

Online and Mobile Banking - Saving Costs & Increasing Marketshare

New technology services such as online and mobile banking allow your credit union to save costs in time, labor, and materials. At the same time, incorporating these online technologies provides your members with increased access to their accounts, empowers them to have greater control over their finances, and makes your credit union more valuable and attractive to them and potential members.

Today's situation is such that we all have to do more with less. That means using all available information to understand your members. Reviewing members' credit reports, for example, is still the best way to know your members' financial needs. There's nothing better than being able to show members how you can save them money on the things they already have which can make an instant difference in their lives.

Regarding costs, online solutions and mobile banking are scaleable and extremely low cost per transaction - relative to labor/in-branch costs. This aspect is certainly a key component in reducing a credit union's cost of doing business.

After incurring marketing and staff expenses to acquire relationships and set up accounts, credit unions are understandably anxious to retain hard-won business. Online/mobile banking is a product that helps a credit union foster the perception of being readily accessible (a prime branding issue for credit unions) - and thus increases "stickiness."

Credit unions today, however, need to spend marketing resources more cost-effectively. The online channel helps you get personal with members - who are overloaded by a sea of blue-edged collateral materials with the same smiling faces.

One of the most significant ways that our solution, Syphr's RateMatch, helps credit unions weather the current economic storm and become stronger are its online lead generation capabilities via web-based credit report agencies. More than 250,000 consumers check their credit reports online monthly and RateMatch can tap into that population to help credit unions grow during these unstable times.

Not only can RateMatch help credit unions grow exponentially, it can help spark loan generation, as well, through rate matching when consumers check their credit reports online. If they can save more than \$50 a month on a loan, RateMatch will let them know and direct them to the credit union that can help them - this is at no cost to the consumer. The credit union, in turn, gains a possible new member and a new loan.

This method of cost-effective marketing to prospects and current members is a recipe for success in weathering the economic storm and emerging from this downturn stronger. For example, Eastern New York Federal Credit Union's usage of RateMatch this year has resulted in an 85 percent point-of-sale conversion rate on approved applications - with an average total loan balance of \$45,000. As a result, year-to-date loan growth as of month-end (March 2009) has been 4.25 percent.

This opportunity to engage motivated - and untapped - borrowers early in the buy cycle is invaluable. Yet this solution that capitalizes on the critical knowledge of the buy cycle and allows credit unions to convert prospects into new members is very inexpensive. Even the smallest credit unions can afford to take part in this low cost system that brings in new accounts without sacrificing quality for quantity, and can result in profitable growth even during economic downturns.



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Chris Langeley is President of Syphr, LLC, a technology and marketing CUSO that develops solutions for credit unions to provide them with the opportunity to reach prospective members via web-based channels. Working with Fiserv's Galaxy, Syphr developed CreditMine®, CreditMart™, iSwitchKit, and Member Relationship Plus solutions. Syphr's own RateMatch™ uses patent-pending technology to match participating credit unions with thousands of credit report purchasers per month. RateMatch compares the loans on these reports with those of participating credit unions, shows the consumer how they can save money, then sends the consumer's information to the participating credit union.

