

# OWN YOUR BRANCH

6 WAYS TO RETAKE CONTROL OF YOUR RETAIL BRANCHES AND TURN THEM INTO PROFIT DRIVING CASH COWS



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Close your eyes for a second. Picture yourself walking into your local Starbucks, in need of a coffee to kick off your day, as some of you have already done just this morning. From the moment you walk in the door, I want you to think about the environment that surrounds you. Maybe you look up at the uniformed digital menu boards in front of you, maybe you already know your go-to order. Your hand rests on the natural wood lacquered countertop as you wait for your beverage at the end of the counter in the carved-out space next to the espresso machines. All around you, low cushioned chairs are filled with friends and business clients talking about their weekend or catching up on the latest proposal. Coffee in hand, you walk towards the door past the crowd while a bohemian cover of “The Girl from Ipanema” is playing just overhead.

Whether you have never stepped foot inside of a Starbucks, or it is your mandatory detour on the way to work, everyone knows exactly what I’m talking about above. Starbucks has spent millions on creating an extremely branded environment to make sure everything from the taste of their coffee to the wood they use in their displays is consistent throughout every one of their stores. It is intentional, and it has succeeded immensely to the fact that I can just mention Starbucks, and your mind automatically sees, hears, and tastes their branding.

From Verizon to Starbucks, McDonalds and more, companies are spending a lot more time on branding and a lot less time on putting up walls. The turn-and-burn theory of “if you build it, they will come” is a thing of the past as corporate marketing teams across the globe are battling to create meaningful branded sensory experiences in their retail space to drive consumer spend. It could be said for virtually all industries, except for one.

Slow to adapt, the banking industry has continued to focus more on a transactional and operational approach rather than a branded experience. Often, branches are neglected and long overdue for a refresh. Mergers and acquisitions tend to a focus on bringing the newly acquired assets up to speed operationally, many times putting off branding for years to come. To be fair, we try. In the 80s and 90s, branches put a focus on merchandising, swapping out floral arrangements for poster frames. The early 2000s broke ground to a heavier importance of branding with community walls and painted accent walls to give off a slight branded appeal. But now we are well into the 2000s and things have changed. Big banks are leading the experience with the branding process, leaving community branches struggling behind to keep up.



So what's the secret? How do we get past the branding roadblock and turn our branches into powerful branded experiences that drive loyalty, growth, and profit? We take ownership of our branch.

Imagine if Starbucks left their newly acquired site to be built by the facility manager, only to have their Marketing team come in as an after-thought? Or if Verizon only engaged their Marketing team after the retail site was built? Not only have these Marketing teams spent years developing interiors and branded environments prior to any site acquisition, but they are one of the first departments pulled into the mix before they've even broke ground. So why do we consistently rely on our Facilities team to build branches? The future of banking relies on marketing teams to take a greater ownership of our space.

Marketing teams need to be conditioned to take a greater ownership in the development of the retail branch, as they already are in other industries across the board. Once the branch is up and running with the proper branding and consumer experience, then your Facilities team takes over, ensuring the longevity of the space to protect your asset.

Want to take back ownership of your branch? Here are some easy ways to kick-start the process:

## 01. MARKETING MATTERS

Get your Marketing and Retail department involved early and often. Give them the ability to design and carve out your space before the ground is even broken. Allow them to influence the final product by injecting branding throughout the branch and take the ownership of the build away from the Facilities team and into the hands of the people trying to sell your branch experience.

## 02. ESTABLISH A BRANCH IMPROVEMENT FUND

Allocate a percentage of your profits specifically to branding and improvements. This may mean that some previous funds set aside for facilities should be moved into retail and marketing budgets. By establishing a set percentage of profits to this fund, you can ensure that there will always be funds available for capital improvements and refreshes across your branch network. Do not settle for an outdated branch ever again.

## 03. A LITTLE GOES A LONG WAY

Creating a great branded experience does not mean you have to gut your branch, but it does mean we need to go further than accent paint, digital merchandising and branded walls. You need to think about the carpet, window treatments, furniture, paint and other textures that speak to the brand personality. A great brand overhaul in a branch can be done without requiring a building permit, and Marketing teams can pull it off with the right plan.



## 04. PARALLEL PATH FOR BEST RESULTS

It is not branding or operations, it is branding *and* operations. When branches are acquired due to a merger or acquisition, you can parallel-path the transition by having your Marketing team carve out the branding and creative space while your Operations team works on the transition of bringing your new branches on board. If you put off the branding efforts until your operations are lockstep, you are undoubtedly going to be faced with an outdated branch that is still undergoing operational issues. Stop waiting for the perfect time to upgrade your network – you will be waiting forever.



## 05. THE GOLDEN GATE BRIDGE APPROACH

There is never a time the Golden Gate bridge is not being painted. When painters get to the end of the bridge, they start again at the beginning. As should be the same with your branch network. Establish a refresh cycle that enables your branches to undergo a branded refresh and carve this schedule out across your portfolio so that there is never down time to the capital improvement of your asset. You will reap the benefits by keeping your branches updated, and your consumers will appreciate the devotion you have to enhancing their overall experience.

## 06. THE MCLUHAN METHOD

Your branch is a medium. Your Marketing team's primary objective is to create an experience that draws people into your branch, and so much of that has to do with the environment that they create. As Marshall McLuhan said, "The medium is the message". It is not the content that is displaying on your digital message board, it is the fact that you have digital message boards to begin with. Changing out wall coverings, adding a fresh coat of paint, upgrading millwork – these are all small improvements that scream a bigger message – and if community branches want to make an impact, we need to start thinking like the big dogs and take ownership of our branch, no matter how big or small the footprint is.

**If you want your retail network to be a powerful successful tool that drives profitability, then it is time to treat it as such. Stop treating it as a depreciation item on your financial statement and start looking at it as the means to gain new business and drive the overall consumer experience.**

**Own your branch.**

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