

# Exploration on Deepening the Transformation Path of Commercial Bank Branches

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**Abstract:** At the present stage, the emergence and popularization of Internet technology make people's life, work and other needs satisfied through online operation. For the traditional industrial bank branches, the Internet technology has brought a huge impact on its development. A large number of customer resources of the bank branches are divided away, and the transformation and upgrading of the bank branches is imminent. In view of this, this paper puts forward the path of the transformation of bank branches by analyzing the difficulties encountered in the network transformation and the direction of the transformation, so as to provide reference for relevant personnel, so as to promote the rapid completion of the deepening transformation of commercial banks.

**Keywords:** Commercial Bank; Deepening Transformation; Path

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## Introduction

At present, China's economy is in the stage of rapid development, and commercial banks can ensure their healthy and rapid growth by improving their business model. However, under the new background of deepening economic transformation and inefficient interests, commercial banks need to further expand the scale of development and enhance the value of bank resource investment. At the present stage, electronic informatization has been fully popularized in China, and the informatization construction of banks has been gradually improved, especially the mutual integration with Internet finance. Bank business outlets are affected by the cost and sales efficiency, and their layout advantages have gradually disappeared. In view of this, in order to give full play to the value of the branches of commercial banks, promote the transformation and upgrading of the branches, reduce the investment of operating costs, improve the operating efficiency, optimize customer experience, and promote the transformation of the branches of commercial banks.

## 1. The current commercial bank business network transformation is facing the difficulties

As is known to all, banking business is highly professional and risky. The establishment of direct sales channels is an important means to guarantee the development of banks, and it is also the core requirement of bank supervision. In recent years, with the rapid development of Internet finance, under the promotion of Internet thinking, the sales channels of banks have undergone great changes.

### 1.1 Payment and settlement are gradually withdrawn to the background

For a long time, payment and settlement has always been one of the key businesses of banks. In the payment and settlement, the account management, payment method and payment environment have formed a closed-loop system within the bank. Customers have a lot to do with banks when making transactions. However, due to the emergence of third-party payment, banks have less contact with customers and less, and third-party payment gradually replaces the direct communication between banks and customers. Reflects the most obvious is to pay treasure and WeChat pay promotion and popularization, when the customer in payment or transfer, customers can be directly in the background binding bank card to complete the whole transaction, and the customer is not in the bank, the bank just according to the pay treasure or WeChat payment instructions to complete related operation, the bank has gradually become a third party background managers[1].

### 1.2 A large number of branches of customers

In the past, it was also one of the most important functions of banks to provide asset preservation and value-added services for middle and high-end customers in the physical branches of banks. However, the current customers' demand for asset preservation and appreciation

is no longer dependent on bank branches. At present, online financial products proposed by some Internet enterprises, such as Alibaba's "Yu'ebao" and Tencent's "Balance +", link users' payment transactions and asset appreciation needs due to the characteristics of low investment threshold, convenience and direct link to users' consumption, so that customers' fragmented funds can also realize financial management. In addition, banks are also providing users with a lot of standardized and simplified products through direct marketing channels and the development of online products, so that a large number of customers with financial needs in the physical outlets are separated.

### **1.3 Centralized loan financing business process**

With the popularization and application of new credit technology, the loan financing business of banks is also developing towards the direction of centralized processing, and the credit business teams of various physical bank branches are integrated and collected. At the same time, driven by the policy of accelerating consumption upgrading and under the influence of consumer credit companies and Internet finance, customers provide more loan financing channels, which also divides the number of customers to a large extent in physical outlets[2].

In addition, the establishment of central bank and similar bank accounts has derived a new account management mode, further strengthened the online management of bank accounts, and made the financial services inclined to online development. In addition, the continuous innovation and progress of network security technology is more conducive to the identity verification of customers, and the control ability of banks' capital risks has been strengthened. Therefore, the benefits of online channels are more significant than that of physical outlets.

## **2. Analysis of the direction of deepening the transformation of commercial banks**

### **2.1 Network intelligent development**

According to statistics, in 2022, China commercial Bank will cut more than 20,000 employees, and the large number of tellers of the bank is also the inevitable result of the intelligent development of banks. The application of many intelligent devices such as super counter can better divert noble transactions, and effectively improve the transaction efficiency of customers and optimize customer experience. Although it is an important means for the transformation and upgrading of business outlets to strengthen the procurement and application of intelligent equipment and increase the number of alternative counter transactions, it should be noted that customer needs and the transaction line of the outlets should be comprehensively considered to improve the use efficiency of equipment[3].

### **2.2 Network light light development**

Compared with online network, the traditional network space area is bigger, personnel demand, higher operating costs, driven by the guidance of intelligent development and online combined with the operation, in the future, outlets will have smaller area, less staffing, low cost, rich business advantages, by reducing costs, increase operating efficiency to play the network marketing service function.

### **2.3 Network experience construction**

First, the experiential construction of the network is to make the service tangible and play its corresponding role in customer experience and bank brand communication; second, the current traditional service has been difficult to meet the financial service needs of customers, and is more inclined to high-quality personalized service, which means that the bank competition is no longer won by quantity, but from the operation and experience, so as to ensure that customers meet their financial service needs after entering the branch and reap the good experience.

## **3. Transformation and upgrading path of commercial bank branches**

### **3.1 Build full-function flagship outlets and lightweight characteristic outlets, and optimize the layout of network planning**

First of all, the business outlets should deal with the site selection and selection, build a number of flagship outlets with rich functions,

strong capabilities, high efficiency and high quality brand, and reflect all the advantageous resources so as to improve the market competitiveness and achieve the goal of rapid growth of operating efficiency. Second, for other outlets can build light characteristic network, through the analysis of customer characteristics, the surrounding market, competition situation information to determine the target customers, from the hardware, personnel, products, services and business strategy and other aspects to customize to customers, make the business with targeted, professional advantages, in order to save network operating costs, strengthen the core competitiveness of network, promote the improvement of comprehensive benefit. The construction of lightweight characteristic network can be started from two aspects: first, build transactional or commercial network, intelligent construction through self-service equipment, counter, cash and card operation to optimize customer experience; second, for high-end customers, establish high-level talent reading materials and establish high-end financial management center or private bank. Finally, through the analysis of the surrounding market, mainstream customers, credit center, small financial branch features small, fine, live branch construction, according to further customer segmentation can provide different financial products, achieve indiscriminate management, expand the network in the local market share, gradually improve their market competition ability.

### **3.2 Building a financial + non-financial ecosystem**

With the rapid development of the third party platform and online marketing, entity bank network customer flow greatly reduced, bank outlets should be to market positioning, and according to the change of the market, in order to attract more customers into the entity outlets, in the branch bank to improve the initiative and precision, bold go out to ensure the development of the bank network[4]. Traditional bank outlets in market development often rely on the existing channels, with their own products and its own personnel as the core to extend, in the next development, the bank bundled with other industry channel development, establish resource sharing channels, by building online marketing linkage “financial + the financial” ecosystem, for outlets to obtain greater market opportunities and more high quality customer service experience. Bank branches can discuss with other industries to formulate marketing strategies, and use the promotion resources of both sides together, and meet the differentiated services and preferential policies of customers of both sides. The establishment of an ecosystem with the physical branches of the bank can provide the bank’s services throughout the cooperation channels, which not only enables the target customer groups to feel the added value and improve customer satisfaction, but also further increases the trust of customers.

## **4. Epilogue**

To sum up, the transformation and innovative development of bank outlets in recent years are the issues that all banks have been focusing on thinking about in the development process, and the channel adjustment and planning and design of physical outlets are the primary tasks at present. For Banks, entity network is the most effective and the most direct bridge, its existence value is irreplaceable, and the transformation and upgrading of entity network is in order to better positioning, customer customers, make the entity network work to attract and meet the needs of customers, and with the help of external collaboration to play the biggest benefit, to make the healthy lasting development of the entity network guaranteed.

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