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TECHNOLOGY NEWS FOR CREDIT UNIONS SINCE 1988
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# Online and Mobile Banking - Saving Costs & Increasing Marketshare

The online channel has clearly demonstrated its value in attracting and retaining members and increasing wallet share. Surveys like the recently-released study by ForeSee Results and Forbes.com consistently show that members who do business online are more satisfied, more profitable, and use more of their institutions' services. But over the life cycle of online delivery, we've also learned some things that challenge conventional wisdom.

While traditional thinking once suggested that young members would have higher expectations for the online experience than other segments, we now know that's not necessarily true. The online channel is becoming ubiquitous; soon, a comprehensive online offering will be mandatory across your entire member base. Credit unions can't afford to view members in strict categories, assuming that Gen Y wants something entirely different from Baby Boomers. Even mobile banking, still in its infancy, will see interest across demographic groups. Yes, mobile's adoption rate has been slow; but expect it to end up looking like a hockey stick - spiking up quickly as it becomes second nature to members of all ages.

The cost-cutting promise of online delivery has also been challenged. It's true that applications like online statements reduce expenses; but contrary to a once-held belief, the Web will never eliminate the need for branches. Perhaps the greatest value of online delivery lies in its ability to serve members on their terms. We know it costs less to process a loan online vs. in branch; but of equal value is the member's ability to apply when and where it's convenient and to obtain an immediate decision.

Over time, the role of online services in retaining members and growing wallet share will evolve. And since it's far less costly to grow existing relationships than to court new members, both goals will remain vital to success. Mobile banking is a prime example of the evolutionary path of online delivery. Today, mobile can help you attract younger members who will become tomorrow's borrowers. But eventually, mobile will be vital to retaining current members across every demographic, especially as web-enabled devices proliferate. That's why mobile banking can't be on your long-term radar; it needs to be a near-term plan. ASP models can ease the decision - offering a pay-per-user approach that keeps initial investments low, while positioning you for the inevitable rise in demand.

The current economic challenges and climate of consumer uncertainty make today an ideal time for credit unions to invest in online services. Start by using your online presence to trumpet your financial stability and longevity (something few credit unions are doing, surprisingly). Then expand your online service offering - embracing evolving technologies that will soon become mainstream, such as mobile banking and social networking. Technology solutions from Fiserv like Mobile Money and MyMoney (which makes financial services accessible via Facebook) offer cost-efficient ways to tap into delivery channels that are growing more popular and pervasive. The incremental investment in these emerging services will send a strong message about your commitment to the market and position you to add, retain, and grow member relationships.

**Dave Selina**
Segment Executive

**Dave Selina** is Segment Executive for Bank and Credit Union Solutions at Fiserv. Drawing on more than 30 years of experience in and around the credit union industry, Dave Selina leads the Value-Add Capabilities group that serves Fiserv credit union and banking clients. Through industry-leading solutions such as Wisdom, Account.Create, MyMoney, Virtual Branch, XRoads, wireXchange, ConvergeIT and LynxGate, the Value-Add Capabilities team leverages its expertise and applies best practices to deliver high-value solutions that complement Fiserv account processing systems.

**Contact Info:** **www.fiserv.com**