Branch Transformation: **Moving Beyond Cost** Reduction and Self-Service

Banks around the world are urgently redefining how bank **branches are used to support their customers.** But there is no 'one size fits all' option – branch transformation must reflect the structure, maturity and cultural norms of the market and of the bank institution itself.

Most important strategic objective of the branch

Central & Latin America Eastern Europe

North

North East

South East Asia

Middle East

Providing financial advice, wealth management,

America

Asia

retirement planning

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Generating new business and

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cross-sell revenue Serving as a branch transaction and processing center

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Using the branch to deliver enhanced customer service and

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satisfaction Least important

Less important

Important

Very important

 $\overline{\mathbf{III}}$

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Most banks have implemented some type of **branch** transformation initiative. In mature markets, transformation focus is moving beyond cost reduction.



per branch

29% Improving the productivity and efficiency of branches



Extremely important



16% Reducing branch



32%

Mature markets

Emerging markets

operational costs



The most significant current and emerging branch challenges include:



digital channels







Key capabilities banks are looking for include the ability to monitor service levels / customer satisfaction for each







Europe & Latin **America East East** Asia **America** Asia

branch, and to monitor activities for regulatory compliance.



5.46

6.32

6.02

6.22

5.74

6.18

5.98

6.38

5.38

5.78

East

Track employee performance on scorecards/dashboards



Provide visibility of idle time and non-productive capacity 6.08

6.52

5.46

7.72

6.08

6.26

5.98

6.36

7.78

7.46

7.28

Forecast volume of activities based on branch visit flow and sales goals

7.16



15%

7.84 Monitor service levels/customer satisfaction for each branch

7.72

7.24

Weighted branch performance tool capability score (0–10) Lowest value

7.32

Highest value Investment in branch technology **over the next 18 months** will be aimed at driving customer satisfaction and

Monitoring of interactions between branch employees and customers to improve customer satisfaction

40%

optimizing the effectiveness of branch staff.

Branch employee e-learning and coaching

34%

24%

19%

21%



Branch employee desktop and

process monitoring

In-branch survey tools to capture satisfaction regarding the branch

Forecasting and capacity

planning for branch employees



regarding branch experiences

Branch employee scheduling

31%



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