Online and Mobile Banking - Saving Costs & Increasing Marketshare

As the adoption of Internet banking continues to increase at rates of 30 percent per year, financial institutions are looking for better ways to leverage the online channel, and its descendant, mobile banking, to reduce expenses and increase market share.

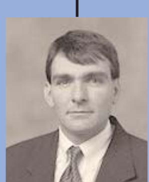
As consumers continue to adopt the online channel to manage their daily finances, one way in which financial institutions can improve relevancy to them is to include the latest in personal financial management (PFM) tools. PFM can provide consumers with valuable information about their spending habits. For example, pie charts can be used to show how their money is distributed between gas, food, housing and entertainment. Tools like PFM act as value-adds that tie in customers to the bank, leading to coveted primary financial institution (PFI) status.

Online banking is also critical to retaining the customer relationships that banks have worked so hard (and paid so much) to acquire. As the United States population becomes increasingly transient, banks can use online banking to retain the business of customers wherever they may be. Customers who are tethered to the bank through checking, bill pay, online banking and PFM are less likely to close their accounts when they relocate. Additionally, once the PFI relationship has been achieved, customers will be more likely to move relationships (loans and investments) from other financial services providers to the bank.

Online and mobile banking also enable banks to improve efficiencies and reduce costs. New services, like remote deposit capture - where customers can deposit checks from home using a scanner and online interface - cut out "middle-men" at the bank who can be deployed elsewhere. Such remote services allow the customer to be completely self-sufficient and manage finances on their own terms, whenever it's convenient for them.

Of course, during the current economic turbulence, it is more essential than ever to reexamine spending. Cost effective, flat fee Internet banking solutions, like Harland Financial Solutions' Cavion® Internet and mobile banking solutions, enable banks to offer the remote services consumers demand, while improving efficiency and reducing expenses. Flat-fee pricing is in the best interest of the bank because there is no penalty for growth. Other solutions charge either by use or by number of users. With a flat-fee pricing structure, banks can better manage costs, while not sacrificing first-class service.

There is no denying the minimum customer expectations around accessing personal finances on their own terms and at the time of their choosing. But in order to thrive, banks must continually look for better ways to manage and leverage the online channel to improve relationships, increase efficiency and reduce costs. By employing some of the strategies above, banks will be well on their way to staying healthy in the midst of economic turmoil.



Jeff Marshall identifies and evaluates new technologies, solutions, partnerships and acquisitions that present opportunities for business growth for Harland Financial Solutions. Prior to his current role, Jeff oversaw software development, security and network operations for Harland Financial Solutions' Electronic Banking business. Jeff is widely recognized in the software industry for his accomplishments, knowledge and vision. Harland Financial Solutions supplies software and services to thousands of financial institutions of all sizes. Offering its solutions in both an in-house and service bureau environment, the company is a leader in core systems, business intelligence, branch automation, payment processing, enterprise content management, lending solutions, risk management, compliance, financial accounting, mortgage solutions and self service solutions.

Cavion

HARLAND FINANCIAL SOLUTIONS

Contact Info: www.harlandfinancialsolutions.com ~ 800-815-5592