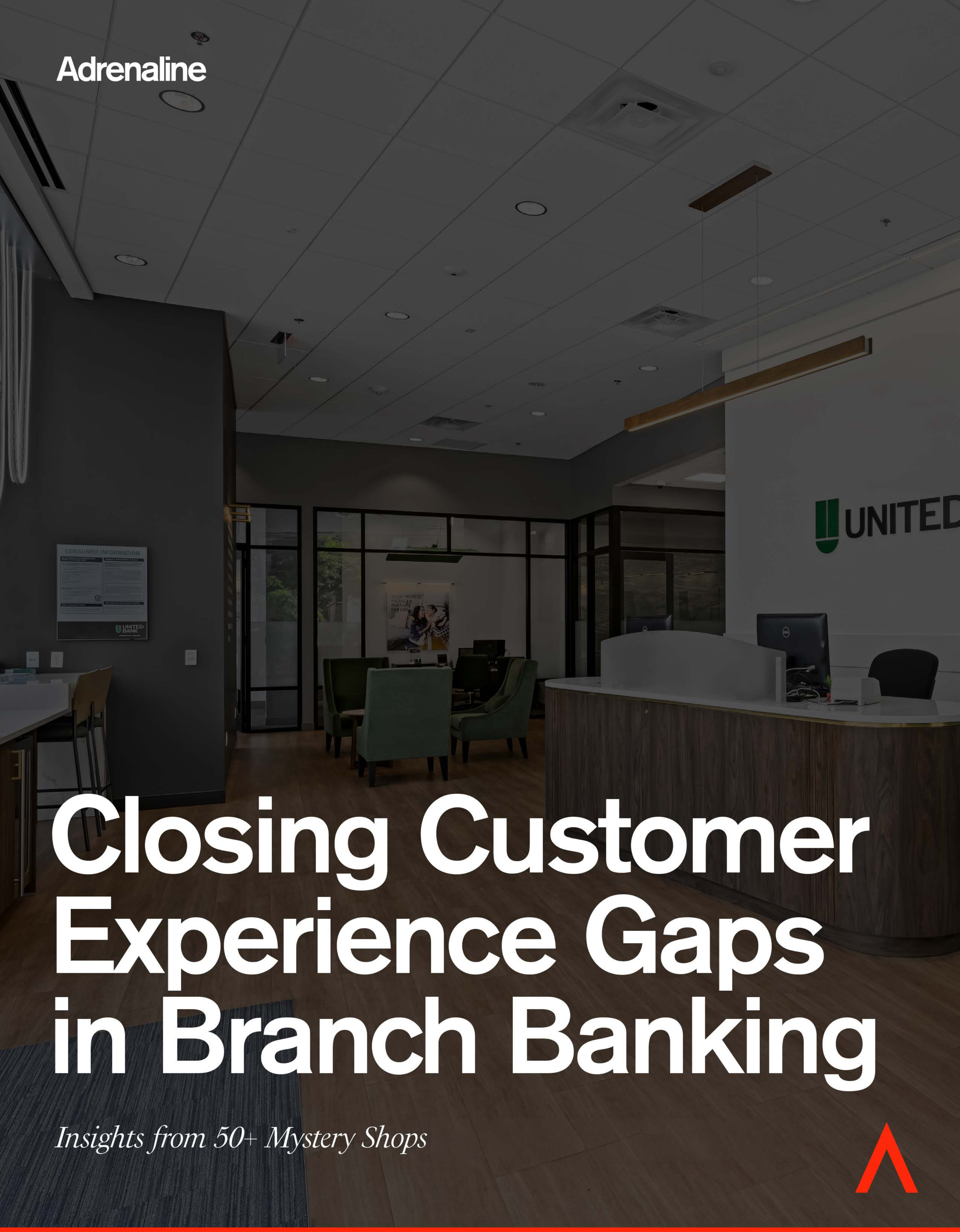
Adrenaline



Closing Customer Experience Gaps in Branch Banking

Insights from 50+ Mystery Shops

Inside This Report

Branches still shape trust and choice in banking and the experience inside them often makes or breaks loyalty. In 2024, Adrenaline conducted more than 50 mystery shops across banks and credit unions of varying sizes, branch formats, and diverse geographies to determine where branch experiences shine and where they stall. We evaluated interactions, layouts, and processes through real customer scenarios to uncover what works, what doesn't, and what to fix first. **This report synthesizes those findings into practical advice that aligns branch delivery with rising consumer expectations** – turning everyday visits into moments that build connection and growth.

82% of people across all generations cite branch presence as a chief consideration when selecting a primary bank[1]

65% of customers see branches as symbols of stability[1]

34% of banking customers report using a local branch at least once per month[1]

75% of consumers across all generations say access to a local branch is crucial[2]

Why Mystery Shop?

Retention drives profit. According to a Bain & Company study, increasing customer retention rates by just 5% can boost profits by 25% to 95%.[3] Adrenaline's proprietary mystery shopping program simulates real customer journeys to reveal service gaps, training needs, and operational friction – then translates those findings into actions that improve experience, deepen relationships, and drive growth. **Mystery shopping bridges the gap between how leaders think branches perform and what customers feel**, ultimately equipping banks and credit unions with actionable insights and tactics.

Mystery shopping programs include:

Persona-driven scenarios: Incorporating relocation, dissatisfaction with current bank or credit union, and specific product needs, and response to promotions

Cross-industry benchmarks: Evaluating the experience against consumer expectations set outside of financial services, including fast casual, hospitality, and technology environments

Built-in opportunity tests: Each visit is seeded with an account opening and a cross-sell moment to assess recognition and response

80% of businesses believe they deliver superior customer experiences *but only* *8%* of customers agree[3]

Behind the Mystery Shop

As the industry leader in brand experiences for financial services, Adrenaline's mystery shops are rigorously conducted, documented, and analyzed to evaluate branch performance. The program assesses visual experience, operational processes, and staff interactions through the eyes of the consumer.

Every visit follows a defined scenario, uses a standardized scoring rubric, and is documented in real time with time-stamped notes and photos (where permitted). Each shop begins with a new account opening and highlights additional service opportunities for staff to recognize and act on.

Four areas of assessment

Space and visuals	Operations and flow	Staff interactions	Digital activation
▪ Exterior/ interior cues	▪ Queue design	▪ Greeting	▪ Use of screens
▪ Sightlines	▪ Wait time	▪ Needs discovery	▪ QR codes
▪ Wayfinding	▪ Handoffs	▪ Advisory quality	▪ Tablets
▪ Brand impact	▪ Appointment capture	▪ Cross-selling ability	▪ Tech-enabled handoffs
▪ Cleanliness	▪ Accessibility	▪ Closing ritual	

The mystery shops assessed financial institutions with networks from six to more than 2,500 branches across multiple formats – from legacy closed teller lines to open teller pods – and included organizations navigating rebrands, M&A integration, and experience modernization.

Financial institutions that leverage mystery shopping for competitive benchmarking achieve **17% greater market share growth** than those that don't.[4]

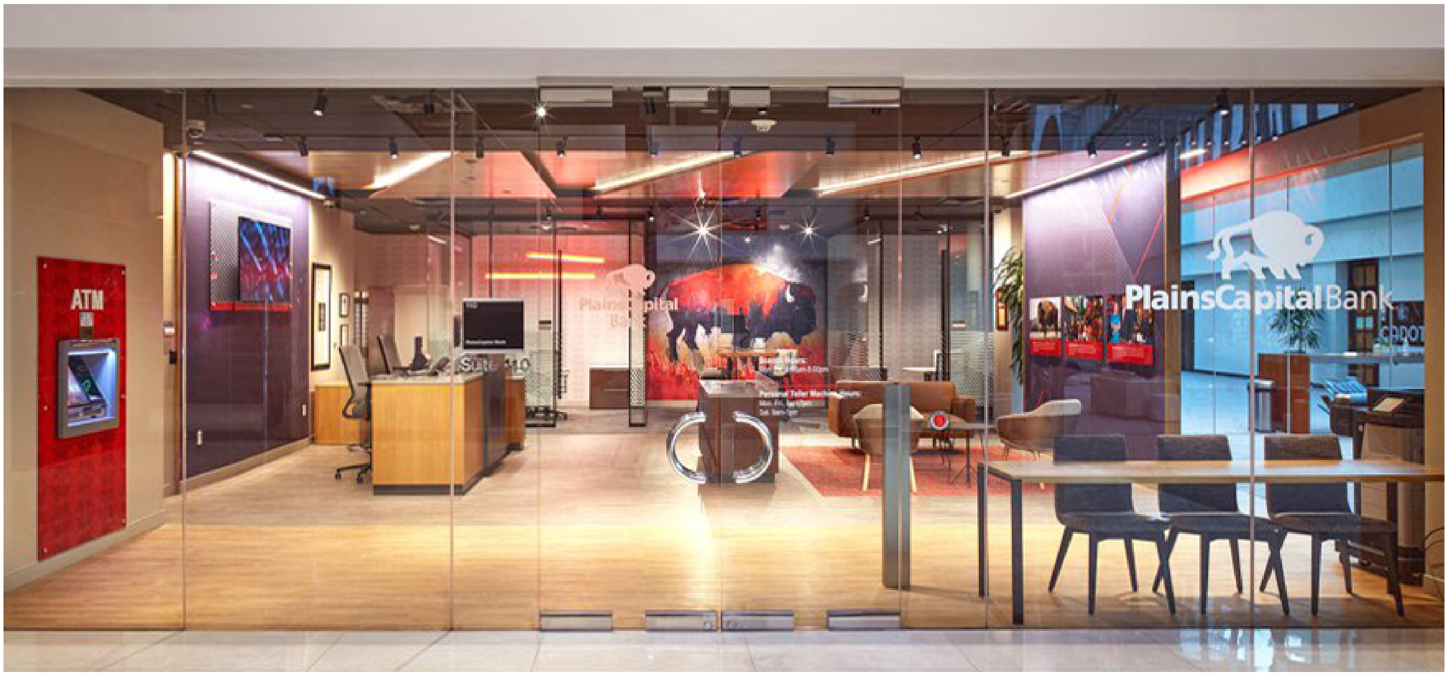
Regions visited

The Value of Customized Mystery Shopping

Financial institutions that use structured mystery shopping programs report a **31% improvement in customer satisfaction** and **24% fewer regulatory compliance violations** compared to banks without such programs.[4]

In 2024, Adrenaline completed more than 50 mystery shops across banks and credit unions with assets from $5B to $500B.[5] These customized visits evaluate the branch experience from the customer's point of view and present a clear path to bolster customer experience for growth. Results are then analyzed in order to:

- ✓ Rigorously assess staff engagement, space usage, and digital activation
- ✓ Measure performance against consumer and leadership expectations
- ✓ Help institutions better understand the competitive landscape
- ✓ Explore the consistency of experience across branches
- ✓ Support a vision for an ideal future branch footprint
- ✓ Highlight ways to elevate brand awareness
- ✓ Identify moments for fostering meaningful engagement
- ✓ Reveal pathways to refine customer journeys



Benchmarks for Customer Experience

Legacy branch layouts were designed to service transactions with dedicated full-time employees. But with more than 60% of customers between the ages of 15–44 using mobile banking,[6] falling in-branch transactions have become a challenge to staff efficiently. This continuous drop in transactional activity in the branch brings massive changes to retail strategy, network density, and operational opportunities that increase the need for long-term strategic planning and branch design future-proofing.

Today's customers want more than transactions – they want a sense of being seen, understood, and guided. The ideal branch experience blends hospitality with human connection and advisory support.

After the visit, branch visitors should be able to answer "yes" to these questions:

- ✓ Were they greeted upon entry?
- ✓ Was their name used in the interaction?
- ✓ Was there a handshake at the exit?
- ✓ Would they recommend going into the lobby to a friend?

On a deeper level, they should feel as if the overall experience was positive, personalized, and painless. But to make this a reality is harder than it sounds.

Banks and credit unions must align services, branch choreography, employee training and culture, and brand promise to meet the rising expectations of customers.

Data drives service expectations[8]

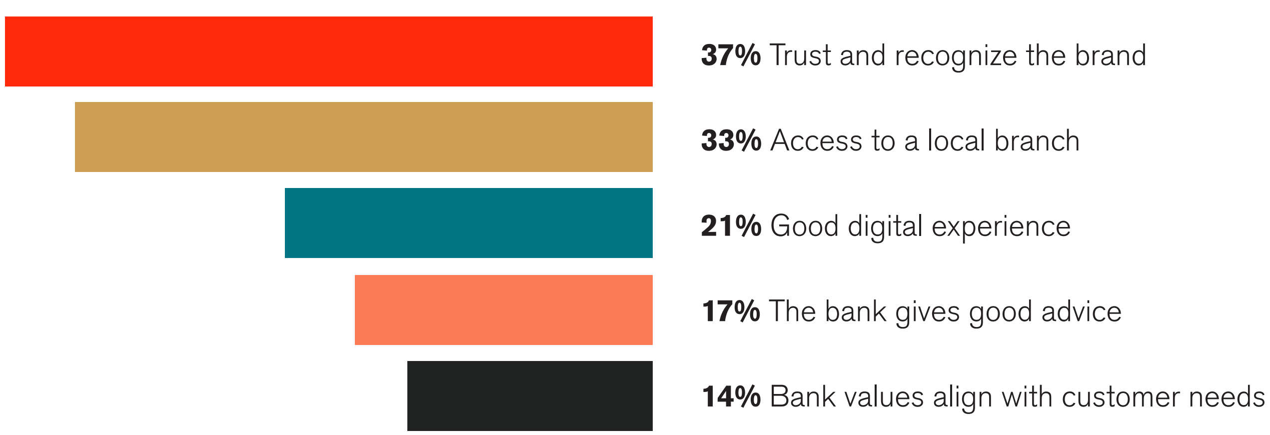
54% of customers expect their banks to leverage their existing data to personalize their experience

48% of consumers would provide more data if they knew it would lead to better service

This willingness is even higher among Gen Z... *54%*

and Millennials *58%*

Reasons consumers chose their current primary bank[9]



The Reality Versus the Ideal

While mystery shops found most branch staff to be friendly and service-minded, significant gaps persist in relationship building, space design, and digital readiness. These themes emerged across all financial institutions, regardless of size or format.

Top five takeaways[5]

Connection gaps: Staff failing to ask meaningful discovery questions

Hospitality lapse: Not calling customers by name or inviting them to engage

Space underperforms: Dated, transactional feel; weak sightlines and brand impact

Uneven experience: Staff didn't shine, even in new spaces

Digital disconnect: Minimal use of digital signage or tech-enabled handoffs

Four areas branch experience falls short

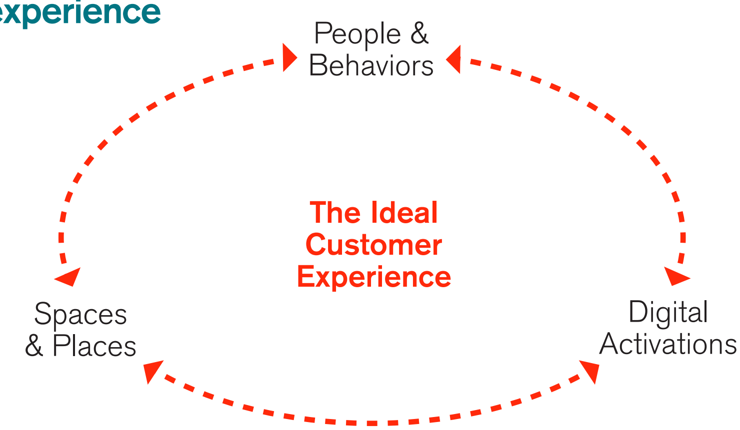
58% of experiences began without a welcome upon entry

62% of visits did not inspire intent to return

66% of interactions felt product-led rather than needs-led, with mystery shoppers feeling like they were being sold to

98% of staff did not leverage digital tools or content (e.g., tablets, QR codes) during the exchange

A cyclical consumer experience

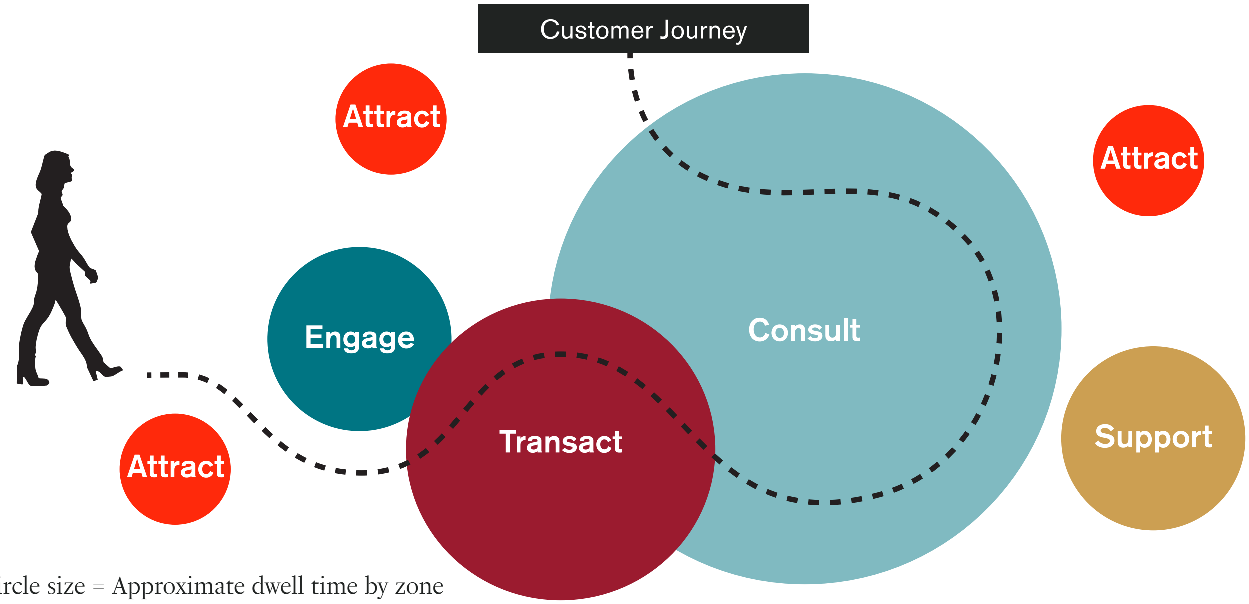


A Weak Zonal Journey

Too many branch visits start with uncertainty. Many of our mystery shoppers had to seek out staff to initiate a conversation. This often resulted in having to navigate deeper into the branch toward the teller line where staff are more likely to be found.

Closing this gap requires intentional choreography across people, place, and process – areas that represent the most actionable opportunities. One way to do this is to break the branch into a series of zones with specific goals and standards. The path through the branch should take the customer on a journey through the zones, while allowing mission-driven customers to find what they need quickly.

Customer experience is shaped by a journey through zones



Circle size = Approximate dwell time by zone

Attract

Customers and prospects are drawn to the branch by highly visible branding, dynamic signage, building architecture, exterior design, and integration into the local community.

Together these elements create a brand beacon that attracts business. From the first impression walking or driving by to opening the front door, a branch's exterior is a critical part of the customer journey, rooted in brand awareness and recognition.

76% of consumers entered a store they had never visited before based simply on its sign[10]

Engage

The greeting moment sets the tone for everything that follows. Yet our findings show the point of entry is often a missed opportunity to connect.

- Staff miss offering a warm, host-like welcome
- Interactions often don't include personalization and use of customer's name
- Greeting performance is lowest in legacy-format branches
- Staff jump right into the sell as opposed to getting to know the customer

46% of customers feel pressured to accept products that serve the bank more than themselves[9]

Transact

Standing in line at the teller or waiting for an ATM is a key opportunity to connect and cross-sell – through branch design, in-branch marketing, and staff interactions. Mystery shopping shows many institutions are missing this moment.

- Customers experience undesirable dwell times
- Dwell times are idle with no digital messaging or colleagues to engage with

18% less satisfaction with overall experience is felt by customers who have long wait times[11]

Consult

Offices are traditionally used with mission-driven customers as they open accounts, apply for loans, or complete larger transactions. This experience is often dampened by wait times, slow technology, and the need to enter the same information multiple times.

- The experience must carry across branch and digital channels; data and next steps should transfer seamlessly
- Customers shouldn't wait once they are in an office, and appointment scheduling is a key expectation
- Many traditional bank layouts lack ample office space, privacy, and seating

42% of customers recall receiving personalized financial advice from their banks

and

76% acted on these personalized recommendations[8]

When the zonal journey breaks, the first impression feels unwelcoming. Customers hesitate at the threshold, unsure of where to start, and may feel like they're imposing. This early friction raises the bar for building rapport and trust later in the visit.

Two key themes emerged: **communication differences between banks and credit unions, and performance variance by branch format**. Pod-style counters outperformed legacy teller lines on flexibility, intuitive journeys, and customer comfort – provided the welcome point and handoffs were well choreographed.

Findings differ between banks and credit unions [5]

- ✓ Credit unions struggled more than banks with articulating their value propositions
- ✓ Only about a third of credit unions effectively conveyed the benefits of membership
- ✓ Banks generally demonstrated a stronger consultative tone but were less consistent on hospitality basics

Seven critical roadblocks to a positive branch journey

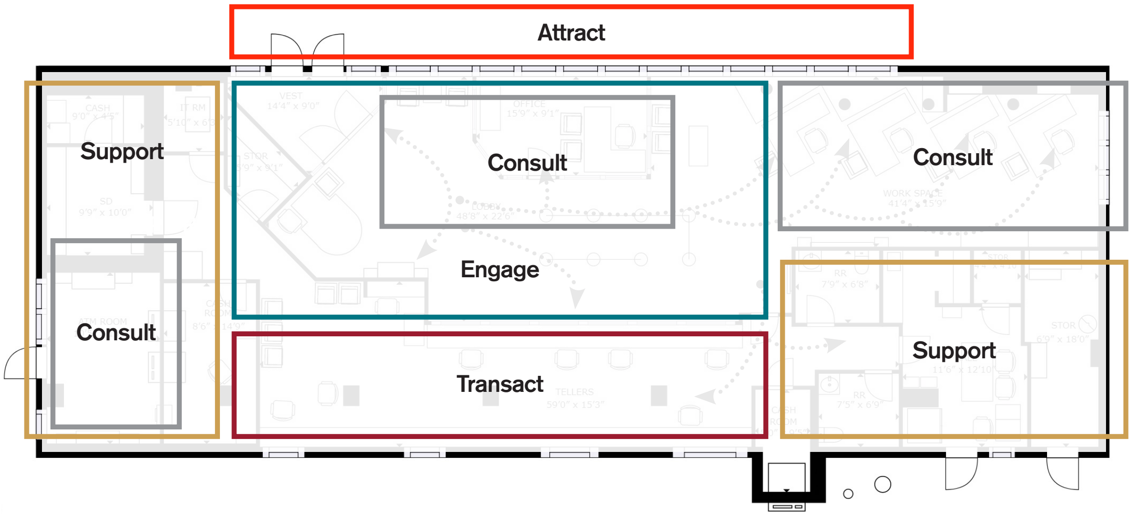
1. No greeting at the entry
2. Staff try to sell vs connect
3. Visibly dated facilities aren't memorable or differentiated
4. The space doesn't reflect the bank's brand promise
5. Staff are tethered to a teller line or office
6. Lines of business offerings are not readily apparent
7. Print collateral limits human interaction

A Powerful Zonal Journey

As physical branches evolve, there is rich opportunity to shift retail banking spaces from transaction centers to experience hubs. This is a direct response to customers' rising expectations for a more personalized, advice-driven experience within the branch. Some financial institutions think this means taking big actions, like adding a community space or coffee shop within the branch. But to begin the evolution, banks should start with small behavioral changes – greetings, personalization, questions – to enhance the one-on-one experience each customer has with staff.

Each zone has its own role and importance in the customer journey through the branch. Based on mystery shopping and market research, each zone has levers to pull to ensure the branch customer experience meets customer expectations.

Zones of experience



Attract

You don't get a second chance to make a good first impression. This starts with an attract zone that:

- Clearly and consistently represents the brand through exterior signage, lighting, and externally facing digital screens
- Creates a brand beacon for passersby, especially in high-traffic areas
- Leverages window graphics to enhance the building's aesthetic while providing privacy to those inside

60% of businesses reported improved sales after adding or updating their signage[10]

Engage

Incorporating greeter services into branches can significantly enhance the customer experience, streamline operations, and foster stronger relationships. Many financial institutions are reducing transaction zones and adding concierge and engagement zones to provide a welcoming experience at initial entry. By leveraging the idea of flexible employee seating as "productive perches," teams can better acknowledge customers upon entry without large greeter stations or additional FTE. Consider:

- Seated or standing "productive perches" to allow staff comfort and productivity during lower capacity times
- Providing staff with mobile devices to accelerate support during high-capacity times
- Engaging easily and at eye level with productive perching from a pod
- Well-defined lobby management roles, responsibilities, and choreographies to foster a smooth engagement experience

40% increased dwell time is reported with customers that have received a positive greeting[12]

Transact

The purpose of the teller line and the role of tellers shifts from transactional operators to multiuse players who greet, transact, teach, and engage. As branch purpose and frequency of visitation shift, this is a growing challenge. Using tellers to greet allows for strong interaction without additional millwork or dedicated FTE.

A frequent pain point at the teller line is wait time. While busy times cannot be avoided, they can be supported through staff training, engaging digital messaging, and appointment scheduling.

- Coach staff to triage transactions by guiding and teaching self-service options where applicable
- Implement queue management solutions and appointment scheduling to reduce wait times
- Leverage digital signage behind teller lines to engage, educate, and decrease perceived wait times

38% of customers experience a perceived reduction in wait time when looking at digital signage screens[13]

Consult

Banks allocate 34% of marketing budgets to acquiring new customers but only 23% to retaining and deepening relationships.[14] Offices are where cross-selling opportunities are at the highest, making them a key location for growth.

To be effective, banks must create an office environment that lends itself to solution sales.

- Private offices better meet customers' expectations for privacy and one-on-one attention, as opposed to open cubicles
- Privacy film on office windows creates a branded and open look while meeting expectations
- Marketing signage in offices can provide cross-sell messaging while waiting
- Authentic banker-client relationships are fostered through appointment setting, personalization, and data-led, in-person consultations

95% The potential growth that could be achieved with a 5% increase in customer retention[15]

Pillars of Transformation

People & Behaviors

- Train staff on hospitality mindset
  - Use of customer name
  - Open-ended questions
  - Empathy-based consultation
- Advise on choreography, role-play, and overall growth

Spaces & Places

- Refresh aging locations to match brand look & feel
- Introduce intuitive elements – seating, hospitality
- Use open consultation zones with built-in levels of privacy

Digital Activation

- Leverage screens and technology integrations to reinforce messaging
- Provide easy access to digital collateral and appointment tools
- Enable seamless application/onboarding from mobile devices

Closing the Gap

Branches win trust when the experience they offer is intentionally designed and well-choreographed. Financial institutions must pair customer-first behaviors with clear zone standards, optimized spaces, and tech-enabled handoffs. Together, people, place, and process turn branch visits into memorable, differentiated moments that build better relationships and lead to repeat visits and overall growth.

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Adrenaline leads brand and branch transformation for financial institutions. We integrate research, strategy, design, and implementation to modernize experiences across channels and at scale.

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Thank you.