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**IMPACTING THE CUSTOMER EXPERIENCE
AT A BANK BRANCH THROUGH A
DIGITAL COMMUNICATIONS NETWORK**

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INTRODUCTION

The retail banking business is extremely competitive. Compounding this, consumers consider banking products and services to be commoditized offerings, essentially all being viewed as somewhat the same.¹ Due to the competitive nature of the industry on the one hand, and the homogenized view of its product and service offerings on the other, retail banks are challenged to develop meaningful marketing activities to ensure new customer acquisition and to sell additional, higher margin products and services to current clients.

This is leading many banks to invest in their branch marketing and communications by means of a digital communications network (“DCN”). By way of example, Citizens Financial Group-Charter One, Providence, Rhode Island, a subsidiary of the Royal Bank of Scotland Group plc, has a DCN installed in over 760 branches. TCF Bank, Minneapolis, Minnesota, has announced that it will be extending its DCN to over 430 branches. Also in the U.S., Synovus Financial Corporation, Columbus, Georgia, has a DCN installed in over 220 branches, and Commerce Bank, Cherry Hill, New Jersey, has a DCN in over 200 branches. Many other banks, both in the United States and around the world have or are in the process of deploying such networks. Illustrations of international bank deployments include the following: Bank Hapoalim, Tel Aviv, Israel; BRD-Societe Generale, Bucharest, Romania; HSBC, Dubai, UAE; Nedbank, Johannesburg, South Africa; and Rabobank, Utrecht, The Netherlands.

In this Working Paper, we detail the attributes of a branch DCN. The significance of the branch and the importance of enhancing the customer experience therein is also addressed. In addition, we delineate the major benefits to be derived from a branch DCN. Finally, concepts relative to measuring the effectiveness of a bank DCN are advanced.

This Working Paper contributes to the study of implementing a DCN in a bank branch in the following ways:

1. The positive impact on the customer branch experience resulting from a DCN is detailed.
2. We demonstrate that banks tend to under-invest in consumer facing information technologies. Further, we illustrate that banks overspend on traditional forms of mass advertising. As a result, we advance that banks should redirect capital into branch DCNs.
3. We detail the significant benefits that can be realized by a bank from the deployment of a DCN.

¹ See “Choice Criteria in Retail Banking: An Analysis of Trends,” *Journal of Strategic Marketing*, March 2004.

DISCUSSION

A. ATTRIBUTES OF A BANK DIGITAL COMMUNICATIONS NETWORK

A branch digital communications network (“DCN”) is defined as visual messaging displayed in the retail area of a financial institution, delivered digitally through a centrally managed and controlled network. The medium is unique because it reaches consumers while in-branch, and due to its impact on the customer experience. DCN delivered messages are efficient, as compared to mass advertising, in that they are directed at customers and potential customers while in a bank, and can serve multiple communication objectives. A DCN also affords a bank exclusive, unique programming opportunities that are aimed at customer acquisition, retention, and up-sell.

The key attributes of a digital communications network are summarized as follows:

1. Messages delivered via a digital communications network are dynamic, possessing the capability to display complex graphics and videos, resulting in attention-garnering messages.
2. Messages delivered by a digital communications network are capable of rapid deployment system-wide or by branch. The immediacy of DCN delivered messages enables rapid deployment of marketing campaigns versus the time required for print collateral. Moreover, a DCN can leverage regional and branch-specific conditions, such as customer demographics, localized news, promotions, and educational content.
3. A digital communications network can be centrally monitored, ensuring that system-wide, brand-compliant messages are deployed and compliance assured. This represents a major advantage over static signage, which is plagued with questions of timely branch-level compliance and slow delivery of messages.
4. A DCN can enrich product/service presentations. Delivery of the right message to the right customer at the right time is key to relevancy and impacting the customer experience. This is accomplished by segmenting customers and through day-parted message delivery to customers.
5. A digital communications network enables measurement of a message’s impact upon a consumer.
6. A digital communications network eliminates the time-lag between consumer exposure to a message and the place of purchase, as found with most forms of advertising.

7. The agile nature of DCN enhances its ability to make timely changes to messages in response to changing products/services, rate sensitive information, promotional, consumer, and environment-related factors.

Important benefits to be derived from a branch DCN include the following:

1. A positive impact on customer loyalty. This results from mass customization of targeted messages delivered in-branch. A DCN delivers relevant messages to customers in an efficient manner.
2. Decreases in customer wait time and wait time perceptions.
3. An increase in branch productivity.
4. Serves as an aid in consultative product and service sales. Complex product and service sales can be positively influenced by content that provides detailed attributes, serves customers in a timely manner (on-demand), and engages customers on a personal level.
5. Assist in customer and employee education.
6. Facilitate new product/service and promotional trials.