



DEMOGRAPHICS

The First Step In

BRANCH REIMAGINATION

By Jim Caliendo

Everyone is talking about branch reimagination, digital banking and branch modernization these days, but before you can plan for the future of any branch or an entire branch network, you need to be educated about the present. That means knowing your members, your potential members and your market area.

I know the “old school” idea of demographics isn’t as exciting as the more modern concepts of ITM’s, universal banker models and social media, but it is essential in helping you to determine the best way to serve your existing members as well as attract new ones.

How can you decide delivery channels, product parameters and even branch design if you don’t know the make up and preferences of your member base and market area?

Population, household growth and age composition can tell you a lot about your market area and it’s potential. It can identify whether you are in a growth market or whether your desired member base is expected to decline over the coming years. Will new members be entering the market or will your advertising strategies need to focus on attracting members from competition?

Key criteria such as income, education level, lifestyle indicators, deposit and loan average balances, and product penetration can tell you a lot about a member and can help you understand and define the type of member your institution already has or may be trying to attract.

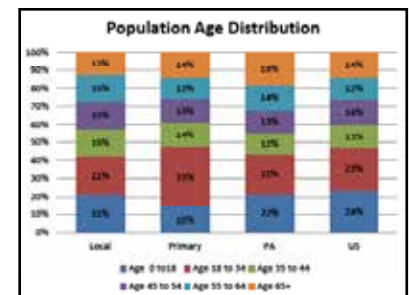
As you create profiles of both your existing member and the ideal consumer you are seeking, you can delve deeper into their wants, needs and service preferences. Doing so enables you to design a customized banking environment, improve and create proper delivery channels, and market appropriate products and services. You will then be able to make key decisions based on knowledge and factual data relevant to your institution and market area.

For example, technology is great, but only if it is something your members want, understand and will use. Employing technological advancements is very costly and you need to make sure the market

you are in is ready and willing to accept them. The same goes with product usage and service preference. Not all age groups require the same products and services nor do they like to be treated in the same manner. While

Millennials have grown up with technology, they prefer high tech, touchless banking, but still prefer the branch for financial discussions and decisions. Baby Boomers however, are willing to learn and adapt to new technology, but remain somewhat suspicious about the trustworthiness of devices, networks and databanks. The better educated you are regarding your members, the more accurately you can identify new sales opportunities, create unique selling points, and increase sales.

Demographics, while traditional, should not be over looked. They play an important role and by applying the findings, you can design a customized environment, improve and create proper delivery channels, market appropriate products and services, and make key decisions based on knowledge and factual data.



James G. Caliendo is a former bank executive and now President and COO at PWCampbell, a 108 year old design/build and retail services firm. In the past 18 years alone, under Jim’s direction, PWCampbell has worked with over 500 financial institutions influencing millions of square feet of retail and operational space to create engaging, impactful and scalable solutions for every sized facility project.