

## Online and Mobile Banking – Improving & Bridging the Digital Channels

Mobile banking is taking top billing right now for many financial institutions – and for good reason. Nothing compares to its ability to transform how Americans bank, pay, shop, save, and invest more smartly. Yet, the urgent challenge isn't just to add another self-service channel. It's to integrate mobile, online, branches, call centers, ATMs, and other channels into a consistent brand and user experience that satisfies even the most demanding customers.

That list is topped by the profitable trend-setters known as the Moneyhawks™. These 37 million Americans represent the 19% of consumers who actively use three engagement-building activities that drive banking profitability: online banking, mobile banking, and bill payment. They're hungry for simplicity, privacy, and control – and they demand that it be mobile.

Close behind for many credit unions is Gen Y – an often misunderstood, undervalued generation that fundamentally acts like separate generations. Gen Y.1 (18-24) takes a more laissez-faire attitude towards their finances, while Gen Y.2 is vigilant about their money. Both are heavy mobile users who crave mobile alerts that can help them avoid financial missteps.

Delivering what Moneyhawks and Gen Y need requires rethinking personal finance management (PFM). Old-school thinking maintains that PFM is for older consumers who more money and financial complexity. The new reality is that mobile expectations have fueled the appetite for mobile-first PFM for a much broader audience. We are seeing more apps dedicated to specific financial aspects of PFM that help people make practical day-to-day decisions about their finances. These "partial PFM" apps serve a good purpose: on-the-go control. I can envision a day when FIs – large and small -- will have their own app stores, instead of simply offering one monolithic banking app.

There is quite a bit of buzz about mobile wallets and no shortage of players, but the technology and demand are not there yet. With an always-on society that demands real-time access to information and the proliferation of low-cost smartphones, there can be no doubt that the digital wallet is on the horizon. However, credit unions would be well advised to continue concentrating on improving both their online and mobile channels before investing much time and money in mobile wallets right now.



If your credit union's goal is to be your members' primary financial institution, you must provide a full-featured online banking platform plus a compelling mobile experience that exploits only-in-a-smartphone capabilities like the camera, geolocation, and biometrics. That includes offering mobile deposit, mobile billing, and a full array of mobile alerts that expand the conversation with your members beyond fraud and into their personal finances. Alerts must progress from one-way offerings to actionable alerts that members can easily and immediately customize right on their smartphones.

Technology has done a lot to push members away by making them self-sufficient. But the right combination of digital technology can redefine "personal" banking and security – and put you in a proactive, advisory position as your members' primary FI.



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