

Banks balance technology with brick-and-mortar

Branch locations embrace different tech options to meet new expectations

By GREG POKRIKI

The ever-changing digital landscape has transformed the banking industry, creating challenges and opportunities that were foreign just a handful of years ago.

"It's all about catering to what the customer wants," says Karen Serinis, executive vice president at Canandaigua National Bank.

These days, the customer expects more than just a friendly teller. When banks had only brick-and-mortar buildings, customer service started and ended at the counter. With online banking options growing by the day, banks are faced with finding a new balance between face-to-face banking and technology-based banking.

Canandaigua National Bank, Bank of America, M&T Bank and The Summit Federal Credit Union all have chosen to keep customer service support for these new technologies in-house. The banks feature call centers or member service hubs for customers to call or chat with.

"We only want our customers to deal with internal employees," says Dan Burns, Rochester regional president at M&T Bank. "You have to have a level of consistency with the experience."

John Pitton, Bank of America market president for the Rochester and Finger Lakes region, estimates that more than 33 million of its customers use online banking and 20 million use the bank's mobile application.

"When you think about the way banking used to be, our customers used to live and die by the hours of a branch," Pitton says. With more of them turning to online options, "We are driving that and reacting to the way their behaviors are changing. We're being proactive."

Bank of America was ranked first in mo-

bile banking by both Forrester Research Inc. and Javelin Strategy and Research in 2016. The company has nearly tripled its investment in the technology in recent years, says Pitton.

Whether banks generate their own technology behind online banking systems or outsource it to the best providers available, security is at the forefront of everyone's mind.

"I think the main reason some people have not embraced online and mobile is the worry their technology is going to be stolen," Burns says.

To combat these concerns, banks consistently update their technology. They also test it, sending in faux hackers to find potential weak spots.

"We really focus on (cybersecurity) not only for our benefit, but also the benefit of our customers," says Burns.

According to the Federal Reserve, 52 percent of smartphone users with a bank account took advantage of mobile banking in 2015.

"You can't do everything online or mobile that you can by going into a branch, but that gap is closing with technology," says David Harnish, vice president of technology at the Summit Federal Credit Union.

Though there is an emphasis on mobile and online technologies that customers can use anywhere, such advances are becoming prevalent inside the walls of bank branches as well.

The Summit Federal Credit Union recently opened a new branch outside of Syracuse. The branch has several new devices that the company is experimenting with and may eventually incorporate into other locations after a six- to eight-month examination period.

An eight-foot-tall touch screen kiosk for customers stands in the lobby, with both Apple and Android tablets inside. Bank tellers at the counters have cash automated machines that count money, which "allows our staff to focus more on our members' needs," says Harnish.

Canandaigua National Bank has opened

a similar branch in College Town on Mt. Hope Ave.

"It's not going to feel sterile to you," Serinis says. "It's a blend of our warmth and our technology."

With customers shifting their transactions from the teller to the app, the purpose of a physical branch is shifting as well. Much of the technology within the industry's newest branch is educational. Customers can come in and learn how to bank online and take that knowledge home with them.

If lines at M&T Bank branches are getting long, employees will offer to take customers to the ATM to show them how they can complete the transaction more quickly.

At Canandaigua National Bank's newest branch, customers can even take in a seminar if they wish.

"We take to the offensive on education and offer a series of informational seminars whenever we deem it appropriate for the neighborhood," Serinis says.

Though the demographic of the specific branch is studied when considering new technologies, it never is a complete determinant, partially because of the commitment to education, Serinis says.

Bank of America associates are trained with education for customers in mind. Pitton sees physical branch buildings morphing into advising centers for customers.

"Branches are evolving to engaging with specialists," Pitton says.

M&T Bank's Burns believes that the number of branches will not decrease, but the size will. He also sees knowledgeable specialists taking more of the traffic in branch locations.

"It's a real swing from 80 percent transaction and 20 percent expert advice to 20 percent transaction and 80 percent expert advice," Burns says.

Employees at branches under both Burns and Serinis are taking on expanding roles as well. Formerly there was a typical pyramid structure to management at a branch, but now 'universal bankers' are trained in all areas, able to work the teller counter and switch into a management role.

Though Canandaigua National Bank fields a large level of traffic through its on-line and mobile technologies, Serinis still recognizes that one of the biggest reasons a new customer chooses a bank is based on branch location.

“They’ll go in the branch when they really want a face-to-face meeting for their needs,” she says.

Keeping that in mind, the banking industry will likely continue to explore ways for branches to evolve and better serve cus-

tomers through technology.

“Banking has seen an evolution over the last 10 years,” says Pitton. “It may even be a revolution.”

Greg Pokriki is a Rochester-area freelance writer.