



The Future of Online Banking

By Kelly Dowell, Jwaala

While financial institutions are turning to social media leaders Facebook and Twitter to find new members and better service those they have, **the real answers to member attraction, satisfaction and loyalty lay within the services an institution provides.** In one decade Facebook, Youtube, Google and Amazon have grown to become the primary means for communication, news, shopping, and advice for hundreds of millions of people.

These four companies have quite literally changed society and if you think otherwise take a look at this video <http://www.youtube.com/watch?v=sIFYPQjYhv8>. These companies have reset people's expectations and changed habits. Like it or not, people have come to expect and be dependent on anytime, anywhere access to information; a shift that will likely never reverse. And it's no longer just access they want. The bar is rising, providing people the ability to be personally notified when things they are interested in change.

So what does this mean for credit unions? Financial institutions must provide the tools people want or risk losing the people they want to others that will. If there's one thing we've learned it's that people today will rapidly switch services if there are other solutions available with better options and more timely delivery of services.

To put it in perspective, consider what has happened to the newspaper industry. Once a thriving, profitable business, newspapers now struggle with survival. The newspaper's struggles aren't the result of poor reporting or a lack of information. It's the timeliness of that information. Today, we can access news almost as fast as it happens, often quicker than it arrives on Live TV and certainly quicker than waiting until the next morning's paper. Even if one can't find all the news a local paper provides, there is so much available immediately online, the masses have stopped buying papers.

Online banking is becoming the platform for fulfilling consumer expectations of their finances. With modern PFM technology built into online banking and bill pay services we can now take an individual's static transaction lists, massage it with innovative software and allow the member to not only search, highlight, budget and manage their finances like never before, but more importantly provide them with the information they want when, where and how they want it creating a highly personal and engaging experience!



These technologies don't just provide benefits to consumers. FI's can now take advantage of the power of these new solutions. With new innovations in online marketing tools, FI's have the ability to reach specific members very affordably and at the time of need. Something FI's have struggled with forever. Additionally, these tools can dramatically improve retention, by providing members control over customization of online features. As members begin tailoring these applications to their likes (annotating transactions, uploading documents, creating custom views, and alerting options, as well as gaining access to lengthy financial histories, etc.) they are much less likely to switch institutions. It's very similar to choosing between one of the numerous online photo-sharing sites. Once someone spends hours tailoring the site to their needs, creating photo albums and uploading those photos with comments, it becomes very difficult to compel someone to switch sites and start all over.

So, as an FI, what are the risks? **The number one concern should be the flexibility of the online banking application.** Consumer trends can change quickly. FI's need the ability to offer new services when the tides turn and do so with minimal impact and expense. Historically, changes to banking applications have not come easily, quickly or inexpensively. But in this age, flexibility can mean the difference between success and failure.

Imagine if you could **extend the capabilities of your online banking app** whenever a new idea for a creative online service comes to mind. **Not the vendor, but you!** This is the same thinking that made the iPhone such a huge overnight success. With over 100,000 independent apps the world isn't reliant on Apple to produce another feature or capability. Want to add a mortgage balance and pay history widget to your user's online banking dashboard? What if you could - without having to wait on the vendor?

Banking services will likely never replicate Apple's success with such a strategy, but having the ability to add features as trends change is a very powerful advantage. The future of online banking is going to depend on continually evaluating and adding services that consumers desire. Flexibility will become a critical component.

With a growing user base that has already extended the product with features like FICO score tracking, mobile banking applications, Twitter and Facebook notification and now DeepTarget's highly targeted marketing capabilities, Jwaala's MoneyTracker BOB is such an application. **The future of banking is here!**