The currently ongoing COVID-19 pandemic is a factor that MetroBank cannot ignore when considering the prospect of entering the market with physical branches. Banks, consumers, and the government are all having to assess the risks of in-person banking and are favouring digital, non-contact methods whenever possible. This would obviously negatively impact a physical bank’s ability to thrive. Anyone can be a carrier of the disease and spread it before they even display symptoms, which consequently makes it difficult to simply avoid the disease. In fact, something as simple as banknotes can spread the coronavirus according to the World Health Organisation. Elderly consumers are the demographic who generally see more value in traditional, physical-based banking. Elderly consumers are also especially at risk from COVID-19 as it poses a direct threat to their life. Therefore, they generally would be more reluctant to visit physical banks over using online banking under the current circumstances. Thus, the current threat surrounding the usage of physical banking due to COVID-19 must be considered as a potential risk by MetroBank.

* + Something else MetroBank must consider is the fact that physical banks are slowly phasing out. New technologies are changing how banking operates not only in Australia, but also across the whole globe. Even the representatives of the banking sector are openly admitting that the traditional role and model of banks will undergo significant changes in the upcoming years.
  + Banks must now consider the use of Big Data and AI technology capable of reading human emotions. Companies using these will undoubtedly gain a competitive advantage through the ability to offer personalized products and services, and the ability to operate with greater efficiency and a higher quality customer service.
  + Another factor that should be considered is how the rapid development of mobile payments has led to telecom companies becoming a substitute product for banking. These telecom companies have access to large amounts of data from consumers using mobile phones. This data allows them to offer targeted financial and insurance services towards these consumers based on their behaviour. Furthermore, telecoms enable consumers to make payments without the hassle of setting up a bank account. Taking all this into consideration, it would be in MetroBank’s best interests to focus more on an online-only bank and put its resources towards these technologies that will provide them with crucial data. This would allow MetroBank to gain a competitive advantage over other companies in the financial service industry not already making use of these technologies.

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