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Turning Video Data into Better Branch Service

■ BY WILL WADE

Though they have recognized for some time that there are lessons to glean from mainstream retailers, bankers seem to be moving slowly, making sure they do not go too far to emulate big-box marketing techniques.

Until recently most banks relied on customer surveys, focus groups, and transaction data to gauge the success of their branches, rather than the computer-based efficiency systems store chains use. The contrast appears to point to the conflict between banks' desire to become more "store-like" and their lingering efforts to stay above the retail fray.

Some banks are trying to move forward by installing video surveillance systems that translate images from the branch into mathematical algorithms. That data can tell branch managers and other executives whether their marketing campaigns are working and how quickly teller lines are moving.

At Wells Fargo & Co., for example, such a system has been introduced as a supplement to surveys that measure consumer perceptions of wait times and service levels.

The surveys are expensive, and their value is limited by the number of customers whose experiences can be measured, said Randa Brandt, a vice president with Wells Fargo's distribution strategies group. In February the San Francisco company began piloting video surveillance technology from the Atlanta vendor Brickstream Corp. in three Los Angeles branches.

The system is designed to look at everything from how much time customers spend looking at promotional materials to how long they must wait to see a teller — to how many do not bother to wait and just leave.

"This is definitely very important information for banks. We don't get as much data" from paper surveys "as we can get from using a vendor like Brickstream," Ms. Brandt said. "We can get a lot of information about a store." It is too soon to measure the program's effectiveness, but if it delivers what she expects, Wells would consider expanding it in the future.

Brickstream says its system is entirely automated. Cameras that take streaming video in the branches are hooked up to intelligent software



Angove: Customers want efficiency, not coffee bars and window displays.

programs that convert customers' movements into data points that can be fed in real time to branch managers' computer screens.

A manager could receive an alert whenever a teller spends more than 10 minutes on a single transaction, or when a teller line reaches a certain length. Each morning the branch manager gets a report on the previous day's performance. No videotape is stored, and customers who are photographed remain anonymous, said Simon Angove, the president of Brickstream.

Bank of America Corp., a Brickstream client, has used data culled from the system to tinker with its staffing schedules to minimize wait times, a B of A executive said. Royal Bank of Canada has configured its system to issue an alert if the line becomes too long, so another

teller window can be opened quickly, Mr. Angove said. SunTrust Banks Inc. is also a client.

B of A, which has been working with Brickstream since it started up in January 2002, is using the system at about 10 branches. And more than 30 branches of FleetBoston Financial Corp., which B of A acquired this year, have the technology, said Al Groover, a senior vice president with the Charlotte company's innovation and development group.

Though banks can easily track the number of transactions at teller windows, that figure ignores how many people leave the branch without performing a transaction, Mr. Groover said.

"This certainly gets us a lot closer" to understanding how people use the branch, he said. "It provides a wealth of quantitative data for us and defines the customer experience."

Mr. Angove of Brickstream (a private company backed by venture capital) said a typical installation uses eight to 10 cameras — installed in the ceiling — and costs \$50,000 to set up and run for a year. Subsequent annual costs are about half that.

The cameras monitor the direction and velocity of customers, as well as the amount of time they spend at each location. Brickstream's name

comes from the detailed “click-stream” analyses Mr. Angove conducted in previous jobs monitoring Web site traffic.

The technology has two main functions, which he calls “solution sets.”

One function is “service quality management”: ensuring that the right number of employees are deployed in the right places at the right times. Continual reports about customer demand levels are useful not only to branch managers but to corporate staffing executives trying to determine if they have the right number of employees working in the right places across the branch network, Mr. Angove said.

The second function is marketing — using observations about customer behavior to gauge the effectiveness of in-branch promotions.

That function is particularly helpful in evaluating new branches, Mr. Angove said. Brickstream technology is often set up in several test branches as well as a few “control” branches, and executives do some heavy number-crunching to see what works and what does not, he said.

“We see a huge amount of investment go into de novo branches,” particularly those with such features as lounges and coffee bars, Mr. Angove said. His technology looks at whether these amenities are actually being used and whether they are creating cross-selling opportunities.

From his perspective, the reviews for the amenities have been somewhat negative.

“There are certainly some overarching trends that tend to be pretty consistent,” he said. Window displays, for example, “based on the work we’ve done — they don’t make a damn bit of difference.” And in general, “investments in new things like lounges and coffee bars have not

been successful.”

On the other hand, customers do value “any amenities that drive speed of service, what we call quick-service layouts,” Mr. Angove said. Such features include clear signage and welcome desks that steer customers in the right direction — “anything that facilitates speed of service.”

Brickstream has a heavy client roster in consumer packaged goods and retailing, including CVS Corp., Procter & Gamble Co., and Office Depot Inc.

Mr. Angove said that retailers have more sophistication than banks in “merchandising” — the successful display and promotion of goods and services — and in fostering a sales culture. But banks tend to be better at analyzing the results of a marketing campaign to get the maximum benefit, he said.

“One thing that is common to both of them is the unscientificness of how they do marketing,” Mr. Angove said. His firm’s system is meant to “inject a lot more science into marketing, which historically has been much more of an artistic pursuit, mainly because we haven’t had this level of fact-based feedback.”

Jerry Silva, a senior analyst with TowerGroup, the Needham, Mass., market research unit of MasterCard International, said Brickstream’s technology offers valuable data about branches.

“This is providing a service to the branch that the call center has had for some time,” Mr. Silva said. “Banks have never been able to do this.”

Being able to measure levels of abandonment — people who leave the branch without having done any banking — could help a bank reduce that level and eventually increase sales, he said.

“It stands to reason that if they can get the number of visits up, sales will also go up,” Mr. Silva said. “This gives the banks insight into a potentially untapped market.” ■