

REMAKING THE BRANCH IN THE ERA OF DIGITAL BANKING

The branch is still a real-life ambassador of the brand. It should be a place to showcase Innovation and transformation, not a reminder of the supposedly good old days of banking.

Here are some things to consider in transforming the branch as we know it.



IT DOES SEEM THAT THE BRANCH IS DEAD...

According to IDC Financial Insights, the number of branches worldwide will drop in 2017/2016 by 2.5% reflecting the supposed shift away from brick-and-mortar across all industries.

MANY ARE TAKING NOTICE!

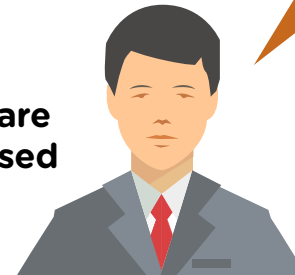
“For the first time ever, the number of branch license applications have gone down.”

BIG BANKS GROWING SMALL, SMALL BANKS GROWING BIG?

Many big-name banks are cutting branches: Barclays, Lloyds are mentioned most frequently. However, small community banks in the US are bucking the trend.



Bank of Thailand Governor, noting a rare trend in branch-focused Thailand



BUT CONSIDER THESE...

BANK BRANCH VISITORS ARE MORE SATISFIED THAN LOCAL CUSTOMERS.



Source: JD Power Survey in the US, 2016; IDC Financial Insights Asia/Pacific, 2017

MANY NEW TECHNOLOGIES PILOTED FIRST IN BRANCHES.

The “hottest” technologies of the moment: Robotic Process Automation, Biometrics (Voice and Facial Recognition), Video, IoT are deployed in leading branches, making “in-branch systems integration” a new area of growth in tech investment for banks.



NEW BEST PRACTICES IN CUSTOMER ENGAGEMENT SEEN IN BRANCHES FIRST.

This includes new best practices for:

- Know-your-Customer (KYC)
- Customer information gathering
- Loyalty-Building

THE NATURE OF BRANCH STAFF IS EVOLVING!

Continuing the work to turn tellers into sellers, branch staff are given new KPIs for quality face-to-face interactions so that they become more efficient, effective, roving, experts in finance.



EVEN DIGITAL BANKS ARE LOOKING AT BRANCH

Challenger banks are building “Face-to-face” into their channel mix.



BRANCH STRATEGIES REMAIN HIGH ON THE AGENDA.

From DBS Bank, Westpac, National Australia Bank, Chinatrust, Krungsri Bank - all leading banks in the Asia/Pacific region - all have branch-of-the-future strategies.

BANKS LEADING IN THE REMAKING THE BANK BRANCH (AS WE KNOW IT)

WORLDWIDE, BRANCHES STILL FEATURE HIGH ON THE AGENDA OF TRANSFORMATION AND INNOVATION.

WELLS FARGO (USA)

Long held as the standard in retail banking, Wells Fargo has integrated digital technologies to the branch experience. A series of initiatives (introducing digital advocates in branches, hiring more millennials who “get” millennial branch users ensure that the branch keeps up to digital times.

METROBANK (UK)

The ultimate challenger bank looked at one useful offering of the bank branch – the safety deposit box, and ensured that as the bank continues to disrupt and innovate, useful offerings are still available to the customer!

E.SUN COMMERCIAL BANK (TAIWAN)

Each branch is unique! In its branch transformation initiative, E.SUN analyzed branch activities to optimize branch assets (including corporate banking counters, personal banking counters, and new account counters) according to the specific requirements of each branch.

BANCO DO BRASIL (JAPAN OPERATIONS)

Think of roving branch-on-wheels. Banco de Brasil has literally rolled out roving branch on wheels to serve their customers in far-flung areas in Japan.

EMIRATES NBD

Here’s branch banking with no one left behind! Emirates NBD has opened disability-friendly branches (low-height ATMs and fittings, tactile floor indicators, and improved signage).

NATIONAL AUSTRALIA BANK (AUSTRALIA)

The branch is a testbed. NAB’s Sydney flagship branch has staff that are able to have access to tablet devices and smartphones with which they can manage appointments, access real-time customer feedback through a Net Promoter Score system dashboard, access product information, book meeting rooms, and create presentations. Expect more technologies like this to be tested at NAB@George.

KRUNGSRI BANK (THAILAND)

Self-service kiosks become a focal point of the branch experience, enabling customers to conduct transactions with the bank’s call center, by video, virtual collaboration, email, social media, chat, SMS or phone, and to even switch between devices while talking to the same bank agent.

DEAR CUSTOMER, THE FUTURE IS HERE! AS THE BRANCH CHANNEL IS REMADE, THE CUSTOMER WILL FIND A VASTLY DIFFERENT CUSTOMER EXPERIENCE.



READY FOR IOT

As more and more IoT endpoints is used in branches, there has to be a way to effectively manage these - to the benefit of branch operations and ultimately, a unique and personalized customer experience.

OPEN FOR SELF-SERVICE

NETWORK SECURITY

All devices and equipment are controlled, managed and secured - so that the customer knows the branch simply works!

ADVICE!

Whether it is in-person or through video, the customer can get advice or get issues resolved within the branch.



GET READY FOR A NEW BRANCH EXPERIENCE.

AS THE BRANCH CHANNEL IS REMADE, THREE KEY PROPOSITIONS EMERGE.

THE BRANCH AS A HIGH-TOUCH EXPERIENCE.

Whether it is through in-person KYC, or through meaningful and personal conversations between the customer and staff, the branch becomes crucial to really understanding the customer.

The branch becomes a source of delight when it is the place for customers to resolve complicated issues and queries, or to buy “bundled” products and services.



THE BRANCH AS THE CENTER OF THE OMNI-CHANNEL EXPERIENCE.

The branch is where customers can use all channels offered by the bank – including digital channels – seamlessly. Imagine a well connected ecosystem of channels, customer data, and customer insights all in one place.

Omni-channel is not for customers only. Branch staff can become the “best ambassadors” of the bank when they have easy access to data and insights about the customer interaction at hand.

THE BRANCH AS THE GATEWAY TO ADVISORY.

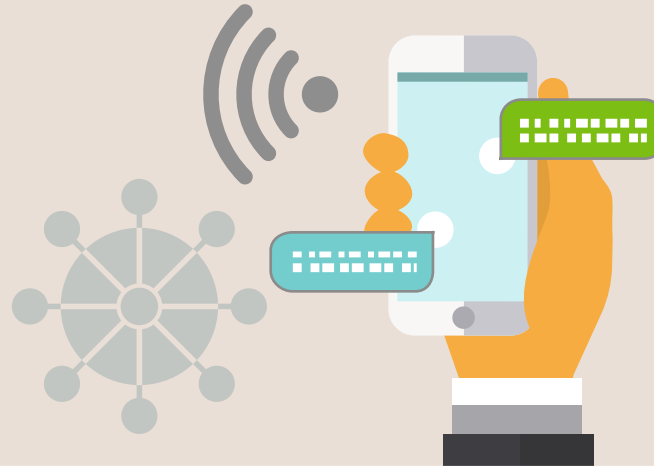
Banks are moving from traditional net interest margin-based businesses to fees through advice. Advice is best made through face-to-face interaction with staff equipped with data, tools and functionalities from different back-end systems in the bank.

Bank branches can become high-velocity sales centers where staff – in branch, or remotely – can talk about the product requirements of the individual customer.



SOLUTIONS FOR A NEW BRANCH EXPERIENCE.

BANKS NEED TO CONSIDER NEW TECHNOLOGIES AS THEY UNVEIL THE BRANCH AS WE'VE NEVER SEEN - NOR EXPERIENCED - BEFORE.



THE BRANCH AS A HIGH-TOUCH EXPERIENCE.

- Biometrics as a forward-looking way of authentication - Technologies for voice and facial recognition are maturing fast
- Document and workflow management
- Workflow orchestration
- Workflow optimization
- Customer profiling
- Robotic process automation
- Chatbots

THE BRANCH AS THE CENTER OF THE OMNI-CHANNEL EXPERIENCE.

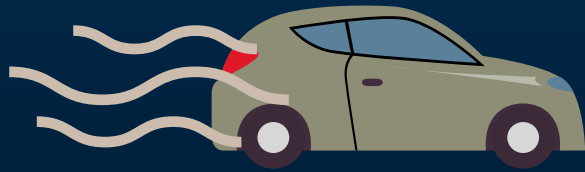
- Omnichannel
- Omnichannel portals
- Omnichannel contact center
- Messaging automation
- Chatbots
- Digital branch
- IoT gateway and IoT Management

THE BRANCH AS THE GATEWAY TO ADVISORY.

- Customer profiling
- Customer analytics
- Cognitive
- Omni-channel portals
- Chatbots
- Workflow orchestration
- Messaging and marketing automation
- Proactive outreach



ESSENTIAL GUIDANCE FROM IDC FINANCIAL INSIGHTS



THINK EXPERIENCE.

The branch does not necessarily get left behind in the race to go digital. If the bank integrates new technology tools and capabilities, and makes greater use of customer insights, the branch becomes more than a location, but an experience.



THINK REVENUE.

The branch does not have to be a cost center forever. The branch can be a key resource as the bank deepens customer loyalty, increases cross-sell and product bundling, and moves to advice as a business.



BRANCH STAFF CRUCIAL TOO.

The branch experience includes branch staff experience. Equipping branch staff with the right tools, capabilities, data and insights will make them more effective in what they are supposed to do best - customer interactions.