

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

As Internet banking penetration plateaus, progressive credit unions seek ways to attract more members to conduct more business with them online. One of the best ways is through member education.

In discussions with the 220+ credit unions using our Internet Banking, it's clear that security concerns still represent an obstacle to higher penetration – something member education can combat. Do members realize that more identity theft occurs off-line, when perpetrators rifle through mailboxes or steal wallets? Do they understand how to protect themselves online by avoiding common scams? Do they know the measures you've taken to strengthen your Internet security, such as multi-factor authentication (MFA)? Education can give them the confidence they need to become active Internet service users.

Adding more services, to make the channel more valuable, can also boost adoption. Strive to provide a "virtual branch" that enables members to complete any transaction or access any service online that they could at a branch. New options like e-Deposits offer great convenience for time-strapped members; and while bill payment adoption has been slow, it will eventually become a commodity you'll need to provide free to members.

In seeking "sticky" applications, consider the emerging concept of a virtual vault. This online document repository allows members to upload electronic versions of documents (e.g. tax, mortgage, insurance statements), eliminating the need to store them at home or in a safety deposit box. You might even offer secure access to invited "guests" of the member, such as a lawyer. Storing documents online with the credit union will make it tougher for the member to switch institutions, boosting retention.

Internet services are also critical to attracting younger members, an important strategy for attracting tomorrow's borrowers. Young consumers expect 24/7, remote access to services through devices like PDAs and cell phones to suit their mobile lifestyles. Soon, these devices will take center stage, replacing desktop PC access. You'll also need to offer younger members more compelling reasons to visit your site. Reward them for opening new accounts with free pod casts or music downloads, or build a community with blogs. Know what makes this segment tick, and you'll get them through your electronic doors.

With over 1.5 million members using our PCU Internet Banking, adoption for some USERS clients has been especially strong; one credit union reports 85% of checking account holders use Internet banking. Another is saving over \$100,000 annually by offering e-statements; others have increased efficiency with personalized e-mail alerts that notify members of activities specific to their accounts, such as NSF notices; and still others are generating revenue by cross-selling new services through Internet banking, based on real-time data about individual member needs. Tight integration of Internet banking with the core system has proven key to enabling these bottom-line results.



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**Eric Panepinto** brings 25 years experience in financial services technology to his role as Chief Technology Officer of USERS. He most recently served as Executive VP and COO of Epitome Systems, a leading provider of system integration, business process management, and related solutions. He also served as President and COO of Sanchez Data Systems, which provides financial institutions with Data Center and back-office services for use in outsourced banking operations. Eric's career has included positions with Citigroup, Citicorp Investment Services, and Citibank Global Consumer Bank.



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