

Online and Mobile Banking - Moving from Transactions to Member-Centric Solutions

In the era of interactive finance, the winners will be defined by who does the best job of applying an omnichannel strategy to provide banking technology that redefines personal service and security. It no longer is enough to provide multiple channels and entry points. Going forward, success and profitability will hinge on knitting together separate service channels to ensure that credit unions can provide a consistent, integrated brand and user experience across whatever channels members prefer to use.

An omnichannel experience means members can interact by any channel or any device they want to use and still have a secure, convenient and familiar way to transact. This does not mean solutions will be identical for the online, mobile, branch, ATMs, and call center channels -- but member experiences will be harmonious and connected.

Opening an account provides a telling example. In an omnichannel world an applicant might research the account and start an application online; whip out a smartphone to transmit an image of a driver's license or to review an alert on the status of the application; and maybe step into a branch for face-to-face clarification or onboarding. Ideally, the applicant will enjoy a seamless, efficient omnichannel experience.

Achieving omnichannel success will involve prioritizing investments that enable credit unions to:

- ~ Enhance "view + do" capabilities that enable members to monitor, move and manage money from the moment they log into online and mobile banking.
- ~ Exploit the power of smartphones to satisfy the consumers' hunger for always-on, real-time control - from monitoring account balances and suspicious transactions to managing money with mobile deposit and personal finance management.
- ~ Transform branches into information centers for high-value activities, cross-selling, and onboarding that encourages the use of digital channels.
- ~ Build trust by smartly mining PFM data to provide daily acts of financial helpfulness and deepen profitable engagement.
- ~ Satisfy the Moneyhawks™, the coveted but demanding consumers who actively use online and mobile banking and pay bills through their primary financial institution.

The financial services industry is evolving toward a digital lifestyle that will deliver unprecedented control to consumers, higher profitability to the financial services industry, and a greener, more sustainable environment. As Javelin detailed in 2009 and 2012, that evolution is likely to unfold in seven phases as Americans seek more always-on, real-time control over their increasingly complex financial lives.

We are early in that evolution - with Americans routinely toting smartphones that provide always-on access. That expectation is driving the demand for real-time balance and transaction reporting that enables consumers to know where they stand financially right now. In time, Americans will demand transparency, control, integration, safety and goal-setting capabilities.

Online banking, mobile banking, and tablet banking will each play critical roles in achieving that digital lifestyle - by drawing on the unique strengths of each channel but integrated with an omnichannel strategy. Achieving this will require credit unions to:



- ~ Exploit only-in-a-smartphone technology to satisfy on-the-go financial needs. Smartphones are stocked with high-quality cameras, geolocation tracking, messaging and notification capabilities, powerful smart chips, natural-language voice commands, biometrics, and a growing range of sensors. This unique combination is transforming how consumers bank, shop, save, and invest - and reshaping their expectations for banking services.
- ~ Rethink alerts strategies to shift member service from reactive to proactive mode. Alerts are conversations starters. E-mail, SMS text, and push notifications are fundamental building blocks for interactive finance.
- ~ Shift the investment and marketing of alerts from security to personal finance. To truly redefine personal banking, credit unions must regularly "talk" to members about how to handle their financial chores more smartly. Alerts no longer are limited to fighting fraud.
- ~ Redefine personal finance management to satisfy a mobile, mass market. Smartphones and tablets are ushering in the day when personal finance management will be mobile and ubiquitous - and no longer caged in an online tab to serve do-it-yourself budgeters. On-the-go consumers increasingly will seek mobile PFM tools that help them be smarter with their money not just when they bank, but also when they shop, buy, and plan.



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