



Executive Overview

CO-OP Financial Services White Paper

Transforming the Branch:

Understanding the Self-Service Consumer Landscape

It's estimated that consumers spend at least two days per year waiting in line for services in retail environments. This cross-market frustration has spurred progressive organizations to modernize and offer ease-of-use self-service options.

IHL Group's 2012 market report, "North American Self-Service Kiosks," found that airlines implementing self-service kiosks such as Southwest and Delta report domestic check-in times as little as 30 seconds with an estimated 70 percent of all passengers using this option. A self-service model has also been adopted by leading retailers such as Walmart and Home Depot as well as grocery store chains. For example, the same report found that self-service stations at Kroger and Albertson's equate to 15 to 40 percent of the daily transaction volume. This represents a clear indication that retail consumers are growing more comfortable with the service offering.

While self-service is not always faster, consumers are drawn to it due to habit, choice or conditioned behavior. Not surprisingly, Gen Y is responsible, in part, for these changes as they demand speed and efficiency. In 2017, Gen Y will outspend Baby Boomers for the first time, which means that businesses have to understand and anticipate how this demographic perceives and interacts with varied service models.

Despite comprising just nine percent of total transactions today, in three years Gen Y will represent 40 percent of total

banking transactions and have the most spending power of any demographic. This group, born between 1983 and 1999, is 15 percent more likely to deposit checks at an ATM and 29 percent more likely to try new technology-enabled payment tools.

With this market shift, progressive credit unions are transforming branch operations opting for interactive automated kiosks. The branch isn't entering an end cycle; rather it is evolving with more of a concentration on sales than service. This will require employees that remain on site to be well versed in all sales channels as "teller knowledge" may no longer suffice.

This white paper will investigate and explore the benefits and realities of branch transformation, which every credit union executive should be made aware of. A detailed analysis coupled with the examination of industry research, case studies and exclusive interviews with credit union c-level executives will provide branch transformation insights, methodologies and actionable intelligence.



Download the full white paper today at
www.co-opfs.org/branchtransformation



Take an in-depth look at key aspects of the branch transformation trend.

Self-Service Market Indicators

Since the branch is no longer the primary channel for day-to-day interactions, members see it as an alternate channel best suited for complex transactions such as loans and opening new accounts.

“Branch transformation may have a self-service view of the world with highly personal interactions reserved for more complex types of transactions, or for those members resistant to change.”

*Dr. Kathy Herziger-Snyder, Vice President of Development,
CO-OP Financial Services*

Integration of Mobile Services

In the U.S., 57 percent of smartphone owners use mobile banking features. These statistics will continue to increase, which will force credit unions to adopt forward-looking strategies.

“How members interact with their credit unions has changed drastically during the last five years, and even more dramatically in the last one or two years in the context of mobile technology adoption. Increasingly, we’re seeing members turn to online and mobile channels for most of their transactions.”

*Raja Bose, Senior Director of Consumer Transaction Solutions,
Diebold Incorporated*



Branch Transformation and Employees

The increase of automated tellers does not necessarily have a negative impact on branch employees; however, it does redefine respective roles.

“The branch transformation shift requires emphasizing traditional platform-based member services and selling skills over technical proficiencies such as balancing and being fast. Branches will continue to be crucial for acquisition and sales. Tellers will be more of a financial consultant and focusing on cross selling products and services.”

*Terry Pierce, Senior Project Manager,
CO-OP Financial Services*

Moving Towards Automation

When it comes to branch transformation, there isn’t a one-size-fits-all model, as that strategy excludes members who prefer alternative channels.

“Credit unions compete across vast new access channels where service and information is readily available based on the member’s desire, not the credit union’s outdated strategic plan.”

*Mark Chatfield, Chief Operating Officer,
CO-OP Member Center*

Be prepared for the new roles and challenges that await credit union branches. Get your free copy of

Transforming the Branch: Understanding the Self-Service Consumer Landscape

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