

# A Mini-Mall in Your ATM

New souped-up cash machines will soon sell you flowers, stamps, road maps and Lakers tickets

By JULIE RAWE

**A**N ATM IS THE SORT OF MACHINE THAT even a Luddite can love. You slide in a card, punch a few digits, and out spurts cash. It's so simple and elegant that—well, it's an affront to a dynamic capitalist society. And it's all about to change. Someday soon, when you just want to score five Andrew Jacksons so you can have dinner at that great little place that doesn't take Visa, you could find yourself in a very slow line behind people sending flowers to Mom or arguing over which seats to buy for the next Disney on Ice show.

The folks who own ATMs, you see, have to find ways to compete with one another. While the number of cash machines has quadrupled over the past decade, to some 324,000 in the U.S. alone, and while they racked up \$2.3 billion in user fees last year, the number of monthly transactions per machine has fallen by half since 1996. Banks are essentially fighting for customers at every gas station and corner store. A few years ago, some started offering extra services, such as check cashing and stamp dispensing.

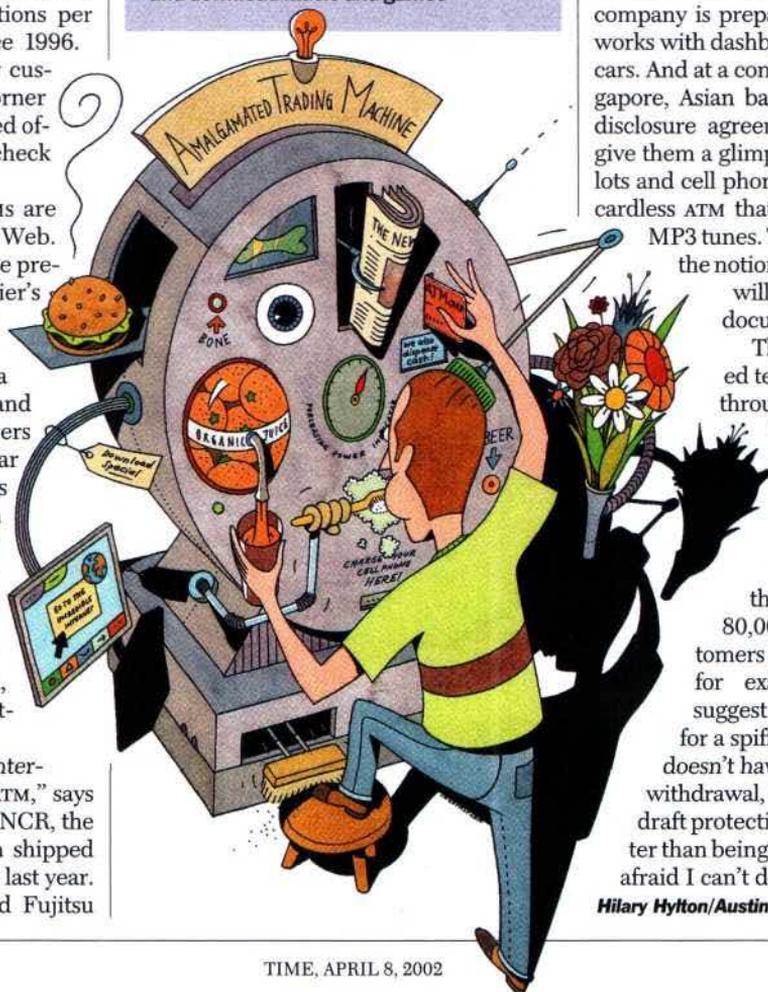
In the latest generation, ATMs are being wired to the World Wide Web. These machines can pay insurance premiums and utility bills, print cashier's checks and road maps, and sell everything from stocks to DVDs. ATM users have bought tickets to a David Bowie concert in Iceland and soccer matches in Spain. Customers in Singapore can apply for a car title. In the U.S., Wells Fargo has installed 1,100 souped-up ATMs in 16 Western states that can show movie trailers and the MSNBC news ticker, run streaming-video ads during transactions and spit out coupons before the customer can get away. Bank of America, Fleet and Citibank are also migrating their ATMs to the Web.

"Anything you can do on the Internet, you can potentially do at an ATM," says Andy Orent, a senior executive at NCR, the maker of top-selling ATMs, which shipped more than 50,000 cash dispensers last year. Rival manufacturers Diebold and Fujitsu

are also talking up Web-enabled machines. But all agree the ATM experience will be narrowly tailored to keep the line moving, limiting customers' choices to, say, a couple of flower arrangements or a short list of CDs. The new platforms can also restrict activities at certain times—for example, to prevent people from filling out loan applications at 5 p.m. on payday. Ray Gilmore, 16, recently

## WHAT NEW ATMS CAN DO

- **DISPENSE MAPS** and directions, phone cards and postage stamps
- **CASH CHECKS** to the penny, deposit wads of cash and pay bills electronically
- **SELL TICKETS** for movies, concerts, sporting events and perhaps the lottery
- **SHOW MOVIE TRAILERS**, news tickers and streaming-video ads
- **TAKE ORDERS** for flowers and DVDs, and download music and games



tried to cash his first paycheck at an ATM in a 7-Eleven in Austin, Texas. After spending several minutes trying to sign up for the service, the high school student called a help line and was told he needed a valid driver's license. "This is a super time taker," he said, and headed to a check-cashing store.

In 7-Eleven's 98-store pilot program in Texas and Florida, the virtual-commerce, or Vcom, kiosks can cash checks and transfer money. The convenience-store chain is targeting the 9.5% of U.S. households that don't have bank accounts, as well as on-the-go Internet junkies who want to download driving directions while grabbing a Slurpee. For 7-Eleven's nationwide rollout later this year, Vcom users will be able to pay their Verizon bill and eventually have touch-screen access to event ticketing and online shopping.

Though they have deployed only a few thousand Web-enabled ATMs in the U.S., manufacturers are already primed for the next phase of automated tellers to be used in a wireless—or even cashless—society. This spring, NCR will begin a pilot program in Denmark that lets users access their cash by pointing a Bluetooth-enabled mobile device at an ATM rather than inserting a card. The company is preparing a drive-up ATM that works with dashboard computers in certain cars. And at a conference last month in Singapore, Asian bankers had to sign a non-disclosure agreement before NCR would give them a glimpse of the future: Palm Pilots and cell phones communicating with a cardless ATM that can download games or MP3 tunes. The industry is banking on the notion that mobile professionals

will still need a place to print documents and pick up data.

The big profit from automated tellers may eventually come through one-to-one marketing.

While only about 500 machines worldwide are testing this technology, the Boston consulting firm Celent Communications predicts that the number will jump to 80,000 by 2005. Soon, as customers pay down their car loans, for example, their ATMs will suggest timely preapproved loans for a spiffy new vehicle. Or if a user doesn't have enough funds to cover a withdrawal, he could be offered overdraft protection or a loan—which is better than being told, "I'm sorry, Dave, I'm afraid I can't do that." —With reporting by

Hilary Hylton/Austin and Douglas Wong/Singapore