

## *Online Banking.... Catering to Your Most Desirable Members*

Credit unions today must expect 100% uptime from their online banking systems, because that is what their members demand. Additionally, credit unions should require at least four basic items from their technology providers: responsiveness; clean functionality; basic reporting tools; and the ability to do some customization to their preferences. Providing competitive online banking services also means having check imaging and increasingly remote deposit capture, especially for small and medium sized businesses. Beyond these routine functions are value-added services such as advanced reporting and analysis, chat, financial advice, and general financial problem solving capabilities for both retail and business members.

While Web 2.0 functionality is not yet critical, credit unions must realize that external forces are quickly changing the boundaries. Increasingly, non-local financial institutions and brokerages are offering checking accounts with all the bells and whistles including bill pay, high interest rates and ATM fee rebates. At the same time, Web sites such as Mint Financial, Geezeo and Wesabe are providing free tools and services that help consumers manage their finances. Increasingly, people, especially younger consumers, are more comfortable with self-service. The continuing growth of these new financial websites and social networks, combined with the long tail effects of the Web, will put pressure on credit unions to improve their online banking features and functionality in the face of increased competition from both traditional and new sources.

Credit unions with local market presence must take advantage of this capability. Credit unions often manage their various channels as separate and parallel "pipes", presuming a member interacts with only one at a time. However, a much better analogy is a multi-lane freeway, where the member can shift lanes if a roadblock appears. Credit unions must make it easy for members to switch between channels, especially for complex processes. For example, they should recognize abandoned online loan applications and be able to follow-up via the call center or branch to help complete the application. To do this, credit unions must maintain persistent and consistent data, processes and pricing between channels and think about these channels synergistically, not separately.



**David Schehr**  
Research Director

**David Schehr** is Research Director at Gartner. Previously, Mr. Schehr was Director of Operations and Research at Mentis Corporation, and a Vice President at First Union (now Wachovia). Prior to that position, he was Group Manager at Research Systems Corporation. Gartner, Inc. is one of the world's leading information technology research and advisory company. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, U.S.A., and has 4,000 associates, including 1,200 research analysts and consultants in 75 countries.

**Gartner**

**Contact Info:**

**[www.gartner.com](http://www.gartner.com)**