Enabling In-Branch Associates Through **Phygital Initiatives**

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Executive Summary

The term "phygital" refers to blurring the lines between physical and digital experiences through leveraging customer information on preferences to deliver a personal experience with continuity in-branch as well as online. In today's banking environment, the emergence of apps as well as growth in online banking is having an effect on the relationship of many customers to their branch. Due to the fact that some of the simplest transactions that would otherwise need to be made within a branch can now be handled remotely, executives are now under pressure to identify ways to improve the in-branch experience and define utility within their physical locations that cannot be replicated through digital solutions.

In response to changes in the way people relate to physical branch locations, the industry is looking at the adoption of "phygital" initiatives. This is a blending of the digital experience of a bank customer with the utility available to them when they step into their bank branch. The ultimate goal is the provision of an experience on a par with leading brands that does not stop and start when moving between physical and digital channels. The convenience

of Amazon, the user experience of Apple, and the relationship building of Disney were cited by survey respondents as their idea of the gold standard.

Strategies for meeting phygital goals include arming associates with tablets that can access customer profiles, giving them information that can then be used to provide context around their preferences and guide conversations around the products which are likely to give them the greatest benefit. However, providing information from digital interactions is just the beginning. In an ideal scenario, the information that a banker gathers in one-to-one conversations can also play a part in developing an omnichannel view of the customer. At scale, this allows for a much more articulated individual customer view that can be used in product development and segmentation, leading to a more productive bank overall. While for many respondents, these capabilities have yet to be fully realized, virtually all are beginning to take bold steps towards rethinking how their physical branches fit in to the future of their banks in a blended phygital world.

Intelligent Appointment Scheduling:
The **Phygital Investment** for Today & Tomorrow

Even as the lines between physical and digital channels continue to blur, many banks and credit unions are struggling to prioritize the people and resources needed to reach their goals and deliver a truly omnichannel experience.

Yet phygital success is not an "all or nothing" proposition. For many institutions, TimeTrade's Intelligent Appointment Scheduling capabilities are an important first step to phygital nirvana, bridging the gap between digital channels and the physical branch, while improving customer engagement and service levels in both environments.

So how is TimeTrade helping banks and credit unions realize the benefits of phygital synergy today, while setting the stage for future omnichannel coordination tomorrow?

"Respondents are looking for ways to improve omnichannel coordination but may be wary of pulling the trigger on newer technologies."
Online appointment scheduling has been proven successful for hundreds of banks and credit unions since TimeTrade pioneered the category almost 20 years ago. Customers ranging from **National Bank of Canada** to **Needham Bank** to **South Carolina Federal Credit Union** have praised TimeTrade for its ability to deliver personalized service and drive valuable, in-branch traffic, while being extremely easy for associates to use. Looking for a risk-free investment? Appointment scheduling just might be it.

Budget and lack of in-house experience was the most often cited barrier to achieving phygital goals.
TimeTrade has demonstrated significant ROI for customers, operationally and financially, helping banks build a strong business case for budget dollars. In fact, Needham Bank's own research showed that, "customers who come in through web-based scheduling have been significantly more valuable than the bank's average customer. Comparing the size of deposits alone, those customers who make appointments through TimeTrade are outpacing the bank's average by almost 4-to-1."

Banks are seeking to contextualize in-branch initiatives within their overall customer engagement strategy, including mobile, web and email.
TimeTrade "Click to Schedule" links offer maximum portability, and can be utilized across all channels – whether digital, print or in-store – at any point in the customer journey. This allows TimeTrade customers to optimize contact points, regardless of when or how their bank customer wants to engage. TimeTrade offers additional benefits for bank marketers who may struggle to attribute the impact of digital investments to specific branch activity. By replacing traditional contact information on the bank's website with a Click-to-Schedule call-to-action, attribution is greatly simplified.

One key benefit of phygital coordination is the ability to deliver customer data, on-demand, to in-branch associates. Making this data available, usually via tablets, allows for more consultative conversations.
More than 47% of respondents to WBR's survey are either using or in the process of rolling out tablets for in-branch associates. Whether your bank is already among this group, or in the 53% still on the path, TimeTrade can deliver tangible benefits today. Because TimeTrade allows bank customers to book appointments in advance, our platform gives associates the visibility and time to prepare *before* the customer arrives, including assembling the relevant data and transaction history. Smart matching capabilities ensure that the appointment request is matched with the right in-branch resource, based on their specific interest.

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Intelligent Appointment Scheduling

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Key Findings

47% of respondents are either using or in the process of rolling out tablets for their in-branch associates which allow them to access customer profiles. The use of tablets or other connected devices is gaining traction as a means to quickly provide information that can be used as a catalyst for better consultative conversations, creating an experience that is unique to the branch.

Budget is still the top barrier in the way of improving the coordination between digital and in-branch experiences. Respondents are looking for ways to improve their overall omnichannel coordination but may be wary of pulling the trigger on newer technologies.

In the midst of changes to where the branch fits in terms of transactions and functionality, one issue remains the same; the importance of individual relationships between bankers and their clients. Within a phygital ideal, these relationships are preserved, turning the bank into a learning and consultation center while more minor transactions can be handled through apps or the desktop.

Research Analysis

Benchmarking the integration of branches into omnichannel strategies

On a scale of 1-5, please rate your ability to use omnichannel customer information to support your in-branch associates.

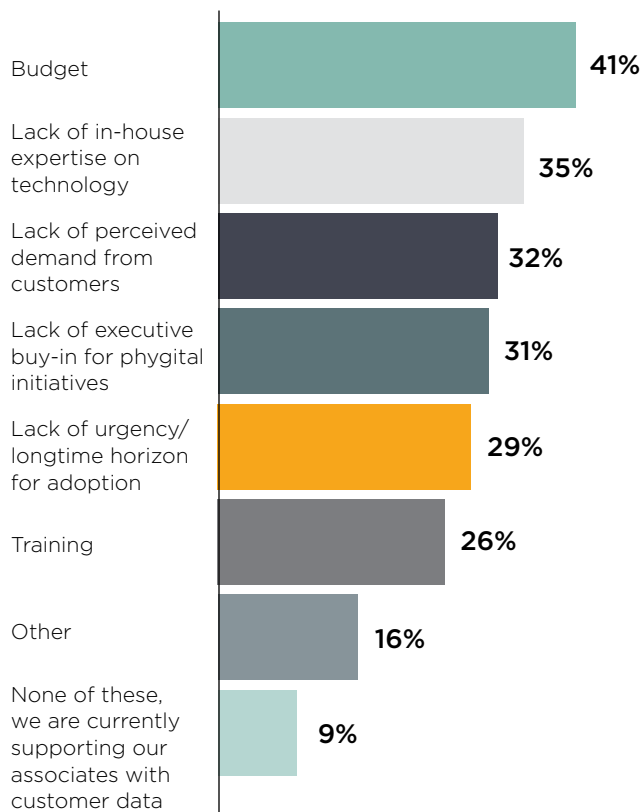| Rating	%
1 (Not developed)	21%
2	19%
3 (Average development)	34%
4	20%
5 (Fully developed)	6%
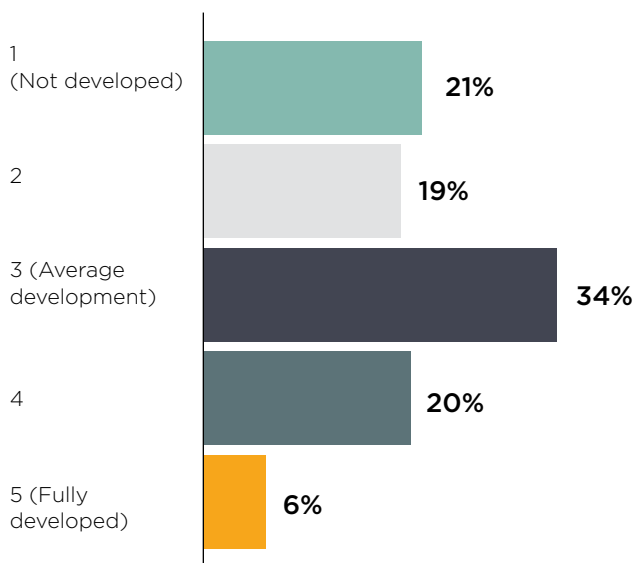
The ability to use omnichannel data to support operations in-branch is a hallmark of a truly omnichannel strategy. That said, only 26% of respondents boast an ability to support this strategy on a level at or approaching full development.

The ability to coordinate an omnichannel strategy to the point that it can synergize with a digitally-based personalization strategy is a requirement for brands who are interested in mastering phygital initiatives.

While 21% have not started on the development of their ability to support phygital, the remaining respondents are spread across a spectrum of development led by 6% who have already fully mastered the use of omnichannel data in-branch.

What are the most significant challenges stopping you from supporting your in-branch associates with customer data?

Challenge	%
Budget	41%
Lack of in-house expertise on technology	35%
Lack of perceived demand from customers	32%
Lack of executive buy-in for phygital initiatives	31%
Lack of urgency/ longtime horizon for adoption	29%
Training	26%
Other	16%
None of these, we are currently supporting our associates with customer data	9%

The growing importance of upgrading the in-branch experience with personal touches enabled by omnichannel means that a range of obstacles must be accounted for, with budget at the top of the list.

Budget will generally always be at or near the top of the list when examining barriers to technology investment, as in a scenario where there is budget surplus it's likely that it will be rolled in to improving capabilities.

A lack of in-house expertise on technology is a surprisingly common barrier to entry affecting just over one-in-three respondents. With budget as a factor, it makes sense that executives may be more hesitant to invest in tools that they might not have expertise on themselves.

The three following factors center on a lack of urgency, on the one hand from executives who do not feel that their customers have expressed demand, and then from key stakeholders themselves in nearly equal proportion, then lastly on a general level based on the idea of waiting out the competition. While current adoption levels reflect that a minority of respondents have successfully rolled out phygital initiatives, that is not to say that it's a correct strategy to dismiss them as unimportant in the near term.

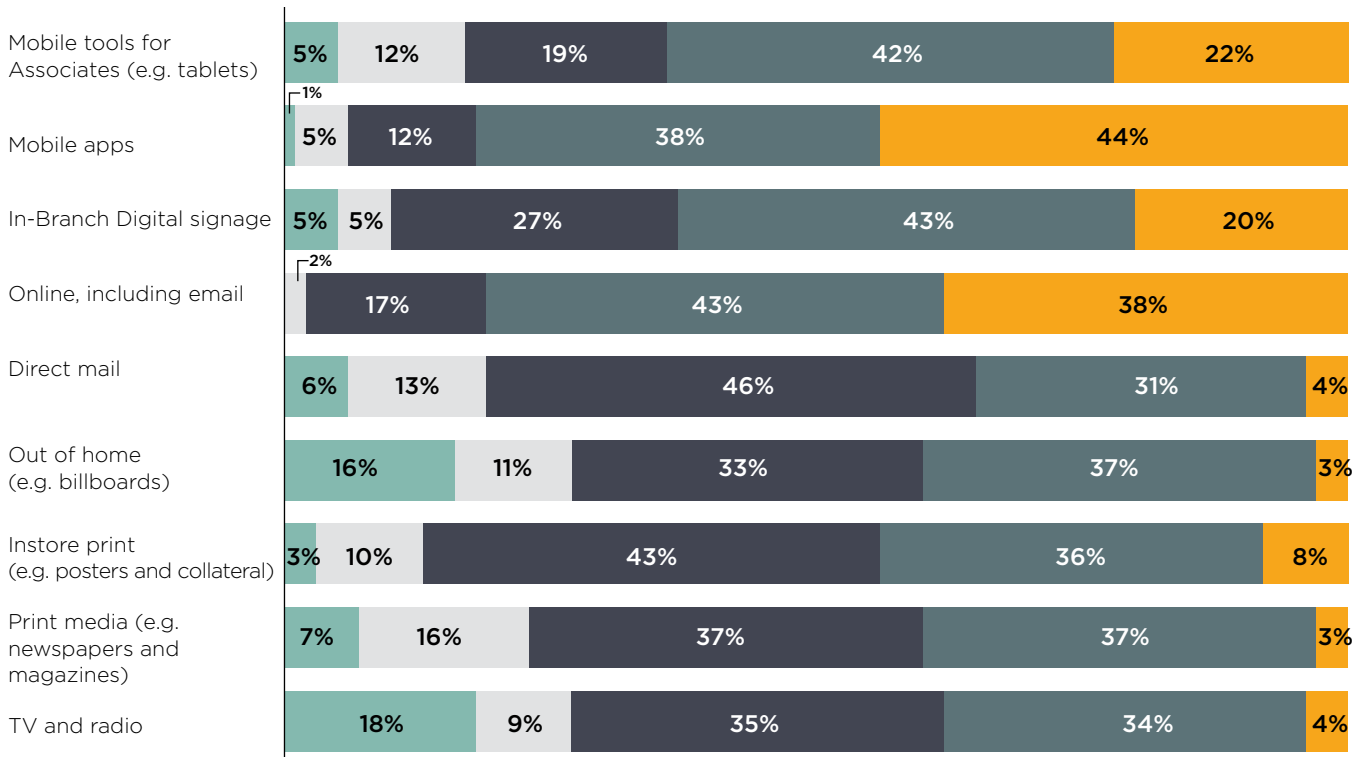Finally, 26% of respondents are facing challenges with their ability to train associates to effectively utilize new tools and strategies for in-branch personalization. Some of the factors mentioned in the "other" category are a lack of appropriate technology for analytics to support omnichannel development, as well as a lack of personnel bandwidth to handle the task of managing such an ambitious strategy.

Contextualizing in-branch initiatives within overall omnichannel strategy

Please rank the importance of the following channels to your current branding and customer engagement strategy on a scale of 1-5.

■ 1 (Not important)　■ 2　■ 3 (Average importance)　■ 4　■ 5 (Highest importance)

Channel	1	2	3	4	5
Mobile tools for Associates (e.g. tablets)	5%	12%	19%	42%	22%
Mobile apps	1%	5%	12%	38%	44%
In-Branch Digital signage	5%	5%	27%	43%	20%
Online, including email	2%		17%	43%	38%
Direct mail	6%	13%	46%	31%	4%
Out of home (e.g. billboards)	16%	11%	33%	37%	3%
Instore print (e.g. posters and collateral)	3%	10%	43%	36%	8%
Print media (e.g. newspapers and magazines)	7%	16%	37%	37%	3%
TV and radio	18%	9%	35%	34%	4%

> **Mobile has become the most important channel on a strategic level, followed closely by online and email. Interestingly, mobile tools for associates and in-branch digital signage are both not far behind.**

The strategic priority levels of different channels reflect our respondents' perceptions of both how they perform in the current day, as well as their future importance in the near term.

In this case, mobile is at the top of priority lists as ubiquity of the smartphone reaches critical mass and various commerce and utility applications become common to the point of becoming embedded in the colloquial lexicon.
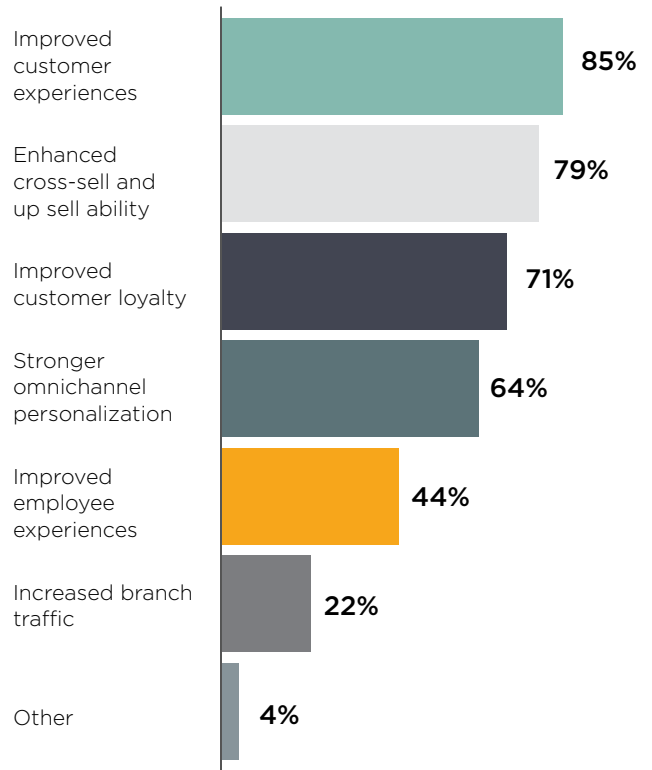
With consumers showing that they are ready to take bolder steps towards the embrace of mobile purchasing, a failure to recognize the strategic importance of mobile apps can amount to a significant tactical error.

Similarly, the importance of both in-branch digital signage and providing smart tools to associates has been growing in tactical value as more examples of how these tools can synergize with each other and overall omnichannel strategies come to light. The levels of strategic priority assigned to these channels are as high as they are based on the fact that for in-branch experiences to continue to play a dynamic role within an increasingly digital, mobile commerce environment, they must be made to synergize with these channels while offering something more.

For example, enabling an in-branch associate with a smart device that can sync with a customer's profile allows the associate to make much more insightful suggestions, and when digital signage is added to the picture a range of potential synergies emerge in which the displays can showcase content that is specifically, relevant to a customer. This ability to give personality and depth to an in-branch interaction creates additional reasons why a customer would visit to meet specific needs not addressed by an app or a webpage.

Defining an advantage through better in-branch omnichannel coordination

What advantages do you expect to gain from providing in-branch associates with more customer data?

Advantage	Percentage
Improved customer experiences	85%
Enhanced cross-sell and up sell ability	79%
Improved customer loyalty	71%
Stronger omnichannel personalization	64%
Improved employee experiences	44%
Increased branch traffic	22%
Other	4%

The role of brick-and-mortar locations within an omnichannel banking strategy needs to be continuously evaluated in order to maintain a strategic advantage within a competitive landscape, where the overhead of maintaining a location must be justified. To manage around these expectations, many banking executives are arming their associates with the tools to take on a consultative role to meet their customers' needs, and adopt more engaging, interactive styles of store layout towards a showroom or lab-style environment.

As arming employees with customer data is one of the keys to developing a more consultative style of interaction, perceptions around their benefits stand as a loose proxy to other methods of updating the in-branch experience.

Four potential benefits stand out as having a plurality of respondents backing them. Improved experiences are at the top of the list, followed closely by the ability to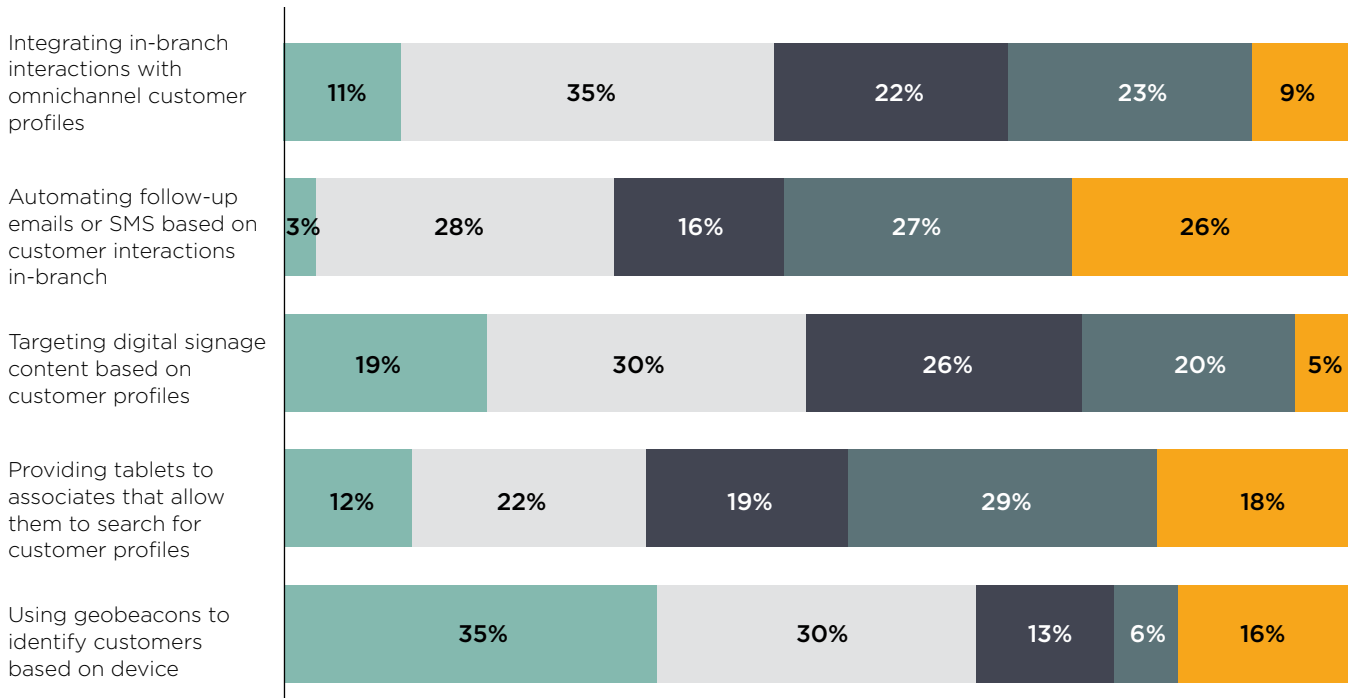 cross-sell and up sell, thanks to a deeper understanding of what products customers have enjoyed in the past and where complementary purchases might come in to play around those. Improved customer loyalty is a consequence of having positive experiences, and naturally grows along with improvements to the depth of in-branch interactions. Stronger omnichannel personalization rounds out these top benefits, as the opportunity to bring more data into the in-branch experience goes both ways. While on the one hand it's important to first put data into the hands of associates to inform them how better to serve their customers, that data stream can flow both ways once established.

In contrast to these benefits, 44% of respondents feel that they can expect their employees to have improved experiences in the workplace when they are provided with omnichannel data. This is obviously not quite as strong of an emphasis as was placed on other benefits, but the fact that nearly one-in-two banking executives believe that there will be tangible benefits for their staff as well as their customers is a positive indicator nonetheless.

The least commonly expected benefit is an increase in in-branch traffic, which makes sense in context—the use of personal data in-branch is contingent on having a relationship with a customer that is pre-existing, though the improvement of service experiences can eventually lead to increased traffic from interested customers.

Please rate your level of adoption of the following strategies.

Legend: Not considering | Considering | Sourcing solutions | Rolling out the capability | Current strategy

Strategy	Not considering	Considering	Sourcing solutions	Rolling out the capability	Current strategy
Integrating in-branch interactions with omnichannel customer profiles	11%	35%	22%	23%	9%
Automating follow-up emails or SMS based on customer interactions in-branch	3%	28%	16%	27%	26%
Targeting digital signage content based on customer profiles	19%	30%	26%	20%	5%
Providing tablets to associates that allow them to search for customer profiles	12%	22%	19%	29%	18%
Using geobeacons to identify customers based on device	35%	30%	13%	6%	16%

47% of respondents are either using or in the process of rolling out tablets for their in-branch associates which allow them to access customer profiles. In terms of developing greater support for omnichannel banking, the prevalence of connected devices is a strong indicator of the direction of the industry.

Respondents are showing progress across a spectrum of activities meant to bridge the gaps between customer omnichannel experiences and their in-branch interactions. The most commonly implemented activity among the milestones listed above is the use of follow-up SMS or email messages that provide continuity for customer interactions in-branch, a technique that 53% of respondents are currently using or are in the midst of rolling out. The same can be said for 47% of respondents who are enabling their associates to access customer profiles through tablets, although it's more likely that these respondents will be in the initial stages of adopting this strategy.

The ability to target the content of in-branch digital signage to reflect the tastes indicated in customer profiles is currently being integrated or in the midst of being sourced by 56% of respondents, suggesting that it is a common next step for respondents who have laid out a foundation to expand their omnichannel strategy within their branch locations.

The importance of integrating in-branch interactions with consumer profiles is growing, as an email or SMS follow-up does not automatically update the preferences associated with an omnichannel customer profile. While banks have been responsive to the idea that a follow-up after an in-branch interaction makes for a better, more cohesive experience, what they are now realizing is that the information they gain from their interactions with customers in-branch can help in continuously improving that experience. For this reason, 35% of respondents are considering integration on this level, and only 11% feel it is not a worthwhile pursuit for them. The remainder are in various states of investigating or rolling out stronger omnichannel coordination for in-branch activities.

Lastly, geobeacons offer the ability to trigger automated interactions by recognizing customers through interaction between their smartphones and beacons that recognize their entry into a bank. While these tools actually boast 16% deployment, and 30% of respondents are considering their use in the future, 35% of respondents state that they don't see a need for the technology. Ultimately, it's likely that the use of a geobeacon is appealing, but not as appealing as enabling an in-store associate to use information on customer preferences to interact with customers directly.

Understanding who to emulate, and where the greatest opportunities lie for in-branch customer data usage

The ability to excel within in-branch interactions can be made easier by emulating cross-industry role models.

Key Industries and Service Exemplars:

Retail, in particular mobile checkout

The **service industry**, in particular Hotels and Restaurants with positive service experiences, often well-regarded chain restaurants

Apple, Amazon, and Disney, all held as exemplars of **brand building** and **convenience**

The types of experience that banking executives are seeking to offer to their clients are already in place within certain industries, combining aspects of ease of use and convenient service with personalized attention and brand recognition.

Retail is one sector where innovations on the in-store experience hold significant value as learning opportunities for bank branches. One technology that retailers are developing which has bank managers paying attention is mobile checkout. Rather than wait in a line to be checked out traditionally, where individual

goods are rung up, mobile checkout allows customers to scan their own items using a mobile app, then enter an express line where their totals are verified. In the bank branch, where time spent waiting on line for simple transactions can be a turnoff for customers, mobile apps that can empower customers to streamline certain transactions can improve the customer experience while saving resources.

Success in the service industry lives or dies on customer experiences, and banking executives are taking note of their favorite restaurants and hotels as potential exemplars of strong service. Notably, nationally or regionally successful chain restaurants are great examples to emulate, as they offer a repeatable experience that customers instantly associate with their own preferences as established through past interactions.

Apple was recognized by survey respondents as an exemplar of customer friendly design and world-class brand building. The success of their products reflects an appreciation of user experience, as well as how much can be pared down an interface leaving only the intuitive and functional behind.

Disney was cited as a brand that has a nearly unmatched ability to create relationships and associations that can stick with their customers from early childhood all the way through adulthood. The quality that respondents admire in Disney is the intangible sense of wonder and excitement that permeates the relationship they have with their customers, something that is as difficult to fully articulate as it is to capture.

Amazon was the third service exemplar that respondents are seeking to emulate and learn from. They admire Amazon's ability to deliver transparent outcomes to their customers, as well as their streamlined interface, with product recommendation providing tangible value to customers who are seeking complementary goods. The Amazon service model has the

potential to be extrapolated to the banking sector as well, with a simple interface that has the ability to form a link between potentially synergistic products, all while offering the ability to escalate levels of support and get put in touch with a live associate.

Respondents were asked to share what they feel is the greatest opportunity presented to them by customer data in-branch within the next 12 months.

"Customer data is a gold mine if leveraged properly, bundling products and services that are in line with customer expectations is the greatest opportunity."

Customer data gathered from within the branch, where consultations around significant products such as mortgages or account creations will often occur present serious learning opportunities for savvy bankers, who can continue to build out a customer profile using information that they learn from a primary banking relationship.

"Customers are more likely to purchase products when offered through their primary banker; this would be the greatest opportunity in terms of product marketing."

With a flow of data going both ways within an ideal omnichannel strategy, the products that a customer shows interest in online can become touchstones for a more in-depth conversation that they would have with their primary banker. In this way, the bank branch becomes another touchpoint in a fully omnichannel experience, and a very important one at that. This is because the consultative nature of a one-on-one relationship with a banker can make it much easier for a customer to make relatively larger decisions within their branch of choice.

"Even though there are multitudes of opportunities, creating better customer clusters so that specialized and customized products can be offered to each person is among our near-term goals."
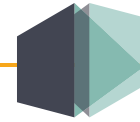
As the breadth of data available within customer profiles expands, omnichannel strategies become more effective through the development of more accurate customer segments. The development of segmentation that informs overall product strategy can lead to benefits that scale far beyond those that come from an individual customer relationship.

Key Recommendations

While many have taken steps to follow up on in-branch interactions, it's now time to integrate in-branch conversations and their follow-ups into a comprehensive omnichannel strategy that adds to a single customer view.

The advantage of the bank branch can be found in the development of personal relationships between bankers and their clients. By providing associates with the tools to look at a customer profile, they can better serve their customers and answer the specific questions related to products that they may have been researching themselves. Develop the branch into a space for consultation, while providing a fast track for more routine transactions.

Once customer profiles are connected with their in-branch activities and consultations, the stage is set to fine-tune the branch environment based on their feedback, as well as develop new product bundles and strategies based on a deeper level of customer segmentation.
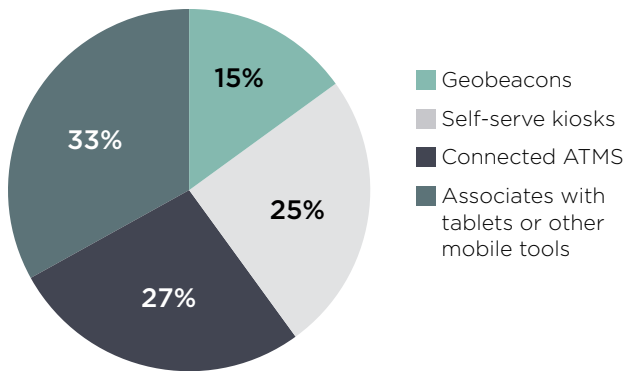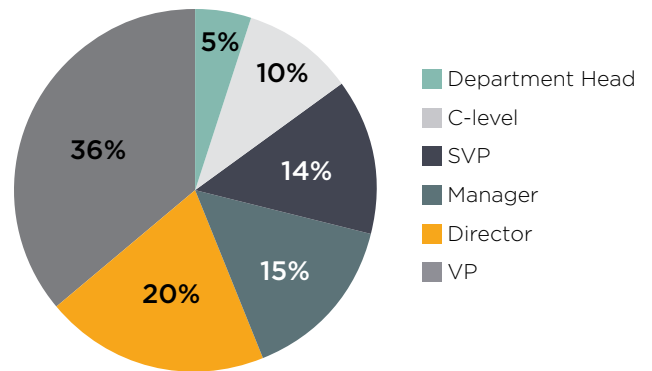
Appendices

Appendix A: Methodology

The results analyzed in this report were gathered from responses to a benchmarking survey delivered to members of the Future Branches database. 100 executives responded to the survey.

Appendix B: Additional Charts

What tools are you currently utilizing to gather customer information in-branch?

- 15% Geobeacons
- 25% Self-serve kiosks
- 27% Connected ATMS
- 33% Associates with tablets or other mobile tools

Seniority Breakdown

- 5% Department Head
- 10% C-level
- 14% SVP
- 15% Manager
- 20% Director
- 36% VP

About the Authors

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