

## Online Banking.... Embraced by Members - The Next Steps

To foster the future of today's mature online banking channel, credit unions must cater toward meeting the individual needs of their members – whether it's helping them overcome barriers in accessing the Internet or embracing new innovations often demanded by the younger generation and other growing markets. Having said this, how can today's credit union enhance a member's online experience to help this channel continue to grow?

First, let's look at a few issues that may be inhibiting this channel – such as accessibility. Not everybody is online. For those who are, some may use a slow dial-up connection or only have one phone line, resulting in the phone not being available to call the credit union with a question. In response, some technology providers have developed an online “chat” option, where members can converse directly with their credit union.

Security is another issue. Even if a member can conveniently access the Internet, he or she may be concerned about security when venturing online – especially when dealing with their finances. Consistent education about protection offered by today's newest technologies – multi-factor authentication, firewalls, etc. – is key in eliminating many of these Internet misconceptions. Resistance to change is the third issue. Some people just don't know how to access the Internet and are uncomfortable going online. Education regarding convenience and ease of use can help overcome this issue.

The average age of today's credit union member is 47. To advance online banking – and the overall future existence of credit unions – credit unions must attract new and younger audiences. Generations “X” and “Y” are almost as large as the “baby boomers,” and are now earning money and looking for places to manage it. This audience often uses cell phones in addition to the Internet as a key means of communication. Combine these tools in regards to financial services, and before long cell phones will move from simple “texting” to transferring funds between accounts, paying mortgages or car payments, applying for memberships or loans, etc. Another good way to capture this audience is to integrate financial services within the social-type websites where this generation flocks.

The Hispanic market is another growing audience with a huge potential for credit unions. Enabling them to bank online in Spanish and integrating features that allow them to inexpensively transfer funds to family and friends in other countries, receive “micro” loans, or use bill pay without a checking account, can help attract and retain this growing market of loyal consumers.

Our NetBranch Home Banking – now offered to clients using various core systems – seamlessly interacts with a variety of Internet services, whether it's between the member and the credit union or the member and a third party, so members can access many of the latest innovations demanded by today's growing markets. Through Netbranch, members can view educational videos, open accounts offsite, receive member rewards through usage, estimate a home's value, pay bills online, transfer money to family or friends at other financial institutions, etc. Credit unions can also conduct member surveys, cross-sell products, and more. A Spanish version of NetBranch is also available, along with several integrated features demanded by the Hispanic market.

Today, we must help credit unions educate established members, adapt new technologies, and attract new audiences through this powerful online channel to remain innovative and competitive for the welfare of our industry. Credit unions must continue to leverage “what's next?” to foster the industry's path to prosperity.



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**Jay Slavin** is the Senior Vice President of Product and Business Development at GalaxyPlus, a leading solutions provider for credit unions and their members. Jay's team researches market opportunities; creates product strategies; and directs the development, launch, programming, and technical support for GalaxyPlus' Internet products. His team supports more than 250 financial institutions using member-servicing products such as online banking, call center, online enrollment, and a rewards product to help financial institutions serve over 3.5 million members. Jay recently launched Fiserv Continuum – a new product division designed to integrate these online products with financial institutions using various core systems. He is General Manager of that division. A leader in the development of credit union systems, GalaxyPlus provides data processing solutions to more than 325 credit unions nationwide, offering the best in products, features, and functionality.