FMSI WHITEPAPER

THE BRANCH VALUE GAP

What a typical community bank and credit union branch journey costs you - and what an optimal one delivers when the right technology, staffing, and cross-sell practices are in place.

~60% of new accounts are still opened inside the branch	**7:06** average branch wait time, with abandonment climbing	**25–95%** profit lift from a 5% gain in customer retention

GATED RESOURCE • FOR COOS, CHIEF RETAIL OFFICERS & VPS OF BRANCH OPERATIONS

WHY THE BRANCH STILL MATTERS

The branch is no longer a transaction center. It is where relationships are won or lost.

Digital handles the everyday. What still walks through the branch door is the high-intent, high-value moment - the new account, the loan conversation, the advice a member cannot get from an app. That traffic is scarcer and more valuable than ever, and most institutions quietly waste it.

41%

of recent account openers still used an in-person channel to open or apply

Forrester, 2021

26%

are now "very interested" in advice from their bank, up from 19% in 2021

J.D. Power 2025 Advice Study

43%

of retail bank customers are now financially vulnerable, up from 27% five years ago

J.D. Power 2025 Advice Study

The demand for in-person guidance is rising at the exact moment institutions are cutting branches to control cost. That makes every remaining branch - and every visit inside it - carry more strategic weight. A member who comes in for a simple transaction may be one good conversation away from a mortgage, a business account, or a decades-long relationship. Or one long wait away from walking out and never coming back.

The gap is the point

The distance between a **typical** branch journey and an **optimal** one is not a customer-experience nicety. It shows up directly in lost sales, wasted labor, and preventable attrition - and it is measurable at every stage of the visit. The pages that follow put the two journeys side by side.

None of this requires a new branch network or a core replacement. It requires instrumenting the journey you already have - who is coming in and why, keeping waits short, staffing to real demand, and surfacing the next conversation. Institutions that do this turn the same foot traffic into deeper, longer, more profitable households.

STAGE BY STAGE

The same foot traffic, two different outcomes

Follow one member visit through six stages. On the left, the typical branch runs on walk-ins, guesswork, and hope. On the right, an optimized branch turns each stage into a measurable step toward a deeper relationship.

STAGE	TYPICAL JOURNEY	OPTIMAL JOURNEY
01 **Schedule & prepare**	Walk-ins only. Staff have no idea who is coming or why, and cannot prepare.	Members book online; staff arrive prepared and routed to the right specialist. Reminders cut no-shows. **23% → 17%** no-shows with reminders
02 **Arrive & wait**	Queues build at peak. Members wait past the point of patience and quietly leave. **7:06** avg wait	Queue management and check-in route arrivals and hold waits under the ~5-minute satisfaction threshold. **<5 min** target wait
03 **Serve**	Teller-centric service. Transaction volume keeps falling while labor cost per transaction climbs. **−45%** volume / +90% cost	Universal bankers handle transactions and advice, turning routine visits into higher-value conversations.
04 **Discover & cross-sell**	Needs go undiscovered. Households hold only a fraction of the products they could. **2–3** products / household	Structured needs discovery surfaces the next product. Existing depositors are far likelier to borrow. **+20 pts** likelier to take a loan
05 **Follow up**	Little or no follow-up. The visit ends and the relationship stalls at one product.	Scheduled next steps ladder the household up the product curve, and each product deepens tenure. **18 mo → 6.8 yrs** 1 to 3 products
06 **Retain**	Single-product members churn. Most credit unions are losing members outright. **55%** of CUs shrank in 2025	Deeper relationships compound. Small retention gains produce outsized profit, at a fraction of acquisition cost. **25–95%** profit from +5% retention

WHY THIS MATTERS NOW

Thin margins make branch efficiency a survival strategy

~$1M
to operate a single full-service branch each year
Nasdaq, 2019

$500–600
to acquire one new checking account, and rising
JMFA

3.44%
community-bank net interest margin, below the 3.63% pre-pandemic norm
FDIC, Q4 2024

5–25×
more expensive to acquire a customer than to deepen an existing one
Bain / HBR

With funding costs elevated and acquisition more expensive than ever, growth cannot come from spending more to bring new customers in the door. It has to come from getting more value out of the traffic and relationships already there. That is the branch's job - and it is exactly the job a typical branch does poorly.

What closes the gap

Four connected capabilities move a branch from the typical journey to the optimal one. Together they are FMSI RelationshipOS.

Appointment Scheduling

Capture intent before the visit, prepare staff, cut no-shows, and turn walk-ins into booked, higher-value conversations.

Lobby Management

Greet, route, and manage the queue so waits stay short and members are matched to the right person the first time.

Staff Scheduler

Forecast demand and staff to it - the single largest branch cost lever - protecting service while cutting idle labor.

Branch Analytics

Connect scheduling, lobby, and staffing data into one view, so branch decisions are measured rather than guessed.

See where your branches sit on the value gap.

FMSI works with community banks and credit unions to benchmark the branch journey and close the gap stage by stage. Start with a walkthrough of your own numbers.

Talk to FMSI → fmsi.com

Sources: Forrester, "Banks, Don't Close Your Branches" (2021) • J.D. Power 2025 U.S. Retail Banking Advice Satisfaction Study • FMSI Retail Branch Lobby Study & FMSI Teller Line Study (first-party) • FDIC "Cross-Selling in Bank-Household Relationships" & Quarterly Banking Profile (Q4 2024) • Fiserv Bank Intelligence Solutions • NCUA Quarterly U.S. Map Review (Q4 2025) • Bain & Company / Reichheld, The Loyalty Effect • Parikh et al. (2010), appointment-reminder no-show study • Nasdaq (2019) • JMFA. Selected figures are drawn from FMSI first-party studies and from dated or vendor sources; verify against current data before external publication.