

# Banking battle moves back to high street

By [Published by Datamonitor](#)

23 Jul 2010

LONDON, UK: Despite fears that online banking had led to the death of the local bank branch, new research, published on 20 July 2010, from Datamonitor has found that more than half of us want to use a branch and if there is investment and innovation in their networks, banks will reap rewards.

Research by the independent market analyst has revealed that banks may have overlooked how important visiting a local branch is to consumers. With nearly half (46%) of added value services such as mortgage applications occurring in branch, there is still a need for banks on the UK high street.

Daoud Fakhri said: "UK consumers clearly have a preference to visit a branch but over the last decade banks have undervalued this space. It is only now that the key players are starting to understand that a strong innovative branch network can lead to a competitive advantage.

Just as television did not replace the cinema, online banking has not replaced branch banking. With such high numbers of us wanting to set up our mortgages and carry out our banking in a branch, there is a real opportunity to cross-sell other products.

## Greater competition in banking sector

The launch of new banks in the UK such as Metro Bank and Tesco Bank, as well as the planned new operation led by Lloyd's of London chairman Peter Levene, has created heightened competition for traditional banks which will need to work harder to encourage new deposits."

Datamonitor believes that in the future, branch networks will move away from their emphasis on transactions and towards a greater focus on sales, provision of advice and relationship-building. Therefore most staff will be personal financial advisors, fully trained to offer advice on products.

To ensure customers can make it into a branch, opening hours will be extended with late night and Sunday opening. Branches will continue to move away from the more formal lay-out towards an open-plan relaxed approach and touch screens may be introduced to help illustrate new products. In essence, influence will be taken from retail stores.

Fakhri added: "Rumours of the death of bank branches have been greatly exaggerated. In fact with their popularity confirmed among consumers they will become a key battleground in the fight to win bank deposits. This will only benefit consumers as it will lead to innovation in branch design and to the introduction of technology aimed at improving the

customer experience."

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