When Digital and Physical Collide: **Learning to Thrive in a Phygital Era**

The Role of Access Control and Geofenced Notifications in Helping Financial Institutions Reinvent Themselves and How They Serve Customers

EBOOK

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Introduction

THE PHYGITAL ERA ARRIVES

In the aftermath of the pandemic, financial institutions are in the midst of a revolution that will permanently change how they operate and interact with customers. Up until recently, digital and physical channels remained largely disconnected from each other. The pandemic forced customers to change their habits, resulting in more digital interactions along with an influx of new customers who were accustomed to conducting business in a branch. While the number of branch customers dropped, there's still a need for brick-and-mortar locations. Consequently, in today's "**phygital**" era, many customers now use both physical and digital channels.

According to PwC, there are two types of consumers who like using branches: users of digital channels and branches (phygital) and those who are dependent on branches alone[1]. While PwC observed a decrease in branch-dependent consumers, from 42% before the pandemic to 35%, phygital users rose from 17% to 25%. To remain competitive, financial institutions must reimagine the role of their branch networking, including how to meet the needs of the growing number of phygital users.

HYBRID STAFFING MODELS BECOME THE NORM

While consumer preferences continue to shift post-pandemic, so too do financial services firms' operating models. A recent survey of 10,000 workers conducted by management consultancy Advanced Workplace Associates found that 86% of white-collar employees wanted to work from home at least two days a week[2]. In a separate study conducted by Vidyard and Atomik Research, 96% of financial services professionals said they would give up a percentage of their salary to work from home permanently[3].

As employee work preferences change, many financial institutions are embracing a hybrid employment approach that allows some employees to work from home for all or part of the workweek. As a result, many financial institutions will need less office space in the coming years and ways to use the remaining space more intelligently.

THE ONGOING IMPORTANCE OF SAFETY, SECURITY AND COMPLIANCE

Regardless of the pressures facing the sector to reinvent how they serve customers, financial institutions must comply with a long list of regulations, including those focused around the need to protect their physical assets, employees and customer data. With these pressures in mind, financial institutions will need to rely heavily on technology to reconfigure their branch networks, make better use of office space, support hybrid business models, and deliver the level of safety and security that customers, employees and regulators require.

How can a mobile access control solution — which can function as a credential to access doors, networks, devices, services, etc. — help financial institutions reimagine their approach to access management for branch operations and office space? Furthermore, how can geofenced notifications and the data they provide transform a financial institution's approach to customer service and occupancy management?

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[1] https://www.pwc.com/us/en/industries/banking-capital-markets/library/digital-banking-consumer-survey.html
[2] https://fortune.com/2022/02/14/white-collar-workers-return-to-office-full-time-wfh-goldman-jpmorgan
[3] https://www.businesswire.com/news/home/20220119005226/en/Vidyard-Study-Finds-96-of-Financial-Services-Professionals-Would-Take-a-Pay-Cut-to-Permanently-Work-from-Home

Rethinking the Role of Access Control Intelligent Occupancy Management

Many financial services firms struggle to optimize their real estate footprint, whether it involves their headquarters, regional offices or branch networks. One of the primary barriers to an efficient and functional real estate portfolio is a lack of real-time occupancy data. The lack of data makes it almost impossible to develop accurate occupancy forecasts. The ongoing expenses and capital investments related to a financial institution's offices can prove extremely costly. Furthermore, the inefficient use of a branch network can impact revenue and customer satisfaction.

Additionally, without real-time occupancy data, achieving compliance with occupancy limits, enforcing restricted access to certain areas and adopting contact tracing, among other measures, present numerous challenges.

OFFICE SPACE MANAGEMENT GOES HAND IN HAND WITH ACCESS CONTROL

As the number of hybrid employees increases, financial institutions will need to revisit their usage of office space. To do so, financial institutions need access to accurate and timely data detailing how they currently use space today. Unfortunately, financial institutions often lack visibility regarding their usage of space, primarily due to the lack of technology to control and report it.

While some financial institutions employ technology for employees to book office space, those solutions often only cover certain buildings or floors and lack robust reporting capabilities. Furthermore, a system that does not integrate with access control degrades the effectiveness of the processes and technology used to control office space.

For example, if an employee reserves a conference room, they alone should be able to access that location at the allotted time. If another employee possesses the credentials to access the conference room without booking the space, the ability to manage space effectively evaporates.

Using a centralized booking system synchronized with access control minimizes the potential for conflicts due to double-booking. It also avoids frustrating employees when they travel to an office and cannot find space to work.

Additionally, tying the reservation of space to access control provides a financial institution with clear and compelling usage data instead of relying on anecdotal evidence regarding the use of space.

For example, data can show utilization rates for every bookable space in an office. Such data can provide critical insights that a financial institution can use to optimize its real estate footprint. This includes selling surplus footage or reconfiguring office space to meet the needs of their increasingly hybrid workplace.

In addition to providing an intelligent and dynamic approach to occupancy management, technology can improve the employee and visitor experience by removing pain points with the potential to derail a meeting or serve as a distraction. Occupancy management tied to access control can also increase the use of mobile and biometric-based security, which can deliver a more secure environment.

Enhancing the Customer Experience

TRANSFORMING THE BRANCH EXPERIENCE CANNOT HAPPEN WITHOUT TECHNOLOGY

Despite predictions declaring the demise of branches, many financial institutions see a need to retain and reconfigure certain branches to meet their customers' ever-changing needs. For some customers, digital transactions are a poor substitute for face-to-face interactions, especially when they involve more complex financial matters, such as wealth management, mortgage financing or small business lending.

A customer-centric approach and the delivery of an omnichannel model require embracing technology to enhance and inform every customer interaction. The right technology can allow financial institutions to reimagine how their branches operate with the customers' needs at the forefront.

Specifically, mobile access management and geofenced notifications can unlock the power of a financial institution's mobile app and streamline the customer's experience while in the branch. Technology can remove friction in face-to-face interactions, which can be a significant competitive differentiator. For example, the mobile app installed on the customer's phone can streamline the check-in process by making it easier for customers to prove their identity.

To ensure customers receive the level of service that differentiates the financial institution from its competitors, geofenced notifications can notify branch staff as soon as the customer enters the branch. The solution, when integrated with a bank's systems and business rules, could provide employees with critical data about the customer. For example, once a customer arrives in the branch, employees could receive prompts to discuss a significant development in the customer's life, such as the sale of a business or upcoming retirement.

In busier branches, geofenced notifications can inform the queue management system, minimize wait times, and identify high-value customers for premium service. This approach can ensure regulatory compliance for authorities that mandate queue management systems.

By reimagining the role of branches, financial institutions can increase the frequency of interactions with branch employees, helping them foster stronger customer relationships. With a deeper understanding of the customer, financial institutions can better use the data to meet their needs and earn incremental revenue.

The innovative use of real estate can lure customers to a branch and increase customer interactions. For example, converting unused space in branches to coworking spaces or meeting rooms and providing customers with complimentary access is a creative use of surplus real estate. Mobile access management could help facilitate this by granting customers access to a secure area or a specific meeting room. In this use case, with the technology embedded into the mobile banking app, the customer's device can function as a digital "key" to unlock the coworking space. Making a branch a more inviting location could attract customers who would otherwise never set foot in a branch or do so infrequently.

Another way to attract customers and stand out in a competitive landscape is to enable the detection of a customer's presence in a branch to trigger a one-to-one marketing campaign. Using geofenced notifications, a financial institution can deliver targeted messages to a user's mobile device when near or visiting a branch through the mobile banking app. Since the customer is in the branch, the messaging can provide specific steps to engage a customer to accept the offer or receive more information. The "moment of truth" the technology creates can help customers form a positive initial impression or allow them to rethink their view of the institution. In short, technology can reposition how individuals view branches and the financial institution's ability to anticipate and meet their demands.

Using technology to gather more profound insights into a customer's financial needs makes it easier for financial institutions to market products and services in a compelling and engaging way to customers. For example, more timely and accurate customer data enables financial institutions to predict the customer's needs at every stage of their life and relationship with the bank. Furthermore, it allows financial institutions to deliver targeted marketing messages via other forms of technology, such as ATMs, or support the adoption of interactive teller machines.

Technology can also enhance operational risk and security management, which includes requiring robust authentication, promoting mobile and biometric security, and providing data to ensure regulatory compliance and prevent fraud.

Managing Office and Branch Employees

MORE EFFECTIVE EMPLOYEE MANAGEMENT IS CRITICAL TO A HYBRID MODEL

Hybrid work arrangements are now part of the employment landscape. Whether an employee wishes to work remotely five days a week or some portion of the week, financial services firms must learn how to support hybrid work practices to remain competitive in an increasingly tight labor market.

Leveraging access control and geofenced notifications can help financial institutions refine their approach to staff management and optimize their workforce, within both their branch networks and corporate offices. When coupled with customer data, occupancy and attendance data can provide a complete picture of branch operations. This data can then be used to drive staffing decisions and optimize the use of real estate, including decisions to expand or remove branches.

Similarly, financial services organizations can more effectively manage contractors, particularly if an institution routinely engages seasonal employees or hires contractors to cover staffing shortages.

Conclusion

In an increasingly dynamic and competitive marketplace, financial institutions must continually reexamine their approach to access management and how they serve customers.

By implementing mobile access management and geofenced notification technologies, financial institutions can optimize their use of real estate and interact with customers in their branches in a more engaging manner. And while branch consolidations will continue unabated, for many customers, their local branch will remain a reliable and preferred channel to bank. As a bank shrinks its real estate, dynamic facility occupancy management, access control and geofenced notifications can ensure the intelligent use of the remaining space.

When deployed as part of a customer-centric strategy, technology can eradicate most, if not all, of the administrative burden placed on customers and transform their in-branch experience. It can also ensure the safety and security of critical assets, including customer data. And by transforming how they interact and anticipate their customers' needs, financial institutions can increase engagement, loyalty and revenue.

A future-ready access control solution can increase branch efficiency, customer satisfaction and employee productivity while also enhancing safety and security and ensuring regulatory compliance.

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