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The Branch of the Future, Today



All of the discussion surrounding the 'branch of the future' obscures the fact that this future has already arrived – in the form of mobile-enhanced, self-service and omnichannel banking.

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Aug 15, 2014 | [1 Comments](#)

Elaborate depictions of the branch of the future have been a topic of discussion for so long now that it seems like the future should be here already. What if I told you it is?

Banks of all sizes have begun enhancing branch design to meet their business goals and fit their customers' needs. However, with no blueprint for branch transformation, these changes are not always easy to recognize as each bank is approaching them very differently. Plus, the continuum of innovation flooding the banking industry has made many people numb to gradual changes in the branch, as we have come to expect a tech-enhanced user experience in all aspects of our life.

It is time to take a step back and realize just how advanced the modern branch really is. The branch of the future is here today. And though implementations differ, those who are successfully transforming branch design and operations are using mobile and self-service channels – those very things touted as driving the death of the branch – to create a truly omnichannel experience.

Mobile Key Component

We have all heard it: Mobile will kill the branch. However, the reality is that mobile channels are a key component of the evolution of the branch, not as a competing or even complementary side kick, but as an essential part of modern branch operations. Whether it is branch staff using mobile devices to deliver corporate customers in-person banking service in their own offices or [near field communication \(NFC\)](#) technology allowing bankers to recognize customers by name when they walk in the door with their mobile device, mobile has found a comfortable home in the branch.

Take, for example, the team at Naples, Fla.-based [First Florida Integrity Bank](#), which is phasing out legacy systems so that all in-branch operations work in a tablet environment. They have replaced the traditional teller line with bankers who are equipped with touch screen devices, allowing them to conduct transactions and supporting a more engaged experience with the customer. In fact, the location runs more like an Apple store than a traditional branch. The bank's customers also have access to public WiFi and a variety of tablet and smartphone devices available for use at a technology bar. Further, the branch will be working from a completely mobilized core platform in the future.

The in-branch mobile strategy has worked for First Florida, as more than 1,800 customers visit this location each month. Once customers become accustomed to the new concept, they become loyal visitors. In fact, a group of customers come in every morning to read the paper on the Kindle devices at the technology bar; one man even comes in every week to Skype with his grandchildren.

It is true that mobile banking has slowed branch traffic, especially when it comes to a younger generation of customers. However, statistics indicate that those who visit a branch have a higher level of satisfaction with the bank overall. According to a [Gallup study](#) that surveyed respondents who opened an account in the last six months, 80% chose to open their account in a branch with merely 8% opening an account online. Further, customers who opened their account online were 20% less satisfied with the experience than those who initiated their account in person.

Studies like this indicate that an emphasis on customer service is still an essential part of most bank interactions, and banks have taken notice. Modern banks are now merging mobile and other self-service channels to help lock down customer loyalty and re-establish a focus on customer service without losing the benefit of technology innovation. The branch of the future in many institutions now incorporates interactive teller machines, kiosks and other self-service stations that allow customers to handle transaction-based business in the branch at their own convenience.

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There are few topics that so engage the minds of retail bankers these days as the future of the branch. The continual migration of customer transactions from the branch to electronic channels can no longer be ignored, particularly in an era when profitability is under pressure and every expense must be scrutinized.

[The Mobile Transformation](#)

The mobile banking landscape has changed greatly in recent years as customers graduated from simply checking their account balances on the cell phone to actually making payments via the device. Increasingly, mobile banking is transmuting into mobile payments.

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