



Interior of the Bank of Lancaster, Burgess, Va.

MAKE THE **Best of Branching**

BY JOHN GINOVSKY

Brick and mortar banks are as important as ever, but their deployment and function are evolving rapidly.

Through this first decade of the 21st Century, the belief that the bank branch on the corner would go the way of the buggy whip pretty much has been debunked. Brick and mortar was supposed to be replaced by click and order. That has not happened, although the relationship between face-to-face banking and electronic banking – through the

Internet, mobile technology and telephone centers – definitely has matured.

That branching remains relevant can be seen through FDIC statistics. Even as the total number of banks has declined, the total number of branches has consistently increased year after year, with total branches rising from 84,290 in 1999 to 99,150 in 2008.

The strategies of placing and design-

ing branches have changed dramatically, however, as have the challenges associated with them.

Branches still need to be where the most likely customers either live or work, but with increased competition from other retail outlets, new mapping and demographic techniques need to be employed to find likely spots unclaimed by others.

Branches still need to provide traditional

