

Branch transformation: a strategic imperative

It's true to say that how people bank has changed in recent years, but although customers are increasingly becoming multi-channel users, a 2014 Novartis study confirmed that "for things that matter most, people still prefer the branch"

The relationship with the customer is key. People talk about teller-less branches, but it is not the same as no-staff branches.

The branch remains at the core of retail banking and provides opportunities for interactions that are highly valued by customers. Recent research carried out by YouGov for Glory Global Solutions in five countries (Great Britain, United States, Australia, France and the Netherlands) found that in each instance what customers valued most was face-to-face interaction, followed by convenience and simplicity. What they didn't value was long queues or a lack of specialist staff or personalised service. For many, the message is clear – the branch is important but it needs to change.

The branch is central to customer service and this is something banks ignore at their peril. A recent report from Accenture shows that 34 per cent of customers who switched financial providers in the last year did so because of poor customer service experience.

A challenging environment

The recent financial crisis has brought both challenges and opportunities for technology-focussed companies. In the area of banking, for example, some countries have seen an increasing number of mergers and a reduction in branch numbers as bank margins come under pressure, but that's only part of the story.

As customers expect more choice and higher levels of service delivery, the challenge that banks face is how they position the branch as part of their retail offer. Innovative solutions have a key role in enabling institutions facing cost pressures in a rapidly changing market environment to meet the needs of increasingly demanding consumers. The retail banking

The bank branch is not dead, but it does need resuscitating, says **Paul Race**, Director of Global Marketing Operations at **Glory Global Solutions**



industry needs to provide the type of service customers require, where they need it. Old-style branches were based in high streets and were focussed on transactions. Today's branches need to be located where the customers are and this is one area where they can learn from the retail sector.

Long live the branch

Location is one part of the branch network solution; the other is service delivery.

"The branch will not die," says Javed Anjum, Branch Transformation Specialist at Glory Global Solutions. "It is evolving to better meet consumers' needs. The focus is no longer on enabling transactions but rather on human interaction.

The modern branch is about providing advice and income generation and the key to all this is customer experience. Glory's technology and global experience are key to revitalising the branch channel. We see our role as an adviser and a facilitator of change."

Today's customers want easy transactions and a personal, customised service. They are at ease with self-service technology, whether that's ATMs, online or mobile banking, and are able to do more for themselves. That said, the role of the bank branch remains clear; it is the only channel where every type of transaction can be completed successfully, whether it is a more

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complicated multi-step transaction or financial advice about a new banking product. What the bank wants from its branch is cost-effective high footfall and the highest levels of customer experience. Using innovative technologies is essential to this process.

Automation enables transformation. It opens up opportunities for a more sales-centric experience and ensures the bank can achieve this cost-effectively,



Optimistic: "The branch will not die," says Javed Anjum

potentially in a smaller space with fewer people, or the same number of people focussed on higher value activities. Of course, the bank has to take into account the fact that not all customers will be comfortable using self-service, some will continue to want or need the

assistance of a teller. In this instance the use of TCRs (Teller Cash Recyclers) in the branch will speed up transactions, reduce queues, lower overall transaction costs, improve security and enable more effective customer interaction. Removing the need for security screens also enables the adoption of a more welcoming, open-plan environment at the branch

As Javed Anjum explains: "While there can be 'no transformation without automation', automation of transactions should not lead to the elimination of human interaction. The challenge then is to get the balance right, to achieve the cost savings associated with self-service, to ensure customers have the re-assurance necessary to carry out more complex transactions and also to preserve the opportunity for customer interaction with a member of staff, free from minor administrative duties."

New branches that provide a positive customer experience have the potential to drive increased revenue and this is the



market model adopted by innovative institutions, like Metro Bank in the UK.

In the past, the customer perception of bank branches has been fairly negative, with a focus on slower manual transactions and resultant queues. The focus now, with the help of innovative technology, is to make the branch somewhere the customer will want to visit, with a more open-plan design and for it to become an effective advice centre.

Technology for the future?

Despite various claims that we are about to embark on a cashless future, for the foreseeable at least, cash is here to stay. In the UK, cash still accounts for 48 per cent of all transactions by volume and the number of bank notes in circulation continues to increase. According to the Payments Council, there will still be 14 billion cash payments in the UK in 2022.

Automated cash handling at the branch will continue to provide an essential means of improving security, releasing resources, enabling speedier transactions and lowering costs.

Some things have changed and will

impact on future developments. Most bank customers are now multi-channel users and it is important that there is a consistent look and feel between the branch and other channels. There is also increasing pressure for what has been termed 'infotainment', whereby consumers expect to be entertained while being informed. Expect future products to be designed in a way that does both.

In this and other areas, Glory is already ahead of the game.

Javed Anjum says: "In everything Glory does we are looking forward. As our tagline states, 'We secure the future'. By enabling positive customer experiences we help our clients increase customer loyalty while lowering costs, maximising sales and improving the bottom line. It's no accident – we are in a unique position to do so."

A unique perspective

Glory has long experience of working in the branch channel rather than on one specific solution type.

This unique background means Glory has a deep understanding of cash – back office,

middle and front office. Unrivalled knowledge of the requirements of interacting with cash across the organisation enables Glory to tailor the right solution for each client, delivering the maximum benefits by optimising the processing and management of cash, not just in silos, but across the whole branch.

Glory Global Solutions is a global leader in secure cash technology solutions in more than 100 countries, operating across the financial, retail, cash centre and gaming industries. Solutions are about choice and ensuring that banking customers are served in ways that will enhance the overall branch experience.

The company's research demonstrated that significant numbers of customers remain uncomfortable about using self-service, particularly for more complicated transactions at the branch. This is where assisted self-service, whereby staff stand ready to help customers to use the machines, is important. One thing you do not want to do is lose those customers more wary of using technology. Staff intervention, when required, is cost-effective in that it involves a 'one to many' ratio.

Moreover, Glory's TellerInfinity product enables customers to carry out a wide range of transactions themselves, including transactions that were not previously available through traditional ATMs – those that typically would require some level of staff intervention.

Another important feature of Glory's solutions is that its software connects to the branch platform. This integration with the core banking system enables a wider range of automated services at the branch, avoiding limitations associated with the ATM switch.

For customers wishing to open an account or acquire a new product the process couldn't be easier or more convenient. As the software is linked to a staff member's tablet PC, they are able to intervene and validate the customer's identity.

There is no doubt the branch is changing in terms of location, appearance and functionality. But what is also evident is that these new branches have a continued essential role to play in terms of the banks' service delivery.

Working with Glory, banks worldwide have rejuvenated the channel – and there's more to come.