

White Paper

# The Digital Branch

**Financial Institutions Leverage Digital Media to Improve Customer Satisfaction, Increase Sales, and Promote Their Brand**



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## The Digital Branch

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Randy Palubiak, Enliten Management Group, Inc.  
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### About Broadcast International, Inc.

Broadcast International (BI) is a leading provider of managed media services, including digital signage, video, and music with the expressed purpose of improving the way clients communicate with customers and employees. BI's patented CodecSys software is a breakthrough, multi-codec video compression technology that cuts video bandwidth requirements over satellite, cable, IP and wireless networks. By slashing bandwidth needs, CodecSys enables a new generation of applications such as streaming video to cell phones, and offers unprecedented price/ performance benefits for existing applications such as HD video.

Broadcast International is a public company (OTC BB: BCST) headquartered in Salt Lake City, UT. For more information, visit: [www.brin.com](http://www.brin.com) and [www.codecsys.com](http://www.codecsys.com).

### About the Author

Randy Palubiak is an industry analyst and consultant with over 30 years of experience in visual communications covering broadcast television, media and video production, and enterprise communications. He helps organizations create their communication strategies, develop business justifications and select the solutions and vendors to implement the most effective blend of media channels to meet their business requirements.

Randy is on the Board of Directors and an Advisor to numerous associations and organizations. He is a recognized speaker and presenter, has written numerous industry publications, white papers, and proprietary reports, and has co-authored two books: *Delivery of Media in the Enterprise* and *The BTV/IP Receiver Guide*.

# TABLE OF CONTENTS

Executive Introduction.....	5
Video, Media and Mobility.....	5
Trends and Perspectives.....	7
Blended Media and Unified Effort .....	9
Relevant Content and Information.....	9
Tracking and Measuring Results – Actionable Intelligence .....	10
Managed Media Services Enable Blended Media Strategies .....	10
Path to Success.....	12
Resources .....	14
References.....	14
Additional Source .....	14



# The Digital Branch

## Financial Institutions Leverage Digital Media to Improve Customer Satisfaction, Increase Sales, and Promote Their Brand

### Executive Introduction

In a competitive environment, where the financial industry is encountering unusually difficult economic and business challenges, new media technologies and applications provide Marketing and Merchandising Executives the tools and means to address their customer needs and meet business objectives.

Savvy Marketing and Merchandising Executives from financial organizations including banks, credit unions and savings and loans are leveraging all types of digital media, on display screens of various sizes at locations throughout retail branches, to inform, influence, and educate customers. The intent is to improve customer satisfaction, increase sales and promote their brand.

### Video, Media and Mobility

Simply stated, we live in a “video, media and mobile-centric society” with an abundance of devices and applications to inform, influence, entertain, and educate consumers both at home and out-of-home.

*“Visual is our new language,”* as stated by communications and marketing guru Paco Underhill in his keynote address to attendees of Digital Signage Expo in 2009<sup>1</sup>. Underhill added, *“Our visual language is evolving faster than our spoken words. We process images faster, and it is a single language.”*

New smart phones, tablets and other display devices are introduced regularly accompanied by a seemingly endless number of applications. People are utilizing these tools to meet their individual needs, quite often multi-tasking on various devices at the same time, and leveraging the strengths and abilities of each one to maximize efficiencies and enhance their user experience. They have cut the cords that once bound them to personal computers and are now enjoying the freedom of mobility: wireless, un-tethered communications anytime, anywhere.

This evolution is motivating enterprise organizations to reassess their marketing and merchandising strategies to best leverage digital media to promote services and the corporate brand. Financial institutions recognize this trend and are implementing digital media throughout the organizations, but more importantly, in customer-facing retail branch locations. Their driving business objectives are to:

- Improve customer awareness and knowledge of products and services;
- Enhance the customer experience;
- Increase sales.

However, it is more than simply accessing and viewing content. Through digital media, financial institutions are interacting with their customers. They track and measure what customers view and the transactions they make, thereby acquiring actionable intelligence to improve their brand,

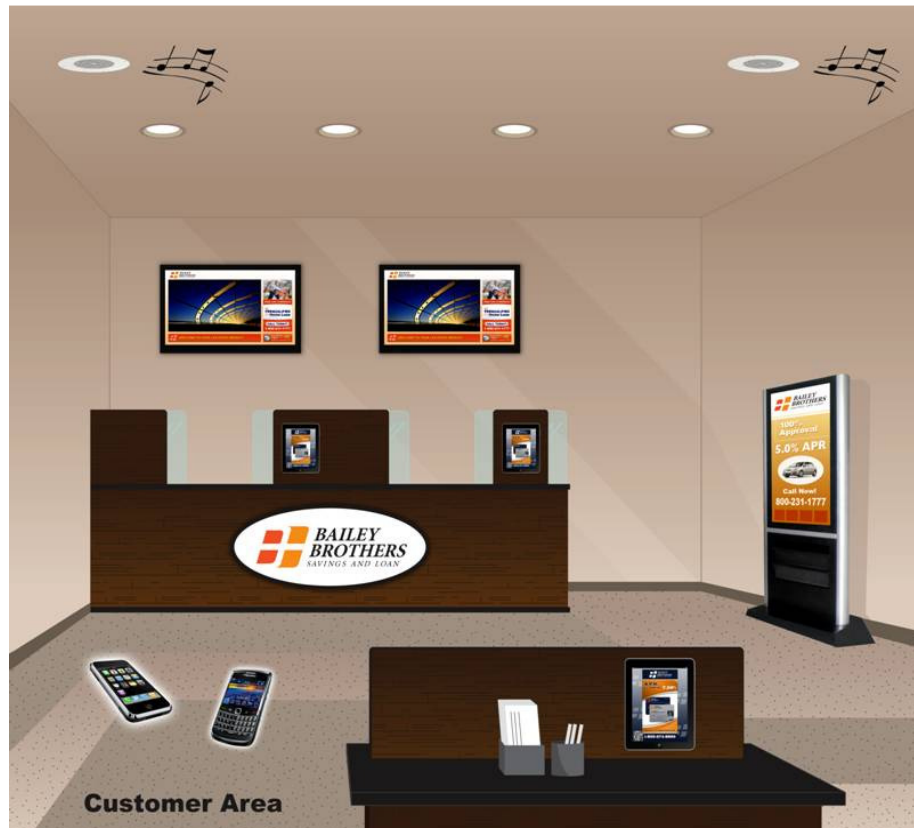
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<sup>1</sup> Paco Underhill is the founder and director of Envirosell, a consumer behavior research and consulting firm, and author of *Why We Buy: The Science of Shopping* and *Call of the Mall: The Geography of Shopping*.

drive business and increase revenues. As a result, digital media are becoming a major component of their customer relationship management (CRM) strategies.

*“The ways financial institutions inform, influence, educate and entertain customers are fundamentally changing. It is no longer acceptable to simply display digital content on screens,”* according to Rod Tiede, President and CEO of Broadcast International. Tiede adds, *“Enterprises are demanding more digital touch points, engagement and interactivity with touch screens and smart devices, and better measurement and reporting.”*

Graphic #1 provides a visual perspective of the various media, display and interactive devices which are deployed in customer-facing areas of branches.



Graphic #1 Lobby: Digital Media Devices and Displays

Although the purpose of this paper is to focus on the value and benefits achieved from using digital media, and the blending of various media channels to communicate and interact with customers in retail branches, it should be noted that financial institutions also leverage many of the same digital media to inform and train employees, thereby improving business efficiencies and controlling costs. Employee-facing communications and training will be addressed in a separate document.

This paper will also describe how and why financial institutions engage qualified industry providers to implement video, music, messaging, and other digital media applications through Managed Media Services.

## Trends and Perspectives

Traditionally, financial institutions have been early adopters in the enterprise space and are recognized for implementing some of the very first digital signage networks.

However, as virtually everyone and every organization implements digital media, many financial institutions are lagging in the development of overall communication strategies and the deployment of blended media solutions. Trends indicate that although financial institutions are implementing a variety of media, hotels, higher education and other retailers may be surpassing them.

To regain and/or sustain their role as industry leaders, financial institutions should use video and other new media as their primary platforms for communications. They should embrace the use of video as well as the overall concept of blended media, which is the integration of real-time and non-real-time communication services across multiple media types and devices.

The media which are having the most impact in branches include: digital signage, digital posters, digital brochures and music with messaging. Each one provides different customer touch points within the branch and in the drive-thru. Financial institutions can improve the effectiveness of these campaigns by allowing customers to interact with media through the use of touch screens or personal devices such as smart phones and tablets.

**Digital Signage** – Large display screens are most typically located behind teller stations and feature content about the financial institution, its products and services in a clear, concise manner. The signage is primarily intended to perform as a sales and branding vehicle as customers wait to be served and on occasion, provide snippets of entertainment.



In addition to branding and selling, financial institutions can also leverage digital signage to establish a more intimate connection with the local community by promoting community involvement programs, identifying employees responsible for specific products and services, etc.

**Digital Poster** – Digital posters are a derivative of digital signage and also include the use of large display screens. Typically, they are mounted in display casings and are most likely to be positioned vertically, in portrait mode. Digital posters, somewhat by definition, are intended to replace traditional signs and posters.



Digital posters enable financial institutions to provide customers a dynamic presentation of information and are intended to drive them to action: Quick Response (QR) codes can be imbedded in digital assets to redirect the customer to a website where they could actually fill out an application or gain additional information all from personal phones or mobile devices.



In the US, a joint study by BearingPoint, Indiana University and Point of Purchasing Advertising International (POPAI)<sup>2</sup>, found that, “customers are 5-10 times more likely to notice dynamic vs. static media, and 2-5 times more likely to recall dynamic vs. static media.” Financial institutions are likely to realize a cost off-set, if not significant cost benefit, by replacing traditional posters with digital media and by avoiding printing costs, shipping and handling costs, and associated labor costs.

In addition, financial institutions can benefit from the ability to update content more frequently and more timely (displaying content shortly after clearing the approval process), and by providing effective version control and improved workflow processes.

**Digital Brochure** – Digital brochures are an excellent example of how financial institutions can leverage the latest new media (tablets) to improve and enhance their customers’ experience. Digital brochures utilize the small touch screens or tablets to replace traditional paper brochures, forms and information sheets at branch counters. The content should be similar or complementary to what is provided throughout the financial institution’s information system, including its website.



Digital brochures enable customers to view and read information at the counter as well as interact with the touch screen for an enhanced personal experience. Digital brochures may also be located at the teller window, allowing branch representatives the opportunity to direct customers to information specific to their needs.

Another key benefit of digital brochures is the ability for customers to scan and download content to personal devices for viewing at a more convenient place and time. In addition to providing opportunities to connect the financial institution’s brand with customers, digital brochures can promote its image as a green and environmentally conscious company.

In its 2011 report “*Video & The Tablet*” Interactive Media Strategies<sup>3</sup> states the more a company invests in - and uses - online video, the more likely it is to embrace tablet distribution of video content. The report states that financial service companies lead (tied with construction) the sectors in the area of “already having business video available on tablets” with 31%. An additional 21% of financial companies surveyed indicate they plan to deploy video to tablets in 2011.

Other media having an impact in the branches are music and messaging services. Although they have been around for decades, financial institutions are leveraging their value and impact to a new, higher level.

**Music/Messaging On Hold** – Music is played throughout branches to provide a warm and friendly environment. Additionally, music can be used to help customers feel comfortable when discussing personal information, avoiding concern that they may be overheard if the area is too quiet.



Branch messaging performs in the same manner by presenting announcements or audio campaigns to customers inside the branch, in the drive-thru, or over the phone when placed on hold. The

<sup>2</sup> BearingPoint, Indiana University and Point of Purchasing Advertising International (POPAI) 1999, 2001.

<sup>3</sup> Interactive Media Strategies 2011 report *Video & The Tablet*.



messages are interspersed with the music and can be targeted to specific branches or products and services.

Each of these digital media tools can be effective and robust when used independently, but when combined with one-or-more of the other complementary media, the results can be dramatic.

Media messaging and displays are not limited to the interior. Marketing and merchandising executives recognize the value of implementing display systems outside the branch as well, specifically in the drive-thru. The drive-thru represents a largely untapped opportunity to expose customers to key messaging. This is especially important given that many of these customers use the drive-thru exclusively and rarely enter the branch. As such, these customers are typically unaware of the other service offered by the financial institution such as wealth management, mortgages, etc.

## Blended Media and Unified Effort

It should be noted that a successful implementation of blended media is more than the convergence of media channels, devices and displays. It is the leveraging of systems to reach key audiences targeted by internal users including marketing and merchandising. It is achieved by engaging stakeholders throughout the organization, working closely across functional support groups: getting everyone on the same page. It is engagement with a strategic business partner who provides industry experience, solutions and resources: a Managed Media Service provider (which will be addressed later in the document).

Graphic #2 provides a perspective on many of the media channels that can be leveraged to meet a financial institution’s overall marketing and merchandising requirements.



Graphic #2 Blended Media Channels Reach Targeted Customers

## Relevant Content and Information

It is critical that content is relevant to the target audience and created correctly for presentation on each screen in the respective viewing environments. The content should be easy to read and assimilate in a quick and timely manner.

Financial institutions are displaying messages, product offerings and branding in the branch lobbies, at check and information counters, at the teller windows, and at the drive-thru. The featured content includes a wide selection of information and messaging such as:

- Financial services;
- Investment and loan rates;
- Welcome comments and information;
- News, weather and information;
- Community news and activities;
- Profiles and pictures of branch representatives and community members;
- Interactive messaging and tie-ins to branch and banking information;
- Redirection to other media, including the financial institution's website.

Content may be produced at corporate headquarters, regional offices or at the branch offices. In addition, financial institutions may subscribe to content from third party sources. Active content may be stored at, and accessible from, any of these locations or via the Cloud through a managed media service provider. The content may be delivered via any combination of proprietary terrestrial infrastructure, including intranet channels, the Internet, extranets, wireless, or satellite systems.

## Tracking and Measuring Results – Actionable Intelligence

Financial institutions should integrate the new media with enterprise databases, management systems and other applications, which provide the analytics to evaluate the effect and impact of the systems. In many ways, actionable intelligence in the enterprise space is very similar to the tracking, measurement and ratings in the consumer areas such as:

Broadcast:	Television viewing and radio ratings;
Internet:	Hits on websites, ad views, links and time spent;
Retail:	Print campaigns, in-store product placements and advertising, marketing and promotions.

Through media technology and actionable intelligence, financial institutions are able to identify and track customer interests and activities. They can determine which customers are making investments and expanding their financial relationship and which are not. They can identify the products, services and promotions garnering interest and driving sales. In addition, financial institutions can respond quickly to market demand by enhancing or increasing the amount and types of messages about the products and services achieving the best business results.

According to a 2011 report by Aberdeen Group<sup>4</sup> “The Enterprise Value of Video Content,” 62% of Best-in-Class companies had some effort in place to track improvement in business processes associated with video. The report is based on a survey of 122 enterprise organizations.

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<sup>4</sup> Aberdeen Group 2011 report *The Enterprise Value of Video Content*.

## Managed Media Services Enable Blended Media Strategies

It is critical for financial institutions to use the right video-based systems and channels to meet their business model and objectives. It is equally important for them to have the right expertise and guidance to integrate the video systems into their enterprise-wide operations.

To simplify the process, financial institutions are purchasing solutions and services through service providers as managed media services. Managed services have been around for decades, primarily associated with telecom and data network systems and services. However, managed service is gaining traction throughout the industry as the use of media increases and video systems and operations are integrated with IT.

Managed service providers do more than merely offer products and support services. Their relationship with customers is that of a partnership, where managed service providers may significantly influence an organization's overall communications strategy and provide guidance related to technology selection, implementation, work flow, operations and governance.

Graphic #4 depicts the contributions, role and value a managed service provider offers during the various phases of the implementation and ongoing support process including: engineering and design services, installation and integration, content and network management, and ongoing application development, system support and reporting services.



Graphic #4 Managed Service Provider

Financial institutions are embracing managed media services as they implement digital media solutions to leverage these strengths as well as their knowledge of industry trends and best practices. They should select managed media service providers that are neutral regarding the delivery approach and solutions implemented, focusing instead on the technologies and systems best suited to meet the organizations specific requirements and budget.

## **Business Drivers and Benefits of Managed Media Services**

There are numerous reasons why financial institutions are embracing managed media service solutions, including but not limited to the following business drivers, which may help the bottom line:

- Predictable costs for the duration of the agreement;
- Mitigated risk from equipment or software obsolescence;
- Managed costs for staffing resources (where/as applicable);
- Improved effectiveness through provider's extended customer base to leverage lessons-learned and best practices.

The benefits of purchasing blended media solutions and services as a managed media service may include any or all of the following:

- Sustained Quality and System Performance as provider manages:
  - Responsibility to refresh the system and make upgrades to improve or meet performance standards;
  - Other sub-contracted product, software, and service providers;
- Software fixes, updates, and upgrades;
- Equipment warranties;
- Staffing support (where/as applicable);
- System-wide management, including:
  - Content management;
  - Transmission management;
  - System performance tracking and measurement;
  - Internal business management, marketing, and client service.

In addition, financial institutions benefit from managed media service providers as they track new media and industry trends and provide benchmarking insight regarding other customers and industry best practices.

## **Path to Success**

The financial services industry recognizes the value and benefits of using digital media to communicate and interact with their customers. Financial institutions have embraced the concept of blended media communications by integrating traditional systems with new media to leverage resources and communicate with customers when, where and how they want and on the viewing devices of their choice.

By incorporating the appropriate content management, tracking and measurement systems, financial institutions are able to focus on increasing revenues, improving customer satisfaction and enhancing their brand.

The implementation of blended media solutions is simplified, if not enhanced, by financial institutions purchasing systems and support services from industry providers through managed media services, including but not limited to: engineering and design services, installation and integration, content and network management, ongoing application development, system support and reporting services. Managed media services provides advantages and benefits which make a compelling business proposition, controlling fixed, manageable costs and avoiding technology and software obsolescence.

Blended media and managed media services provide a powerful basis for financial institutions to be successful in this “video, media and mobile-centric society.”

## Resources

### References

1 - Paco Underhill is the founder and director of Envirosell, a consumer behavior research and consulting firm, and author of *Why We Buy: The Science of Shopping* and *Call of the Mall: The Geography of Shopping*. Comments made at his keynote address at Digital Signage Expo in 2009.

2 - BearingPoint, Indiana University and Point of Purchasing Advertising International (POPAI) 1999, 2001.

3 - Interactive Media Strategies 2011 report *Video & The Tablet*.

4 - Aberdeen Group 2011 report *The Enterprise Value of Video Content*.

### Additional Source

Kevin Lawrence, Broadcast International, Inc. *Media Integration – Digital Signage & Training* presentation at InfoComm 2011.

<http://www.youtube.com/InfoCommVideo#p/c/7404284BA6C514E9/12/ibWa-SYFcjs>

