

# JPMorgan Chase pairs tech innovations with in-branch interactions to drive customer growth

Article

**The news:** JPMorgan Chase is doubling down on customer acquisition with an aggressive branch strategy it says is working, and a new AI-powered investment advice solution.

**In-person prevails:** At [Investor Day](#), executives touted JPMorgan's impressive growth in new customers and deposits over the past five years, largely due to its [against-the-trend branch-opening strategy](#).

- Since 2017, [the bank has opened 650 new branches](#), roughly 15% of its total 4,831 branches. A bulk of the branches were opened across 25 states new to JPMorgan.
- The new branches are fueling deposit growth. Over the same time period, **the bank reported a 14% compound annual growth rate in the amount of deposits per branch.**
- Though the bank invested large sums of money in developing its digital banking capabilities, it says those tools, paired with in-person branch locations, allow it to reach more customers. **Chase says it serves 30% more customers than it did in 2019.**
- JPMorgan Chase also employs branch segmentation. For example, some branches are Private Client centers that offer wealthier clients access to specialized advisors. Other branches are considered community centers, and serve the underbanked in various neighborhoods.

The bank's head of consumer banking said that **two-thirds of the bank's customers went to a branch in 2022**. And those visits are generating business: Roughly half of Chase's credit card sign-ups occur at a branch, as well as about half of mortgage originations.

**Next-level robo advisor:** Executives at Investor Day also revealed the bank intends to invest \$1 billion in tech development over the next year, with a focus on artificial intelligence (AI). That's already being seen in [JPMorgan's recent patent application](#) for IndexGPT.

- Similar to ChatGPT, IndexGPT will use financial news and data, as well as a customer's investment objectives and risk tolerance, to formulate [personalized investment recommendations for customers](#).
- The tool will also track investment performance and suggest adjustments to a customer's portfolio.

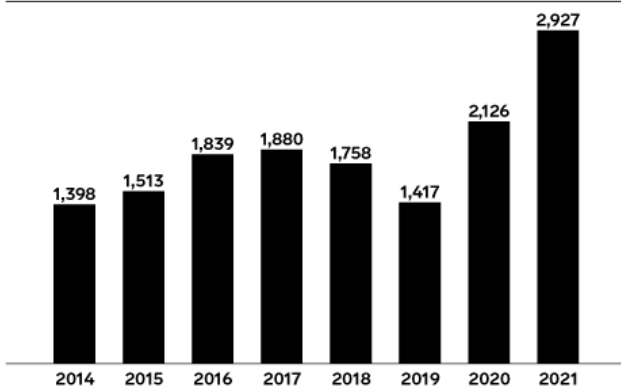
**Our take:** As the largest bank in the US, JPMorgan Chase faces scrutiny while it continues to grow its customer base.

- The data on branches shared at Investor Day doesn't include the 84 branches the bank received through its [acquisition of First Republic Bank](#). Though some of those branches are slated to close, the overall branch expansion will likely appeal to customers who are looking

for a new bank because their primary bank’s local branch shut down. It will also provide new opportunities for underserved customers who don’t have online access. But JPMorgan’s size is drawing criticism from lawmakers concerned about [consolidation in the banking sector](#).

- The rollout of its IndexGPT product will be closely watched. Consumers have been calling for better personal financial management tools and robo advisors, but [they aren't using the tools banks are offering](#). Widespread interest in generative AI may cause quick initial adoption of IndexGPT—but in time, consumers will have the final say on the tool’s effectiveness.

#### US Net Bank Branch Closings, 2014-2021



Note: represents S&P Global Market Intelligence analysis, broader industry metrics may vary; excludes branches of foreign banking organizations and credit unions  
Source: S&P Global Market Intelligence, "US bank branch closures increase 38% to new record high in 2021," Jan 20, 2022

274819

InsiderIntelligence.com

*This article originally appeared in Insider Intelligence’s **Banking Innovation Briefing**—a daily recap of top stories reshaping the banking industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- Are you a client? [Click here to subscribe.](#)
- Want to learn more about how you can benefit from our expert analysis? [Click here.](#)