

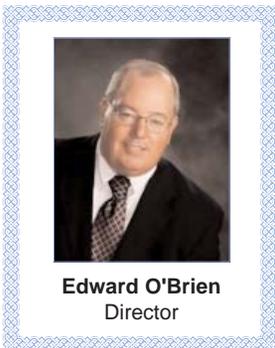
Online and Mobile Banking - Moving from Transactions to Member-Centric Solutions

Credit unions have been offering robust online banking systems for several years, and have recently been delivering fundamental mobile banking capabilities. But the time has come to move beyond simply checking balances, moving funds and paying bills. Consumers are demanding much more functionality such as budgeting and planning tools.

One of the top priorities for credit unions is Personal Financial Management (PFM) solutions. Our research shows that PFM tools have reached a turning point and should be considered as part of online and mobile banking solutions, either now or in the near future. The latest versions have powerful yet easy-to-use features such as automatic categorization and integrated bill pay capabilities. Members can readily develop and track monthly budgets and manage their personal finances, and in some cases track progress in comparison to peers. Without a doubt, a strong PFM implementation can help a credit union become their member's PFI.

In many ways, the digital experience is coming together: online, mobile, and tablet. Many solutions are at a crossroads between being defined as an online or mobile solution, yet in reality, they can be both. Members don't particularly care about any of these terms, they just want the credit union to give them a complete picture of their finances whether it is on their PC, on their tablet, via smartphone, at the ATM or in the branch - essentially an omnichannel experience. The bottom line is that the member's experience is heightened by multi-channel interoperability.

With the choice of a right partner and their powerful hosted solutions, virtually any size credit union can offer their members digital products and solutions. It is important to remember that just because someone owns a smartphone, it doesn't mean that they will use all of its functionality. Implementing the triple play - SMS, Mobile Web browser and downloadable apps - offers something for everyone.



Of course, marketing plays a key role - if a credit union has PFM and mobile remote deposit capture but they don't get the word out to their membership then the programs will languish. The meeter-greeter at the branch can play a pivotal role in educating members about your online and mobile services. Case in point: One credit union drove up their online banking penetration rates by 50% via an aggressive training and marketing campaign. Such outreach can help credit unions offer high-value products and services to their members, and differentiate themselves by offering a superior member experience.



Edward O'Brien is Director, Banking Channels Advisory Service for Mercator Advisory Group. Ed's research focus areas include ATM, Branch, Call Center, Mobile Banking, and Online Banking channels. This research comprises analyses of customer segmentation and technology shifts from the perspective of banking channels. Ed's experience includes over 20 years in corporate strategy, market research, market and competitive intelligence, product marketing, and analytics roles. His background encompasses such initiatives as deposit strategies, debit and credit cards, wealth management, small business, customer analytics, asset management, market segmentation, and cross-sell opportunities across various lines of business.