

Why In-branch Digital Signage Is Effective for Building Customer Relationships and Enhancing Brand Equity

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These are difficult times for the banking industry. The financial crisis has pushed many banks to the point of no return, and in turn, has forced consumers and businesses to re-evaluate their relationship with financial institutions. The mindset of consumers may have permanently changed. Consumers are more willing to talk with new institutions in an effort to cut their expenses and reduce their exposure to risk.

US Market Snapshot

Financial institutions can be categorized in two ways. There are large global institutions such as [JP Morgan Chase](#), and regional or community-based banks such as [Capital City Bank Group](#), with a network across Florida, Georgia, and Alabama. The difference between the two is that each offers a vastly different set of products and services based on the specific needs of their customers. Competition among global banks is very different than regional banks, not only because of geography, but also because of the distinct needs of local banking clients. The US banking industry is currently the largest with an estimated 82,000 branches nationwide spread across more than 7,000 institutions. By contrast, the United Kingdom has an estimated 15,000 branches. Large institutions have also gained additional market share through mergers and acquisitions.

Even in the best of times the retail banking business is a highly competitive marketplace. In some urban areas, banks compete for customers within yards of each other. The market dynamics have also changed. Brick and mortar retail storefronts now compete directly with online banking.

In recent years, retail banks have deployed a range of tactics to increase their revenue stream that include an increase in the cross-selling of products and services while also increasing the total number of products each consumer uses.

UK Market Snapshot

In the UK, almost every retail bank brand has either contemplated or has rolled out a digital



signage network of some type. Brands that have engaged in digital signage include NatWest, Barclays, HSBC, Santander, Halifax, and Lloyds.

“The UK, like the US, has had a difficult 18 months. Private and commercial spending has contracted and deficits have risen along with unemployment,” said Chris Heap, Managing Director of the [Imperative Group](#), a UK-based consultancy focused on digital media networks.

“I recently had the pleasure of being invited to present the case for digital signage to a large European bank. This bank had not traded in sub-prime loans and through good management they had steered clear of everything that resulted in the global credit crunch. It could claim, with sincerity, that it was not a contributor to the financial crisis. Yet, they had not considered communicating this information to their clients. What a missed opportunity,” said Mr. Heap.

“We often talk about digital signage as a mechanism capable of attracting new customers and enabling brand switch, so it would make sense to look at digital signage as a contributor to the public relations effort to engage existing customers and attract new ones,” added Mr. Heap. “If people have ‘lost faith’ in banks and in the banking process, then digital signage provides a perfect opportunity for these brands to play a faith game, to put their CEO in retail branches to speak directly to staff and customers about why they’re better than the next guy in the sincerest and most justifiable way possible.”

Just as in retail, customers visit banks at certain times of the week. From there, it’s easy to identify who banks when, and therefore, what they may be interested in given their socio-demographic profile. “Banks have the ultimate customer insight system,” said Mr. Heap. “Not only do they know the what, when, and where you spend on, but they also know how much you earn, from whom, and what your disposable income actually looks like.”

It's All About Customer Relationships and Retention

Retail banking is all about customer relationships and retention. Lifestyle changes are often a key driver of a consumer’s decision to change financial institutions. Marriage, divorce, children, relocation, buying or selling real estate, job changes, and dissatisfaction with products and services are the primary reasons for consumer defection. Branch location and easy access to a bank’s network also influences the selection of a particular institution.

The key market differentiator for banks often comes down to quality of service and the perceived “trust” value that a brand maintains. Most banks provide a range of highly commoditized transaction-based services and products, so enhancing services and building higher levels of trust are primary market drivers for bank brands. Building a trust-based relationship with consumers requires brands to deliver frequent and consistent messages that enhance the customer experience, while also providing education about financial options. Delivering the message however, has become complicated.

“Everyone is looking for new ways to capture the consumer’s attention because the old ways are not working anymore,” says Steve Gurley, VP Global Marketing Business Development at [Symon Communications](#), a Texas-based provider of visual communications solutions. “The market has radically changed from what it was 5 years ago. Today, consumers have their attention focused on so many things between traditional media, new media, and social media. Everywhere an individual turns today they are being bombarded by information.”



Reaching consumers requires an integrated marketing plan that connects at multiple touch points. In-branch digital signage is part of an effective touch-point ecosystem for building customer relationships and enhancing brand equity.

One example of in-branch digital signage is [Sovereign Bank](#). Sovereign was acquired by Banco Santander in 2008, and is currently one of the largest banking institutions in the northeastern United States with more than 750 branches and 2,300 ATMs from Maine to Maryland. Sovereign understood the value of bringing digital signage into its branches to enhance its relationship with clients and engage customers.

“The challenge in working with Sovereign was to incorporate media into the environment that wasn’t purely product promotion. We wanted to create a very unique experience for customers,” said Bryan Meszaros, Director of Media and Strategy at [OpenEye Global](#), an award-winning digital signage agency based in South Amboy, NJ. “Some examples include developing a series of content segments that showcased people within the branch. We used digital signage to introduce customers to who their bank manager is, who their teller is, and who works on Saturday. We also used digital signage to showcase local businesses that were participating with the bank. This was part of the way we drove home the values of Sovereign Bank in the community. There was product promotion, but it was promotion by way of education.”

“When there was a financial crisis going on in mortgages, instead of saying, ‘we have the better rates,’ we were developing content for digital signage as a way to help people feel safe, and more connected to the brand, and feel they could trust Sovereign to help guide them through this critical time,” added Mr. Meszaros. “Bringing digital signage into an environment and not generating an ROI just based on promoting product indicates that digital signage can be used to create a relationship, which in turn helps consumers to further invest themselves with the brand.”

Extending the Experience and Growing the Bottom Line

Digital signage can provide a significant opportunity for financial institutions to cross-sell a wide range of products and services. “The goal is to make sure the front-line team takes advantage of cross-selling opportunities when digital opens the door,” said James E. Kueneker, Executive Vice President, Retail at [NewGround](#), a St. Louis-based full-service solutions provider to the financial industry. “Staff needs to be trained to understand the message and be alert to customer awareness.”

“NewGround did a 10-branch pilot with digital signage and added a training element to those branches. We did all of the above and helped the front-line team learn how to engage in effective conversations,” said Mr. Kueneker. “At the end of the 90-day pilot, the financial institution captured \$1.6 million in new deposits with another million in the pipeline. They had invested \$100,000 in the pilot, so it was a big win!”

Working with a financial institution requires a full-service provider with a deep understanding of branding, retail design, architecture, information technology, and deployment services. Security is also a primary concern for banks, and there is great sensitivity regarding the impact of a digital signage network on IT infrastructure. “Banks prefer to buy from a full-service provider rather than match a hardware or software provider with an integrator,” said Mr. Kueneker.

Most bank networks are spread across multiple time zones, crossing state and country borders. Digital signage offers financial institutions a highly cost-effective channel for employee communication by enabling instant announcements and alerts to be targeted across a specific



region or an entire network. "Digital signage is rapidly becoming the de facto standard for employee communication by providing the fastest, highly graphical, and up-to-date information," said Mr. Gurley.

Digital signage also offers benefits for employee communication that include education and increased productivity. "Digital signage can be used as an education tool for customers and for staff to convey complex and intricate information more effectively than print," said Mr. Kueneke.

Like many retailers, banks have evolved retail banking beyond traditional expectations. In fact, some banks often refer to their branches as "stores" and have adopted many of the same retail qualities often used by other retailers. For example, [TD Bank](#), formally known as Commerce Bank, was among the first regional community banks to apply "retailtainment" at their branches. TD Bank's business model is based on offering consumers an enhanced customer experience.

TD Bank has increased traffic into their branches by offering a range of services such as free coin counting machines known as the "Penny Arcade." They offer this service as a convenience, not just for their customers, but also for anyone who needs it. The Penny Arcades draw additional traffic into TD Bank's branches and increase the conversion rate of new customers. In 2001, TD Bank's network of Penny Arcades handled more than 750,000 transactions, totaling more than \$71 million. TD Bank has also invested in digital signage throughout all of their branch locations.

Experiential marketing can be more effective at reaching consumers than traditional marketing methods because it enables advertisers to pull consumers into the brand. Digital Signage is part of the experiential marketing ecosystem. As an example, banks are now sharing space with other synergistic businesses, such as coffee chains. By combining retail concepts, banks are creating a sense of place and community. This enables retailers to leverage technology, combining digital signage, interactive touch screens, and mobile integration into a location to create a more memorable experience for consumers.

"Experiences resonate with the consumer," said Mr. Meszaros. "There's more of a tendency for consumers to remember what they have just experienced, rather than just seeing an advertisement."

Photos Courtesy of NewGround and Openeye Global

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About the Imperative Group

The Imperative Group helps retailers, landlords, media and technical businesses connect, develop, innovate, deliver and communicate their digital retail & out of home media projects in order to deliver competitive advantage.

The value we add is based on a cocktail of primary knowledge, connections, method and approach drawn from over 11 years of practical experience gained specifically in retail & out of home media networks (Including radio and digital screen media). We provide a broad range of competencies fine tuned to the needs of the retail and out of home media markets, including new product development & proof of concept, project management, marketing & press relations, insight management and business development.

Our experience relates to that gained from working with retail and out of home media owners, operators and practitioners in the UK, Europe and U.S including BP, Pret, The Mall Corporation, Tesco, Shell, Kroger, Safeway, Shaws, Scala (EMEA), Premier Retail Networks (Thomson PRN), BTiNet, Sony Professional Solutions Europe, Harris Broadcasting and POPAdigital (UK & Ireland).

The Imperative Group is a member of POPAdigital and representatives of the business sit on the management committee for POPAdigital UK and on the Advocacy Steering Group in the U.S.

