



## Hybrid Branches – The Best Of Both Worlds?

branch strategies digital banking customer experience

**Summary:** As customers continue to adopt digital banking and still expect personalized service, hybrid branches may be the way to go. The Forrester Customer Experience Index shows hybrid branches provide the highest customer quality experience. We explore some reasons customers still visit branches, how to integrate technology in the branch, and examples of big bank hybrid branches.

Pizza delivery started already in 1889, yet it was first reserved for royalty and the upper class. Princess Margherita of Savoy was sick and asked for Italian food. The pizza was delivered and thus, the Margherita pizza got its name and continues on today!

The desire for optimal branch services delivery continues on today too for many bankers. Last month, we discussed [branch strategy](#). As a follow-up to that discussion, today we dig deeper into hybrid branches. We explore why customers still visit branches, ways to integrate technology into the branch, and discuss a few big bank examples for the hybrid branch model, to give you some ideas.

With many customers more comfortable with digital, yet still wanting personalized service, the hybrid branch model seems to be on the rise. On the Forrester 2021 Customer Experience Index, which indicates the customer quality experience, the hybrid banking model had a higher index score (75.8) than digital-only (73) or branch-only (75.5). This shows that customers today are looking for the best of both worlds, digital and in-branch.

This may not be isn't surprising. But, the ways to weave these two areas together (digital and in-person) can give different results in customer satisfaction and long-term loyalty. Knowing why bank customers still visit a branch can help you tailor your services and insert digital components into the mix successfully.

### Reasons to visit a branch

**More complex services.** There are various reasons that bank customers use a branch. According to Forrester's research, about 44% visit a branch because the needed services must be done in a branch and 38% go into a branch to ensure something is done correctly. Bankers can provide more value with more complex services in-branch. Assess which high-touch services are most used in your branch to ensure you have bankers to provide those. Also, ask if there are services you don't currently provide that you could, such as international services or wealth management. On the flip side, you may also want to see if there are any services you currently offer in-person that could be streamlined and offered digitally, such as [digital account opening](#).

**Relationships and loyalty.** In Forrester's research, almost 35% prefer to work with a person and so they use the branch. Relationships are important in fostering loyalty, so this is where your branch staff can add value. Customer service and respect as a customer were the top two drivers for bank customers in a high-quality customer experience.

**Location.** Location is still key for many bank customers. If you are considering any changes, remember that 66% of bank customers want a branch within 15 minutes and 30% indicate that convenient branch locations were a reason for choosing one financial institution over another one.

## Beneficial ways to use technology in the branch

**Efficient time waiting.** Knowing the reasons your customers visit your branch makes it easier to know how to support those visits with technology in a hybrid branch. Dedicating space for technology to check balances, access financial tools, and sign in digitally can not only give your customers ways to fill “wait time” but also be more efficient with that time too.

**Cross-sell opportunities.** Banker bars, just like the “genius bar” at Apple stores, provide opportunities to showcase other financial services. Having information available on other services can incentivize bank customers to consider more from your institution, making them stickier and more loyal. They are a captive audience already.

## Big bank examples

Caixa Bank of Spain reduced the number of total branches, but made the existing branches larger. It brought customers into the branch to shop for products, while getting advice on other services. Digital information is posted to engage customers to ask more. If you find the right mix of products and services, this could be an effective way to serve both new and current customers.

In the United States, USAA enhanced its human engagement with digital touchpoints. Visit the branch physically or talk to a customer relationship manager on the phone? You will get a follow-up communication through the app or online. This brings digital benefits to a personal banking relationship.

As an executive at a top 5 US bank said, *“As we come out of this pandemic, customers will continue to use digital, but when that moment is there, when they need a human, we’ll be able to connect them to a human being. That’s our approach in terms of how we’re thinking about digital and that human connection.”* That is the essence of a hybrid branch.

## TWO APPROACHES TO STRESS TEST YOUR LOANS

Now more than ever, it is important to stress test loans of all types from multiple perspectives. Choose your approach and get expert help, as needed. Learn more about [credit stress testing](#) today.

## ECONOMY & RATES

Rates As Of: 09/17/2021 10:03AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.04	0.00	-0.05
6M	0.05	-0.01	-0.04
1Y	0.07	0.00	-0.03
2Y	0.24	0.03	0.12
5Y	0.87	0.09	0.51
10Y	1.37	0.05	0.44
30Y	1.91	-0.03	0.26
<b>FF Market</b>	<b>FF Disc</b>	<b>IORR</b>	
0.08	0.25	0.15	
<b>SOFR</b>	<b>Prime</b>	<b>OBFR</b>	

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