

## BUILDING LOYALTY & MARKET SHARE THROUGH ENHANCED ONLINE SERVICES

Five years ago, some people predicted that online banking would bring about the demise of the branch, but of course that hasn't occurred. What has happened is that the Internet has taken its place alongside the branch, voice, ATM and call center as an equally important delivery channel. The majority of credit unions now offer online banking and bill payment, so their focus must now turn to fine-tuning and improving their offerings. Their sites need to be easy to navigate so that users can quickly find the services they need and do the research they require to manage their finances.

We are seeing bill payment showing steady growth among our credit union clients. In many ways it is driving the growth of online services and building deeper relationships for these credit unions. Another big growth area is in small business services. The Internet can deliver tremendous convenience to small and mid-sized business through services like cash management, ACH, wire transfers and payroll services.

Of course security continues to be a huge issue for everyone since everything about banking is built on trust. Phishing has caused some significant problems, but nothing that cannot be overcome. Financial institutions and their vendors must work together to educate the public and be prepared on the technology side to counter these ongoing attacks. The consumer cannot be let off the hook either though; they must use common sense and educate themselves to the dangers of the Internet. We take security extremely seriously at Open Solutions and we have a full time, highly experienced Compliance Officer monitoring our data center and software development efforts.

We are seeing a convergence of payment types coming to the online world: ATM, EFT, debit, stored value, gift cards and much more. This delivers a great deal of flexibility to the consumer, but calls for credit unions to focus their efforts on channel integration. Our goal is to make it easier for credit unions to accomplish this by delivering a truly integrated core system and a great user interface, coupled with a high degree of security.



**Michael Nicastro** is Senior Vice President of Marketing & Product Management for Open Solutions, Inc. Open Solutions offers a fully featured strategic product platform that integrates core data processing applications, built on a single centralized Oracle relational database, with Internet banking, cash management, electronic commerce, imaging, financial accounting and loan origination solutions. Open Solutions' full suite of products and services is designed to allow credit unions to better compete in today's aggressive financial services marketplace, expand and tap their trusted financial relationships, member affinity, community presence and personalized service.

