

## Fast, Handy, Reliable = Great Branch Experience

"Construction of brick and mortar branches and smaller locations in retail outlets has picked up," says CUNA's 2005-2006 Credit Union Environmental Scan (E-Scan) Report.<sup>1</sup>

**Between 2003 and 2004, the number of CU branches (other than the main office) increased to more than 10,500.**

After several years of attempting to move consumers away from the branch office and to remote-banking channels (automated teller machines, call centers, and online banking), financial institutions essentially have come full circle, according to the E-Scan.

The number of bank offices increased to 80,960 in 2004 from 79,489 in 2003, according to the Federal Deposit Insurance Corp. Behind the increase, says the E-Scan: the easing of state branching restrictions, a realization that expanded remote banking options were complementing vs. replacing the branch office, a desire to increase profitability through cross-sales, and a renewed appreciation for the important role convenient branch locations play in attracting and retaining customers.

Likewise, between 2003 and 2004, the number of credit union branches (other than the main office) increased by more than 800 to more than 10,500. Not only is that a significant 8% one-year jump, it's more than four times the growth rate of bank branches during the same time period, reports the E-Scan.

The increase in credit union branches reflects the trend away from single-sponsor credit unions to those serving expanded employee groups and community charters. It also reflects credit unions' efforts to increase their competitive position within their local markets.

The branch continues to be central to members' financial relationship with your credit union. Learn some lessons from bank customers' responses to a branching survey.

Ninety-seven percent of bank customers visit a

branch at least once a month, and most go to the branch weekly or biweekly, according to a survey by Brickstream Corp., Atlanta, and conducted by A.C. Nielsen, New York. (Brickstream uses video and sensor technology and patented "image understanding" software to automate the collection of customer activity data in the branch, helping improve customer satisfaction and retention and sales.)

While at the branch, nearly four of five customers perform a single transaction, depositing or withdrawing funds 90% of the time. Only one of 20 bank customers inquire about new banking services in-person.

To provide members with a great branch experience, consider these attributes survey respondents deem most important:

■ **Fast teller service.** "Customers focus on five," says the report. People generally expect to wait in line less than five minutes and expect their transactions will

take less than five minutes to complete. They also react negatively to standing in a line with more than five people.

Survey advice: Implement and continuously monitor a service level policy that keeps wait times and counter transaction times under five minutes.

■ **Convenient, long hours.** Consumers expect locations near their home and work. Urbanites put special emphasis on long hours and weekend hours.

Survey advice: Consider expanding the number of branches with extended and weekend hours, particularly in urban areas.

■ **Error-free banking.** One of eight customers say account mismanagement or bank errors (such as incorrect statements and acci-

dental withdrawal of account funds) are the main reason they switch banks.

Survey advice: Quality improvement approaches, such as Six Sigma, offer rigorous methods of reducing the number of defects in transaction processes.

■ **Multiple channels.** While two-thirds of respondents prefer service from a human teller, they want the choice of branch, drive-through, or self-service channel.

Survey advice: Offer the right mix of assisted and self-service channels to meet local needs.

■ **Quick service branch layouts.** Respondents want to get in and out of the branch as quickly as possible



<sup>1</sup>To order, call 800-356-8010, ext. 4157; or visit [advice.cuna.org](http://advice.cuna.org) and click on "Reports."

and without confusion.

Because of that, respondents say amenities such as Internet kiosks, children's play area, or coffee bar don't significantly enhance their experiences (Figure I).

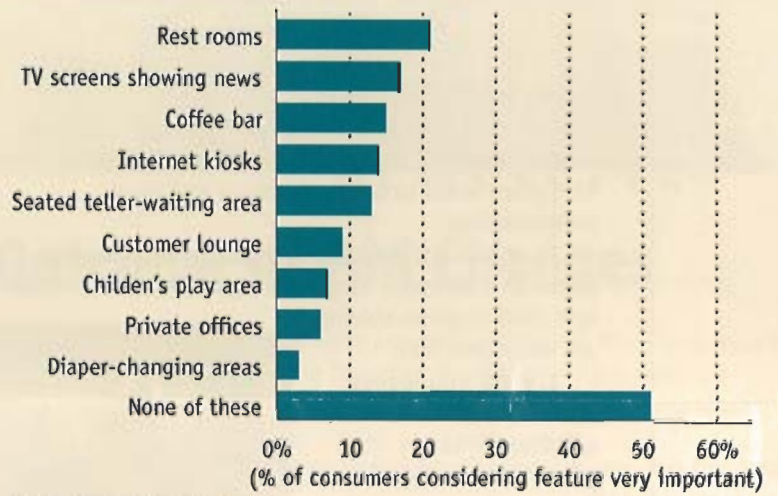
Survey advice: Create easy-to-navigate layouts facilitating speedy service. And re-evaluate investments in newer amenities, such as coffee bars and customer lounges.

Know what your members want from your credit union to consistently provide them with superior service and a great branch experience.

—Sue Lanphear

Figure I

### Importance of In-Branch Features



Source: Brickstream Corp.