



In the world of digital banking, is it the end of the road for the high street bank?

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I tried to call my bank recently about changing some details on my current account. A simple enough task, you would think. But as I listened to an automated voice tell me for the fifth time that my call was important to them, I began to wonder whether this was the best way to spend my lunch break.

So I wasn't that surprised when I read that online banks Starling and Monzo had come top in a recent banking customer service survey. Both beat their more 'traditional' rivals for personal and business accounts.

I say I wasn't surprised because challenger banks like these two are well known for their ability to offer more of what their customers want; better availability, flexibility, competent online support, and -of course - faster response times.

Traditional high street banks have been slow to catch up. After all, many have only really started offering more digital features and products (like paying in cheques via smartphone, for example) after challenger banks had already been doing it for a while. They effectively forced their hands, but even now they're still lagging behind in the tech stakes.

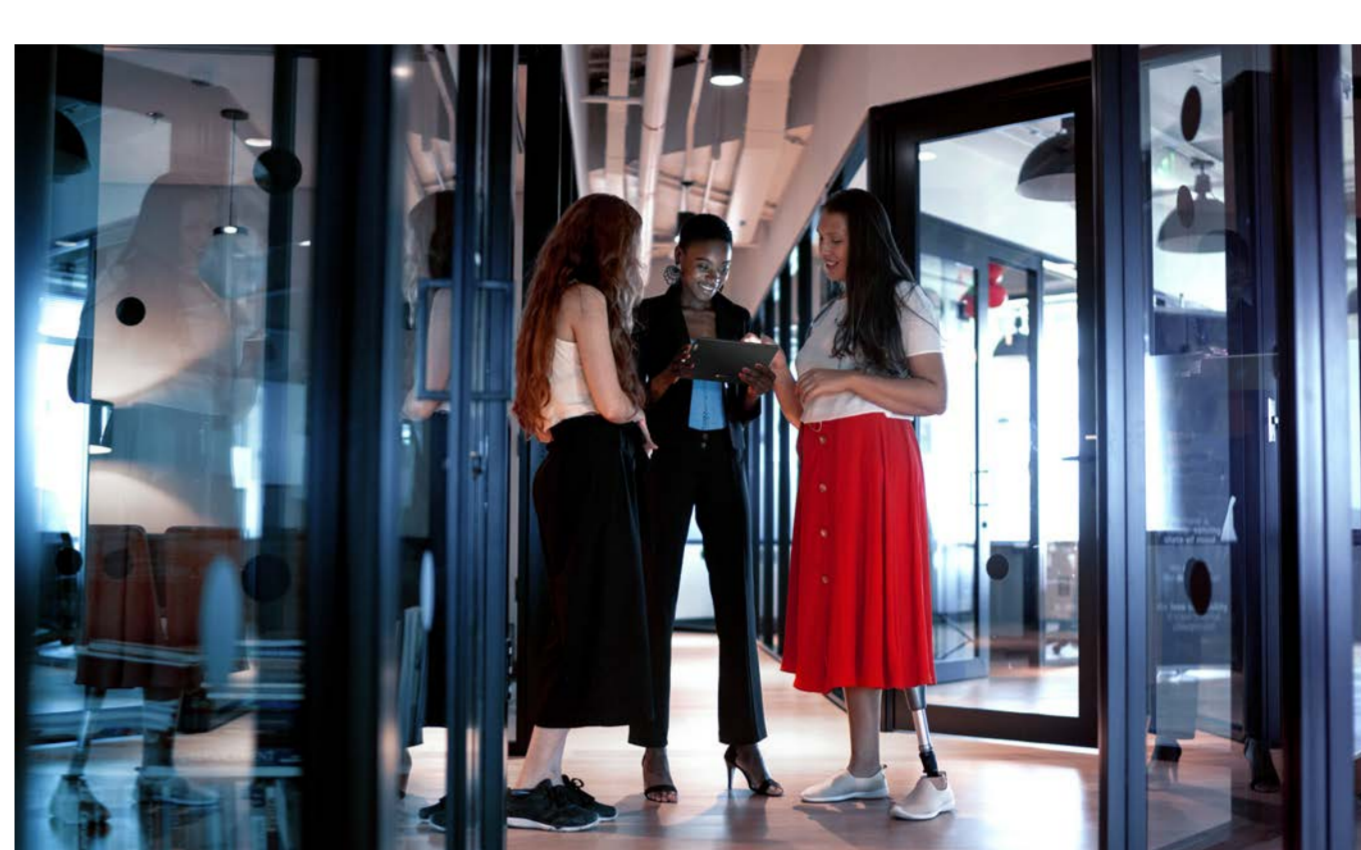
But what can high street banks do to get back on top with their customers?

Is the customer always right?

Traditionally, a relationship with your bank would have been very much them telling you: 'here's what you need to do with your money' with specific products and rigid structures on offer. Now, banks are more likely to say: 'tell us what you want to do with your money'. And that's down to challenger banks being able to develop and create new and innovative products in response to what customers want.

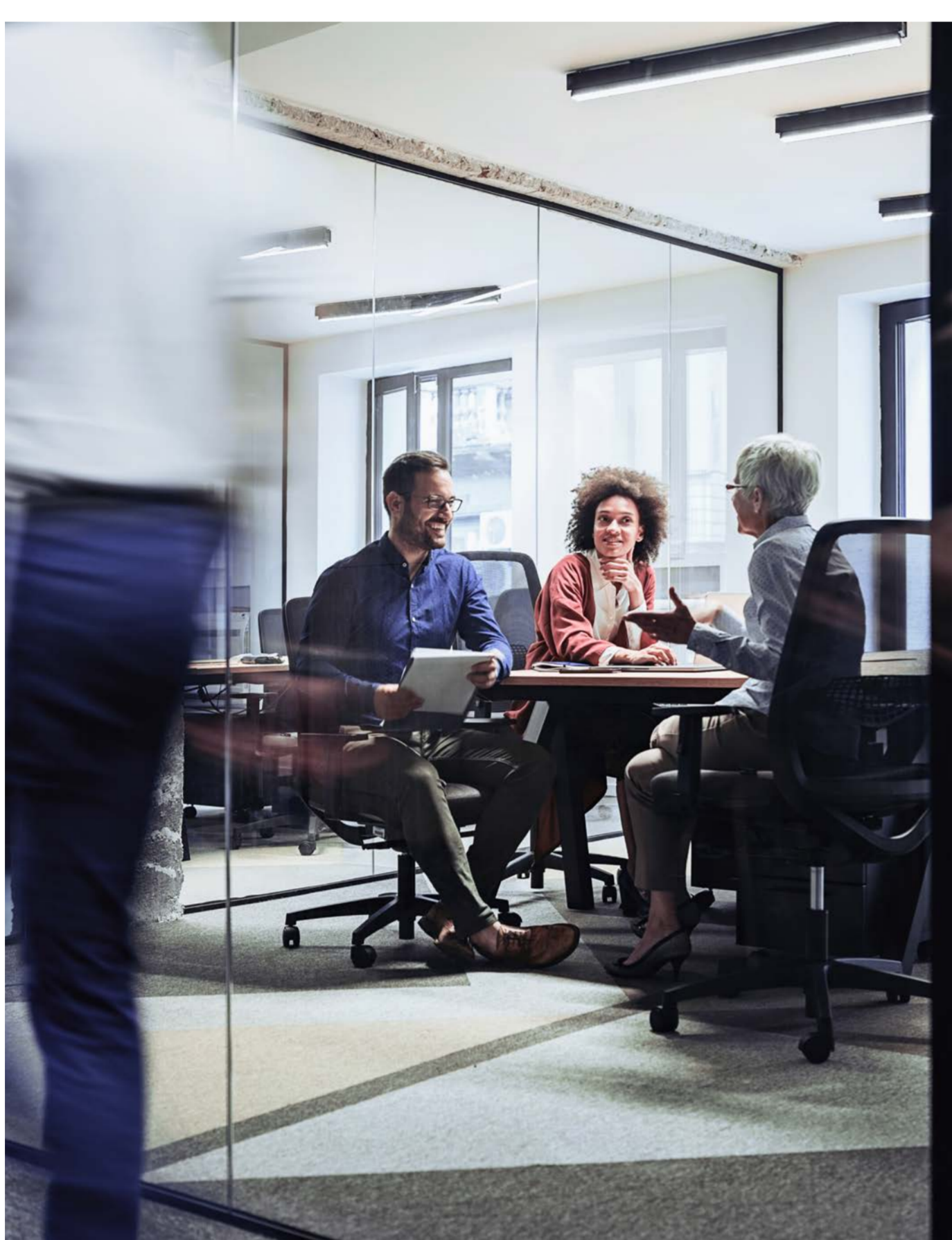
So what can high street banks do to offer that same level of service? Well, the one big thing that they have in their favour is the amount of customer data they hold in their hands.

They know how much their customers earn, what they spend, what financial products they're most likely to use and so much more. This gives them a lot of ammunition to better target customers with more personalised experiences - and bring their customer service up to the same level as challenger banks.



Making the local branch a beacon for better service

Banks used to be the beating heart of the high street - you'd find all the major names clustered together. But if you walk around today, you'll more often than not be greeted with locked doors and boarded up windows. It now feels like one is closing every couple of months. In fact, in the US it's thought branches could be extinct by as early as 2034.



Even though physical banks may be on the way out, consumers still value personal service and human interaction when managing their finances. Could this pave the way for simulated bank branches hosted in the metaverse? VR and AR technology can give banks new, immersive ways of engaging customers, removing all the negative elements of traditional face-to-face banking, while elevating the positive ones. Generation Z customers in particular want more digital banking options. The option of a virtual or hybrid branch would answer this demand.

Some banks, particularly in the Nordics, are reacting to changing customer needs by changing their business models. Instead of simply offering traditional financial services, these new banks are also now acting as central customer engagement hubs - where it's more about managing relationships than managing money. It's certainly an interesting way of using otherwise unneeded buildings to boost loyalty and reduce churn.

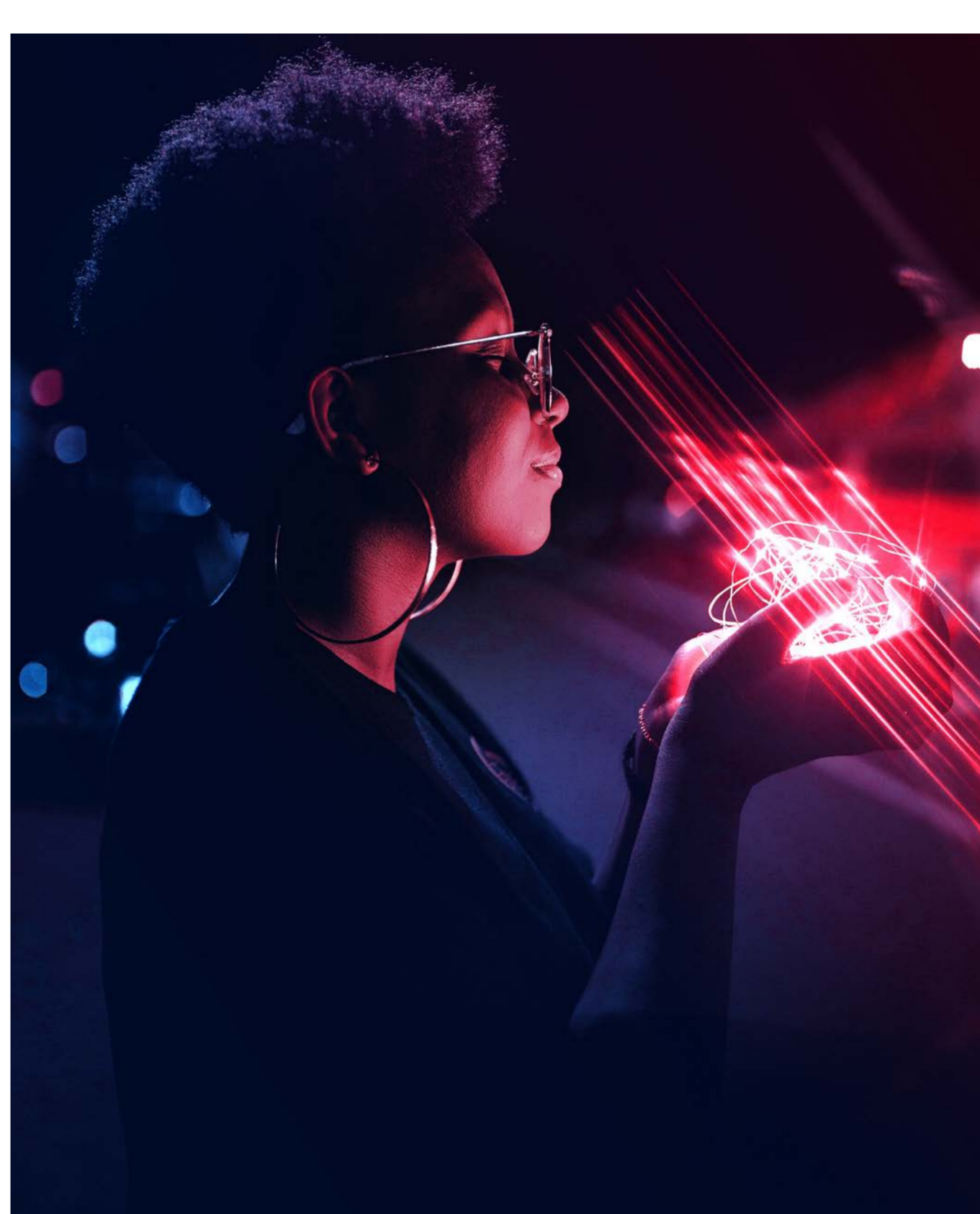
A hybrid banking experience

Savvy retailers know that today's customers are choosing to shop online from the comfort of their couches. And with every purchase, those retailers collect valuable data from transactions and loyalty schemes, so they can deliver more of what people want.

This data shows that people want to combine the benefits of in-store experiences with the ease of online shopping. Mixing physical and digital journeys for a complete customer experience. For example, many offer a 'click and collect' service to get customers through their doors - and then hit them with new products.

High street banks could do the same to create a hybrid experience. People still want to talk to someone in person about large financial products because of relation, trust and locality. So why not combine the flexibility of an app with the personal service of a face-to-face conversation?

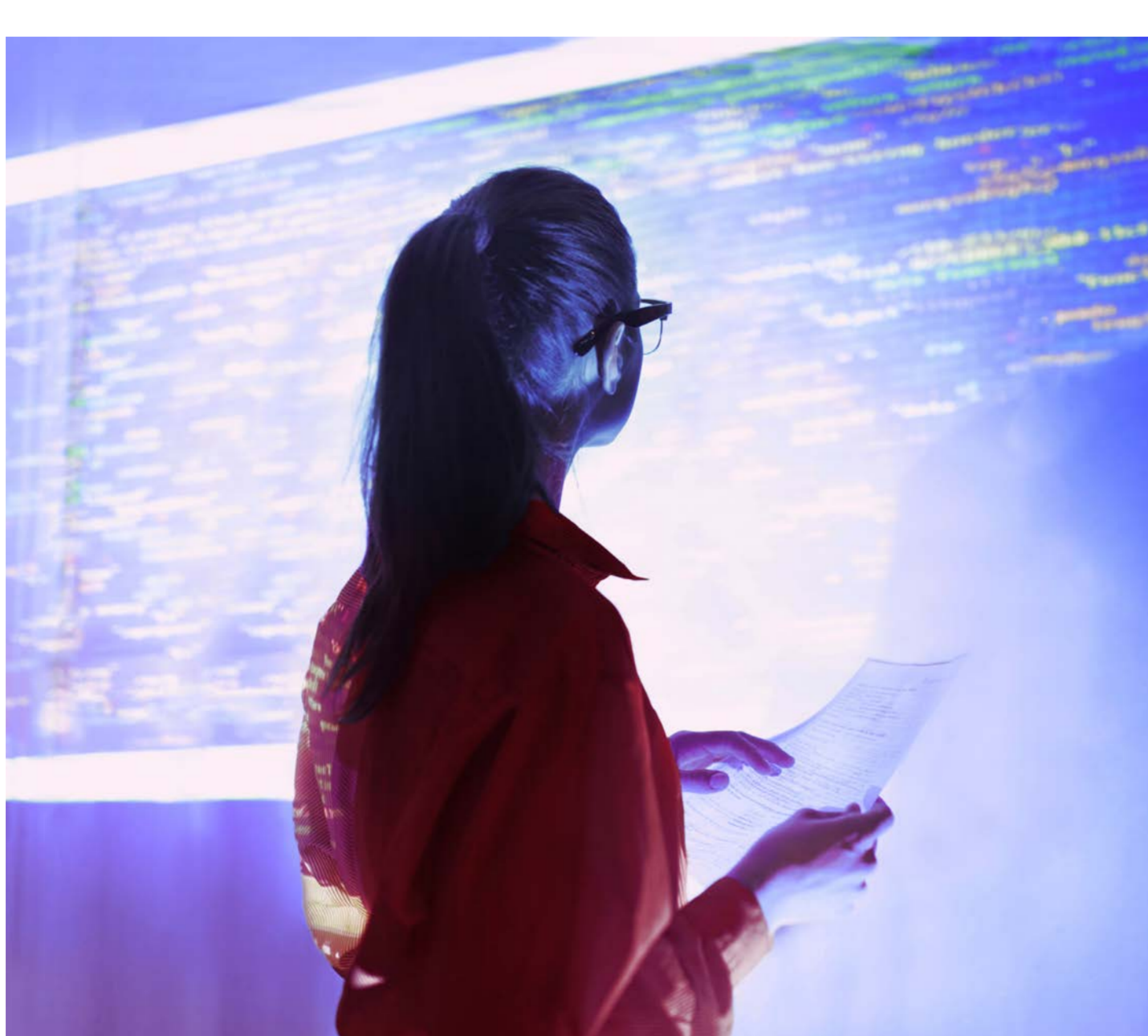
After all, you're not going to buy something as lifechanging as a house on an app without talking it through first. So maybe making the digital side faster to then discuss with an advisor in person could make it an easier, better experience - rather than a slow, drawn out one.



Tech makes it possible

Having the right tech in place can make this hybrid model work - and make branches with face-to-face advice the place to go for a more personalised, bespoke experience.

IoT, for example, is already doing so much for other industries, to enhance the customer experience. High street banks could do the same. For example, they could automatically recognise customers as they walk in. Rather than queuing up and entering PIN codes when they reach an advisor, their banking information is already waiting for them. Biosecurity features, like thumbprints or facial recognition, could add that extra level of reassurance - in the same way a smartphone does with banking apps at the moment.



With Lenovo AI solutions, like the ones powered by Intel® technology, branches can better understand how and why customers are using branches, to then offer proactively tailored services.

There are various scenarios how these data could be moved to action. Imagine the branch of the future that could identify emerging patterns, like if more people tend to come in on Friday mornings or when it's raining. Weather reports could be monitored, and more specialist services and staff members could be made available to ensure that all customers are looked after whilst some customers will also value the extended possibilities of self-service options.

Of course, any new technology which will be introduced has to comply with privacy, data protection, governance regulations and -of course- consider ethical and sustainability regulations. So it may be a while yet before we see completely automated banking in branches. All these technologies appear in branches, but this will be the way to go in order to sustain and continue to be relevant in the market.

The future of banking

If one thing's for certain, people will always need access to their money and ways of looking after it.

It might be an obvious thought to finish on, but it's one worth bearing in mind. Especially with the high street bank branches looking for ways to stay relevant.

In-person banking isn't dead; it just needs to offer more of what apps are doing right now.



More and more banks are closing their high street branches. With the rise of online banks, and the speed at what they've been able to offer their customers, traditional banks just haven't been able to keep up.

In my latest blog, I take a look at what banks need to do to keep their doors open. And how with help from Lenovo, powered by Intel® technology, branches can offer customers better experiences. Ones that not available on an app.

Have a read and let me know what you think.