

Virtual Branch

How do new technologies revolutionize the functioning of financial institutions and improve the management of the sales process?

Intro

Recent years in the banking world have seen a dynamic increase in digitalisation. Financial organisations are concentrating on improving the efficiency of existing IT processes and on implementing new, mobile products and services which are meant to support consultants in their everyday work and, as a result, meet the ever greater demands of customers.

In the era of digitalisation, technological development, and the Internet, values such as flexibility, time-saving, comprehensive service, accessibility, ease of contact, and the possibility to resolve issues immediately are becoming increasingly important.

So financial institutions are facing a huge challenge; on the one hand they need to provide customers with state-of-the-art solutions which meet their expectations, while on the other they must constantly adapt to changing market needs in terms of technological development and keeping abreast of trends in the competition.

Financial institutions are moving towards digitalisation at a very quick pace, and traditional branch offices are undergoing dynamic changes. The number of transactions conducted with smartphones and computers is growing at lightning speed, which is why many institutions are giving up brick-and-mortar branches in favour of digital branches, or at least are in the process of doing so. Digitalisation of financial processes and provision of multichannel services to a large extent are associated with the increasingly common use of digital devices by customers, such as smartphones or tablets.

Customers can already make use of mobile banking, 24-hour call centre access, and online consultations in the form of chats and video chats. What was recently innovation is today considered industry standard. Customers expect increasingly advanced technological solutions with multifunctionality which will allow them to conduct a wide range of operations from any place and any device without the need for a visit to a bank branch office in person.

The answer for these needs is the virtual branch, an innovative communication channel which combines the quality and comprehensiveness of services that customers expect from traditional branches with the possibility of managing processes remotely.

Thanks to this solution, both the consultant and the customer can be in any place in the world and quickly and easily conduct both basic and highly complex operations while still maintaining the interpersonal communication aspect in real time. The virtual branch is a blend of advanced technologies, which helps consultants and customers conduct transactions, find answers to questions, tailor advice, and make important financial decisions, or even sign documents.

What do Banks and financial institutions need to meet their customers' requirements?

→ High-value interactions improving (Net Promoter Score)

Efficient and convenient service results in customer satisfaction. And satisfied customers are more willing to express their satisfaction with high ratings in brief electronic surveys, leading to appropriately high NPS scores. Currently, NPS is the most popular tool for measuring the ratio of promoters to detractors of a given product or service

→ Increasing customer loyalty and engagement

Customers who are satisfied with the service they receive more often remain loyal to their banks. What's more, the simpler is their access to products and services, the more eagerly they use these and the less likely they are to look into the competition's offer

→ Optimisation of operational costs

Maintaining a network of branches is a serious operational cost. By directing customers to electronic channels, the financial institution can achieve significant savings

→ Innovative solutions

Which meet the expectations of clients born in the 1980s and later (the so-called Millennials or Generation Z)

→ Constant improvement in the quality of services and care for customer experience

In our times, making sure that the customer receives high-quality service is an absolute necessity, and in an extremely competitive market this aspect is often decisive in the success or failure of the business. Banks which aim to stand out from the crowd must constantly raise the level of the services they provide and make sure that customers experience satisfaction and positive emotions in their daily banking activities

→ Greater efficiency and shorter customer service times

The systematised and organised queuing systems which are possible thanks to the Virtual Branch increase the efficiency of the bank consultant's work. Customers on the other hand are not limited by bank working hours and can use any communication channel to contact the bank at times when traffic is usually less congested

Demands regarding banking services are steadily growing. Financial institutions need modern solutions which will revolutionise the way consultants have worked so far and meet the expectations of customers.



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What benefits does a virtual branch offer?



Improvement in emotional and interpersonal connection with customers, thanks to, among others:

- constant access to video chat, which can help the customer of the financial institution take care of the business without leaving home, while still maintaining the aspect of interpersonal contact in real time
- remote conduct of both simple operations and highly complex ones which until now have necessitated a face-to-face meeting but today can be accomplished thanks to video verification of identity, including opening and managing accounts, granting loans, ordering and personalising payment cards, managing profiles, assisting in filling out forms and agreements, or signing documents
- involvement of a company employee in the sales process at the level of the employee's competencies, thanks to which the employee is only involved in matters within his or her area of specialisation
- remote and secure browser screen sharing, meaning more efficient conduct of operations in tandem with the customer
- consistent user experience across channels – mobile, online and in-branch.



Increase in sales potential, via among others:

- introduction of the interpersonal element into online sales processes
- the possibility to present and highlight the strengths of individual solutions
- 24/7 accessibility for customers, regardless of place or time
- dramatic increase in the probability of successful finalisation of the transaction, thanks to the presence of the virtual salesperson



Optimisation of operational costs, among others by:

- decreasing the number of branch offices, and thus the costs of rental space, bills, offices supplies, and security services
- eliminating the need for courier services
- eliminating the need for bank document archiving and shredding services



Time savings, thanks to:

- the possibility of connecting with the customer at a convenient time and from a convenient place, without the need for a face-to-face meeting
- shortened transaction and problem solving times



Increase the presentation effectiveness of promotional materials

- promotional materials, offers, and sales of bank products and services available via Internet channels



Trends

In 2018, the financial organisations EFMA and CUMA conducted a study called “How to Capture and Create Value from Video Banking”. The results incontrovertibly show that the global banking industry is following the digitalisation trend and refashioning traditional forms of contact into digital ones.

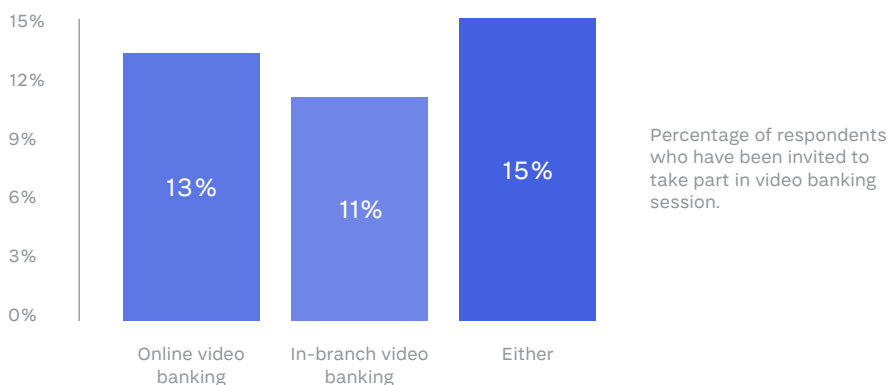
It appears that an increasing number of financial institutions plan to use video banking to satisfy the growing needs of customers, to improve the effectiveness of their operations, and to increase revenues. Among those studied:

- 82% declared that the institutions in which they work offer or plan to offer video banking. This number confirms numbers from three years previous
- 35% have already fully implemented or are currently testing video banking services
- 20% are currently using the service

It is worth noting, however, that although the number of institutions offering video banking services is constantly growing, so far few customers have had the opportunity to make use of such services.

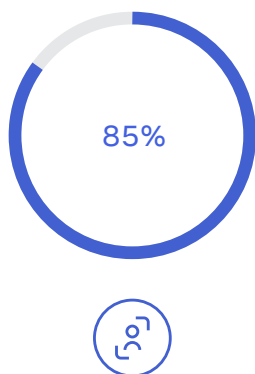
The fact is that:

- Barely **15%** of customers have been invited to take part in any kind of video banking session, both online and in-branch
- Just under **3%** have had the opportunity to use both forms of video banking session



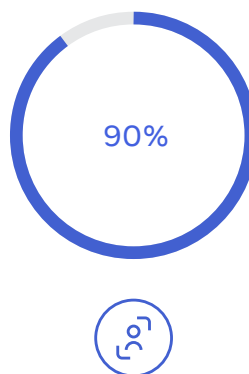
The study also showed that for most customers, video banking represents great value, and their first experiences with it were positive:

- **85%** of customers who took part in an Internet video banking session declared a willingness to use the service again
- **90%** of customer who took part in an in-branch video banking session stated that they would use the service again



Online Video Banking

Consumers who took part in an online video banking session and said they would be willing to use it again.

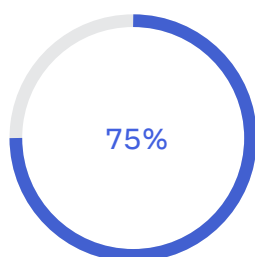


In-branch Video Banking

Consumers who took part in an online video banking session and said they would be willing to use it again.

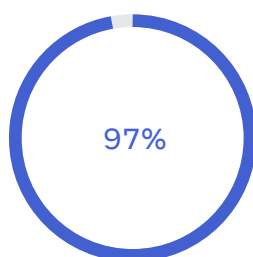
Moreover, financial institutions which offer video banking services report a significant return on investment (ROI):

- **75%** of those surveyed who have implemented video banking declared that the outcomes achieved are in line with their expectations (40%) or higher (35%)
- **97%** of those surveyed indicate that NPS scores are higher thanks to video banking (54%) or comparable (43%) to the average NPS of other channels
- **77%** of those surveyed stated that thanks to video banking, their sales figures are higher than (36%) or comparable to (41%) other channels



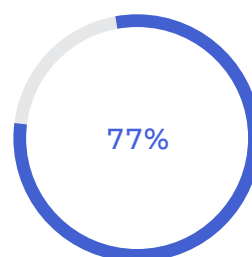
Better Outcomes

Survey respondents who have deployed video banking and say that the outcomes they are getting are either as expected (40%) or better than expected (35%).



Higher NPS

Those who know about the Net Promoter Score and say that the NPS of video banking is higher (54%) or equivalent (43%) to the average NPS of other channels.



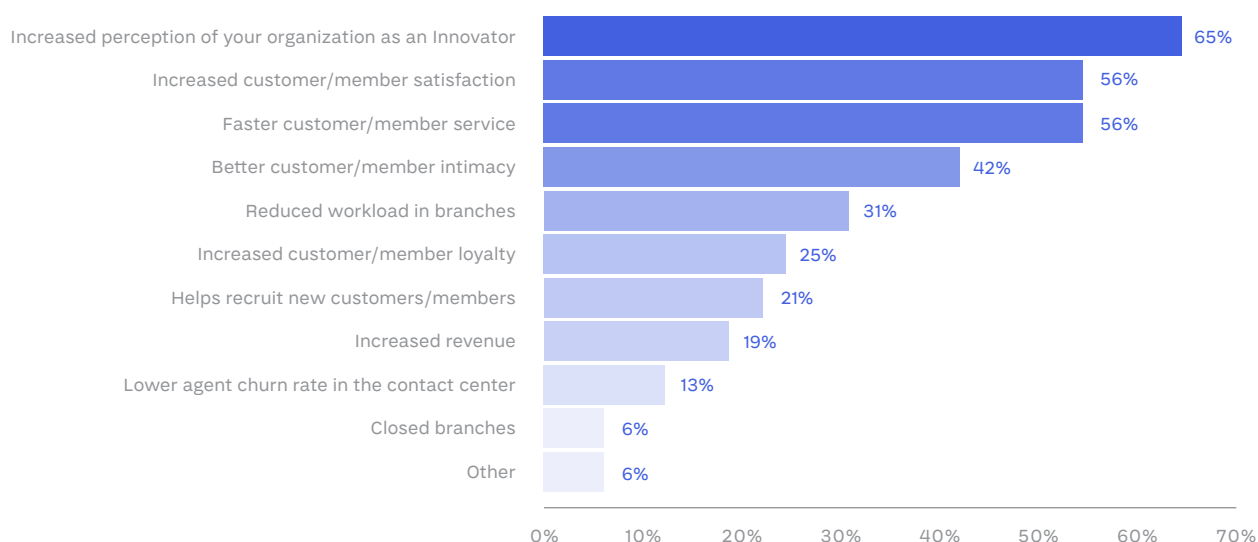
Higher Sales

Those who know their Sales Close Rate and say that with video banking it is higher (36%) or equivalent (41%) to other channels.



Among the most significant benefits reported by organisations using video banking services were the following:

- 65% increased perception of the organisation as an innovator
- 56% increased customer satisfaction
- 56% faster customer service
- 42% better customer intimacy
- 31% reduced workload in branches
- 25% increased customer loyalty
- 21% more effective recruitment of new customers
- 19% increased revenue
- 13% lower churn rate in the contact centre
- 6% reduction of the number of branches
- 6% others



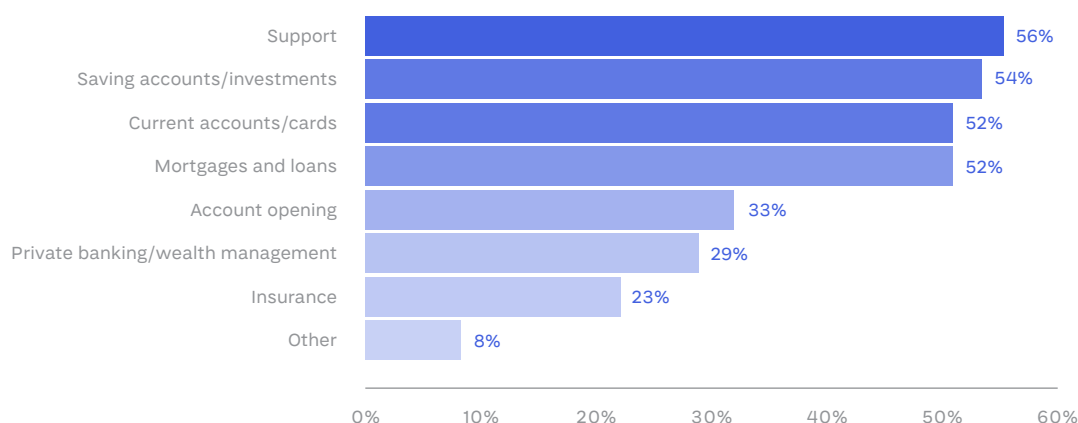
Note: These questions were asked only to the 48 respondents who have already fully deployed a video banking service, so the sample size is small and data should be treated cautiously, as larger margins of error are possible.

Video banking also has a significant impact on institutional business processes, in particular in the following segments:

- The broadly understood loan segment, thanks to the increased comfort of contracting agreements, including the possibility to process applications virtually from start to finish
- Contact centres, thanks to the more personal and interactive support available for users of Internet sites, mobile applications, cash points, and ATMs
- Distribution, thanks to the concentration of labour capacity in one place and its optimisation
- Private banking, thanks to the strengthening of day-to-day relations with the wealthiest customers

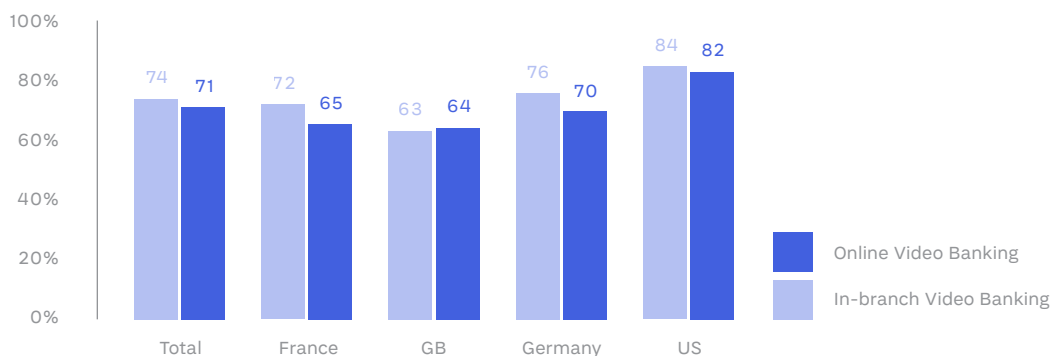
The study also took into account services offered by institutions with fully implemented video banking services. These included:

- 56% operational support
- 54% savings and investment accounts
- 52% current account and payment card services
- 52% mortgages and loans
- 33% opening new accounts
- 29% private banking / wealth management
- 23% insurance
- 8% others



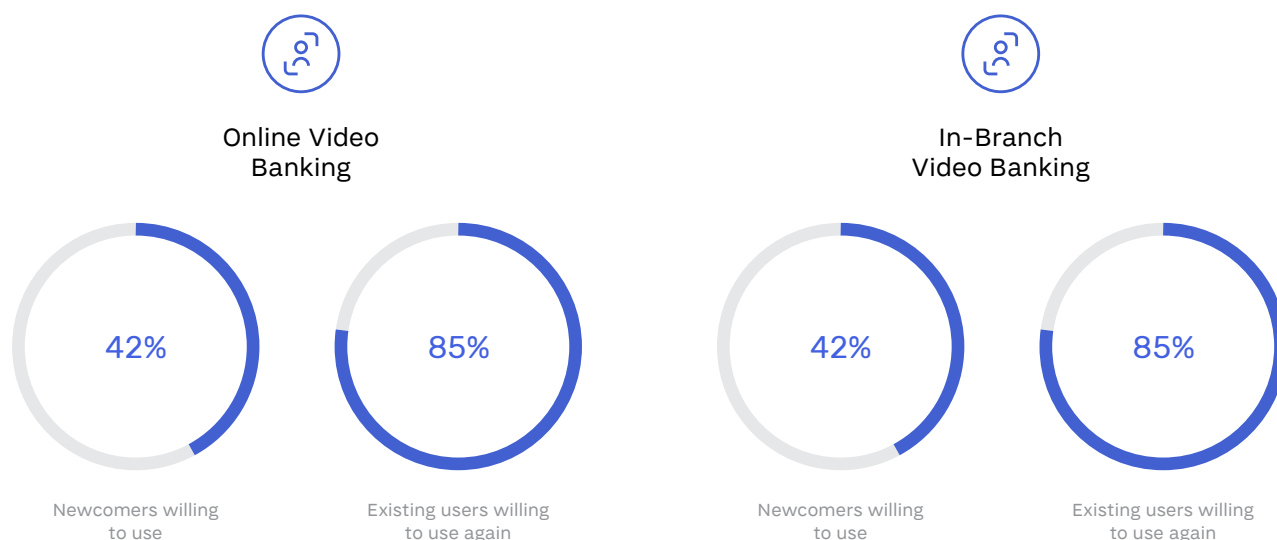
It is also worth noting that customers willingly use video banking services whenever they have the opportunity.

- Nearly 75% of customers who were invited to participate in the video banking session accepted the connection
- Video banking at brick-and-mortar branches and online both have similar acceptance ratios
- European countries still lag behind the USA, and France is still behind the UK and Germany



Percentage of respondents who agreed to take part in a video banking session when they were invited.

What's more, customers who used video banking options were likely to do so again – 85% of existing and 32% of new users declared a willingness to repeat the online video banking session. In the case of video banking at a brick-and-mortar branch, as many as 90% of existing and 41% of new users were interested in repeating the connection.



There is a common but mistaken belief that only certain types of person are interested in using video banking services. In reality, nearly all customers, regardless of the gender, socioeconomic status or profession are eager to use this form of virtual contact.

A study has shown that from among the 18% of surveyed customers who were presented with the option of video chat, as many as 75% of them accepted the connection. Among the 7% in the 45-64 age group, this percentage was 72%. The study also took into account differences in behaviour dependent on gender. Among the 18% of male customers, 77% participated in the video meeting. Among the 9% of female customers, this percentage was 69%.

Unique functionality of the virtual branch



Accessibility via a mobile application

thanks to which the consultant can remain in constant contact with the customer, regardless of their current location.



The possibility to send documents

thanks to which the consultant can quickly and securely send the customer offers, agreements requiring signatures, or promotional materials.



A high quality audio and video connection

facilitating effective online meetings. A good image and sound quality ensures high quality interactions and full understanding between the consultant and customer.



Security

thanks to technologically advanced connection verification systems, including random code reading, recording, comparison of facial biometrics, and encoding.



Video chat with the possibility of session sharing

among many individuals involved in the process, such as consultants, experts, and customers.



The creation and publication of customer satisfaction surveys

thanks to which an employee knows how his or her work is rated. A customer who has made contact with a consultant in a simple and convenient way and has received thorough assistance is more willing to give a high rating of the consultant's competence.



An advanced queuing system for customers waiting for services

thanks to which the consultant can more efficiently managing ongoing tasks.



Co-browsing

making it possible for several persons to securely view and edit data from different browsers, such as a consultant or expert and a user.



Multichannel services

with the possibility to initiate a conversation via different channels, such as Messenger, WhatsApp, or Viber.



Integration with the bank's internal systems and solution providers



High-security standards

The service which we offer is also completely secure both for the bank and for the customer, thanks to, among others:

Advanced video identity verification process:

- Connections are recorded in their entirety, meaning that it is possible to later check or verify whether they have been conducted properly
- Customers read out loud codes in real time which are then verified by consultants
- The compliance of data from ID documents of the person being verified is compared with data supplied by that person before the process is started. The data are automatically read from the customer's ID photo
- The system takes a photo of the customer's face. Biometric features from the photo are compared with the ID photo and a compliance percentage is delivered
- The data of the person being verified are sent to external systems which check whether the documents are genuine and valid, and whether any other concerns exist
- The system checks the telephone number and e-mail of the person being verified
- The decisive element in the identity verification process is a human being, a trained consultant who makes the final decision about whether the procedure has been completed successfully or not based on all the gathered information

Technologically advanced security systems:

- Tested components in stable versions have been used to construct the solution
- Connections are encoded using the SSL protocol
- System user authentication is constructed based on the oauth2 mechanism
- In the case of the mobile application, data are stored on the device in secure platform mechanisms, such as keychain.
- All actions in the application require authorisation.

System integration

The integration of systems is one of the key aspects which facilitates the provision of high quality comprehensive services to customers by banks and financial institutions. The results of a study called "How to Capture and Create Value from Video Banking" conducted by EFMA and CUMA in 2018 suggest that the greatest barrier to using video banking is the failure to thoroughly integrate such services with existing internal and external systems in the institution.

A virtual branch is something more than just a video connection between the customer and consultant. It's a solution which is based on an omnichannel approach requiring full integration, among others with business area systems, SSO servers, cloud or on-premises models, websites, mobile applications, CRM, calendars, and call centres. The crucial aspect in this is the correct operation of data transfer and synchronisation among all the channels.

Inperly can be fully integrated with the internal systems of banks and other financial institutions so as to guarantee the highest quality of connection and service, among others:

- A provider of multichannel contact centre solutions
- An HD videoconference services and solutions provider
- A shared online session tool
- A manufacturer of electrical capacitors and voltage systems
- An API platform and API on a WWW site
- Trusted Third Party
- SDK for mobile applications, a set of tools for programmers to assist in software system development
- CRM systems for customer relations management and CMS systems for content management
- SSO servers which allow single sign-on for web services and access to all authorised resources

A virtual branch is something more than just a video connection between the consultant and customer. It is a solution which is based on an omni channel approach requiring full integration with the tools that the consultants and customers use. Only then do we have a guarantee that we can provide a comprehensive and advanced tool which will satisfy the expectations of users.



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About us

Billennium is a global technology company specialising in the creation of innovative solutions for business. One of these is the [virtual branch](#), an innovative, multichannel communication system between the company and the customer which satisfies all the requirements laid out in this document. We provide global support services 24/7 to serve customers from all time zones.

What is Inperly?

We offer a virtual branch video verification functionality that can be applied in various customer care scenarios. Our holistic omnichannel solution helps to connect with Clients with more empathy and engagement. It's easy and safe. Remotely, in person.



Remotely, in person

Inperly is a part of Billennium

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