2	\$976,000	\$175,680	\$175,680	\$175,680
	Risk adjustment	↑5%				
<b>Ctr</b>	<b>Technology Fees (risk-adjusted)</b>		<b>\$1,024,800</b>	<b>\$184,464</b>	<b>\$184,464</b>	<b>\$184,464</b>

## Implementation

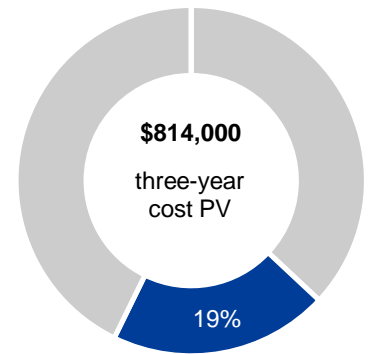
The time and effort required for implementation varied based on each interviewee's choice of solution (on-premises versus managed service), the size of the fleet, and its existing Diebold Nixdorf infrastructure. For the composite organization, the model assumed it was already using Diebold Nixdorf software on its ATM and only needed to add the marketing software. The implementation required:

- › One hundred and fifty days of professional services at \$2,000 per day, paid to Diebold Nixdorf to install the servers, integrate with the organization's CRM, deploy the software to each ATM, and design ad templates.
- › The equivalent of four FTEs at an average fully loaded salary of \$110,000 over the course of a year. These FTEs came from IT, security, ATM channel operations, and marketing strategy and operations. They coordinated with Diebold Nixdorf to integrate the CRM, ensure customer data privacy, collaborate on templates, and establish the process for deploying ads on ATMs.

Implementation fees will vary based on:

- › Complexity of an organization's existing infrastructure and software implementations.
- › The size of its ATM fleet.
- › FTEs' experience in ATM software implementations.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$814,000.



**Implementation:  
19% of total costs**

### Implementation: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
D1	Implementation fees		\$300,000			
D2	Number of FTEs		4			
D3	Average fully loaded salary		\$110,000			
Dt	Implementation	$D1+(D2*D3)$	\$740,000	\$0	\$0	\$0
	Risk adjustment	↑10%				
<b>Dtr</b>	<b>Implementation (risk-adjusted)</b>		<b>\$814,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Content Creation And Deployment

Each campaign that interviewees executed on the ATM channel required building new content or adjusting existing content to fit on the ATM.

Content creation varied in complexity depending on the type of campaign. For example:

- › Awareness campaigns, in which the content was consistent across the qualified audience, were relatively simpler to create.
- › An unsecured line-of-credit offer, which was customized depending on the customer, required far more time and effort.
- › Campaigns that were executed as part of the bank's broader omnichannel marketing strategy shared costs with other channels.
- › Campaigns for new products required brand-new creative, for which the bank's agency had to get involved.
- › Costs were also incurred to edit an existing campaign, such as changing the interest rate for a mortgage campaign.

Interviewees cited a broad range of costs, from \$1,000 for an awareness campaign to \$500,000 for a new omnichannel campaign.



**Content creation fees  
averaged \$12,000 per  
campaign.**

For the composite organization, Forrester assumed that:

- › It executed 50 campaigns per year.
- › While some campaigns were for new products and required a hefty investment, many were awareness-driven or based on existing products and required smaller changes.
- › The average cost to create and deploy content for a campaign was \$12,000, which included agency fees; any necessary conversions of existing content to the ATM template; and resource time to create, oversee, and deploy the content onto the ATMs.

Fees for content creation and deployment will vary based on:

- › Campaign strategy — the number of awareness campaigns versus product campaigns.
- › The amount of content that can be repurposed.
- › The frequency at which content needs to be changed.

To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year risk-adjusted total PV of \$1,715,928.

#### Content Creation And Deployment: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
E1	Number of campaigns per year		50	50	50
E2	Content creation fees per campaign		\$12,000	\$12,000	\$12,000
Et	Content creation and deployment	E1*E2	\$600,000	\$600,000	\$600,000
	Risk adjustment	↑15%			
<b>Etr</b>	<b>Content creation and deployment (risk-adjusted)</b>		<b>\$690,000</b>	<b>\$690,000</b>	<b>\$690,000</b>

## Ongoing Management

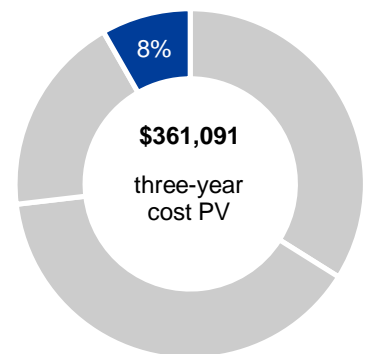
Managing the *Marketing at the ATM* solution required:

- › One FTE from the ATM channel or sales team. His time was spent setting strategy with other channel leaders, ensuring consistency across channels, monitoring deployments and results, and managing the relationship with Diebold Nixdorf.
- › Ten percent of an FTE from IT. His time was spent managing the sales platform, loading list files, and managing ad hoc issues or projects.

Costs for ongoing management will vary based on:

- › Internal support and collaboration for marketing at the ATM efforts.
- › The size and complexity of the organization.
- › The size and complexity of the ATM fleet and infrastructure.
- › The average fully loaded salaries of the ATM channel leader and the IT resource.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$361,091.



Ongoing management:  
8% of total costs

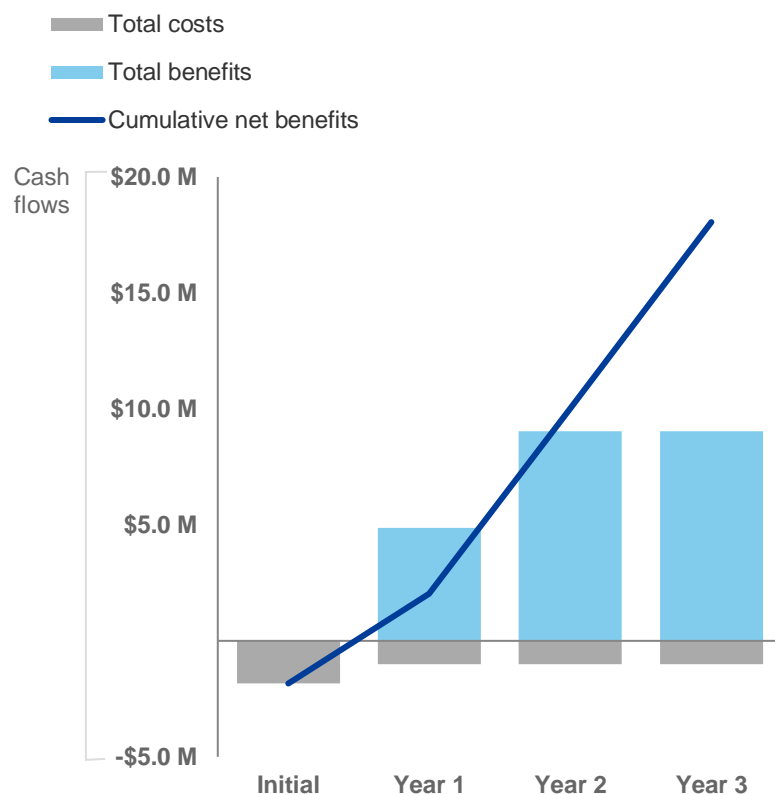
## Ongoing Management: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
F1	Number of FTEs from ATM team		1	1	1
F2	Number of FTEs from IT		0.1	0.1	0.1
F3	Average fully loaded salary		\$120,000	\$120,000	\$120,000
Ft	Ongoing management	$(F1+F2)*F3$	\$132,000	\$132,000	\$132,000
	Risk adjustment	↑10%			
<b>Ftr</b>	<b>Ongoing management (risk-adjusted)</b>		<b>\$145,200</b>	<b>\$145,200</b>	<b>\$145,200</b>

# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.



These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

### Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$1,838,800)	(\$1,019,664)	(\$1,019,664)	(\$1,019,664)	(\$4,897,792)	(\$4,374,553)
Total benefits	\$0	\$4,878,000	\$9,036,000	\$9,036,000	\$22,950,000	\$18,691,195
Net benefits	(\$1,838,800)	\$3,858,336	\$8,016,336	\$8,016,336	\$18,052,208	\$14,316,641
ROI						327%
Payback period						6 months

# Diebold Nixdorf Marketing At The ATM: Overview

The following information is provided by Diebold Nixdorf. Forrester has not validated any claims and does not endorse Diebold Nixdorf or its offerings.

Customer-centric mobile integration and advanced self-service functionalities are changing the way consumers bank. As valuable face-to-face interaction diminishes, the ATM is emerging as a highly visible substitute for the teller. As such, it represents a key opportunity for financial institutions to connect. Reportedly, consumers spend approximately 200 trillion seconds each year staring at “Please wait” messages. Reclaiming this “lost” time empowers financial institutions and fosters growth. Diebold Nixdorf’s *Marketing at the ATM* Personalized Services solution enhances this opportunity by providing a single, easy-to-manage platform for targeted messaging.



# Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## Total Economic Impact Approach



**Benefits** represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.



**Costs** consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.



**Flexibility** represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.



**Risks** measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



### PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



### NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.



### RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



### DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



### PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

## Appendix B: Endnotes

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<sup>1</sup> Source: “The Future Of The Branch Lies In Digitally Empowering Employees,” Forrester Research, Inc., November 25, 2014.