

Major Trends in Bank Branch Design

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Historically, bank design was intended to convey security to its customers. Elements such as brick and columns communicated strength – your money would be kept safe. Teller lines provided a safe barrier between would-be thieves and the customer's money which also conveyed a feeling of security. Today, however, security equipment, such as cash dispense systems, enables banks to maintain security while also creating open environments that are more conducive to building customer relationships and ultimately cross selling products.

What has caused this dramatic shift? Increased competition within the financial services market has forced banks to more aggressively compete for market share. As a result, savvy bank executives have begun capitalizing on one of their most valuable assets – their branches. They realize that the design of their branches is critical to their success.

Bank design should be based upon an in-depth understanding of customer needs and expectations and should reflect the character of the bank's brand and the community that it serves. Today, there are three major trends in branch design: cost efficiency, environmental friendliness and brand centrality.

Cost Efficient Design

Factors such as rising costs in construction and building materials have all had an impact on the progression from traditional to modern branch design. Construction costs continue to rise and show no signs of decreasing. Turner Construction Company, an international general contracting firm, recently projected a national increase in general construction cost of 12 percent over the next twelve months. In addition, all building materials have steadily increased since 2005, including the cost of concrete, copper, drywall, steel and any petroleum-based products. According to the American Institute of Architects, fuel, asphalt, plastics, copper and roofing shingles are expected to rise in cost by 10 – 20 percent in 2006 due to demand and high petroleum and natural gas costs.

Areas that might generate a more cost-effective construction response would include such items as the panelization and pre-engineering of systems. Further, bank branches could stockpile long lead time items, such as steel, wood and drywall, in order to expedite project completion and eliminate the threat of future cost increases.

Environmentally Friendly Design

Using low maintenance and energy efficient building materials can help combat rising costs and can also qualify your project as a "green building". The U.S. Green Building Council established the Leadership in Energy & Environmental Design (LEED) green building rating system to determine if a building qualifies as "green". This system addresses areas such as sustainable sites, water savings, energy efficiency, materials selection and indoor environmental quality.

Concrete siding, exterior materials composed of polyvinyl chloride (PVC), brick, stone, and steel are all examples of low maintenance building materials. Builders are increasingly using steel framing rather than wood framing due to the fact that steel does not rot, absorb moisture, twist, split or crack. In comparison to wood, steel also does not attract termites, rodents or insects.

Metal roofs in comparison to shingled or shake roofs, for example, are also low maintenance. Although the initial cost of a metal roof might be higher, your long term costs will be lower. Metal roofs are essentially maintenance free since they do not decompose. A light-colored metal roof will deflect UV radiation, reducing your heating and air-conditioning costs. In addition, the added color can distinguish your branch from other facilities. A metal roof is not only a great choice for your bank; it is also a great choice for the environment. Most metal roofs have recycled content ranging from 25% to 95%.

Energy efficient components can also reduce overall operating costs. Examples include low-emission glass (clear glass with a coating of metal oxide allowing heat and light to enter a room but preventing heat from leaving), insulation, a high-efficiency heating, ventilation and air conditioning (HVAC) system and skylights. Skylights allow natural light which can result in improved employee productivity.

Brand Centric Design

Statistics show that over 80% of all sales are made within the branch. As a result, banks are designing branches that function as strategic retail centers. A once optional interactive retail environment has become the standard as Internet stations, plasma TVs, libraries and lobby areas help to attract sales. For maximum benefit, a branch's design should aim for a value-added service experience that compels customers to interact freely with the environment and explore product offerings. Elements such as plasma TVs, Internet stations, aquariums, reading areas, kids' corners and fireplaces can create a home-like environment that makes the customer want to linger. Features such as coffee bars which serve the bank's signature coffee are also becoming a standard as they promote interaction between employees and customers.

All facets of your organization, from the outside in, must align to support and strengthen your brand. The branch building itself is no longer just a place of service – it is the physical manifestation of your bank's brand image and identity. Your brand should be clearly defined at every point of contact with the customer. The architectural design of your branch conveys your brand image 24 hours a day. Lighting applied to exterior and interior building components and attractive signage can lend support to your brand by messaging from the inside out. Other techniques that can be used include tall architectural features or towers.

Innovative uses of lighting and an abundance of glass are also features seen in today's branches. SmartBank (In Organization) of Sevierville, Tennessee, is currently in the design stages of a new branch which includes a distinctive glass entrance. The bank wanted a mark that would distinguish their branch from other facilities. The glass design blends with the existing environment and natural surroundings of their area, but can also blend with a metropolitan environment.



Rendering by Tom Trotter, Trotter & Associates

Bank branches now cater to baby boomers, high-tech youth and all types of customers in between. Therefore, it is prudent to cater to the needs of all of your customers. It is important to provide a relationship-based environment for the more traditional customers, while also providing a self-serve environment for the more progressive customers. Teller transactions are decreasing as other channels are increasing, such as technologically advanced ATMs and remote teller systems (RTS). An RTS for example, combines high-tech equipment with human interaction. These interactive, two-way video kiosks allow customers to speak with employees in a back office and can be used to send and receive cash and deposits. Aside from added security measures, an RTS allows fewer employees to service more customers more rapidly. The use of RTS is proving to reduce wait times for customers while lowering operating costs and raising employee productivity.

Today's consumer demands convenience, service and ease of use. As such, banks must balance the consumer's need for additional branches and high touch service and technology with their own need for fiscal responsibility and return on assets for shareholders. Financial institutions that focus on cost efficient and environmentally friendly design while building strong brands and creating a dynamic sales environment at the branch level will achieve the highest levels of profitability and success.

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About Consultants and Builders

Consultants and Builders, Inc. (CBI) is a design-build firm focusing exclusively on the development of financial institutions within the Southeastern United States. Established in 1986, the company is headquartered in Duluth, Georgia, an Atlanta suburb, and offers a wide range of services including facility design, interior design, and construction as well as branding and retail delivery services. For more information, visit www.consultantsandbuilders.com.

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