

U.S. Bank tests branches geared for a digital-first era

Article

U.S. Bank has made a series of overhauls to branches in the Twin Cities region of Minnesota to reposition physical banking as digital channels eat away at its usage, [per](#) the Minneapolis/St. Paul Business Journal. The latest example, a renovated concept branch in Eden Prairie, features self-service stations with digital devices instead of tellers. Branch employees will

instead help customers with services including technology assistance, lines of credit, and wealth management. U.S. Bank began rolling out these concepts last fall.

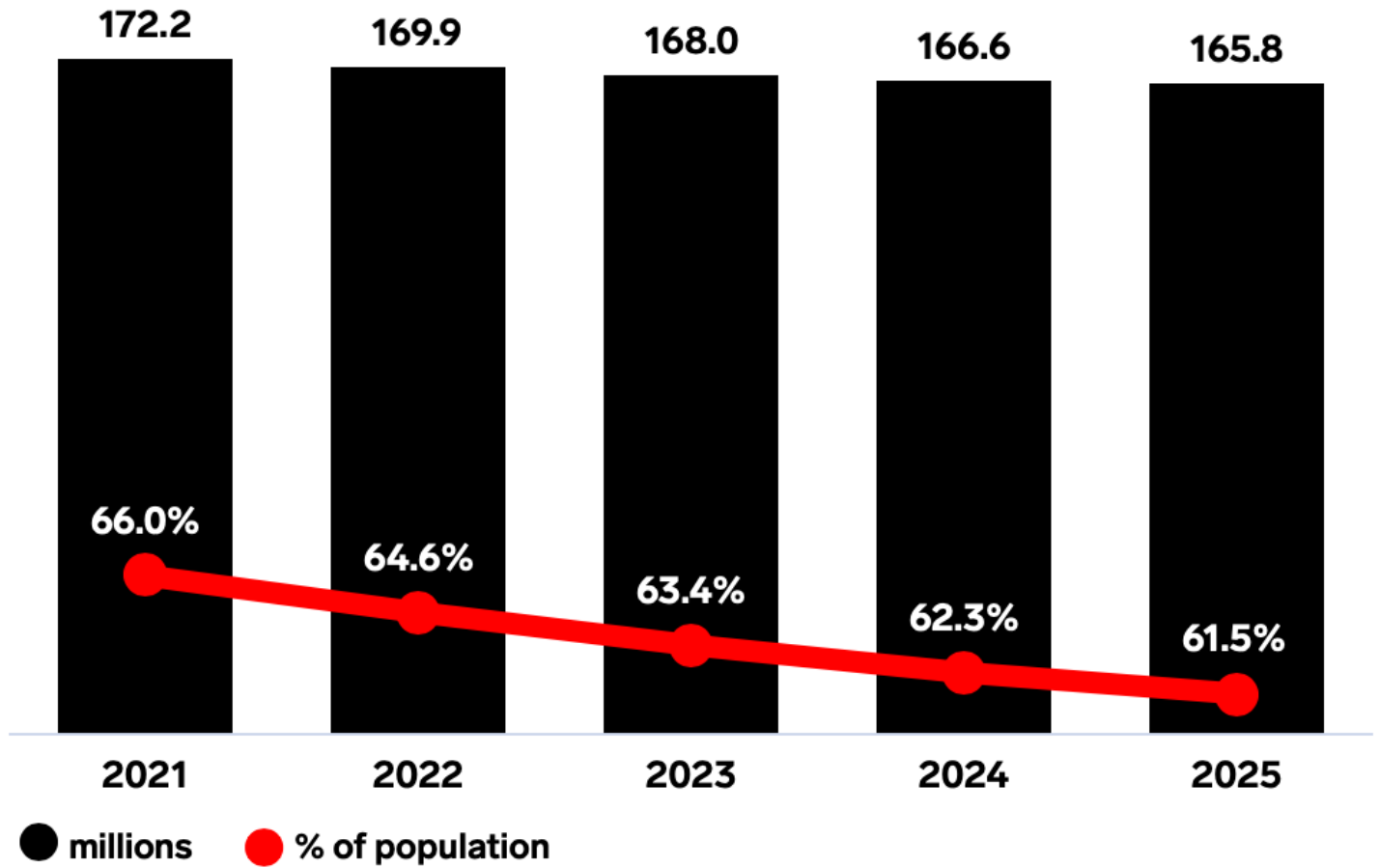
The concept branches let U.S. Bank test ways to pair physical banking with the digital-only channels that are displacing it.

- Usage of digital banking channels has **grown** with the coronavirus pandemic, as health concerns resulted in temporary branch closures. The shift is expected to continue in the coming years: Insider Intelligence **forecasts** that the percentage of US adults who use digital banking at least monthly will rise from 75.4% in 2021 to 80.4% in 2025.
- Predating the pandemic, active bank branches in the US dropped by 12% from 2010 to 2019, **per** FDIC data. Branch usage is expected to decline further in the coming years, with the proportion of US adults who visit a location at least annually falling from 66.0% in 2021 to 61.5% in 2025, **per** Insider Intelligence estimates.

U.S. Bank's hybrid branch model prioritizes in-person services that are more complex and effective in building customers' trust. Consumers still place weight on getting in-branch assistance for complex services that they infrequently use: Just 1% said they will be less likely to purchase high-value products in person once the coronavirus pandemic subsides, **per** KPMG. In contrast, more consumers said they'll be less likely to check account balances in person (8%), go to a branch to manage their accounts (6%), or physically open a savings account (4%). Prioritizing in-person advice from branch staff could also help U.S. Bank foster higher consumer trust: 48% of consumers say they would trust a human advisor "a lot" when receiving in-person help, but only 28% would if they get advice via video chat, **per** Accenture.

In Branch Banking Users and Penetration

US, 2021-2025



Source: eMarketer, March 2021

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