



How the Retail Banking Industry Uses SafeGraph Data to Make More Informed Site Selection Decisions

THE INDUSTRY: Retail banking

THE PROBLEM: How to remain competitive and accessible in a rapidly changing market

THE SOLUTION: SafeGraph Places

THE RESULT: Adding more precision to retail site selection decision-making

THE CONTEXT

A rapidly evolving retail banking industry

Although brick-and-mortar banks (aka, retail banks) played a vital role during the COVID-19 pandemic as “essential services,” a massive behavioral shift saw consumers leaning into digital across all industries more than ever before became the new normal for most.

This came at a time when many retail banks had already undergone 10+ years of much-needed innovation, shifting their focus from “**financial products**” to “**customer experiences**”. This gave rise to new tech platforms and enhanced digital services that solved a number of customer pain points, including making it easier for customers to manage their finances directly from their mobile phones. Fortunately, when the world came to a halt at the start of the pandemic, retail banking customers were prepared to manage everything from the palm of their hands.

But this digital transformation didn’t happen just to improve the customer experience alone. Over the last few years, many new digital-only players, often called neo-banks, have entered the market in growing numbers. Compared to traditional retail banks, they claim to offer a purely digital, hassle-free experience without any unnecessary fees. With these new competitors disrupting the world of financial services, retail banking had to evolve (quickly) to stay relevant.

Therefore, it’s safe to say that the retail banking industry was already at its transformation tipping point well before the pandemic began. The pandemic simply was a catalyst for accelerating it. In fact, McKinsey found that 15-20% of banking customers in the US were likely **to increase their use of digital or mobile banking channels even once the pandemic subsided**.

This has forced the retail banking industry to **double down on a number of fronts**, most notably around improved digital banking services, stronger customer relationships (i.e. moving beyond transactions), and increased customer personalization (in-store and online).

If you ask anyone in the retail banking industry, they’ll tell you that it’s far from obsolete. There’s a high-touch, interpersonal element to the industry that, on one hand, can be enhanced by digital services but, on the other hand, can’t be effectively replicated or replaced by them. However, they will also tell you that retail banking is incredibly saturated because today’s customers have more choices about where to keep their money safe and secure.

THE PROBLEM

How to remain competitive and accessible in a rapidly changing market

In the face of growing competition, retail banks must be increasingly strategic about where they place their brick-and-mortar locations. Not only do these bank locations need to be easily accessible to their target customers, but they also must be competitively positioned to fill voids where other bank brands (and branches) don’t have a strong presence.

The question then becomes: How can a retail bank best optimize its footprint in any given market across the US? Answering that question comes down to data. Unfortunately, simply relying on publicly available data sources, like Census Block Group (CBG) data, to suss out a bank's real market opportunity is what we could call a "bare minimum" approach to retail site selection. To paint a complete picture that drives informed decision-making, you must know:

- What businesses are currently present in a given trade area;
- What CBGs feed into that trade area;
- What the demographic make-up of those CBGs is; and
- What foot traffic looks like both going to and from CGBs into a given trade area as well as traveling within a given trade area.

THE SOLUTION

SafeGraph Places

Addressing all of the points above is what makes SafeGraph a go-to partner for many brands within the banking and financial services industries. Our unique ability to not only provide our customers with clean, accurate, and up-to-date location and mobility data but also to easily join it to other first- and third-party datasets, like Census data, for example, is the "secret sauce" enabling us to empower retail banks to make site selection decisions with confidence.

The monthly-updated SafeGraph Places dataset equips retail banks with a clear line of sight into what other businesses—including competitor retail banks and ATMs—exist within a given trade area with precision. It also goes one step further than other POI datasets on the market today by including highly accurate co-tenancy information, for instance, when a bank branch is located within a supermarket. This information is critical for enabling site selection analysts to understand what the real competitive landscape of a market looks like.

To make SafeGraph Places data work even harder from a data analytics and decision-making standpoint, you can enrich it with mobility and foot traffic data. For retail banks, this is important for getting a clearer sense of what movement patterns look like going to and from their or their competitor's branches. Additionally, this can provide actionable insights into who those customers are—from a purely anonymized demographic perspective—so that retail banks can engage them, via marketing and other on-the-ground tactics, to win market share.

Finally, many of our customers often tell us that the biggest benefit of relying on SafeGraph is that our datasets are really easy to work with—whether it's a matter of joining them to other first- or third-party datasets or using them in platforms like CARTO or ArcGIS. After all, we are a data company at our very core. Our number one priority is to ensure that every dataset we provide is clean, accurate, up-to-date, and ready to use the minute our customers download it.

THE RESULT

Adding more precision to retail site selection decision-making

Anyone who works in the retail space of any sort knows that a great location can make all the difference. This is especially true for the retail banking industry—much less at a time when local markets are rapidly evolving and demographics are migrating like never before. For retail banks, having access to the right data is the key to making informed site selection decisions about where to build new branches, how to consolidate existing branches, and where to close branches (due to low foot traffic, lack of accessibility, and so on).

Having already worked with a number of (retail) banking and financial services partners, we've seen first-hand the outcomes that result from having access to the right data. One major benefit is that using data in this way often leads to tremendous cost savings.

Why invest in building a new retail footprint or relocating to an existing brick-and-mortar location if that location might have the potential to underperform? With SafeGraph, there's no reason to leave these kinds of decisions to chance. Our powerful datasets help retail banks hedge their bets—based on real, accurate, and up-to-date location and mobility information—and make well-informed decisions that set them up for long-term success.



Ready to see what SafeGraph's POI data can do for your team?

View the [data schema](#) or [contact sales](#) for more information.