
Offer Free Mobile Services To Build Loyalty



Common Purpose. Uncommon Commitment.

By Steve Hoke

The question many credit unions must answer about mobile banking services is no longer whether to offer them. That's now a given. The new big question is: How can we use mobile services to build more loyal relationships that directly add to our bottom line (unlike the most commonly used mobile services)?

Mobile banking has strong potential for generating income because it appeals most to members who are in—or about to enter—their prime years for consumer loans, mortgage loans, credit/debit cards, etc.

According to a Federal Reserve 2014 survey* of mobile phone users who have bank accounts, the two age groups with the highest percentage of mobile banking users were 18 to 29 (60%) and 30 to 44 (54%). It's also worth noting that respondents in the 30 to 44 age group had the greatest increase in mobile banking usage from 2013 to 2014 (43% to 54%); while the second-highest increase was the 45 to 59 group (25% to 32%).

Leverage the services that attract the most traffic

The survey also measured the percentage of mobile phone users who said they'd used specific mobile banking services. Ninety-four percent said they'd checked their account balances or a recent transaction. The next two most popular actions were downloading the financial institution's mobile banking app (71%) and transferring money between bank accounts (61%).

Those three services probably drive the most mobile traffic to your site. Look further down in the survey results, however, and you'll see mobile services that not only drive traffic, but have the potential to enhance loyalty. For example:

- 57% of mobile phone users surveyed have received an alert via email, text message, or push notification from their banking institution within the previous 12 months. That's the financial institution reaching out to the mobile user, providing a valuable service and creating another touch point.
- 40% located the closest in-network ATM. This uses mobile devices' GPS capability.
- 51% deposited a check using their mobile phone camera.

The lesson in these results is to design your mobile experience to take advantage this technology's features to create more meaningful touch points with mobile banking users.

Simplify the Mobile Lending Process

Loans are a stronger bond to your credit union than account maintenance. Require the bare minimum data your credit union needs on an application to begin the decision process. Later, you can get the other information you need to complete the transaction in person, on the phone, or via email.

Payment protection products are a good way to protect members' payments while establishing an additional relationship. Your mobile lending platform should be able to cross-promote these products. This gives your lending staff a head-start in bringing these options to members' attention at the loan closing.

Keep Testing and Improving the Mobile Experience

For your mobile strategy to build loyalty that lasts, you should continually test your site's mobile capabilities. This technology changes quickly, and users' expectations change with it. Loyalty, in this arena, doesn't mean finding members who will stay with you no matter what—it means adapting to their needs as they change.

[STEVE HOKE](#) is the director of loan growth products for [CUNA Mutual Group](#). Contact him at 608-665-7178.

*["Consumers and Mobile Financial Services 2015,"](#) the Board of Governors for the Federal Reserve System

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[CALLOUT 2]

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