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Branch Reboot: Why do we need branches, anyway?

BY SUE DOWD ON APRIL 22, 2019

As an industry, banks and credit unions have been so successful at persuading customers to move their simple banking transactions over to mobile, online and ATM channels, we are all now left with the question: what is the purpose of the branch? Is there still a need for them at all?

The answer is yes, and for several reasons.

Branch as brand headquarters

You see more and more consumer brands opening brick-and-mortar flagships – Nike, Samsung, Dyson to name a few. Is it because they expect these stores to offer a significant stream of revenue? No. These are showcase locations with brand ambassadors rather than sales people, designed to create a connection with consumers and let them *experience* the brand first hand. The intention is to create a base of loyal customers for years to come, whether they buy that day at that store or through other channels in the future.

Your branches serve a similar purpose. In the eyes of the customer, the branch is your headquarters, the branch staff are brand ambassadors, the branch manager is the CEO. And the condition, appearance, and vibe of your branches are the physical manifestation of the brand, like it or not.

This is why it is so important to give your branches the attention they deserve and make sure they are helping to shape your brand as you intend. Are your branch interiors dark and dreary? Is the merchandising dated or out-of-touch with your target market? Are your employees moody and disengaged?

If the answer is yes to any of those questions, it is time to find a partner to help you refresh and reboot your branches.

Trying it on for size

Have you ever stopped into a car dealership and purchase a vehicle on the lot without taking it for a test drive? Probably not. What if prospective members want to test drive your branch? They'll most likely want to meet the staff, try out your mobile app, see what features your ATMs have and learn about product features. Sure, they can (and will) research your company online, check out the website and read Yelp reviews. However, knowing that 60 percent of Americans prefer to open their accounts in-branch, their next step will be stopping by your location to see what it's all about. *

Choreographing your branch experience to convert the browsing prospect into a customer is critical. Are your branches prepared for the test drive? Are you showcasing your offerings? Is your staff equipped to demonstrate your mobile app? Does your environment project you as tech-forward?

One of the best ways to get the experience "right" is to mystery shop. Try opening an account at a competitor, or at a financial institution that you know has a good reputation. This will allow your team to see what the experience is like, determine what is working well or identify any disconnects. Learn from this to map out your own in-branch experience.

Not just a piggy bank

Let's not forget that the true purpose of financial institutions is not to store people's money. It is to help people with all aspects of their financial life, including matching up their needs, personal situation and financial aspirations with products and services that allow them reach their unique goals.

No mobile app or ATM machine can fill this need on its own. This is where the critical role of your banker comes into play in providing advice and guidance – there is no better place for delivery than in a branch setting that is conducive to such conversations.

Ask yourself: Is your branch set up to foster such conversations? Are there tools to help educate? Is your staff empowered to not only provide guidance, but to assist in problem resolution, such as helping a customer access their online account or overriding an overdraft fee?

Sure, you may be seeing declines in branch traffic as account holders adopt other transaction channels, but it is up to *you* to make sure you are consistently putting your best foot forward at the branch. Every important customer visit should always be a quality one.

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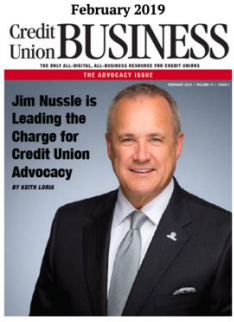

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