

# BANKS

Banks used to be high street certainties – you knew where you stood when you stepped inside – but a revolution is taking place, as **John Ryan** reports

# When banks aren't banks



**W**hen is a bank a retailer? Well, actually it's not, in spite of the many protests to the contrary which high streets banks are currently fond of

claiming. The killer point is that shoppers tend to go shopping – they head for a shop, pay for an item and usually emerge with a purchase.

Banks, by contrast, have often been characterised as places that customers walk into and actually emerge with more money in their pocket than they went in with – a trait that would be anathema to most retailers. That was then, however, and in the age of the ATM and online banking there is a question mark over what banks actually do for customers heading through their doors.

This is the nub of the question and the point of convergence between high street 'retail' banks and retailers. In effect, the modern bank on any high street provides a range of products and services – often for a fee – making them feel much more similar to retailers. And the interiors have changed as well.

These are no longer places in which customers are confronted by a line of glass-fronted counters with cashiers sitting behind them. Today these are high street locations that claim to have service at their heart, and where elements from both the retail sector and the hospitality industry have been blended to create interiors that are almost a new format in their own right.

Jon Blakeney, group managing director of design and branding consultancy I-AM, which has worked extensively within the banking

**Elements from both the retail sector and the hospitality industry have been blended to create a new format**





**ODEABANK**

Lebanese Odeabank has been working with design and branding company I-AM to make inroads in the Turkish market. Its new flagship branch in Istanbul uses technology designed to be responsive to its customers' needs and recognise factors such as age and gender.



**CO-OP**

As well as a contemporary appearance, there is a distinctly relaxed feel to The Co-operative Bank that I-AM worked on in Walsall. This could easily be the lobby of a hotel aimed at metropolitan travellers instead of a bank, and the choice of materials is a world away from what would normally be expected.



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► sector in the UK and overseas, notes the shift that has taken place: “[In the past decade] you could probably list at least four banks that were recruiting senior people from retail. But the banks were looking at retail in terms of the most obvious things, like visual merchandising and layout rather than the customer journey.”

He continues: “Banks are like manufacturers. They create things and then push them out. Most retailers are about pulling people in.”

Blakeney concludes that the flirtation with retail in the noughties was just that, a passing fad that ultimately did not amount to much.

This is where the industry has moved towards hospitality as its prime driver – giving the customers of a bank “something more intangible”, says Blakeney.

This means that banks are different. They are not retailers, but they have elements that retailers will certainly recognise. Neither are they hotels or restaurants, although operators in this field would also find much that might seem familiar.

But what does this equate to for ‘shoppers’, as they might be referred to, walking through the doors of a new-look high street bank now and in the future?

Carl Hynes, head of branch transformation at Barclays, says that customer needs are shifting: “The customer is at the heart of everything we do, and it is their change in behaviour which is driving us to review our service.”

For Hynes “banks are retailers”, a view he supports by saying: “Our high street branches are focused on creating a user-friendly, comfortable, service-orientated experience that supports customers who come in for both day-to-day transactions and moments that need a real human presence.”

The real point, however, is that banks are no longer places where customers join a line and then wait. Visit many Natwest branches these days and the experience is likely to involve

**“It is customer behaviour which is driving us to review our service”**

**Carl Hynes, Barclays**

being greeted by a member of staff who will then escort you to a terminal that is located in the middle of the banking hall (if that is indeed a term that can be used in this brave new world). Here a large number of transactions can be carried out that would traditionally have meant a glass screen and a somewhat adversarial encounter.

To an extent the reason that this can be done is simple: technology. Blakeney says: “Almost every bank is beginning to shift towards digital being the spine of everything they do with their customers.”

For I-AM the latest work that embodies this line of thinking is in Austria and Turkey. In



## BANK AUSTRIA

**I-AM has joined forces with Bank Austria to create a “completely new operating model” for its Salzburg branch. Hot-desking is a key feature, with more bank staff than there are desks, and there are also opportunities for pop-up banking initiatives.**



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Salzburg, the consultancy has worked with Bank Austria and come up “with a completely new operating model”, according to Blakeney. “There are more staff than there are desks. It’s about hot-desking and attending to the needs of customers. There is also a variety of branch formats as well as pop-ups and mobile branches,” he says.

The idea of a bank as a pop-up might seem curious but, as Blakeney observes, it’s as much about marketing and PR as it is about banking. Pop-ups that appear in unfamiliar locations are about reconnecting with lapsed customers as well as seducing new ones.

And banks do understand the challenges and opportunities represented by multichannel, in some cases rather better than mainstream retailers. This is perhaps seen most clearly at Odeabank, a Lebanese bank that I-AM has worked with to gain entry into the Turkish market. At its new flagship branch in Istanbul, the bank uses technology in a manner that really does ease its customers’ journey through the world of high street banking. There are, of course, the usual screens and staff are on hand to help visitors use them, but each of the terminals is

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**Jon Blakeney, I-AM**

reactive to both age and gender. It’s about being responsive to the needs of customers, and the grandiose claims about being customer-centric, so frequently wheeled out by retailers, really do look as if they have been rather more carefully thought through in this environment.

Back home, banks are in fact among the biggest investors in the high street and have been for a number of years.

Hynes remarks: “Our branch network remains a vital part of our offering, which is why we’ve invested £600m since 2008 in opening branches in new locations, refurbishing branches with iPads and wi-fi, as well as new in-branch technology to bring convenience to customers for their transactions.”

Banks are changing and look set to continue to do so. Whether they are retailers remains a moot point, but there are more similarities than some might be inclined to suggest.

At shopfitting giant ISG the path ahead seems clear, according to managing director Darren Hill: “Retail banking has been important to us for more than a decade. Any physical presence that has the opportunity to operate from 750 to 1,000 outlets across the country has to have a major influence on the fit-out and design sector.”

He concludes: “It’s a very interesting time. The bank evolution hasn’t crystallised yet in terms of what it will be, but things are certainly different.”



## NATWEST

At most Natwest branches on the UK high street, staff are now encouraged to greet customers near the entrance and escort them to one of several terminals located in the middle of the bank.

