

Becoming Future Proof



5 Proven Strategies
For the Branches of
the Future

INSIDE

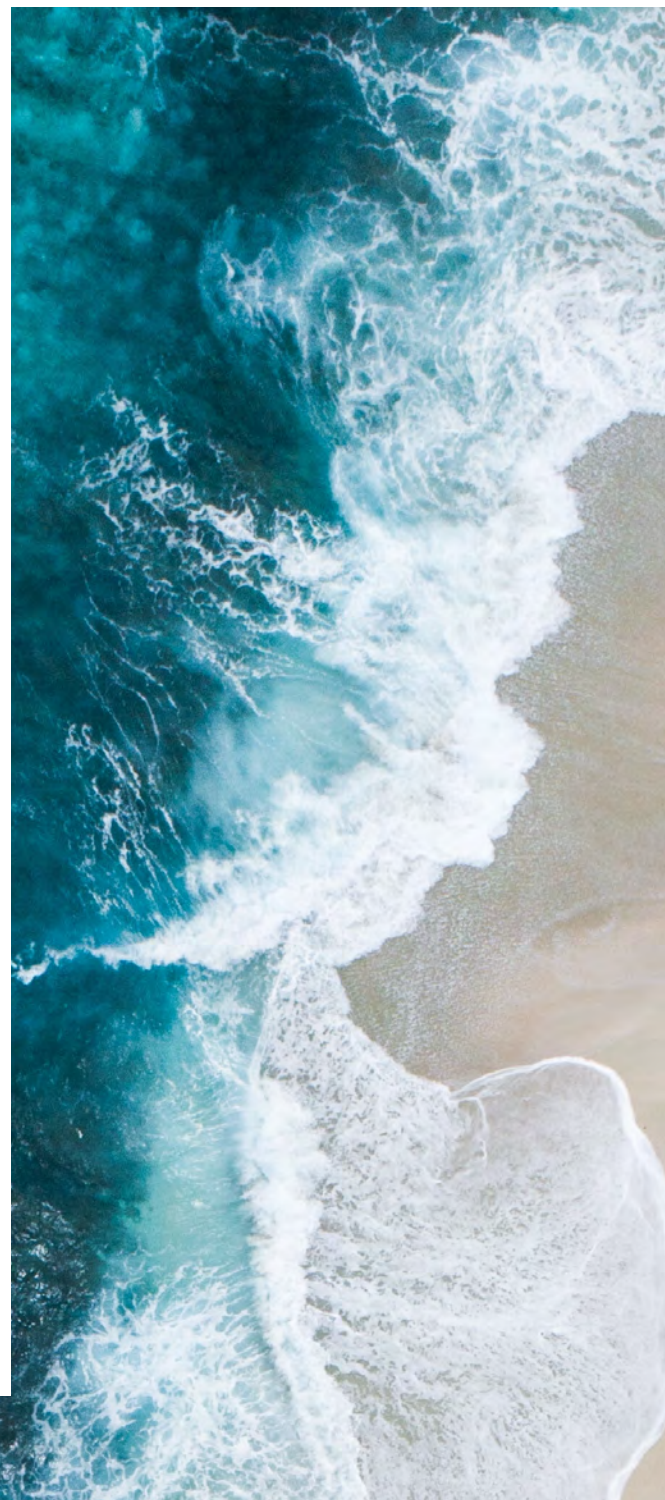
Self-Serve Kiosks

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Overview

The financial services industry exists in a rapidly changing environment fueled by evolving client preferences and emerging technologies. The growth and opportunity these changes are capable of bringing can be incredibly exciting, but what about the human side of finance? With so much technology disrupting the market, is the physical branch going to remain relevant in the coming years? The simple answer is, yes. But a more complicated response would have to explore the fact that while the branch will certainly remain relevant, it will have to evolve to do so.

Branches will always be important to clients. Major financial decisions like mortgages, loans and financing will always benefit from having a human on the other side of the table. Research has shown that [84% want access to a live person](#) to discuss banking needs, and the same percentage expect that they will expect to need the same five years from now. And as demonstrated by the [recent outage](#) at leading branchless bank Chime, having a physical branch available can make life a lot easier at times. Yet branch closures continue to rise, with [1,947 shutting their doors in 2018](#).

The fact is that while branches remain important, their role is changing. Customers are increasingly comfortable taking advantage of online and mobile channels, leading to lower branch traffic and fewer teller transactions. As more clients use digital channels to deposit checks, transfer funds and manage their accounts, banks and credit unions must continue to move away from their transactional focus and adapt to meet the expectations of the evolving relationship that customers have with their branch. Below, we'll explore some of the options available in creating a future proof branch.



Provide Self-Serve Kiosks

As the first touchpoint for any customer entering your branch, upgrades to the lobby should be a top priority when seeking to future-proof the physical banking experience. While some companies have gone for a complete technological overhaul as seen with the robot-run branches of [China Construction Bank](#) or [Bank of America](#), the majority of these upgrades involve bringing in technology to supplement the human experience, rather than replace it. And looking at human behaviour, it appears that this relationship-centric approach to technology is more likely to lead to long-term success.

So how can you find that happy medium between technology and face-to-face human services? By far, the most efficient method is through replacing or augmenting the standard greeting desk with self-service kiosks. Through this relatively simple investment, customers are able to skip the queue and get face time with staff quickly, creating a streamlined lobby that's more inviting to your customers.

They also provide the added benefit of reducing labor costs and position your brand as technologically advanced, while allowing management to track and measure operations metrics across branch locations, providing them with the information they need to make more informed decisions and improve the experience even further.

And perhaps most importantly, this forward-looking strategy shifts the focus of branch employees from answering routine questions and booking appointments to making sales as they are given more time to engage in higher quality conversations with customers about their financial goals.



“Digital technology and new forms of automated service offer many exciting opportunities for financial services to become more tailored and convenient. But there will always be a role for face-to-face service when it comes to banking. Money issues are complex and emotive. Customers like to talk through what it all means with a real human being.”

PAUL RISEBOROUGH
CCO, METRO BANK

Revitalize the Lobby Experience

“Our customers expect the digital tools that allow them to bank wherever they are. But they also expect to have a person to talk to when they need it. The cafés are a unique opportunity to present a physical manifestation of our brand and take this as an opportunity to connect with customers on their terms.”

MIKE FRIEDMAN
MARKET LEAD, CAPITAL ONE

To carry lobby improvements further, it's also important to improve the physical environment and make the atmosphere more conducive to human interaction. Some contemporary banking providers like ING Direct (now Capital One) made the radical decision to entirely eliminate transactions from their branches, [turning them into pure cafés](#). Such concepts were far and few between, and those that tried them were often ridiculed

That was then. This is now



More and more customers are embracing the idea that banking doesn't need to be purely transactional, and many financial institutions are converting customer spaces in their branches into ['third places'](#) — comfortable locations between work and home where people can meet and hang out.

The idea behind this movement is to encourage the most important aspect of the branch that sets it apart from increasingly popular digital options — human interaction. And it does this by removing the barriers that have traditionally been in place. This change doesn't necessarily need to mean converting customer areas into a full blown cafe either. Through a self-service kiosk as mentioned in the previous recommendation, space that would otherwise be taken up with queueing customers, greeter stations and tellers standing behind a counter can be utilized to create a more open and inviting area.

Think of an interior design featuring fewer walls or straight edges, round tables and comfortable seating, and you have a space that's less of a 'lobby' and more of a comfortable lounge that encourages conversation and interaction. At the same time, mobile technology can be implemented in order to allow staff to roam about ready to answer questions, provide transactional services through tablets, educate customers on self-service options and direct them to private meeting areas to speak to advisors.

Upgrade to Smart ATMs

Originally introduced back in 1969, the ATM once again has the power to bring about a major shift in banking. Originally designed to perform withdrawals, they've evolved over the years to handle new routine tasks like balance inquiries, transfers and deposits, but they are long overdue for a more serious upgrade. In today's self-service oriented world, ATMs are expected to be effectively entire branches contained within a single box.

The financial services industry is evolving faster than ever before, and digital focused millennials and Gen Zs expect the technology involved in managing their money to match trends seen in other industries — and that includes the ATM.

Even with the fast-growing adoption of digital channels, the ATM remains a primary interface between customers and their banks for one simple reason: they're convenient. By extending that convenience to additional actions like account openings, bill payments, mobile phone top-ups, currency exchange, and more, tellers in the branch will have more time to work with customers on complex banking needs.

The truth is, there is no benefit to having these transactional processes being handled through face-to-face interactions. Relationships are not built through these engagements, and convenience is not enhanced by them.

And these two factors should be the primary goals for a future focused branch. For the few customers who simply prefer to perform these actions through a teller? They still have that capability. What's more, if the lobby has been upgraded as discussed in the previous suggestion, now they can do it while sitting in a comfortable lounge, speaking to a teller that comes to them. In a future proof branch, everybody wins.

“As the ATM turns 50, some people may think that it’s reaching the end of the road – they’re wrong. In fact, the future of the ATM is bright in this shifting financial landscape, especially as the technology behind them continues to evolve and offer new services to customers... A combination of self-service machines and staff could be the ticket to reviving a dwindling supply of bank branches”

MARK ALDRED
BANKING TECHNOLOGY EXPERT, AURIGA



Introduce Remote Video Banking

"We recognize that [SMB customers] work unconventional hours, are travelling or might not be able to visit a branch for a number of other reasons. Being able to access RBC Small Business specialists via video wherever and whenever they want helps them maintain that personal connection they expect with our bank."

CATHY HONOR
SVP CONTACT CENTRES
ROYAL BANK OF CANADA

Video banking has been popular for years now, with many banks having installed ITMs — interactive teller machines — for their drive-up and in-branch kiosks. A number of financial institutions have been successful with this technology, but technology has evolved, and consumer habits with it. Today, millions of people are making video calls through FaceTime and Skype every day, video conferencing in the office is commonplace, and telecommuting is on the rise.

With remote video calling becoming so mainstream, customers are beginning to question the need for a branch visit in order to engage with a banking assistant. The expectation that their financial institution extend the same capabilities that they enjoy everyday in communicating with their friends and colleagues to things like mortgage applications and investment consultations is increasing.

Currently, most remote video offerings are created for specific use cases — with RBC it's SMB clients, while others like Barclay's provide limited retail banking services. In these early stages, these constraints to service levels work to streamline implementation as specialized representatives are able to serve customers from central video contact centers. However, if remote video banking is to be extended to more services in the future, it should also be extended to include the branch itself. Along with allowing branches to leverage the talented and experienced staff they already employ, it would allow customers the option to engage in a video engagement with a local representative that they know and trust. This not only plays to the strengths of the branch in providing expert face-to-face financial advice, but also fits with what customers are expecting from digital services. According to research from Kony Inc, although **57% of customers** want all products, services and support to be available digitally, they want those digital offerings to be supported by a named company representative. Customers want digital, but they also want the trust, security and relationship that comes from physical services. This means combining physical and digital services rather than separating them into two divergent channels — the branch and the video contact center should be working to support each other.

Simplify Appointment Scheduling

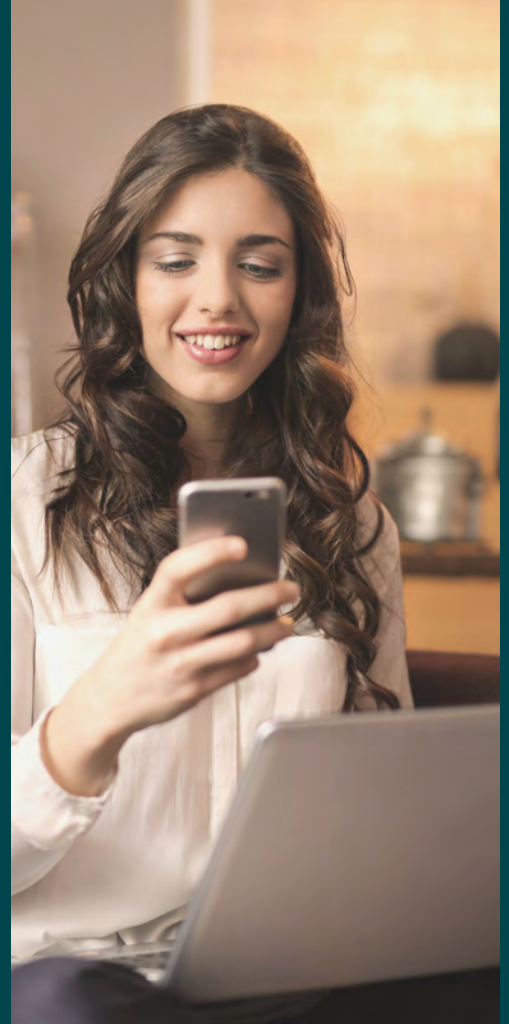
If branches are going to remain relevant in the years ahead, it is vital for them to make it as easy as possible for customers to schedule a visit.

Over 80% of a retail banking customer's interactions take place through self service channels. This means that customers are visiting branches less frequently, but when they do it's for high-value face-to-face consultations. No amount of in-branch technology or improvements is going to eliminate the friction caused when they visit a location to discover that nobody can see them at that time.

Thankfully, this is quite possibly the easiest solution to implement, and many financial institutions have already taken steps to bring self-service online scheduling capabilities to their branches.

With a unified, self-service scheduling platform for all channels, financial institutions can streamline the appointment booking process across every customer touchpoint. Whether an appointment comes through via your website, mobile app, contact center or social platform, customers should be able to book that meeting as quickly as easily as possible.

With this in place, financial institutions can effectively remove the guesswork from the task of improving efficiencies in the booking process. This can not only provide the benefit of increasing the number of appointments driven to your branch locations, but also enable better optimization of employee schedules to improve their overall efficiency, and a reduction to the level of effort that both customers and staff have to go through in order to complete their interaction.



“Whether the business is ready or not, your customers are ready to start booking appointments online. Don’t wait to implement appointment scheduling — do it immediately! You can miss out on valuable appointments if your customers have to wait until working hours to call and book in.”

MICHAEL CHRISTIAN
PROJECT LEADER, JACKSON HEWITT



There's no denying the fact that customer preferences are changing, and that branches are going to have to adapt if they want to remain relevant. According to research from [CACI](#), consumer visits to retail bank branches are set to drop 36% between 2017 and 2022, with mobile transactions rising 121%, while the typical customer will visit a bank branch just four times a year by 2022, as opposed to the average of seven that they currently make. And for customers between the ages of 18 and 24? They could be dipping to just two visits annually in the same timeframe.

Innovative technologies and new digital tools are bringing massive changes to the retail banking landscape, and nowhere is this more visible than in the brick and mortar channel.

But these changes don't mean that the branch is becoming irrelevant. Even with the reduction in branch traffic and increase in mobile and self service solutions, customers still want to be able to sit down with a financial professional when making big decisions.

With millennials and Gen X ranking [convenient branches](#) as their primary consideration when selecting their financial institution, that's not likely to change any time soon. What does need to change is the idea that they will continue sitting on hold, standing in a queue or waiting in an outdated lobby to meet with a teller or advisor at that branch.

For anyone who's visited a branch in the past year, this may sound like a big shift. But it's clear that many branches have already embraced the change in customer expectations and are rapidly adapting to meet them. And the good news is that improvements don't necessarily require massive investment and a complete institution-wide overhaul of the branch experience.

Solutions already exist that can be implemented in stages, and each of the five suggestions outlined above can be combined to create the branch of the future. But even introducing just one of these suggestions into your strategy can bring serious improvements. This is important, because sitting on the sidelines is not a winning strategy. And the time to begin future proofing your branch is now.

Ready to start building a strategy to bring your branches into the future?

Schedule a consultation today.

[BOOK NOW](#)



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