



# The branch is broken, and it's time to fix it

In the digitally-enabled omnichannel age, empowered banking customers seek information and service through a multitude of touch points and they value convenience more highly than ever before—often preferring to serve themselves.

The result? A huge change in consumption habits and the emergence of new trends in the banking sector. The most well-known has been the rise of online banking and its expansion onto mobile devices. As more customers embrace these new channels, banks are faced with an important question—how do our branches fit into this new service environment?

The human touch offered by branches is highly valued by many customers, and even as branch profitability falls, it will remain an essential channel that banks must continue to invest in.

According to Accenture's 2013 US Consumer Retail Banking Survey, 78% of customers say they expect to be visiting their local bank branch just as frequently—if not more frequently—five years from now\*.

Even in today's technology-driven service environment, banks can't afford to undervalue face-to-face communication. According to UCLA Psychology Professor Emeritus Albert Mehrabian, 65% of face-to-face communication is non-verbal—it's not just about talking to a real person. By breaking down the barrier between staff and customers, and enabling them to interact freely in a more natural, human way, banks can revolutionize the branch experience.

Closing branches isn't the answer. The challenge retail banks face now is finding a way to make the branch profitable again, and to do that the banking experience must be relevant and engaging for a new generation of customers.

\*Source: A Critical Balancing Act: US Retail Banking in the Digital Era, Accenture, 2013



# Customer habits have evolved, have you?

Branches are here to stay, but changes in customer habits are still preventing today's banks from getting on with business as usual. Disruptive technologies and increased choice in the market have given customers more power than ever before, and they're using it to demand smarter, easier, and more flexible experiences from their banks.

Today, retail banks are challenged to support a huge range of channels, including physical branches, smartphones, tablets, personal computers, and self-service technology. Banks must now bear the cost of supporting all of these, unless they can redefine accepted consumer standards in the market themselves.

While retail banks may not yet be making any dramatic changes to the services they provide, agile new competitors are enabling customers to transform the way they bank. The market is becoming crowded with non-bank alternatives, such as mobile phone operators. Independent startups such as PayPal have simplified digital payments, and some would say the need for a bank account is declining. So how can traditional banking organizations keep up and stay relevant?

The time has come for banks to sit up and take notice. Your customers' requirements are changing, technology is changing, and the world of banking is changing, all without your input. Your branches and the human touch they deliver are what separate you from agile digital competitors. If the experiences customers receive when they visit a branch aren't changing too, you're going to get left behind.

Branches still carry value. In the US—arguably the world's most mature banking sector—there were 3,000 new branch openings in 2013, the highest level since 2009. While overall branch reductions are still in evidence, this points to an important stabilization in branch numbers

—The Federal Deposit Insurance Corporation,  
Summary of Deposits Survey 2013

# The branch is long overdue for a makeover

In the omnichannel age, delivering seamless, convenient, and personalized customer experiences is everything. The success of agile new market entrants has proven that if customers can receive better service, they won't hesitate to go elsewhere. There is now an urgent need to transform branch experiences and delight customers by providing smarter, more human service.

Bank customers have moved away from a culture of "lazy loyalty". According to the 2012 World Retail Banking Report, 53% of customers would be willing to leave their banks over the quality of service they receive. This shows how important customer experience has become for retail banks, and clearly indicates that banks can't afford to delay branch transformation any longer.

While changes in customer habits and preferences present new challenges for banks, they also present an emerging opportunity. Banks that are plugged in to the trends their customers are responding positively to can use that information to transform the service they deliver in their branches—turning customers into loyal brand advocates and nurturing closer, more personal customer relationships.

**66% of customers still prefer to talk to someone face-to-face when buying a banking product rather than buying online.**

–Accenture Consumer Retail Banking Survey 2013

Over the past decade, the world of banking has changed dramatically, so why has the branch experience not changed with it? Changing attitudes to service, innovative new technology, and a recovering financial services market have come together to form the perfect environment for bank branch innovation. The stakes have never been higher, and the need for banks to stand out from the competition has never been greater.

With the right technology and new approaches to service delivery, branches can be transformed, bringing a traditional service channel into the future, and delivering real competitive advantage in a highly contested market.



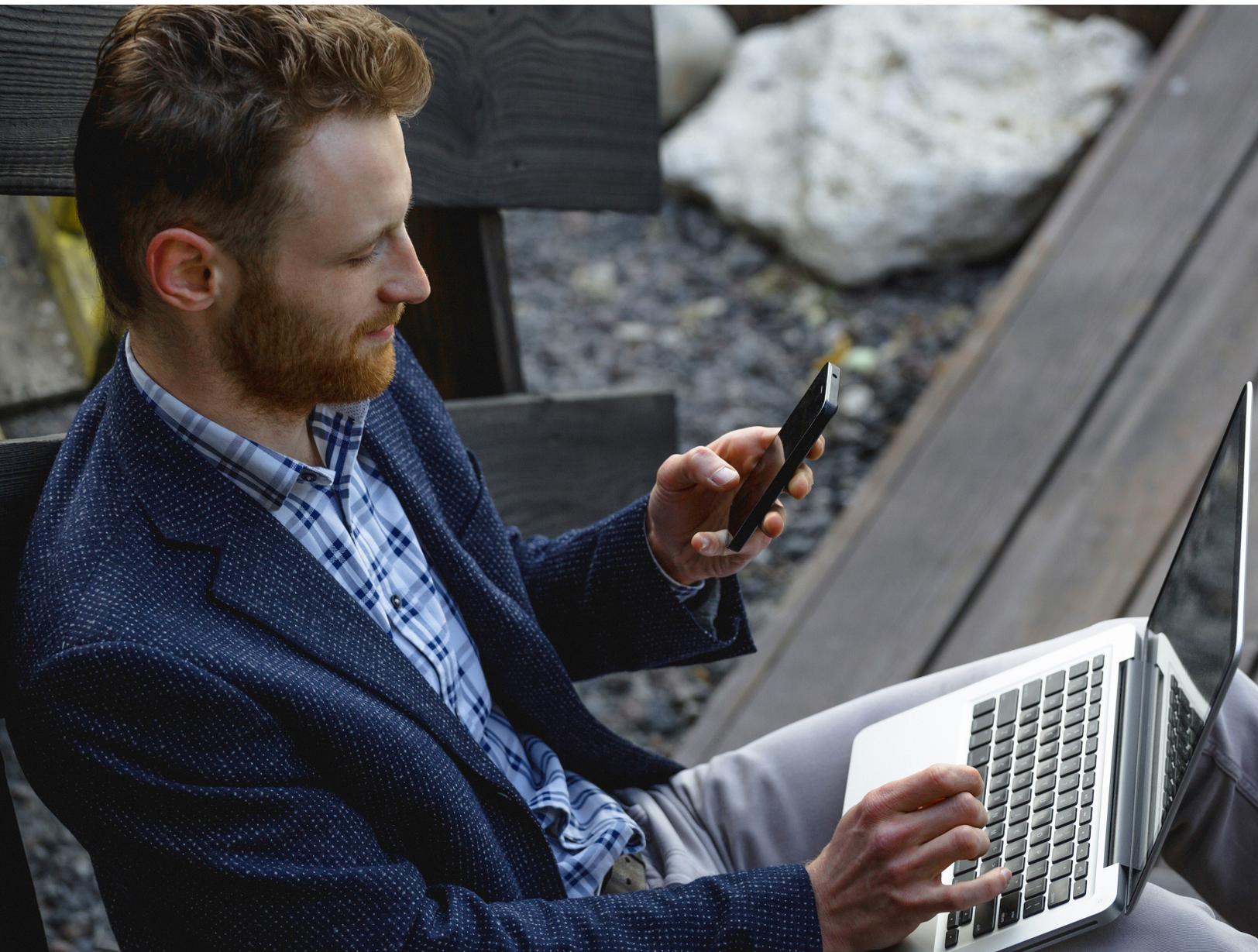
# Your customers already interact, just not at your bank

With growing numbers of new players in the market, a wide range of self-service options available, and an “always-on” attitude to customer service emerging, the power in service relationships now lies with the customer. They dictate how they want to interact, and it’s up to you to meet their demands in branch or risk losing them permanently.

Digital self-service interactions have already been embraced by a wide range of customers. For many they have become a day-to-day occurrence and their preferred method of interaction. This is something that banks can no longer afford to ignore.

While the branch still holds unique value for today’s customers, many want their in-branch experiences to be just as flexible and convenient as the online and mobile alternatives available to them. The challenge for retail banks is finding a way to bring this flexibility and convenience into branches without losing the personal, human touch that customers have come to expect.

Millions of customers across the globe are already confidently driving their own service experiences every day, isn’t it about time they started doing so in your branches?





## Help yourself and your customers with assisted service

With staff numbers and branch profitability shrinking, more efficient service delivery is critical if you're going to maintain your bank's frontline physical presence. Assisted service can help you cut costs and deliver service proactively, in a way that will engage and delight your customers.

In a world of digital transactions there is no logical reason why customers should need to wait in line to process a simple request. New technology has made them comfortable with self-service and they simply don't require same level of assistance as they previously did. Assisted service enables you to transform your branch experiences to reflect that.

**Less than 40% of customers globally reported positive customer experiences with their bank last year.**

By empowering customers with assisted-service terminals, you take the pressure off staff, while enabling customers to request face-to-face assistance when they need it. This doesn't just help you serve a greater number of customers and cut lines, it also helps dramatically increase satisfaction and improve the overall branch experience.

Roaming staff equipped with tablet technology can monitor customers' needs and wants as they interact with these terminals, so they can use their time more intelligently and instantly identify which customers need assistance, without bothering those who don't. When branches are bought into the future, customers may never have to wait in line again.



## Do you have a single view of your customers?

Imagine a world where your customers can walk into a branch, access an interactive terminal, receive a tailored list of options, and easily complete common tasks on their own—with staff on hand to provide truly personalized assistance when it's needed.

When you have a single view of every customer, that's a real possibility. By intelligently compiling and applying customer information, you can deliver smarter, more efficient, and more satisfying branch experiences—driven by exciting and engaging staff and terminal interactions.

**A single customer view isn't just important for your staff. 68% of customers highly value a holistic view of their account information as part of their banking experience.**

In some countries, having a single customer view is now a legal requirement for banks, but the benefits extend far beyond compliance. Many banks are beginning to see how a unified approach to customer data management can help them transform omnichannel experiences and break down the barrier between staff and customers by enabling closer, more human interactions.

When branch staff have access to complete, up-to-date customer profiles and transaction histories, they can anticipate their needs and deliver service proactively. That helps you increase cross-sell and upsell opportunities and tailor experiences to their individual requirements. It can also help you cut service times and increase staff productivity.

—World Retail Banking Report Voice of the Customer Survey 2012



## Collaborative problem-solving pays

By drawing on detailed customer knowledge, on-site staff and remote experts can work together with the customer to find the best solution to any inquiry as quickly as possible.

In an ideal world, a customer can approach an interactive terminal, process their own transaction, call on a roaming member of staff for personalized assistance, or connect face-to-face with a remote expert through the terminal itself. Data sharing ensures that everyone involved is equipped with the information they need to help the customer find the perfect solution.

The branch of the future will revolve around these collaborative interactions, bringing customers, technology, and employees together to deliver exceptional experiences time after time.

This helps blend the traditional branch experience that customers know and love with the convenience of self-service channels—delivering a digitally-enabled service that retains a personal, human touch.



## Your branch staff are ready to be transformed

Staff in your branches know what customers expect from a modern bank, and want to be empowered with transformational new technology that can revolutionize the way they do their jobs.

Your staff time is highly valuable. Only they can deliver the all-important human touch that keeps customers coming back to your branch. By reducing the time they have to spend processing day-to-day requests and basic transactions, you can free them up to deliver truly amazing experiences.

New technology also helps staff reach a greater number of customers in remote locations. Using an interactive terminal, customers can connect with a live expert on-demand and talk to them face-to-face, the same way they might seek live customer service online.

Branch transformation comes down to one simple concept: giving staff the flexibility and resources to spend more time offering customers personalized support. Customers now have the ability to perform basic transactions through any number of digital channels. What they expect from a branch has changed, and the way your branch staff operate needs to transform to reflect that.

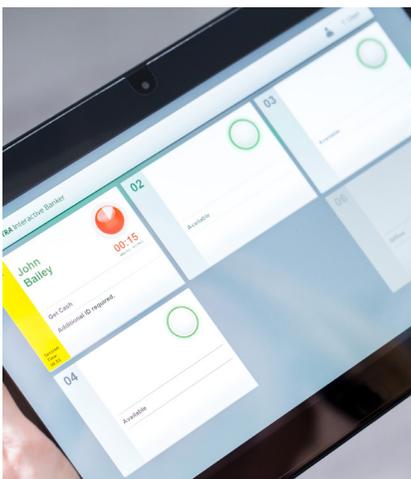
# The human touch works

While new technology and approaches to service are key to delivering amazing branch experiences, it's important not to lose sight of the qualities that have helped the branch remain many customers' primary service channel for so long.

The human touch is a critical part of the branch experience, and as customers' lives become digitized and automated, it is becoming a highly desirable selling point for organizations that are still able to provide it. Branch transformation and modernization are all about finding the right balance between modern self-service facilities and traditional face-to-face interactions.

Banks with the most successful modern branches will be those that recognize how technology can supplement and simplify traditional branch interactions, rather than replace them entirely. Better-informed staff can deliver a more tailored service, and empowered customers can help themselves while helping you increase efficiency.

With smart interactive terminals, a single customer view, and technologically-enabled, flexible staff, banks can deliver truly transformational experiences and give their branches a long overdue makeover—without sacrificing the caring human touch that customers value so highly. It is this strong customer relationship that banks must foster and carefully manage if they are to set themselves apart from the competition and keep customers coming back for more.



# Why NCR?

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