



HOW PHYSICAL BRANCHES CAN THRIVE IN A DIGITAL WORLD

BRIDGING THE GAP BETWEEN HIGH-
TECH AND HIGH-TOUCH

INTRODUCTION

Throughout their history, credit unions and community banks have excelled in providing personalized, relationship-based services within their local brick and mortar locations. As society has adopted a digital economy, these same financial institutions have continued to meet the customer where they are by providing online, web-based banking services. In adding in these technology based channels, these financial institutions have, in some cases, inadvertently lost some of that personal touch. As the industry continues to evolve and outside forces begin to put pressure on these organizations, it is critical that they find a way to re-engage the customer at a personal level while still providing the convenience of online channels.

Bridging the gap between high-tech and high-touch can be achieved by leveraging technology that facilitates high-quality, personalized interactions. We know the branch remains the top new customer acquisition tool. Leveraging the physical branch for purposeful technology integrations can create smart, personalized experiences and relationships that resonate with a diverse customer base, from Baby Boomers to Gen Z and Alpha.

As a general rule of thumb, and in order to be successful, credit unions and community banks need to integrate technology in a way that enhances their brand, delivers personalized service to their customers and empowers employees to connect and serve the customer. It is not simply installing screens blandly showcasing your most recent auto loan rate, or CD, or using ITMs in your branches, it must serve a purpose and better yet, be personalized. What appeals to seniors versus the twenty-somethings can be quite different. Whereas the older generations still value a smile and a handshake, younger generations expect their financial institutions to be more like top technology brands. No matter the target profile, technology must be integrated into your visitor's journey, identifying, addressing and easing friction points and acting as a seamless expression of your brand.

So, what is the right kind of in-branch technology to focus on? And how do you gain leadership and board approval for the investment? There is no cookie-cutter, one-size-fits-all approach to technology integration, so it's important to leverage community and demographic insights to determine what your customers care about and use available technology to help you connect with them.

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START WITH RESEARCH

Before significant investments in technology are made, financial institutions should leverage community and demographic insights from third-party experts to determine what their customers care about. There is something unique about your financial institution and a reason your customers chose you - learn it, embrace it and broadcast it, creating a targeted customer profile you can leverage when considering your marketing and outreach tactics. This analysis should seek to understand the microcosm of each financial institution, including:



AGE GROUPS

Understanding the age group of target customers can help financial institutions identify the technology trends that are most relevant to them. As we just discussed, younger customers are looking for similar conveniences within a bank branch as they find online.



LOCATION

The location of the customers can help financial institutions to identify the technology trends that are most popular in that area. For example, customers in urban areas may be more interested in contactless payment methods and ITMs, while customers in small towns and cities may prefer the comradery associated with transactions within their local financial institution.



INCOME LEVEL

Understanding the income level of customers can help financial institutions identify services that are most affordable for them. For instance, customers with lower incomes may be more interested in budgeting, while customers with higher incomes may prefer investment management tools. Properly identifying the income level of your target customer informs your marketing content (digital and traditional) and will resonate with your customer more.



LIFESTYLE

Across income and age spectrums, customers develop preferences for a certain lifestyle. Understanding these preferences can help focus communication with your target audience, making it easier to connect to them with messaging, and imagery that speak to their chosen lifestyle.



DIRECT FEEDBACK

Soliciting feedback from customers (and non-customers, too!) can provide valuable insights into their preferences and needs. Financial institutions can use surveys and focus groups to gather feedback and identify customers' level of engagement within your branch, and poll customers on what technology they wish to see.

By leveraging these insights, financial institutions can identify the technology trends that are most relevant to their customers and make informed investment decisions that meet their customers' needs. However, customers are not the only group that benefit from technology within the branch, existing employees will too.

ACCOUNT FOR EFFICIENCIES



Technology increases efficiency, but it doesn't have to replace the personal touch of banking; in fact, when done right you can be both high-touch and high-tech. Back office technology can supplement existing staff to ensure that employees can guide individuals and families through significant moments like mortgages and loans while carrying out their day-to-day transactional needs.

✓ IMPROVED CUSTOMER SERVICE

Technology such as customer relationship management (CRM) systems and data analytics can provide bank staff with real-time customer information, enabling them to offer more personalized and efficient service. This can help to build stronger relationships with customers and improve their overall satisfaction with the financial institution. While the branch is a desired component of a customer's financial experience, business as usual is not what they're looking for. In fact, 78% of customers indicate they are looking for a more consultative experience instead of transactional; leveraging technology to enable this consultative approach can dramatically improve the customer experience.

✓ REDUCED (PERCEIVED) WAIT TIMES

Technology such as digital signage, self-service kiosks, and mobile banking apps can help reduce the perception of wait times in branches. Customers can access information and complete transactions more quickly and efficiently, reducing the overall number of customers waiting in line.

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HOW TO LEVEL UP WITH TECH

The financial industry is at a critical juncture facing tough competition from market disruptors in the race for customers' attention and engagement. Thus, it is imperative to contemplate intelligent, efficient, and effective strategies to boost growth. Our recommended approach focuses on integrating and enhancing technology in three areas: experiential, data, and engagement.

EXPERIENTIAL

What do you think your customer feels when they walk through your doors? How do you want them to feel? If the adjectives dark, dull, plain or blah explain the look and feel of your branch, it's likely time for a branch refresh that welcomes and wows. Research shows that we have 7 seconds to capture the attention of our customers. If you aren't capitalizing on this moment in time, you're likely promoting disinterest in your brand and branch. So, how can this be fixed with technology?

1 HIGH RESOLUTION DIGITAL DISPLAYS

Digital monitors display dynamic content, such as promotional offers, educational videos, and financial news, enhancing the customer experience and keeping customers engaged while they wait in line or during other idle moments.

Similarly, digital monitors can display real-time data, such as exchange rates, stock prices, and interest rates, which can help customers make informed financial decisions. Digital monitors can also display real-time information about wait times, queue lengths, and service availability, which can help manage customer expectations and reduce frustration.

These are all great ways to engage your customer, but might not be building that brand loyalty that you think it is. The most impactful content resonates on a personal or local level and makes the visitor feel connected with your brand. Personalized messages and product recommendations based on customer data and preferences is achievable and is not as complex as you may think.



2 CUSTOMER LOUNGE AREA

In an ideal world, all meetings and appointments would run on time, never forcing a customer to wait. Sadly, that is not always the case, which has inspired many financial institutions to dedicate areas for customers to lounge, grab a cup of coffee, and pass the time. Desks with touchscreens or mounted iPads enable easy accessibility to your financial app and website, and other various web applications such as local and national news, weather, and puzzles, appeal to a large variety of people, especially families with children. Specialized areas for kids with branded games on touchscreen displays is a fun and unique way to entertain children while their parents or guardians are making a transaction.

HOW TO LEVEL UP WITH TECH



3 INFORMATIVE APPLICATIONS

Entertaining customers with interactive content that supports financial literacy is a creative way to engage those waiting in your lobby (particularly the 98% of Gen-Z and Alpha customers who feel financial literacy is critical to their achievement) while simultaneously collecting secure data that can assist your team with personalized customer services.

In a recent study from The Financial Brand, people who feel “bad” about their finances will visit their branch twice as often as those who feel “good” about finances. In addition to providing customers an opportunity to learn about the state of their finances, touchscreen applications like a financial health check can be an easy-to-use tool that provides your customers with a snapshot of their financial wellbeing. Data like = spend versus income ratio, level of liquid savings, debt level, and more can also be shared with employees, helping your institution understand where your customers (and even employees) are thriving, where they are struggling, and how you can make a difference in their financial lives.

DATA

Guessing what your customers' needs are can be similar to walking around with a blindfold; you're never sure where you stand and the next step could very well be a risk. Today, knowing your customer is less of a luxury and more of a requirement, and technology has made it possible to achieve.

An Adweek/IBM Watson Advertising report on personalization revealed that 75% of respondents agreed personalization is critical to a brand's longevity in today's marketplace. In fact, on average, 50% of Millennials and Gen-Z will feel more loyal to a brand if the brand demonstrates a knowledge of their beliefs and lifestyle.

You may be wondering what kind of data can be gleaned from a branch to grow brand affinity. Most financial institutions are ripe with opportunity to mine their customer data through the following techniques:

1 MARKET AND BRAND HEALTH ANALYTICS

By leveraging third-party expertise, financial institutions can dig deep into customer and marketplace data to fully understand market presence and growth potential. Virginia-based C&F Bank is a great example of a financial institution that went all in on data to transform their branch locations. By prioritizing an intensive market study, C&F Bank was able to transform branches, providing unique content deployments to serve different markets in rural and urban communities that each had substantial socioeconomic variances.



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TRANSFORMATION

HOW TO LEVEL UP WITH TECH

Self Service



2 ENVIRONMENTAL ENGAGEMENT

Sensors and beacon technology capture the data you need to drive content decisions and unlock powerful business intelligence. Learn more about your customer's dwell time in specified areas of your branch to guide where the most effective locations are for your technology and messaging. You don't want to hang your high-impact screen in a corner of your lobby that gets low foot-traffic and even less eyeballs.

Organizations like iThink Financial Credit Union have seen great success by integrating intelligent sensors with their cash management systems, allowing financial institutions to obtain demographic information about people coming in and out of their branch space. The physical and emotional attributes of each customer, is recognized through camera feeds installed in a digital display kiosk, allowing them to capture real-time feedback on customer experiences and adapt to meet their evolving needs. This information, leveraged by their marketing team, helps focus the right messaging to the right customer at the right time. This gives the opportunity to serve customers content that is relevant to them, increasing overall satisfaction, engagement and increasing your wallet share.

3 BUILDING ANALYTICS AND AUTOMATION

Adjusting your environmental settings with smart technology can have great ROI. Learning from employee and customer usage in your space, you can increase efficiency and impact with office usage, capacity planning, climate control, and electricity needs.

Automation has made a large impact since the COVID-19 shutdown, and the migration to

work from home. Analytics have helped inform employers about capacity needs and office use, giving them the chance to reconsider their office arrangements and to invest in hotelling systems instead of permanent office spaces.

In addition to people and space management, there's an energy savings benefit as analytics and automation help you determine heating, cooling and lighting that meet the needs of your building and its workers and visitors.

4 CRM & DYNAMIC CONTENT INTEGRATION

As we previously mentioned, personalization is increasingly becoming a necessity in order to engage emerging generations. This is where Artificial Intelligence (AI) is changing the game. Through the use of AI, you can craft unique journeys leveraging dynamic content integrations that relate specifically to your customer or customer cohorts.

Enabling facial detection software and video cameras with your digital displays unlocks the ability to segment content in real-time based on age, gender, mood, and even make of car (think ATM advertising!). With this information, your content will automatically change for each customer based on their individual characteristics. What Zack the Gen-Z-er would be interested in would likely differ from what Barb the Baby Boomer would, and AI is making that possible. With customized content, Zack is served information about buying his first car, while Barb is offered to join a virtual retirement seminar. It's also imperative to note that this information is securely procured, and never captures any personally identifiable information (PII).

HOW TO LEVEL UP WITH TECH

ENGAGEMENT

We've discussed experiential and data as two components to engaging your customers; but what it really boils down to is the content. With relevant content, your displays and customer experience within your branch comes alive.

Content can be difficult to keep up with, so a vetted plan determining the "who, what, and where" of your messaging will be critical:

1 WHO

Who, in this scenario, refers to the team or person responsible for the development of the strategy and design of the content. Larger institutions likely have the convenience of an on-site team dedicated to this service. Smaller institutions may benefit from an outside source that specializes in developing content for the financial sector. Efficiencies can be realized with these firms as they can remotely monitor and update the screens, in addition to servicing them.

2 WHAT

The kind of content you will serve to your customers depends on your strategy. If you're seeking a purely transactional relationship, promotional content will suffice. Financial institutions have led with that strategy for years, especially in areas where little to no secondary choices existed. Today, there's a deluge of options of where to bank online and offline, and what sets one apart from the other is the story they tell.

In order to promote new business and showcase your community values, a blend of lifestyle and promotional messaging is recommended. For example, a financial institution in the midwest featured images of locations around their community woven in with branded graphics and their logo. It positioned their branch as a committed, loyal community bank using dynamic, eye-catching video proudly displayed where customers interacted. Closer to the teller lines, displays featured promotional offerings such as their free checking and low auto loan rates. The promotional messaging was placed in high-traffic areas at eye level where dwell time was determined to be high. This dynamic approach to content enabled the financial institution to rotate content on a quarterly basis, switching the images to reflect the seasonality of their business and their community. And to show their commitment to the area, they built a coffee shop that donates 100% of its proceeds to the underserved within their county.

3 WHERE

We already established that in order to take an informed approach to the placement of digital displays, research within the branch should be considered to determine where customers congregate. However, displays can be installed just about anywhere, and the installations that really move the needle use creativity in how they are applied to the surrounding space while communicating the values of the institution.

SOME OF THE MORE OUT-OF-THE-BOX IDEAS CAN MAKE THE BIGGEST IMPACT



BILLBOARD

Think BIG. Large format displays create maximized impact. Frequently hung behind the teller pods, these screens create ambiance and set a branded tone. From visualizations of community events, family life, and/or branded graphics, a customer feels immersed within a brand when stepping foot in the branch. Sometimes, these billboards are the perfect place for content that sets the tone of the space...think soothing ocean waves, or a summer hike through the woods. The scale of these impactful displays allows a customer to get engaged in an experience, and changes their perspective of the financial institution.



LOGO

A strategically embedded display behind a cutout of your logo can add movement to usually static signage. For example, a credit union that was founded to serve the longshoremens of California used a video of shipping containers on cargo ships to illuminate their logo. It's relevant, eye-catching, and one-of-a-kind, while clearly communicating their commitment to the industry and surrounding area.



CUSTOM SHAPES

Displays don't always have to be rectangles. Thinking outside of the box, displays can be mounted in unique formations that compliment the interior space. Shapes that echo the local landscape or reflect similarities to an institution's logo can evoke a strong correlation between branch, brand, and geographic location.



WINDOWS

Window displays don't have to be static anymore thanks to new technology that turns your window into a video screen without compromising the view. Your customers and staff can still view the world from inside, while visitors and those passing by see a vivid screen displaying branded or promotional messaging.

IN CONCLUSION, the integration of technology in physical branches is not just about keeping up with the digital world; it's about enhancing the customer experience and building strong relationships. By leveraging technology in a purposeful and personalized way, credit unions and banks can create smart, customized interactions that resonate with their diverse customer base. Understanding the specific needs and preferences of different age groups, locations, and income levels through research and customer feedback is crucial in making informed investment decisions. Moreover, incorporating operational technology can improve customer service, reduce wait times, and empower employees to provide personalized and efficient service. By focusing on experiential, data, and content aspects, financial institutions can truly thrive in a digital world while maintaining their high-touch approach and delivering exceptional value to their customers.

