

Banking Advancements:

Branch Transformation and the Customer Experience



Consumer banking in the 21st-century certainly looks different than it did in previous generations. A weekly or monthly trip to one's local branch was once as routine as the subsequent trip to the grocery or department store. The dawn of an interconnected and technologically savvy society has ushered in a new approach to how consumers access financial services. This in turn, has a lasting impact on the physical architecture of brick and mortar locations. The COVID-19 Global Pandemic has further accelerated the need for financial institutions to offer more diverse means for their customers to access these services. In this paper, we will explore these trends and their impact on the physical environment and attempt to extrapolate them into the foreseeable future.

Since the dawn of empires, banking has been at the core of humanity's infrastructure (Beattie, 2021). Banking institutions have gone through several renditions, from starting in temples, to only being accessible to the rich, to merchant and federal banks, to what we see today in the modern consumer world.

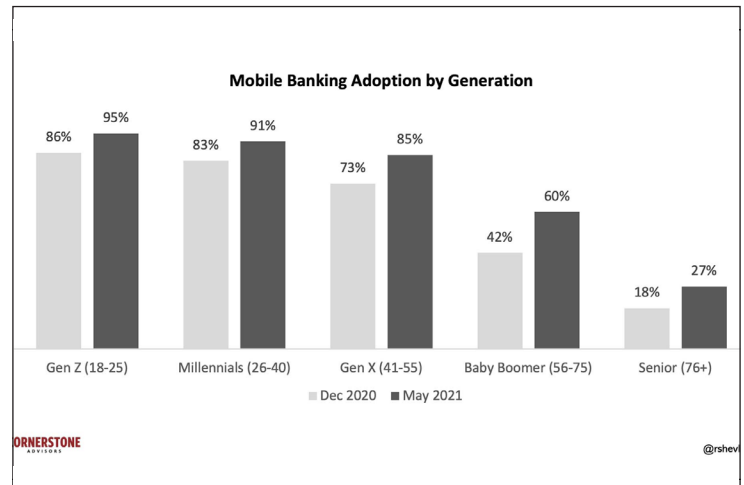
Today, consumers are seeking faster and more personalized banking experiences. Online banking is becoming increasingly popular, especially in the wake of COVID-19, which has changed how we design and construct banks and credit unions.



MOBILE BANKING

Mobile banking comes in many different forms, from depositing a check, paying a bill, transferring money to a friend, or checking for fraudulent activity on your accounts. Mobile banking, more than anything else, has changed how customers monitor and think about their money. Gone are the days of rushing to the bank and waiting in lines for financial services because these robust and secure digital platforms have put our accounts in the palms of our hands.

Since the start of the pandemic, we have seen a gradual increase across generations using mobile banking. According to [Forbes \(2021\)](#), in 2021, 95% of Gen Zers, 91% of Millennials, 85% of Xers, 60% of Baby Boomers, and 27% of Seniors have adopted digital banking, which is an increase from 2020.



According to Forbes (2021) mobile banking usages ranges across generations and adoption of the services is increasing

ADVANTAGES OF MOBILE BANKING FOR BOTH THE FINANCIAL ORGANIZATION AND CONSUMER INCLUDE:



CONVENIENCE

Consumers have easy access to their account 24/7/365 from anywhere in the world



INCREASED FINANCIAL AWARENESS

In a study by Statistica (2022), the majority of mobile banking users use apps to check their account balances. Having access to your accounts and being aware of your financial balance, enables users to make informed investing and purchasing decisions.



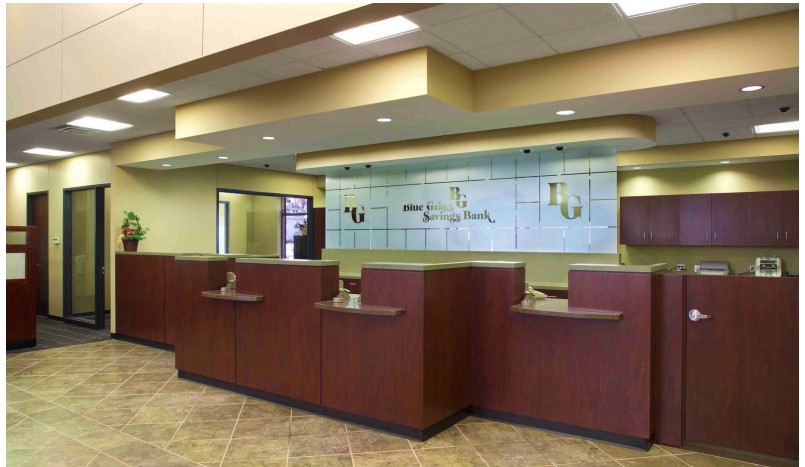
LOWER OVERHEAD COSTS

As banking becomes more automated and digital, the overhead costs (infrastructure expenses, labor costs, etc.) is lower.

TELLERS

Tellers were traditionally the front line and personal face of banks in the 20th century. As more customers tend to rely on mobile offerings for routine transactions, staffing a local branch is now more flexible. Banks and credit unions are rethinking the design and layout of their branches as they remove the ubiquitous teller lines and their foreboding separation of customer and teller.

Usher in the Teller Pod. This freestanding piece of banking furniture gives the impression of a more collaborative transaction. These pods break down the physical and mental barrier between teller and consumer, which allow both parties the freedom to maneuver around the desk to work side by side if needed. With the elimination of teller lines, more floor space can be allocated to the lobby, creating an open and spacious environment for the building's users.



Tradition Teller Lines



Teller Pod Concept at North Shore Bank

INTERACTIVE TELLER MACHINES

Interactive Teller Machines (ITMs) are where digital banking and teller interactions meet. ITMs are effectively enhanced ATMs (Automatic Teller Machines), involving a live teller at a remote location assisting customers through their transaction experience. ITM's provide all the services that ATMs offer. In addition, they provide easier identity verification if your credit card is lost, dispense different amounts of cash and change, and offer virtual financial assistance for complex transactions, making banking easier. ([NCR Corp., 2020](#))

Interactive Teller Machines offer banks and credit unions

even greater staffing flexibility and can supplement, or in some cases, replace the physical teller infrastructure. Though staff may report initial customer reluctance to use this new option, once acclimated, it fills the void between physical teller and ATM. They are being deployed inside and outside for walk-up and drive-up configurations.



Scan to learn more about Interactive Teller Machines

THE CONCIERGE POD

As the reliance on physically present tellers wanes ([Orland, 2021](#)), there may still be a desire to provide the customer with a personal and upscale branch experience. The Concierge or Greeter team member now takes on a hospitality-type role. Design features can allow for flexibility and mobility of the infrastructure here. In the example below, the concierge pod is a movable podium that allows the bank or credit union to rearrange the furniture in the space as they see fit. This enables the lobby to be used as a multi-purpose space, if needed.



Concierge Pod at entrance of an Educators Credit Union

LOBBY SPACE

The lobby has always been the community hall of the branch. Once an elaborate waiting room, many institutions now use this common area to set themselves apart. The space here is dedicated to customer experience and brand identity, as this is where the institution can tell its story and add personal touches. We are seeing more comfortable/lounge-like furniture with amenities like beverages or snacks offered. Tech desks with charging stations for customers' devices are also popular, as well as providing free wifi. Design cues from other types of spaces have been incorporated, such as coffee shops or consumer technology retail.



Inviting and Comfortable Lobby Space in an Educators Credit Union Branch

OFFICES AND CONFERENCE SPACES

We are witnessing a trend away from conference rooms to a larger number of smaller yet flexible offices. These rooms generally take the role of delivering the more profitable, second-tier services for customers, such as financial advising or mortgage and loan support, which require a more focused customer support interaction. There is also a trend to offer customers more private virtual options with at least one Video Banking Office, which can supplement the ITM if more private transactions are desired.

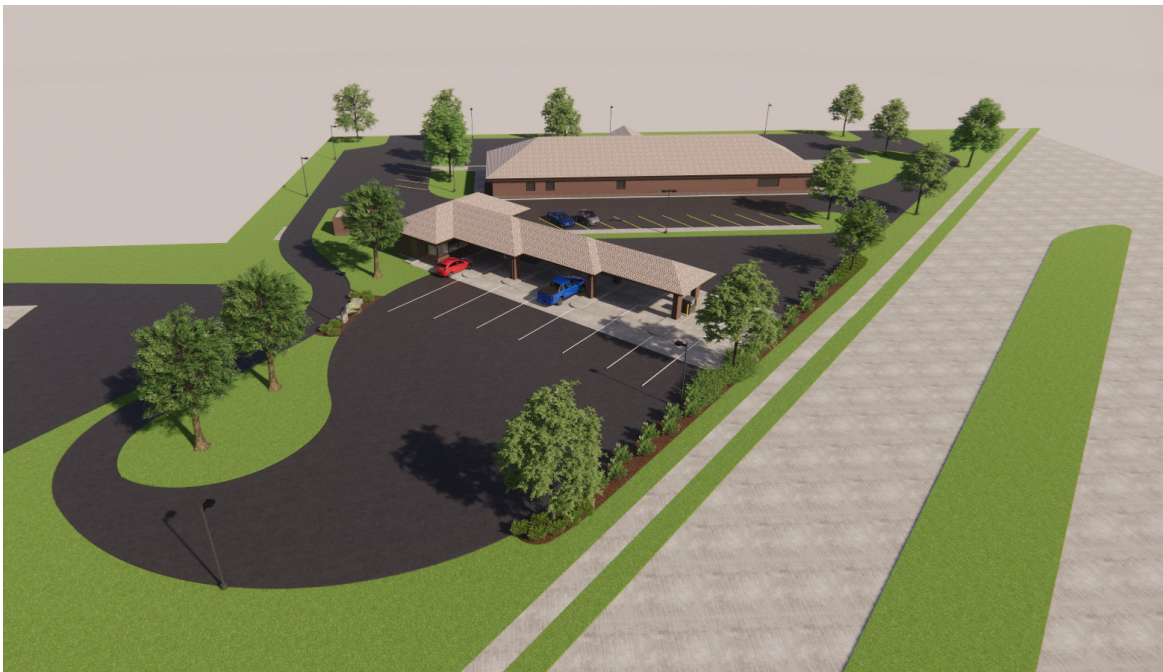


Private Office Space for Banking Services

DRIVE THRU

As with any of these trends, the convenience of conducting transactions from the comfort of your vehicle changed the site design of financial institutions decades ago. What was once a single lane adjacent to the building, grew into multiple lanes served by pneumatic tube canister systems to complete transactions. Handling all the traffic continues to be a challenge as facilities grow and traffic increases. The pandemic pushed some of these designs to their practical limits by maximizing the number of lanes and queue lines to support them. The example we show here allows for six concurrent lanes with an off-street queue of over 50 cars.

The introduction of the ITM and its compartmentalized nature allows the drive-thru to be completely remote from the branch itself. In that case, branches still tend to opt for a single deal drawer to conduct physical transactions as needed.



THE PANDEMIC EFFECT

Our collective experience with quarantining has left us more aware of both our proximity to each other and our interaction with the physical environment. Finding ways to integrate a more collaborative banking experience with the need to provide a physical barrier for health reasons is undoubtedly a challenge. There were casualties in terms of amenities businesses were able to offer their customers (i.e., signature food and beverages), as well as the increase of the plastic dividers, but this shared experience has enlightened us to concerns that do have fairly simple design solutions. We can detail the integration of the dividers into millwork and specify more touchless elements. Plumbing fixtures were an early and easily attainable “touchless” adaptation, but we are also seeing this expand to touchless automatic doors from main entrances to toilet rooms.

We are also exploring more unique configurations with regard to limited access to the branch. In the example below, we see a movable wall (highlighted in green) positioned in the lobby to “shut down” the branch functions while still allowing access to the internal ITM line. Security accommodations must always be addressed with the owners’ team.



Visitors use the doors to the left to enter the vestibule of the bank and continue walking passed the glass doors (on the right) to enter the bank

LOCATION - SPECIFIC DEVIATIONS

As is the norm, one size does not always fit all. Thus, location and demographic factors also influence successful projects. One particular example would be a higher than normal customer reliance on cashier's checks, which due to the nature of the process and handling, still require a physical transaction. In this case, the ITM cannot be used, and the customer will need to access the branch lobby or drive-thru. Another example could be a denser urban neighborhood branch with enhanced walk-up capabilities but no drive-thru at all. The takeaways here: Flexibility and adaptability within the prototype are the keys to success in modern branch design.

CONCLUSION

Customers today desire a more personalized banking experience, but on their terms. We are witnessing banking services become more convenient, interactive, and collaborative using robust online banking, comfortable lobby spaces, interactive teller machines, and welcoming greeters at entrances. As we see more banks integrate these design trends, they are differentiating themselves from their competitors. Providing a secure infrastructure to support their customers is the first step to rethinking your financial building, but there is more to it. We need to create a holistic banking experience for each individual that walks through your doors or remotely uses your services.



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ABOUT PLUNKETT RAYSICH ARCHITECTS, LLP.

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Ryan is a Project Architect with over 20 years of experience. He uses his incredible attention to detail and organizing skills to shepherd a wide variety of project types to fruition. He believes that to be an architect you have to wear numerous hats and assume many roles including designer, facilitator, mediator, and economist. The role in which he excels is being a problem solver. Ryan always seeks solutions that are sensible, equitable, and serve to enrich the project. Within these roles, he finds it rewarding to work with clients to achieve their goals and vision.