



Online and Mobile Banking – Digital Differentiation Strategies

With branch visits declining dramatically and digital channels continuing to grow – especially mobile – credit unions face a convenience conundrum. Today's 24 x 7 digital interactions are far more convenient for the member, but they eliminate the face-to-face branch interactions that are so well suited to cross/up selling. Credit unions must place a priority on digital features and experiences that boost engagement, boost confidence in managing money digitally, and place the credit union at the top of the list when members shop for banking products and services.

Relationships are built on trust, which credit unions have in abundance. The urgent challenge is to build trust with every online and mobile login, and every financial alert and notification, by delivering financial advice, insights and education. Credit unions must anticipate the next product that the member will need, such as a mortgage, credit card, or college savings fund, and be there to seamlessly present it to them when the offer is most relevant. By taking the role as the trusted advisor, the credit union can effectively place themselves in line to be the true primary financial institution in their members' lives – not just the facilitator of their transactions.

Any attempt at digital differentiation must start with the premise that this is a “mobile first” era. Consumer behavior clearly indicates that the mantra must be “start mobile and stay mobile.” Yet we must enable members to choose when they prefer to log online, visit a branch, or phone a call center.

Making the credit union's mobile platform as full featured and robust as it can be has to have the highest urgency. For example, mobile deposit was one of the biggest mobile-banking advances because the convenience was so obvious to consumers. Enabling members to turn credit and debit cards on and off from a smartphone or smart-watch is a similar must-have offering, because the real-time fraud control is so empowering. Mobile devices truly have the power to reframe security via features like this, coupled with real-time alerts and notification. These are unparalleled security monitoring capabilities that empower the user and “deputize the consumer.”

Online and mobile banking have truly changed the way that consumers interact with financial services firms; in fact the digital channels have literally redefined personal banking. It is your job to engage your members digitally and build connections and conversations with them. It is your job to know their spending and savings habits so that you can start conversations, make recommendations and deliver value. This puzzle will emphasize streamlined money movements, cash-flow monitoring, better bill pay capabilities, account aggregation, secure logins, and other features that empower members and build trust in your credit union. If you do it well, your digital channels can counter the convenience conundrum by positioning your credit union as trusted advisor that shows members step by step how to make their financial lives better every single day.



Mark Schwanhauser

Director of Omnichannel Financial Services

Mark Schwanhauser is Director of Omnichannel Financial Services at Javelin Strategy & Research which is a division of Greenwich Associates. Mark strategizes about how financial institutions can track and serve customers across whatever channels they use, and provide a consistent, integrated brand and user experience. Mark helps credit unions profitably enable members to monitor and manage their money more smartly through technology such as online banking, mobile banking, personal finance management tools, financial alerts, and any technologies on the horizon. Before joining Javelin in April 2008, Mark worked nearly 26 years for the San Jose Mercury News, most of it as a personal finance reporter writing about money and emerging trends in financial services and payments technology. Mark has a bachelor's degree in journalism from the University of Missouri at Columbia and attended Antioch College.

JAVELIN

Contact Info:

www.javelinstrategy.com