

Strategies for Becoming Consumers' First Choice

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The digital transaction has evolved and so have consumer expectations for how they want to interact with their credit unions. Consumers thrive on convenience and immediacy more than ever before and they can take advantage of a new level of freedom when choosing how they bank. The days when banking choices were limited to the branches within a member's driving distance are long gone. The same applies to potential members credit unions are trying to reach – they have no practical limit on their banking options and are becoming more comfortable with contact-free experiences. In this competitive environment, credit unions can begin to implement progressive and innovative strategies that will allow them to leapfrog these alternative players with next-level service. Those that deliver personalized, on-demand experiences and offer greater transparency and visibility over transactions will strengthen their competitive edge and maintain their relationship-driven culture.

Below are three top banking trends that lenders and document providers should watch in 2022 and beyond, along with progressive technologies and strategies to remain competitive and deliver the best end-user experience:

1. No member should be denied. Credit unions have enough information on their members to determine the products for which they qualify. The idea of an existing member being rejected for a loan should be archaic. Credit unions are built on the “people helping people” mentality, but too often their loan application and online account opening processes are slowed by older technology stacks that require manual steps by credit union staff to complete the transaction.

Looking ahead, credit unions will implement technology models that are built to deliver quick, convenient and personalized offers that anticipate members' needs and guarantee loan approval. These offers underscore consumer needs and can be presented through online banking – much like what Apple has done with its “one-click” application process for Apple Pay. This proactive and convenient approach eliminates the typical lending model of reacting to the member once they have already expressed an interest in borrowing, keeping qualified consumers perpetually approved for an array of personalized loan offers and mitigating the risk of them going elsewhere. This approach also eliminates the fear of rejection and confusion that can occur when applying through a traditional lending solution, allowing members to shop with confidence – which is especially important as many consumers look to reestablish their financial wellness in the pandemic's wake.

2. Compliance made easier on mobile devices. The shift to mobile continues as consumers become more comfortable with contact-free experiences. In fact, roughly three in four Americans have used their primary bank's mobile app within the last year for everyday banking tasks like depositing checks or

viewing statements and account balances, according to an Ipsos-Forbes Advisor survey. Many credit unions have taken this into consideration when digitizing their processes, though document compliance remains an often-overlooked component of the member experience. This step remains difficult and inconvenient, mostly due to legacy content models based on the paradigm of printed pages, an approach poorly suited for preferred consumer devices like mobile phones. However, compliance technology has evolved, and credit unions can now implement cloud-based compliance management solutions that minimize the user clicks needed to view and verify content on any device, providing a more intuitive user experience without breaking the flow and excitement of a new deal. Connecting users to this modern HTML content brings documentation in line with the consumer experiences offered by Apple and Amazon.

Speed and mobility, or ease of use on a mobile device, have become as critical as any product an institution offers. If credit unions want to remain competitive in the market, it is crucial they take this into consideration and reduce the friction consumers experience when opening accounts from their mobile phone.

3. Do more to support financial wellness with open, accessible information. Advanced data analytics can help more account holders thrive financially. This is especially important for lenders, as they are able to identify credit-worthy account holders and provide personalized, guaranteed loan offers that anticipate their needs. More credit unions should begin integrating credit monitoring tools into online banking platforms, giving end-users more control and visibility over their financial health. This next-level service elevates consumer transparency and awareness to new levels. Imagine a loan offer with a personalized note explaining how to improve credit, or how boosting a score by 50 points may lead to an even better rate. Credit unions and community financial institutions have a timely and unique opportunity here to step in and help their communities by providing alternative credit options or displaying suggestions for future financial decisions based on each individual's real-time credit rating.

Offering consumers easier access to transaction information can also help empower them. This shift from process-heavy static transaction documents is a big advancement for open banking, giving consumers better visibility into the details of credit union products and processes while opening up new opportunities for member financial literacy, such as understanding the stipulations of a line of credit.

To successfully compete in today's competitive environment and improve member retention rates, credit unions should integrate these modern approaches into their digital strategies. Those that do will deliver excellent member service while boosting financial health, gaining efficiencies, reducing costs and increasing wallet share. 2022 will be the year for credit unions to be consumers' first choice for banking.