

### *Online and Mobile Banking - Lowering Channel Costs & Enabling More Self-Service*

Five years ago, Internet banking and mobile banking were not only competitive advantages, they were cost savers - self-service tools that enabled your members to bank the way they wanted - at a cost much lower than a teller's salary.

Fast forward to today. We live in an untethered, 24/7 world where smartphones are affordable, and people are willing to pay for the convenience of getting what they want "right now." That need for speed has super-charged the self-service channel. Now, instead of just Internet banking and bill pay, mobile, text alerts, person-to-person (P2P) payments, mobile voice and mobile capture have been added to the mix. Although this channel provides the convenience your members demand, it no longer positively impacts your bottom line - unless you're willing to change how you approach it.

Step back and look at the business landscape for a moment. The Dodd-Frank Act has capped fees, and perhaps forced you to charge less for some services than you actually pay for them - leaving you at a deficit. You need more sources of income. Have you considered using your self-service channels as a way to cost shift?

While it's true that you can't charge for online statements, your members might be willing to pay a fee for a check image or to receive an alert every time a credit card transaction exceeds a certain dollar amount. Your business members might be willing to pay for the convenience of receiving e-mail alerts on positive pay, payroll or other information that would enable them to manage their businesses proactively, on the go.

The idea is not to nickel-and-dime your members, but to make your self-service channels equitable. That could mean using certain features to increase member loyalty. For example, you can offer particular alerts or online products for free to high-value members, or those who have three or more services with your institution; then charge a fee for other members who simply want the convenience. If you are one of the credit unions that charges for bill pay, then your members already understand the value of your services and are willing to share in the costs. The key is making it clear to your members that these features add cost, as well as value.

If you introduce something new, like mobile capture or a new mobile application, consider sharing that technology investment among the members who use those convenient services. That ownership of the institution - that investment in its success - is what makes a credit union different than a bank. Your members have a responsibility to invest to make sure your institution can compete in the market.

We live in a time where people are willing to pay a 20 percent mark-up to buy bread at a convenience store instead of standing in line. They'll pay a \$50 fee to check a bag on an airplane. They know getting what they want "right now" typically comes with a price. Put that mindset to work for your credit union.

Online and mobile banking are no longer competitive advantages - they're the tools you need to stay in the game. By finding a way to make these channels equitable, you can give your members the convenience they want, and keep your credit union financially sound in a world with a need for speed.



**Jeff Marshall**  
Vice President of  
Strategic Technologies



**Jeff Marshall** serves as Vice President of Strategic Technologies at Harland Financial Solutions. Prior to his current role, Jeff oversaw software development, security and network operations for Harland Financial Solutions' electronic banking business. Before joining Harland Financial Solutions, he developed software for various national industries. He wrote one of the first Internet banking and bill payment systems in the country, as well as one of the first Internet lending systems to include real-time credit decisions. In an ongoing effort to promote the success of community-based financial institutions, he helps hundreds of financial institutions think progressively about the risks and costs related to Internet delivery systems. Jeff is widely recognized in the software industry for his accomplishments, knowledge and vision.

#### Contact Info

[www.harlandfinancialsolutions.com](http://www.harlandfinancialsolutions.com)