

Welcome to IF Consulting's weekly e-mail newsletter

August 2, 2002

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

This newsletter is also available as a PDF on our Website (<http://www.i-f.com/E-comLinks02.htm>) if you want to download a version for your hard copy file.

Banking: ATMs grow but branches still vital

Banks in South Africa have recently undergone significant rationalization by streamlining branch infrastructures and centralizing and automating back-office processes. However, consensus is that branch infrastructures will remain a vital part of the bank delivery channel.

In some cases, the branch infrastructure will appear in a different format, supported by a network of an increasingly sophisticated ATM and self-help terminals.

CEO of First National Bank Retail Bank, Wendy Lucas Bull says, "Our branch infrastructure is here to stay, but in a leaner format, focusing on customer sales and service." First National Bank has removed back-office processes from branches and located them within seven centralized hubs around the country. Bull also stated that in future, individual branches will be structured to suit the specific area or market.

<http://www.bday.co.za/bday/content/direct/1,3523,1021073-6078-0,00.html>

IF Comment

It is almost always proclaimed that new, well publicized technologies, such as the "new Internet technology" and ATMs will displace retail outlets. They haven't and they won't.

Two difficulties inherent in electronic service delivery are order fulfillment and security. In order to avoid these problems, the Internet has become a place where most businesses just post their brochures in electronic form, rather than engage in commercial activity.

A true benefit of electronic technology is that retailers can use the Internet to promote their products and services, thus helping potential customers to make a choice before they shop and gaining the added benefit of drawing these customers to their stores where they may make additional purchases. In the same way, by expanding their existing ATM networks, banks attract customers, but the easy-access ATMs cannot replace the services provided by their bricks-and-mortar branches.

In summary, very few new commercial technologies stand alone – they usually work best when combined with traditional business methods.



Marketing Channel
Strategy Consultants
Maximizing shareholder value
through creating the best routes
to market

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Snippets

According to a survey of cyberspending patterns released this week, Internet users are showing an increasing willingness to pay for online content such as subscriptions or e-greeting cards, for example. This may indicate a shift in the thinking that online services should be provided for free.

<http://www.nytimes.com/2002/08/01/technology/01ONLI.html?todayshadlines> (free registration required)

As Microsoft and its rivals race to gain control of consumers' digital identities for Web commerce and services, Jeffrey Ganek's privately-owned firm may hold the key to a treasure chest of data. Although he holds the exclusive government contract to keep electronic records of 160 million phone numbers in North America, Ganek may find that the path to data mining riches contains a few pot holes.

<http://www.forbes.com/forbes/2002/0708/150.html>

It seems reasonable to expect that if you buy something, the manufacturer should let you use it. However, anyone who has bought a movie on DVD in one part of the world and then tried to watch it another will agree that the U.S. movie industry has changed this basic rule of economic life.

<http://www.iht.com/articles/63754.htm>

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