

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

In 2010, Javelin Strategy & Research estimated that financial institutions overall could reduce their costs by \$6.9 billion by converting online channel holdouts to online banking and bill payment. This huge savings was attributed to eliminating the cost of paper statements, decreased branch and call center transactions and lower check-processing costs. While significant savings opportunities are available, the online channel also provides credit unions with ways to generate revenue. For example, credit unions can make features like expedited and person-to-person payments available within online bill pay for a small fee. These fees can produce a strong revenue source as the user base grows.

Just about everything that used to require a trip to the branch can now be done online or via a mobile device. Credit Unions can take advantage of this shift in virtual preferences by providing branch-like functionality across all channels. Features such as new member account opening and on boarding, adding new share and certificate accounts, online lending and remote deposit capture for example, create a virtual branch on the CU website. As we know, the cost to serve members in a physical branch has increased 20 to 30% in the last several years. Per Javelin, over 50% of U.S. adults have adopted online banking but there is much room for growth. Since convenience is the driving force for the online channel; credit unions that increase online functionality can expect increased adoption and member engagement. This is especially true for tech-savvy and younger generation members.

For the members who use it, online banking is now just a commodity. Credit unions have an opportunity to improve the online experience they provide to make it as personal as it would be in a traditional branch. Solutions can be used behind the scene to learn member preferences and then deliver relevant offers that are unique to each member. Tools that allow members to compare their finances and spending habits with others in their demographic provide insight and make the CU website a place for reference and financial expertise. Customizable themes and dashboards, along with personal financial management tools are other tools available to deepen the member relationship.

PSCU Financial Services has the solutions needed to create a robust virtual branch experience for credit unions and their members. Our Electronic Banking solution provides integrated online, mobile and voice banking on the same platform. The online banking solution offers unique security and personalization features on-demand to deliver customization at a group or user level. The integrated mobile solution includes mobile access for all, regardless of device, via SMS Text banking, Web Browser (WAP) based banking as well as applets for iPhone and Android. For more traditional self-service members, our voice banking solution is available to replace a credit unions current IVR as well as to facilitate outbound calling for MFA and transaction alerts. Delivering a fully-featured online, mobile and voice banking solution on one platform offers members a consistent experience across all channels. It also simplifies the online offering for each credit union by having only one connection to their core processor, one vendor relationship and one administrative console.



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Leslie Reistrup is Vice President of eCommerce at PSCU Financial Services. Leslie joined PSCU Financial Services in 1993 and entered the eCommerce division at its inception, as Director of Relationships in 2002. She now oversees the cooperative's Online and Mobile Banking solutions as well as Online Bill Pay and the on-going service and support for credit unions. Leslie graduated from the University of Mary Washington, with a BA in Sociology. Based in St. Petersburg, Florida, PSCU Financial Services is the nation's largest credit union service organization (CUSO) and serves more than 1,500 financial institutions nationwide.