

**From:** CityU Announcement Portal <noreply\_cap@cityu.edu.hk>  
**Sent:** Thursday, September 22, 2016 9:22 AM  
**To:** CHICK Florence  
**Subject:** [CAP] (MKT) Research Seminar on 29 Sept, 2016 (Topic: Reshaping Bank Branch Networks due to Mobile Banking)

From: Marketing



## **RESEARCH SEMINAR**

### **Topic:**

**Reshaping Bank Branch Networks due to Mobile Banking**

### **Speaker:**

**Mr. Francisco Cisternas**  
**PhD Candidate**  
**Tepper School of Business**  
**Carnegie Mellon University**

**Date** : 29 Sept, 2016 (Wednesday)

**Time** : 2:15 p.m. – 3:30 p.m.

**Venue** : Room 14-222, 14/F, Lau Ming Wai, Academic Building (AC3), CityU

**Language** : English

### **Abstract:**

Mobile banking has grown from 29% in 2012 to 43% in 2015 among US bank customers. As a consequence, banks reported that they will reduce their number of branches by half over the next decade. Mobile banking adoption displaces many banking functions performed through other channels. Using geo-coded transaction data from a large consumer bank, I develop a dynamic structural model that represents consumers' preferences for digital and physical channels. This demand model is in turn used to optimize the branch network. Future levels of mobile adoption are evaluated including its effect on customer attrition. I show that all channels remain relevant; moreover, I find strong complementarity between the physical and digital channels. The importance of physical channels are lessened in the presence of digital channels but

they will never be replaced, instead, the branch and ATMs network should be redesigned and specialize in transactions better served with digital channels.

**Francisco Cisternas** Is currently a Marketing Ph.D. candidate at Tepper School of Business at Carnegie Mellon University. His research interests focus in understanding the effects of new technologies on firms and customers' interactions. He combines elements from quantitative marketing with operations management. The topics he studies include Mobile and Online Marketing, Multi-Channel Management and Demand Optimization. He received his Bachelor in Industrial Engineering and M.Sc. in Operations Management from University of Chile before joining Carnegie Mellon University.

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