
BRANCH TRANSFORMATION

**Achieving Branch Transformation by Bringing Together
Virtual and Physical Channels to Provide a Seamless
Omnichannel Banking Experience**



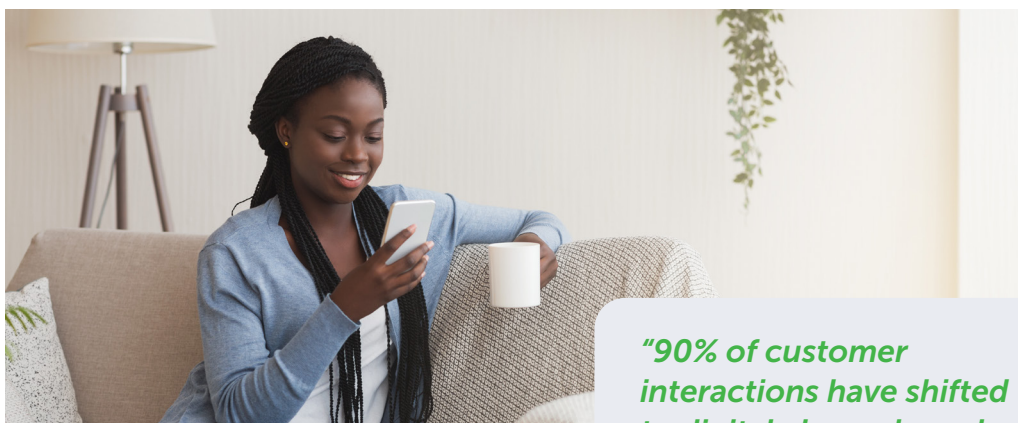
Even before the unprecedented outbreak of the COVID-19 pandemic, digital transformation in banking was well underway. Evolving customer preferences and expectations, increased competition, and advancements in technology led many banks to reexamine their business models and the customer journey.

Yet COVID-19 has dramatically accelerated the rate of digital transformation by several years and created a pressing need for banks to reimagine the customer experience in a world where physical branches are playing a diminishing role and customers are feeling increasingly emotionally disconnected from their banks.



Achieving branch transformation is no easy task. Most banks continue to operate as siloed business units. Customer interactions and bank employees' access to data are inhibited. This is highly frustrating for customers since each department can feel like its own banking institution.

The key is to bring together virtual and physical channels to provide a superior omnichannel experience. To achieve this, many banks are leveraging innovative digital technologies such as a unified communication solution.



"90% of customer interactions have shifted to digital channels such as mobile and online banking, digital wallets, and call centers"¹

BANKING AND THE HUMAN EXPERIENCE

Banking relationships are built on trust, empathy, and communication. Banks have traditionally built and strengthened these relationships over time through direct face-to-face interactions in local branches. As customers gravitate towards digital channels, the human element has been slowly receding from the banking experience.

In fact, a recent Gallup research study on retail banking found that just **1 in 5 customers feel emotionally connected** to their primary banks. "And it's an emotional connection that keeps customers coming back. Gallup research suggests that these emotional connectors with fully engaged customers **net an additional 23% of revenue.**"²

Successful branch transformation initiatives will cater to customer preferences for digital channels while providing opportunities for seamless human interaction and relationship building.

Moreover, communication channels must be secure and transparent to mitigate the enormous reputational and financial harm associated with trust incidents. One recent study³ that examined the economic harm associated with trust incidents found that 54% of represented companies experienced a material drop in trust and as a result lost out on an estimated \$180 billion in revenue.

¹ Accenture, "The Banking Human Experience." 12 July 2019, <https://www.accenture.com/nl-en/insights/digital/banking-human-experience>

² Ratanjee, V. and Tschida, T. "3 Strategies for Humanizing Digital Customer Experience." 29 July 2019, <https://www.gallup.com/workplace/261539/strategies-humanizing-digital-customer-experience.aspx>

³ Accenture Strategy. "The Bottom Line on Trust." https://www.accenture.com/t20181029T113120Z__w__/us-en/_acnmedia/Thought-Leadership-Assets/PDF/Accenture-Competitive-Agility-Index.pdf

ENGAGING CUSTOMERS THROUGH DIGITAL AND HUMAN ELEMENTS

Banking customers expect exceptional service with each interaction. Research shows that positive channel experiences are a prerequisite for higher customer engagement. For instance, one study⁴ compared customers who report not being “very satisfied” with all banking channels they use with those that are. Customers that report being satisfied with all channels:

- Are some **4x more likely** to say they are “extremely likely” to continue to do business with their primary bank.
- Are **more than 9x more likely** to say they are extremely likely to use their primary bank for additional financial services.
- Are **65% more likely** to have opened a new account or signed up for new bank services based on conversations with a bank employee.

For the vast majority of customers, digital channels are the first experience with the brand. Impersonal interactions that fail to create an emotional connection will contribute to the growing number of disengaged banking customers.



⁴ Yu, D. and Nelson, B. “Bank Channel Experiences Make or Break Customer Engagement.” 10 Nov. 2016, <https://news.gallup.com/businessjournal/197363/bank-channel-experiences-break-customer-engagement.aspx>

PROVIDING AN OMNICHANNEL EXPERIENCE

"In a recent survey⁵, 42% of respondents indicated that they would reduce their bank branch visits even after COVID-19 restrictions are lifted."

Service transactions and assistance with complex problems remain the primary reasons for customer visits to a branch and calls to the contact center.⁶ The branch transformation story would be relatively straightforward if banking customers simply preferred branch visits for these reasons and digital channels for everything else.

According to a recent McKinsey report,⁷ customer engagement is far more nuanced. "Customers are increasingly channel agnostic, jumping between channels to solve problems and get answers. They are also embracing digital channels embraced by human interaction."

Effective branch transformation provides engaging customer experiences across digital channels while offering opportunities for human interaction. Sales tools should help bankers to respond to customer needs while digital touchpoints should be personalized.

One study found that applications of sales tools "with call-center agents and remote advisors in US banks led to significant increases in marketing return on investment and a 20 percent conversion rate lift."⁸



⁵ Simon-Kucher & Partners. "Simon-Kucher & Partners Survey Reveals Pivotal Roles of the Bank Branch and Digital Capabilities after COVID-19 Lockdowns in the US." 16 June 2020, <https://www.simon-kucher.com/en/about/media-center/simon-kucher-partners-survey-reveals-pivotal-roles-bank-branch-and-digital-capabilities-after-covid-19-lockdowns-us>

⁶ McKinsey & Company. "Transforming the US Consumer Bank for the Next Normal." 29 Sept. 2020, <https://www.mckinsey.com/industries/financial-services/our-insights/transforming-the-us-consumer-bank-for-the-next-normal>

⁷ McKinsey & Company. "Customer Preferences Spur Retail Banking Channel Evolution." 6 March 2020, <https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/customer-preferences-spur-retail-banking-channel-evolution>

⁸ Rizzi, W. and Taraporevala, Z. "The Balancing Act: Omnichannel Excellence in Retail Banking." 17 July 2019, <https://www.mckinsey.com/industries/financial-services/our-insights/the-balancing-act-omnichannel-excellence-in-retail-banking>

As customers have grown accustomed to the conveniences of digital banking during the pandemic, banks must reexamine the roles that their branches play. Even with declining foot traffic, branches remain a critical component of the customer experience.

In fact, one of the most important factors when choosing a bank is whether there is a branch located in close proximity. "A massive 79 percent of customers in an annual survey conducted by McKinsey say they need a branch close by in case they want to talk to someone (a number that has remained stable since 2014)."⁹



Thus, the key to branch transformation is not to eliminate branches. Rather, banks must better align their branches with digital channels. For example, banks should focus on:

PIVOTING AWAY FROM DAY-TO-DAY TRANSACTIONS

This will allow employees to focus on cultivating relationships with customers. For example, leveraging onboarding tools to free financial advisors from account opening processes allows them to focus on building relationships and selling more complex products.

DRIVING THE ADOPTION AND THE OPTIMAL USE OF DIGITAL TOOLS

Branch managers should utilize digital tools to identify opportunities for additional sales capacity and dedicate time to training staff to ensure the optimal use of all digital tools.

STREAMLINING WORKFLOWS WITH AN ENTERPRISE-WIDE VIEW OF THE CUSTOMER

Customer-facing staff in both branches and call centers must be able to quickly identify customer needs and recommend solutions. Many banks are turning to unified communications (UC) solutions to streamline digital and in-person interactions across all channels to better serve customers and eliminate data silos.

⁹ Yeo, Alex. "How Nondigital Channels Need to Evolve and Keep Up with Digital Banking." 21 July 2017, <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/digital-blog/how-nondigital-channels-need-to-evolve-and-keep-up-with-digital-banking>



SELECTING THE RIGHT TECHNOLOGY

“As COVID-19 accelerates front-end digitalization, the customer experiences that serve as differentiators today...will soon become table stakes, and investing in these areas will likely be essential for FIs to attract and retain customers.”¹⁰

For many financial institutions, the pandemic unlocked opportunities for digital transformation. Banks that were further along in their digital transformation journeys when COVID-19 hit experienced a significant advantage over competitors that had not readily adopted digital technologies.

Banks now have widespread support from leaders to pursue digital technologies as a means of engaging customers, building relationships, and maintaining operational resilience. The key to branch transformation is bringing together physical and virtual interactions. A unified communication solution is a powerful tool to make it happen.

An industry-leading UC solution works by providing a secure end-to-end communication platform. For example, pre-authentication sessions from the online banking system improve the customer experience by reducing the duration of each interaction.

Bank employees can serve customers better by knowing who the customer is and where the communication is coming from. Customers have a broad range of options and can utilize their preferred communication channels. And when customers do need to go to a local branch, they receive superior service since customer-facing staff are prepared to serve them.

¹⁰ Deloitte. “Realizing the Digital Promise: COVID-19 Catalyzes and Accelerates Transformation in Financial Services.” 2020, <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Financial-Services/gx-fsi-realizing-the-digital-promise-covid-19-catalyzes-and-accelerates-transformation.pdf>

ABOUT REVATION SYSTEMS

At Revation Systems, we have a passion for making the complex simple and embracing risk to deliver great results. We have a security-first mindset and a purpose-built approach to everything we do from our policies and processes to our infrastructure and architecture. Security is at the core of our DNA; both at the organizational level and for the architecture of our technology. Security is not a check box for us, but rather an approach that starts from the ground up and influences every product we bring to market. We take the hard road every time to ensure our customer's data -- in the two most tightly regulated markets -- remains protected.

Our secure solutions have been validated with our HITRUST Certification. For financial providers, HITRUST certification means that the organization in question (including its products) has already undergone rigorous scrutiny and is a verified-secure partner whose technology and organization could leverage for its digital transformation without fear, hesitation, or time spent on an additional internal review.


We believe in the power of human relationships and that innovation in communication will connect people to help achieve financial security and live healthier lives. Revation Systems serves hundreds of healthcare and finance consumers in the U.S. with its all-in-one full contact center in the cloud with the ability to drive experience across digital and physical channels. LinkLive is unified communications software hosted in the cloud that offers a broad range of capabilities including rich digital messaging, a seamless ability to engage humans across physical and digital channels, and leading voice and video communications.

We offer the advanced, sophisticated capabilities are expected in a contact center like skills-based routing, session recording, workforce management, agent scheduling, and quality monitoring tools. We also offer a broad range of digital capabilities from chat, secure mail, and co-browsing to the ability for digital users to engage the physical channels and humans at a healthcare or banking organization. Since its founding in 2003, Revation has been dedicated to the belief that the quality of communications can be increased, while the costs and hassles can be decreased, using virtual communications with a cloud-based platform.

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MINNEAPOLIS

 225 S 6th Street, Suite 3900,
Minneapolis, MN 55402

 1.952.392.1834

SAN FRANCISCO

 535 Mission Street - 14th Floor,
San Francisco, CA 94105

 1.952.392.1834

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