

Beyond Big Banks: How Community Banks Can Win with Branch Innovation

A showcase of proven strategies from regional banks and credit unions

September 2025



Key Branch Trends—Not Just for Big Banks



Insight

The narrative that sophisticated branch innovation is reserved for big banks is outdated. Regional banks, community banks and credit unions are not only keeping pace with larger institutions—they're often leading the way.

The data tells the story: Branch expansion intent has jumped from 29% to 35% year-over-year, with credit unions driving the trend with 61% planning new locations. Meanwhile, intent to simply "rethink" existing branches has plateaued at 27%, signaling a strategic shift from renovation to purposeful expansion.¹

These institutions are moving beyond the traditional transactional nature of branch banking. Instead, they're investing strategically in technology, personalization, and targeted physical presence to create genuine competitive advantages. The focus has shifted to engaging customers for deeper relationships, gaining operational efficiencies, and catering to the evolving expectations of both customers and staff.

- Intent to expand branch networks increased from **29% to 35%** year-over-year.
- Intent to "rethink" existing branches decreased slightly from **28% to 27%**.
- Credit unions are leading this trend with **61% planning new branches**.

Why This Matters for Your Marketing Strategy

- Surveys consistently show people visit branches to open new accounts, resolve complex problems and seek guidance about financial products and services. These aren't transactions—they're relationship-building opportunities that can differentiate your institution.
- The formula for success isn't about having the most advanced technology or extensive branch networks. It's about blending multiple elements into compelling customer value propositions that resonate with your local market.



Insight

Surveys report people visit branches to:

- Open new accounts
- Resolve problems
- Seek guidance about a bank product or service

How Financial Institutions are Winning

In this showcase, you'll see exactly how institutions are winning with innovative strategies including:



Sophisticated
Location Analytics



Innovative Local
Customization



Seamless Digital
Integration
(within physical space)



Advisory-Focused
Design



Strategic Workforce
Transformation

Key Trend #1

Sophisticated Location Analytics

- Traditional inputs, such as traffic patterns and physical accessibility, have given way to additional considerations.
- Use of “Location Intelligence” technology platforms enable assessment of any location-related business problem.
- The key to deriving insights from location data is combining data, methodology and interpretation all in one package.



Insight

“....a branch with average design and outdated tech in **the right location will consistently outperform a beautiful, high-tech space that’s built in the wrong one.**”

Fifth Third Bank

Fifth Third Bank, a regional bank operating over 1,100 branches across 10 states, goes beyond “planting a branch on a road somewhere in a fast-growing city” and uses:

- Application of geospatial sciences—the bank is highly regarded in the industry.
- Use of a sophisticated process for selecting sites, helped by proprietary technology to factor in key data points:
 - Road and traffic structure
 - Where else it has and can open branches
 - How it recruits and trains staff
 - Where it markets products at the time of launch



“We apply **trillions of calculations from thousands of data points** including anonymized cell phone data showing the retail destinations people frequent most in a particular area.”

Fifth Third Bank



Insight

Fifth Third Bank effectively and efficiently places branches where customers want and need them.

- Market Strength Index (MSI) identifies new cities to add to its network.
- To optimize branch placements at scale with quantitative sophistication, the bank uses a geospatial heatmap that identifies attractive areas to explore for branch sites in prioritized cities.
- The bank considers factors like existing retailers, competitor presence and local income.

Fifth Third's Goal:

Achieve an **8% location share in new markets**, demonstrating a focus on density within the selected service areas.

Sources:

<https://ir.53.com/news/news-details/2024/Fifth-Thirds-Branch-Expansion-Strategy-Driven-by-Data-Digital-Tools/default.aspx>
<https://www.bankingdive.com/news/fifth-thirds-branch-expansion-holds-tech-center/734628/>
<https://thefinancialbrand.com/news/customer-experience-banking/how-midwests-fifth-third-is-becoming-a-southern-bank-188043>

Sources:

<https://www.bankingdive.com/news/fifth-thirds-branch-expansion-holds-tech-center/734628/>

New Alliance Federal Credit Union

New Alliance Federal Credit Union, a local Pennsylvania credit union with three locations, was looking for a location where a new branch could have the biggest impact driving growth and offering community engagement opportunities.

Predictive analytics pointed to a growing neighborhood a few minutes to downtown Pittsburgh that had:

- A strong presence of tech firms
- Population growth of young professionals in the market for new homes
- No community-based financial institution serving the area (New Alliance offered a fresh alternative to big banks.)



Historic rowhouse available at intersection recommended by predictive analytics.

New Alliance Federal Credit Union

The new branch demonstrates **New Alliance's** commitment to serving the community.

- The new branch includes:
 - Incubator space
 - Meeting and event space for members and small businesses
 - Tech bar
 - First tellerless branch without any traditional transactional spaces
 - Café-style seating with counter space and stools
 - Pet watering station with camera and Instagram feed
 - Bike racks



New Alliance Federal Credit Union's new branch interior.

Key Trend #2

Local Customization

- Community banks and credit unions have the built-in advantage of customizing branches at the local level.
- Customization spans and unifies multiple branch trends.
 - Visual design incorporating local “Look, Tone, Feel” elements and themes
 - Interiors targeting niche audiences
 - By age and cohort
 - Targeting consumer and/or business verticals
 - Reflecting product hierarchy at the local level
 - Reflecting the staff transformation from transactional to advisory

Unibank

- **Unibank** is a community bank in central Massachusetts with 14 branches. The Unibank branch in Worcester, Mass., was a partner in bringing the Class AAA Worcester Red Sox team to the city.
- Design details celebrate the branch's location across from Polar Park, where the team plays, and feature baseball-inspired graphics.



OceanAir Federal Credit Union

OceanAir, a Ventura County, California, credit union with four branches, saw an opportunity to transform transactional space into one that built relationships.

- An existing 4,700-square-foot branch became an opportunity to bring in a partner, Dunkin' Donuts.
- The branch is a vibrant community space where members and the public spend time, driving an unprecedented level of traffic and brand exposure.



Dunkin' Donuts bank lobby



OFCU Facebook Post

Regions Bank

Regions Bank, a regional bank with 1,300 branches, takes a brand asset and uses it to engage at the community level through "Big Bike" branch visits, spin classes attracting coveted cohorts, fundraising for charity, promoting education and "drive to branch."



Key Trend #3

Digital Integration

- Banking transactions are now being handled at self-service kiosks with interactive digital interfaces that:
 - Take deposits
 - Scan documents
 - Authenticate users
 - Display product demos
- Interactive Teller Machines (ITMs) and video banking have replaced manual transactions by tellers.



Insight

"Digital users have come to expect their in-person customer service experiences to be just as **fast, convenient and hassle-free.**"

Marc Healy, [*The Element Group*](#)

GECU Federal Credit Union

GECU is a regional credit union with 30 branches serving Texas and New Mexico.

- To enhance member engagement and education, the branch integrates cutting-edge technology:
 - Interactive kiosks
 - Stretch screens
 - Conversation towers (teller support)
 - Drive-thru ITMs
 - Dynamic digital signage



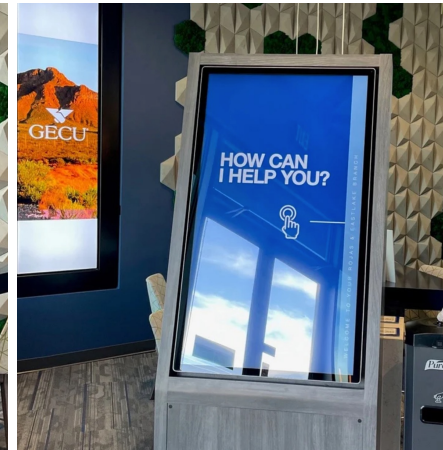
Greeting Desk



Intelligent Teller Machines (ITM)



Discovery Bar with Tablets



Interactive Kiosk

Digital Integration Showcase

GECU Federal Credit Union

Rotating digital screens are strategically incorporated inside and outside the **GECU** branch to provide a 24/7 promotional presence.



Rotating digital screens

Key Trend #4

Advisory Focus

- Encourages deeper, more meaningful conversations between customers and bankers by using:
 - A welcoming open-concept layout
 - Design elements that invite more productive and personalized conversations
 - Greatly reduced and reimagined “transactional” space
 - Increased modular meeting areas that offer adjustable layers of privacy



Insight

63% of customers prefer branches for solving "significant and complicated financial problems," making branch interactions particularly valuable when dealing with complex financial matters.

SF Fire Credit Union

At **SF Fire**, a Bay Area credit union with three locations, bankers meet customers on their own terms anywhere in the branch.

- The branch offers modular, flexible space called “service spots” for:
 - Quick service transactions
 - In-depth conversation or complex services
- The teller barricade is a thing of the past



Advisory Focus Showcase

Columbia Bank

Columbia Bank, a New Jersey community bank with 69 branches, is nationally recognized for the branch experience “driven by our people” and supported through spatial design

- “Perch” meeting spaces are placed in areas adjacent to where customers pause and spend time e.g., coffee bar, coin sorting service, etc.
- Bankers steer customers to the ideal collaborative space aligned with interactions ranging from casual conversations to closing a sale.
- The use of space is strategic and follows best practices successfully used by “brick and mortar” retailers where space is optimized for sales.



“Perch” meeting spaces for customer use



Collaborative space for banker and customer interactions

Key Trend #5

Workforce Transformation

- Transactional roles are giving way to advisory roles.
- Staff is increasingly acting as “universal bankers,” focusing on providing personalized advice, building relationships and guiding customers through their financial journeys.
 - The hybrid role combines the functions of a traditional teller with those of a personal banker.
 - Employees must be conversant with all aspects of branch banking and capable of handling a broad set of customer requests.
- This requires greater investment in the workforce: upskilling, reskilling and providing feedback and rewards.

BankWest & Capital City Bank



welcome

Jenny Derry
Universal Banker NMLS ID 569104

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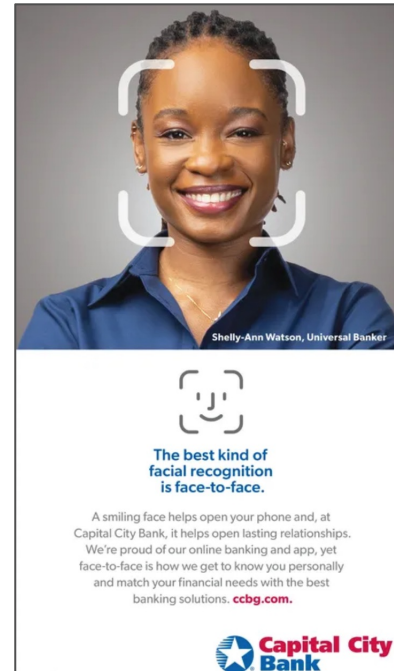
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 **BankWest**

Member FDIC. All loans subject to credit approval.




BankWest, a regional South Dakota bank with 20 branches, features actual “universal bankers” in their advertising.






Shelly-Ann Watson, Universal Banker



The best kind of facial recognition is face-to-face.

A smiling face helps open your phone and, at Capital City Bank, it helps open lasting relationships. We're proud of our online banking and app, yet face-to-face is how we get to know you personally and match your financial needs with the best banking solutions. ccbg.com.





Capital City Bank, a regional bank with 61 branches, promotes a face-to-face experience as “the best kind of facial recognition” made possible through a featured Universal Banker.

What's Next for Branch Innovation?

Three emerging trends are shaping the future of branch banking for community institutions. These trends represent significant opportunities for financial services marketers to differentiate their institutions, strengthen community ties, and attract younger demographics who value authenticity and local connection over corporate polish.

1. AI as Enhancement, Not Replacement

2. Continuous Learning Over Traditional Training

3. Reflecting Gen Z Values in Branch Design

AI as Enhancement, Not Replacement

The future lies in hybrid approaches that combine AI's analytical power with the emotional intelligence that drives customer relationships. Forward-thinking institutions are implementing facial recognition systems for personalized greetings, predictive analytics to optimize staffing patterns, and AI-powered early warning systems to identify at-risk customers before they leave. The key insight: AI handles the data; humans handle the relationships.

1. AI as Enhancement, Not Replacement

2. Continuous Learning Over Traditional Training

3. Reflecting Gen Z Values in Branch Design

Continuous Learning Over Traditional Training

Branch staff development is shifting from one-time training programs to continuous learning ecosystems. Leading institutions are implementing microlearning modules that break complex topics into digestible pieces, emphasizing soft skills like active listening and empathy, and using role-playing simulations for realistic practice scenarios. The approach includes robust feedback mechanisms through customer satisfaction scores, mystery shopping evaluations, and peer reviews, with increasing emphasis on gamification and the move to mobile learning platforms.

1. AI as Enhancement, Not Replacement

2. Continuous Learning Over Traditional Training

3. Reflecting Gen Z Values in Branch Design

Reflecting Gen Z Values

Sustainability and cultural relevancy aren't just nice-to-haves—they're competitive advantages. Smart institutions are incorporating eco-friendly elements like sustainable materials and energy-efficient lighting, showcasing local art and culture to strengthen community connections, and designing branches as public spaces for community events and activities that celebrate local vibrancy.

1. AI as Enhancement, Not Replacement

2. Continuous Learning Over Traditional Training

3. Reflecting Gen Z Values in Branch Design

Thank you

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