

Reap What You Sow

Refining your credit union's Internet strategy

By Tom Boyer

New membership in America's credit unions is slowing down.

According to the Credit Union Times (<http://www.cutimes.com/>), credit union membership grew by only 1.4% in 2004, the smallest increase in the last fifteen years. Many credit unions are building branches following the maxim "if you build it, they will come." And what if they don't come?

Taking small steps to refine your Internet strategy can help your credit union reach potential members and keep the ones you already have.

Internet service delivery provides a fast and efficient way to market your credit union. Internet figures show that one out of every six people use the Internet in North America and Europe, around 64 million adults. If your credit union doesn't have a strategy for attracting these 'Net wise consumers, you could be left in the dust.

The first step in your credit union's Internet strategy should be developing your public website. Registering your name and domain with as many search engines as you can will make a huge difference. According to its website, the massive web search engine, Google has indexed more than 8 billion web pages.

You should make sure that your site is well designed and easy to navigate. Avoid web clichés such as scrolling text, page hit counters and excessive animated graphics. Having a lot of trendy items can make your

page look old and tired. Also, make sure you are fully compliant in your HTML coding. There are lots of different browsers available, and each browser may interpret things differently. Try to get to the point on the front page of your website. Don't assault potential members with an endless list of links. Don't sort everything with frames. Keeping your front page clean and simple will make your site, and your credit union more appealing to potential members.

You should always give your web members an easy way to reach someone with questions. Keep contact staff and phone numbers on your website current and accurate. Simple "mailto" links that are well-placed and easy to find on your website are a great way give a lifeline to a user who needs help.

Next you will need to be sure you give your employees good training on the Internet. It's imperative that you incorporate your homepage and Internet banking site as part of new employee training. Member service staff members are your first line of personal contact for selling new products and services. You can make sure that the staff is using the Internet by giving fun quizzes with prizes. Your staff cannot sell if they don't know how to answer questions.

For staff that may not already have a computer at home, your credit union may consider giving interest-free loans on computers. Another great way is to work with your Information Technology vendors to see if you can

get discounts for your employees that want to purchase a computer. The vendors will be glad for the business; and employees who have a computer at home will be more computer literate in the workplace, which in turn will help your branches be more productive.

Stay on top of industry trends. Consider what features you can add to your existing Internet site and online banking product. Many companies now offer programs that will let new users enroll in your credit union. Integrated Data Systems (<http://www.idsus.com/>) offers a product called Access Point, which automatically enrolls new members completely online. Members will have credit and OFAC checks as well as the opportunity to fund the account through an ACH transfer from another institution.

Maintain a good relationship with your vendor. Your Internet banking provider may offer other features such as secure messaging, 24-hour live chat support, and e-mail notifications. Another new trend in Internet banking is bill presentment. Metavante Corporation (<http://www.metavante.com/>) offers Bill Payment and Presentment, which lets your members not only pay their bills online, but lets them receive the bills electronically while signed into your Internet banking page.

Don't forget about security. Many members may be resistant to Internet banking because of the recent well-publicized data breaches. Most of the data breaches involve credit card data, which doesn't have anything

to do with online banking. Internet banking remains very secure for both commercial and consumer users.

Even identity theft, which gets a lot of press these days, is limited when it comes to Internet banking. Of all known cases of identity fraud in 2004, only 11.6% consisted of computer crimes. Half of the computer identity crimes were caused by spyware, which is software the computer user unknowingly installs when they click or open pop-up ads online. Your members are more likely to be identity theft victims if their wallets or checkbooks are stolen. The majority of identity theft detection occurs when people conscientiously monitor their account activity. Using Internet banking will actually you're your web savvy members stay safe by allowing them to instantly see when something suspicious has posted to their accounts.

There are lots of ways your credit union can protect itself. Of course, you should always consult your auditors and examiners on the best security practices and solutions for your credit union. You can also provide piece of mind for your members and credit union administration by making sure that your Internet service provider and Internet banking providers are compliant with Statement of Auditing Standards 70 (SAS 70) audits each year. In the SAS 70, an independent outside firm reviews your service provider's procedures and controls and makes sure that your members' data is secure.

Now that you and your credit union staff are ready, you should run a promotion for selling the Internet banking system, making sure that you

reward top performers. You can offer movie passes, paid time off, or gift certificates. Don't forget to work with your Internet banking vendor to see what programs they offer. Digital Insight's (<http://www.digitalinsight.com/>) Growth and Retention Program is offered free of charge to all Internet banking financial institutions. They offer professionally designed direct mail and e-mail campaigns as well as in-branch creative materials. You can also get free banner ads to help you add to your public website. This helps refresh the content while adding steam to your branch sales promotions.

These are just a few ways that the Internet can help rejuvenate your member growth and help you retain more members. With all these tools available, it's hard to discount the Internet when it comes to tools for meeting your member growth and service needs.

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