
BRANCH TECHNOLOGY It's all about the customer

While online- and mobile-banking technology development glows white hot, the branch channel is cooling on the back burner. Yet most observers say that, like paper checks, bricks and mortar will not go away, despite waning use. How can technology and new thinking breathe life into branches?

Tech Topics discussed this question with Nigel Smith, managing director of Accenture Banking Distribution and Marketing Services in North America.

Tech Topics: What kinds of overall trends do you see regarding branch technology now?

Nigel Smith: Banks desperately need to figure out how they can drive more profit out of the branch channel, and how they can reduce the cost. Many of our clients are finding that the branch channel still represents a huge percentage of customer and product acquisition. The conundrum they face is that the branch network is one of the most expensive. But they don't want to destroy the way they get most of their customers. The principal trend is about how to use that branch more effectively.

We see that the branch of the future will be much more about being an access point into what the bank, as a whole, can do, but with a lot of those services being provided more remotely.

We see three subthemes. One is that all of the bank must continue to key on self service, and using either local or remote systems help customers achieve [what they need] through ATMs or kiosk-type devices. The second subtheme we see is a move away from the one-size-fits-all model. There will be much more differentiation in the physical branch layout. It has technological implications to have a smaller format in locations, and being able to provide services remotely. Then, the third subtheme we see is what we call the converged rather than the multichannel model, where customers can start a transaction in one channel and seamlessly finish in another channel.

From the organization's point of view, it can leverage the skills of its customer-facing representatives and function largely independently of where they're sitting.

TT: You mentioned "the customers" a number of times just now. We hear that "customer centricity" is an important part of banking. Where does technology fit into that?

NS: Banks need to be conscious of 'what's in it for the customer.' Any one of these technologies that they invest in and roll out, they have to know 'What is the customer proposition?' It needs to be a key question.

Customer analytics is important. We see a lot of our clients investing to get a better insight into what their customers do want to do and through which channels ... We see a lot of investment in that. Customer analytics enable the organization to offer something in a different way.

TT: Along with analytics, we see 'Big Data' showing up in all aspects of banking, and now it's becoming a big part of branch technology. Is that correct?

NS: Absolutely. It's about] having the ability to act on the data and do something different. Otherwise it's just information for the sake of information. That means the branch staff have to have access, first of all. It has to be presented [in a straightforward manner]. If the staff are preparing for a customer meeting, they need to very quickly understand that wealth of information.

It's also having the branch incentives, performance management, and metrics in line to actually deliver that experience. If the right thing for an individual customer is [for a bank employee] to say, "You know what? I can connect you to somebody who isn't in this branch today, but who has the right experience to help you with what you need to do," then we want the branch staff to feel empowered to do that.

When we think about technology, we tend to focus on the customer-facing devices. There also is going to be work done around management systems to ensure that the behavior of the staff can align to that analysis of what the customer actually wants.

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