

THE BANK OF SCOTLAND FLAGSHIP BRANCH

Argyle Street, Glasgow

From a transaction branch
to a space that helps the whole
local community to prosper

Client: **Lloyds Banking Group**
Agency: **M Worldwide**
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EXECUTIVE SUMMARY

*From a heavy transactional branch
to a space that helps the whole local community to prosper*

In recent years the purpose of the physical bank branch has been under immense scrutiny to demonstrate tangible value to customers and reverse falling fee income for the banks. In the eyes of many banks' branches broader role in the local community has become diluted, overshadowed by strong digital adoption, automation and closures.

By cash transaction numbers Bank of Scotland's Argyle Street branch is the busiest branch across the Lloyds Banking Group network, (Lloyds Bank, Halifax and Bank of Scotland).

The preference for cash locally is a reflection of the complex needs of the city of Glasgow. The branch supports a huge amount of independent traders, SME's and members of the public who like to manage their finances on a week-to-week basis. The branch had become a reactive service proposition, focusing on management of counter queues without sufficient opportunity to step back and add value.

Through our deep dive analysis of the initial brief to create a new experience for the Bank of Scotland we determined what an ideal experience meant to Scottish customers and how the branch could engage through service design, new proposition design and environmental design.

We not only delivered on the core objectives but exceeded them, helping the local community to re-engage with the brand through a series of firsts for the Bank of Scotland branch proposition.

THE FLAGSHIP BRANCH WAS THE FIRST IN THE BRAND FOR:

A Home-Buying area that helped customers navigate their way through a complex journey, not just buying a mortgage.

A Business Hub that created a space for start-ups and SME's to work, meet up, attend events and talk business with their managers.

A dedicated Business Banking transactional space delivering a customised service away from the hub-bub of the retail customers.

A Café that encouraged dwell time in the branch space, new customer visits and a supporting role with an important social challenge in Glasgow.

An Event space, open to all, that encouraged personal improvement, business start-ups, well being and networking.

KEY RESULTS

[REDACTED CONFIDENTIAL DATA]

87%

customers considered the design better than other high street retailers.

[REDACTED CONFIDENTIAL DATA]

[REDACTED CONFIDENTIAL DATA]

95%

found it easy to find what they were looking for.

[REDACTED CONFIDENTIAL DATA]

[REDACTED CONFIDENTIAL DATA]

Wait times significantly shorter than control group.

100%

of Event attendees said they would **recommend the programme** to family, friends and colleagues.

[REDACTED CONFIDENTIAL DATA]

[REDACTED CONFIDENTIAL DATA]

CONTEXT & OVERVIEW

CONTEXT

The Bank of Scotland has served Scottish customers for over 300 years. The brand values are **Empathy**; compassionate and genuine, developing deep long term relationships, **Expertise** giving customers reassurance through the products, services and advice offered, and **Experience**; proud of their Scottish roots, being informed and passionate to guide customers to make better decisions.

Over the last 20 years they have struggled to activate and demonstrate the brand values in the physical space with the branch design language and service models blending with other Group brands. In 2018 a decision was made to re-establish the physical brand character and create clear differentiation from the local competition.

The branch itself was cluttered and visually tired. On arrival customers were corralled almost immediately into queue lines. Colleagues were positioned and tasked to direct traffic. Many customers joined queues only to find they were in the wrong line and had wasted time. The whole experience was poor from a customer perspective. Banking hall colleagues felt they were not utilised effectively and were unable to add value to many visits. The lower ground floor was again a queue arrangement for High Cash counter pay-in, which often grew to include the stairway. The first floor was an invitation only space for meeting rooms. Waiting space for meetings was located by the ground floor entrance, a busy and often chilly space, hardly conducive to creating a good mindset for important financial conversations.

OVERVIEW OF THE MARKET

Bank of Scotland has the biggest branch network in Scotland by some distance. The Argyle Street branch has all the other major bank brands within a few minutes walking distance. The competition is strong, of particular note would be a new Nationwide branch on the same street. For Business Banking the main competition is Royal Bank of Scotland.

KEY FACTS

Launched in December 2019
Design fees [REDACTED CONFIDENTIAL DATA]

OBSTACLES AND CHALLENGES

The rise of digital

Customer behaviour has changed dramatically and continues to move constantly towards online and App banking. This movement has challenged the validity of investing in the physical space.

Covid-19 context – Online banking adoption has accelerated change but also made the human touch more important than ever. The purpose of visits have aligned with the new service design principles of offering ways to get help and empathy during these difficult times for many.

[REDACTED CONFIDENTIAL DATA]

[REDACTED CONFIDENTIAL DATA]



CONTEXT & OVERVIEW

Before



After



BUSINESS UNIT COLLABORATION

This project required multiple business units within LBG to work together to create a completely new model for Bank of Scotland. Specifically:

PROPOSITION DESIGN

The new strategy we developed called for bespoke zones that demonstrated expertise in specialist areas. We worked with the product teams to generate advocacy across Mortgages and Business Banking and ensure we communicated the offers accurately.

SERVICE DESIGN

HR, Training, and Area Management all had to collaborate with the core design team to implement colleague role evolution and customer journey mapping / choreography change.

ENVIRONMENT DESIGN

After detailed customer flow studies we determined to implement radical planning changes. This required support from IT, Security and the Area Management teams.

THE MOCKSHOP SPACE

Key elements of the environment design were tested in a secret Mockshop space to understand customer and colleague views.



"We knew we were going in the right direction when we had 100% endorsement by four customer focus groups, every senior stakeholder from the Lloyds Banking Group, the Bank of Scotland Managing Director and Area Directors when they visited our Mock shop."

Paula Rowntree
Head of Branch Formats & Design
Lloyds Banking Group

CONTEXT & OVERVIEW

The location has three floors, approx. REDACTED CONFIDENTIAL DATA. The ground floor was a very traditional large counter area and a similar sized self service zone together with a seated waiting area located near the entrance. The first floor was made up of meeting rooms, the lower ground floor was a 'high cash' screened counter and more meeting rooms. Last refurbished over 15 years ago the general principle was functional and built for handling a high volume of transactions.

OUTLINE OF THE PROJECT BRIEF

The M Worldwide brief was to create a completely new financial services experience. Specifically, the objectives for the project were:

- 1. Transform** the experience, priority to reduce queuing, encourage self service adoption and enable Bank of Scotland customers to fulfil their financial aspirations on their terms, when and how they want.
- 2. Differentiate** the environment design to deliver a unique story, helping customers and communities to identify with the brand and connect to local needs.
- 3. Engage** customers giving them space and time to interact with expertise including life aspirations, financial health checks and business start-up support.
- 4. Deliver** a service design that is time efficient and intuitive, giving ways of completing day-to-day tasks.
- 5. Innovate** in developing new propositions that can enable people to achieve more from life.

THE DESIGN SOLUTION

Through deep dive conversations with customers and colleagues we determined a strategy for distinct spaces that helped customers in specific ways. The core idea was the create an open and inclusive space rooted in what it means to be Scottish, forging authentic customer relationships to enable confident financial progress. The design reflects the brand values of Expertise and Experience and Empathy.

DELIVERABLES

1. Define and design a new overarching proposition that re-imagines how a bank branch can play a relevant and meaningful role in peoples lives.
2. Define and design four new service zones for Bank of Scotland; Business Hub, Event Space, Home Buying Service and Business Banking.
3. Create a environmental DNA for the brand in 3D.
4. Redesign all three floors of the existing branch space.
5. Create a new Café for the community.



CONTEXT & OVERVIEW

THE DESIGN SOLUTION

Environmental Design

- A radical new footprint design that faced into customer pain points with more ways to transact.
- Opening up all floors to enable customers to move freely around their branch.
- The creation of a Café space that dramatically changed the ambience in store, from a transaction led bank to a space for the whole community.
- Four new specialist proposition zones that demonstrated expertise and focus.
- A design language that reflected the essence of what it means to be Scottish.

Proposition Design

Each specialist area was given it's own space to communicate and demonstrate it's products and services. The design intervention of creating bespoke spaces demonstrated expertise and commitment.

The **Home Buying Service** included a unique Scottish based digital road map to buying and selling a home. A series of open and closed meeting spaces facilitated varying levels of consultations, delivering on identified differing customers needs and wants for example casual enquiries and more formal mortgage reviews. Engagement with first time buyers has particularly improved with this facility.

The **Business Hub** is designed to become the first rung on the ladder for entrepreneurs. Offering a 'open house' place in central Glasgow for business customers to have meetings with potential clients, a place to work and, as this also acted as the permanent workspace for the local Business Banking team, a place to consult with managers on a more informal basis. This close relationship helped entrepreneurs navigate their start up period more successfully.

The Business Banking Transactional zone, based on the lower ground floor, is a dedicated counter helping business banking customers to fulfil their specific cash requirements at speed.

On the first floor an Event Space delivered a flexible area for up to 50 attendees plus broadcast of live events online.

Spacial Design

Transactional Services were split over the ground floor and the lower ground floor where the retail counters had space to breath and improve privacy. Two retail transactional counters remained on the ground floor to help vulnerable customers and 'meet and greet' colleagues located at the entrance who wanted to help customers quickly and efficiently.



RESULTS

IMPROVED CUSTOMER EXPERIENCE

Results beat all the expectations.

EFFICIENCY RESULTS

Counter Queuing (Pre-Covid19)

Retail

[REDACTED CONFIDENTIAL DATA]

Business

[REDACTED CONFIDENTIAL DATA]

Retail counter use also dropped hugely immediately after relaunch with migration to automated services that were more accessible and supported by roaming colleagues.

Self Service retail transactions

[REDACTED CONFIDENTIAL DATA]

Self Service Business Banking

transactions [REDACTED CONFIDENTIAL DATA]

Data Sources from
[REDACTED CONFIDENTIAL DATA]

IMPROVED FOOTFALL

[REDACTED CONFIDENTIAL DATA]

ROLLOUT AND SCALABILITY

The design is the new model for all branches to be refurbished in Bank of Scotland. Scalability is delivered for all footprints from a local community Micro format to the larger Anchor format.



INCREASED ENGAGEMENT OF EXTERNAL STAKEHOLDERS

The adoption of the scheme by all external stakeholders was unequivocal. From branch colleagues to the CEO we achieved something everyone was very proud of.

"I think it's absolutely stunning," said [REDACTED CONFIDENTIAL DATA] who's worked in central Glasgow city branches for twelve years.

RESULTS

IMPROVED WORKING PRACTICES

The design of the new footprint facilitated a more fluid movement for colleagues, enabling them to move more freely between the café tables, open counter units, semi-private (niches) and fully private spaces dependent on the customer need. This flexibility helped colleagues respond to any enquiry instantly.

The new proposition Home Buying Service offered a more informal self-guided solution which encouraged footfall into the zone. Customers were then at ease to carry on with a stand up discussion with a colleague, sit at the open plan table or head to a more private space. The design facilities gave colleagues options and customers felt less pressured which improved their experience.

The addition of 'Business Connectors', permanently based in the Business Hub, improved connectivity between customers and the bank, demonstrating the care and attention required to support young and growing businesses.

SHIFT IN PERCEPTION

"I can't believe how good it looks, but still has that nice Scottish touch"
said one customer walking through the doors.

100% of all customers surveyed talked positively about the new experience and felt more connected to the brand through it's sensitive use of elemental Scotland brought to life within the environment design.

INVESTMENT / FUNDING

[REDACTED CONFIDENTIAL DATA]

SOCIAL IMPACT

The decision to collaborate with Social Bite to deliver the Café has meant a wider and more diverse mix of the Glasgow population has a positive experience of the Bank of Scotland. Customers have taken the opportunity to talk to Bank of Scotland colleagues and resolved multiple financial concerns from bill payment challenges to more holistic financial reviews.



RESULTS

Results – Pre-Covid19

SELF SERVICE MIGRATION

[REDACTED CONFIDENTIAL DATA]

BUSINESS HUB

[REDACTED CONFIDENTIAL DATA]

- Established a network of collaborations among local businesses.
- Raised the profile of Bank of Scotland in the local business community.

[REDACTED CONFIDENTIAL DATA]

Customer Feedback captures the improved customer experience:

"I just wanted to say thank you so much for the recent referral to look at options to help grow a small business."

EVENT SPACE

Multiple connections and networks nurtured and grown. For example through a Business Network event Beatson Hospice and a business that provides holistic medicine connected and now they work together.

[REDACTED CONFIDENTIAL DATA]

Customer Feedback captures the improved customer experience:

"I left the event feeling motivated and wanting to make change."

"I like having these events to connect with different organisations in and around the Glasgow area."

HOME BUYING SERVICE

[REDACTED CONFIDENTIAL DATA]



RESULTS

During Covid19

BUSINESS HUB

Established a programme of regular 1-2-1's for business owners who were daily / regular users of the space with the Business Banking teams.

Customer Feedback captures the improved customer experience:

"I'm on a mentor programme and I've learnt more in the last hour than I have in 4 months with the other programme."

EVENT SPACE

During Covid19 the Events team have broadcast 23 virtual events direct from Argyle Street; including Bookkeeping, Marketing, SEO, Content creation, Women/Men in business, Remote leadership, Networking skills, Problem solving, Digital advertising, Resilient mindset. All events have exceeded the target attendance.

Customer Feedback captures the improved customer experience:

"Brilliant, that's great. Great webinar and a lot of help."

INFLUENCING FACTORS

Were there any media campaigns to raise awareness of the bank?

The Bank of Scotland didn't create any new material in advertising around the period when the branch was relaunched.

Were there any new products, with high interest rates for example, launched?

Bank of Scotland products remained constant throughout the period with no specific product or service launch.

It's important to flag that we worked with existing products and services, the same that is offered in all branches of Bank of Scotland nationwide.

What about branch closures?

The Argyle Street branch is one of three in Glasgow city centre, all of which remain open.

Data Sources from [REDACTED CONFIDENTIAL DATA]

SUMMARY

Bank of Scotland Argyle Street branch design has succeeded because it has put the needs of the local community at the heart of its offer. It has demonstrated a stronger social purpose beyond transactional banking. The bank has shown that an exceptional design experience can go hand-in-hand with the important role of ensuring that individuals, businesses and the local community can prosper and deliver a revenue model that is sustainable for the future physical branch experience.