

## *Online and Mobile Banking – Removing Friction from the Digital Experience*

It may come as a rude awakening to discover that the biggest banks have beaten out community banks and credit unions when it comes to customer/member satisfaction rates (source: J.D. Power).

The fact of the matter is that credit unions need more than just friendly service to acquire new members and retain existing ones. Today's credit union members, especially millennials, are increasingly coming to expect the latest mobile and digital advancements from their financial institutions due to how the convenience and instant access of these solutions meet their personal needs. Take it from a millennial we recently interviewed when taking to the streets for consumer research. When asked why she would switch from her community bank to a large, national bank where she wouldn't know anyone, her response was: "Well, they have a hotline!"

When it comes to deciding where to bank, the average consumer now favors convenience over service. To remain competitive, credit unions must not only offer mobile solutions, but also figure out how they can remove friction from the digital experience to provide members with the greatest level of convenience possible. That means figuring out how to more seamlessly incorporate mobile banking features into members' everyday lives. One specific way to do just that is to integrate these features into the mobile apps consumers use most.

Companies unrelated to financial services have already mastered this art with their products, which is why many of them have outpaced banks and credit unions and dominated the mobile payments space. For example, Venmo has become the most widely used peer-to-peer payments app among millennials. Users can now pay or request money directly from their text messaging app, so they don't even have to open the Venmo application to make a transaction. Instead, they can do it right from an interface that they're already using daily.

Some banks and credit unions have already caught on and begun experimenting with this approach. One recent trend has been incorporating voice activation features into their mobile banking, such as Amazon's Alexa. Capital One has already launched a downloadable "skill" for Alexa, meaning that their customers can access basic mobile banking features, such as checking balances, making payments and asking about transaction details, just by talking to Alexa. So far, six credit unions have integrated with Alexa to include branch location services and branch hours.

At StrategyCorps, we strive to help credit unions reduce friction from the digital experience by introducing features into our own technology that make it easier for members to take advantage of the benefits our products provide. For example, our rewards-based mobile app, BaZing, works in conjunction with a network of geofences to push participating credit union members notifications when there's a nearby money-saving deal with a local merchant. Users maintain finite control of when and where they receive notifications, so they're delivered a truly personalized and relevant coupon experience without having to jump through any excessive hoops.

Ultimately, credit unions must strive to provide their members with the utmost convenience if they wish to keep them satisfied. Simple and intuitive mobile apps are an excellent start, but always thinking ahead is the true key to success.



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**Dave DeFazio** is a partner in StrategyCorps and works with credit union clients to design, build and implement a variety of checking, marketing and training programs. He develops consumer sites and mobile apps that deliver value to members as well as analysis tools that allow clients to have a deeper understanding of member relationships and product profitability. Dave has spoken at conferences nationwide about innovations in retail banking, mobile banking, customer engagement, product and customer profitability, product design and bank marketing. He has extensive financial services experience and continues to have a passion for exploring the intersection of data, marketing and technology. DeFazio received his bachelor's in economics and mathematics from Ohio Wesleyan University.



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