

Online and Mobile Banking - Lowering Channel Costs & Enabling More Self-service

Typically, credit unions are resource constrained and unable to effectively compete with manual activities performed by limited operations staff. By expanding their online banking, payment and mobile capabilities, credit unions can enable and empower their members to take control of their account management. This increases the level of service provided to members, generates net new revenues for value-added services and reduces operating expenses. By automating information and transaction delivery and removing unnecessary call volume and resulting manual activities, valuable resources can be redeployed and quality is improved. The results will depend on both the scope of the online banking, payment and mobile banking services implemented and the pricing policies adopted by each credit union. The value proposition supporting each service will drive the value and ultimately, the price the market will bear.

Historically, we see members willing to adapt to new processes, provided there is a clear path to change combined with effective education and support. Rather than pursue a service level approach that simply attempts to shift sales and service interactions to the low cost online banking channel without clear benefits to the members, a broader campaign should be created containing key member resource components including: well-packaged services, sales promotions and incentives, an easily accessible support structure with online and hot-line options and satisfaction surveys. Further, the manual options should be punitively priced and phased out to prevent any "back-sliding". In our experience, we have seen that credit unions are more progressive in their approach to e-banking than community banks.

With a more holistic approach in mind, I don't think one can invigorate online and mobile channels simply through the addition of "features". It's much more than that. The key is to have the member vested and involved in the online and mobile services. To do this, the credit union should:

- (1) Understand who their members are, how they operate and what critical functions they perform and package the online and mobile services accordingly;
- (2) Make the online and mobile services both accessible and easily consumable by members through the use of online enrollment, self-service and automated notifications;
- (3) Give the members tools they can use to make their daily tasks simpler - a little innovation goes a long way!
- (4) Get savvy about online delivery and payments - deliver online and mobile services with a strong value proposition for each market segment, not a list of features derived from a competitive analysis.

Online Banking Solutions (OBS) designed Messenger Financial Center and Messenger Mobile Banking to provide whatever information or transaction initiation capabilities a member needs however and wherever they are needed. The application was designed with a business user in mind. It is simple to navigate, easy to use and offers step-by-step instructions for transaction initiation.

Multiple delivery channels (not just the web) are supported for members that prefer to have information and reports "pushed" to them so they don't have to remember to retrieve information. We give them a choice at the individual user level. Further, our mobile channel provides a "mirror-image" of the web channel so that members can be as mobile as they need to be without any interruption of business. Transactions can be initiated from their office and reviewed/approved from a mobile advice.

OBS provides a highly competitive, contemporary solution offering a full range of online and mobile information and payment services for a rapidly changing e-banking landscape. Messenger Financial Center enables the credit unions to compete with, and win business from, much larger regional and national banks.



Joe Spatarella
Vice President



Contact Info

www.onlinebankingsolutions.com

Joe Spatarella joined Online Banking Solutions (OBS) in 2005 as vice president of sales and marketing. Spatarella has 32 years of financial services experience in both the banking and software industries, specializing in sales, product development, and marketing of cash management and payment applications. His combination of business and technology experience brings a unique perspective and depth to businesses adopting new technologies and delivery channels. Throughout his career, he has been at the forefront of wholesale electronic banking and payment developments. Spatarella's banking experience spans international and domestic work with global organizations such as Manufacturer's Hanover (now JPMorgan Chase), Marine Midland Bank (now HSBC), Mellon Bank (now BNY Mellon) and Wells Fargo.