

# Internet Banking Commentary

The Bankers  
Information  
Resource

Volume 9 Issue 4 April 2009

## Best Practices in Account Opening: Leveraging Your Internet Channel to Increase Deposits, Lift Completion Rates and Reduce Expenses

As the banking industry continues to undergo enormous change, financial institutions of all sizes are looking for ways to operate more efficiently, effectively and securely—while keeping consumer satisfaction levels high.

Consumers are also exploring their financial options and the Internet is clearly a major source for their information. According to Forrester Research, in a survey of consumers who used the Internet to research a financial product, 40 percent said they did so for checking accounts and more than 60 percent for credit cards. However, only a fraction of these products are actually being acquired online.

Forrester predicts that in the next five years, the rate of checking accounts that are opened online will double to 35 percent. Savings accounts will nearly reach the 40 percent mark. The potential is vast for acquiring new customers

or additional accounts from existing customers through the Internet. For this reason, financial institutions are looking to web-based account opening tools that promise to increase deposits, lift application completion rates and reduce expenses.

Online account opening has enabled many of our community bank and credit union clients to acquire new customers for demand deposit accounts and savings accounts. In addition, they have been able to sell additional products and services, such as loans, to existing customers to increase household relationships. These financial institutions have also been able to achieve higher completion rates through customized workflows and robust administration tools to capture abandoned applications. Further, clients have been able to reduce expenses by delivering a secure, self-service tool that leverages their existing Internet channel.

*continued on page 7*

### BEST PRACTICES

Best Practices in Account Opening: Leveraging Your Internet Channel to Increase Deposits, Lift Completion Rates and Reduce Expenses 1

### TRENDS

Pew Report: Americans Using More Mobile Devices 2

### HUMAN RESOURCES

Untapped Potential: Half of Female Executives Feel Insufficiently Challenged 3

### REGULATORY AFFAIRS

OCC Proposes Changes to Bank Secrecy Act Implementation Regarding Confidentiality of SARs 4

### NEW PRODUCTS

Keynote Ranks the Online Best Practices of 26 Leading Banks 5

### MARKETING

Leveraging Green Practices and Messaging to Maximize Your Marketing Budget 6

Mobile Providers Gain Revenue Through Mobile Banking in Latin America 8

---

Need more information on specific topics?

Call: 800-945-6597  
Email: [inforeply@alexinformation.com](mailto:inforeply@alexinformation.com)  
Visit: [www.alexinformation.com](http://www.alexinformation.com)

## Pew Report: Americans Using More Mobile Devices

Wireless connectivity draws many users more deeply into digital life, but most Americans still connect to the Internet mainly on wireline and rarely use a mobile device to access digital resources, according to Pew Internet Research.

Some 39 percent of Americans have positive and improving attitudes about their mobile communication devices, which in turn draws them further into engagement with digital resources – on both wireless and wireline platforms.

Mobile connectivity is now a powerful differentiator among technology users. Those who plug into the information and communications world while on-the-go are notably more active in many facets of digital life than those who use wires to jack into the Internet and the 14 percent of Americans who are off the grid entirely.

“For a sizable minority of Americans, mobile connectivity expands their digital horizons as they do more with their suite of wireline and wireless tools,” said John B. Horrigan, Associate Director of the Pew Internet Project and author of the typology report. “Mobile services complement existing broadband assets, and these Americans find it increasingly hard to be without their connectivity traveling with them as they go.”

These findings are the centerpiece of a new typology of technology users released by the Pew Research Center’s Internet & American Life Project. The typology places information and communication technology (ICT) users into ten categories built around their assets (the gadgets they have), actions (how they use ICTs), and attitudes (how they feel about the role of ICTs in their lives).

*“For a sizable minority of Americans, mobile connectivity expands their digital horizons as they do more with their suite of wireline and wireless tools.”*

Most wireless Americans view the mobile accelerant to their digital habits positively. Some 8 percent of adults – called Digital Collaborators – delve deeply into digital lifestyles to collaborate with other users to create content and express themselves online. Another 7 percent – the group named Media Movers – use their information gadgets as a platform to share digital content with others. Another 9 percent – called the Roving Nodes – employ mobile connectivity to enhance personal productivity.

For others, the tools of connectivity produce tensions. One group called

Ambivalent Networkers is made up of 7 percent of Americans who like to use mobile connections for social networking but sometimes lament being so available to others. An additional 8 percent – the Mobile Newbies – are just becoming accustomed to using cell phones, but thus far like very much how mobile devices help them stay in touch with others.

The remaining 61 percent of adult Americans are the stationary media majority. Many in these groups are content to be tethered to a broadband connection for communication and information gathering. Members of the five groups that make up the stationary media majority use their mobile devices mainly for phone calling, rarely for Internet access, and often find incoming messages intrusive. Some groups, notwithstanding ample resources to get online, either suffer from information overload or keep ICTs on the periphery of their routines.

“The bar for what constitutes a sophisticated tech user has risen with the advent of wireless connectivity,” said Horrigan. “Mobile access facilitates full participation in the flow of online information. For many Americans, always-on, always-available access is a basic part of their lifestyles. They don’t see home broadband access alone as sufficient for their digital needs.” □

## Untapped Potential: Half of Female Executives Feel Insufficiently Challenged

Almost half of female business professionals around the world – and a similar number of their male counterparts – believe they are insufficiently challenged, despite being confident of their skills and capabilities, according to new research from Accenture.

The survey of 3,600 professionals from medium to large organizations in 18 countries across Europe, Asia, North America, South America and Africa found that 46 percent of women and 49 percent of men said they are not being challenged significantly in their current roles, yet more than three-quarters (76 percent) of all respondents are confident of their skills and capabilities. These skills include the ability to manage their workload and deadlines, to delegate tasks and to negotiate (reported by 70 percent, 68 percent and 65 percent of respondents, respectively).

The research also found that almost six in 10 women (59 percent) believe that their careers are successful or very successful. Additionally, nearly half (46 percent) of women who consider themselves very successful reported that they are in jobs that require them to stretch beyond their expected responsibilities.

Technology may be one enabler of success: respondents who described themselves as “very successful” are significantly more likely than their counterparts to rely on technology.

More than three-quarters (79 percent) of respondents who identified themselves as “very successful” said they rely on technology, compared with just 56 percent of respondents who did not identify themselves as “very successful.” Overall, men are more likely than women to identify themselves as “innovators” or “early adopters” of technology (70 percent versus 58 percent, respectively).

For women, one highly touted but largely untapped resource is mentoring programs. When asked to whom they turn for career advice, just 14 percent of women cited a formal mentor at work, compared with more than 50 percent of women who cited either family, friends and current or former colleagues (cited by 57 percent, 51 percent and 50 percent, respectively). Yet women acknowledge the value of a mentor: they report that their mentors help them think differently about certain situations, help with their current roles and help them see more opportunities and possibilities (reported by 43 percent, 41 percent and 37 percent, respectively). They also acknowledged other benefits of mentors, including help with identifying their skills and capabilities, increasing their confidence and encouraging them to stretch themselves (reported by 34 percent, 34 percent and 32 percent, respectively).

For more information: [www.accenture.com](http://www.accenture.com). □

### INTERNET BANKING COMMENTARY

(ISSN 1553-8206) is published monthly by AlexInformation.

Copyright ©2009 by  
ALEXeSOLUTIONS, INC.

All rights reserved. No part of this publication may be reproduced in any form, by microfilm, xerography, or otherwise, or incorporated into any information retrieval system, without the written permission of the copyright owner. For permission to photocopy or use material electronically from *Internet Banking Commentary*, ISSN #1553-8206, please access <http://www.copyright.com> or contact the Copyright Clearance Center, Inc. (CCC), 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400. CCC is a not-for-profit organization that provides licenses and registration for a variety of users.

**Disclaimer:** This publication is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal or accounting advice or other expert assistance is required, the individualized services of a professional should be sought.

### Letters and Editorial Submissions

Send questions, comments, and article proposals to:

Caroline Wilson, Editor  
807 Las Cimas Parkway, Suite 300  
Austin, Texas 78746  
(800) 945-6597  
[ibn@alexinformation.com](mailto:ibn@alexinformation.com)

For inquiries, call  
(800) 945-6597

# OCC Proposes Changes to Bank Secrecy Act Implementation Regarding Confidentiality of SARs

The Office of the Comptroller of the Currency (OCC) is proposing to amend its regulations implementing the Bank Secrecy Act (BSA) governing the confidentiality of a suspicious activity report (SAR) to: clarify the scope of the statutory prohibition on the disclosure by a financial institution of a report of a suspicious transaction, as it applies to national banks; address the statutory prohibition on the disclosure by the government of a SAR, as that prohibition applies to the OCC's standards governing the disclosure of SARs; clarify the exclusive standard applicable to the disclosure of a SAR, or any information that would reveal the existence of a SAR, by the OCC is "to fulfill official duties consistent with the purposes of the BSA;" and modify the safe harbor provision in its rules to include changes made by the United States PATRIOT Act. These amendments are based upon a similar proposal being contemporaneously issued by the Financial Crimes Enforcement Network (FinCEN).

Comments must be received by June 8, 2009. Commenters are encouraged to submit comments via email: [regs.comments@occ.treas.gov](mailto:regs.comments@occ.treas.gov).

The BSA requires financial institutions, including national banks regulated by the OCC, to keep certain records and make certain reports that have

been determined to be useful in criminal, tax, or regulatory investigations or proceedings, and for intelligence or counter intelligence activities to protect against international terrorism. In particular, the BSA and its implementing regulations require a financial institution to file a SAR when it detects a known or suspected violation of Federal law or a suspicious activity related to money laundering, terrorist financing, or other criminal activity.

SARs are used for law enforcement or regulatory purposes to combat terrorism, terrorist financing, money laundering and other financial crimes. For this reason, the BSA provides that a financial institution, and its officers, directors, employees, and agents are prohibited from notifying any person involved in a suspicious transaction that the transaction was reported. To encourage the voluntary reporting of possible violations of law and regulation, and the filing of SARs, the BSA also contains a safe harbor provision which shields financial institutions making such reports from civil liability.

FinCEN has issued rules implementing the SAR confidentiality provisions for various types of financial institutions that closely mirror the statutory language. In addition, the Federal bank regulatory agencies implemented these provisions through similar regulations that provide that SARs are confidential and generally no information about or

contained in a SAR may be disclosed. The regulations issued by FinCEN and the Federal bank regulatory agencies also describe the applicability of the safe harbor provision to both voluntary reports of possible and known violations of law and the required filing of SARs.

The USA PATRIOT Act of 2001 strengthened the confidentiality of SARs by adding to the BSA a new provision that prohibits officers or employees of the Federal government or any State, local, tribal, or territorial government within the United States with knowledge of a SAR, from disclosing to any person involved in a suspicious transaction that the transaction was reported, other than as necessary to fulfill the official duties of such officer or employee. The USA PATRIOT Act also clarified that the safe harbor shielding financial institutions from liability covers voluntary disclosures of possible violations of law and regulations to a government agency and expanded the scope of the limit on liability to cover any civil liability which may exist "under any contract or other legally enforceable agreement (including any arbitration agreement)."

FinCEN is proposing to modify its SAR rules to interpret or further interpret the provisions of the BSA that relate to the confidentiality of SARs and the safe harbor for such reporting. The OCC is proposing to amend its rules contemporaneously, based upon the proposal being issued by FinCEN, to clarify the manner in which these provisions apply to national banks and to the OCC's own standards governing the disclosure of a SAR and any information that would reveal the existence of a SAR.

For more information: [www.occ.treas.gov](http://www.occ.treas.gov). □

## new products

# Keynote Ranks the Online Best Practices of 26 Leading Banks

Keynote Competitive Research, the industry analysis group of Keynote Systems, a global leader in mobile and Internet test and measurement solutions for continuously improving the online experience, recently released the *Q2 2008 Keynote Banker Scorecard*, a bi-annual, in-depth study that examines and ranks the implementation of online best practices by leading banks' websites. The Scorecard is one of six complementary industry research offerings, including banks, mortgages, insurance carriers, credit cards, full-service brokers and self-directed brokers, for enhancing online competitiveness and is available for purchase. With the rise of mobile banking, the new Scorecard for the first time tracks which of the 26 sites studied offers mobile banking and how they offer it.

Citibank took the top ranking on the latest Scorecard, followed by Bank of America and Wells Fargo.

Keynote's Financial Services Scorecards use a framework of more than 200 criteria to measure each site's design and function against industry best practices. The Scorecards evaluate sites in all areas, including in a variety of industry-specific tasks and categories, to help firms discover the strengths of their sites, as well as opportunities for improvement. Criteria are grouped into five industry-specific "user tasks" — opening accounts, looking up information, transactions, get service and learn & plan — and six "categories" — overall score, functionality, ease of use, usability, privacy & security and quality & availability — in order to help firms identify the strengths and/or

opportunities in specific areas of their sites.

"The Keynote Financial Services Scorecards are designed to help companies compare their services against their competitors. With Keynote's scorecard research, banks can understand how their customers experience their websites in order to identify the challenges and opportunities they need to address to gain the competitive edge," said Christopher Musto, general manager of Keynote's financial services group.

In addition to providing Financial Services Scorecards for assessing best practices implementation within key sectors of the financial services industry, Keynote offers Customer Experience and Service Level studies of leading websites in six financial services sectors and other online verticals. The Customer Experience

studies examine and rank online experience across a given set of leading websites by assessing the online experience of up to 2,000 or more consumers performing tasks in their natural environment as assigned by Keynote. The Service Level studies provide a deep assessment of the same set of websites from the perspective of technical performance including transaction responsiveness/reliability and load handling.

The Scorecard evaluated bank sites against 200 plus objective criteria to compute an aggregate "Overall Score." Citibank topped the Scorecard with an overall score of 87 out of 100 in part because Citibank.com also received the number 1 or 2 score in all nine categories measured, including Privacy and Security, Ease of Use, and Learning & Planning. The study reviewed the online capabilities of 26 financial institutions.

For more information: <https://scorecards.keynote.com/viewscorecard.aspx?iid=1&scid=10030&oid=1> □

### INTERNET BANKING COMMENTARY 2009 EDITORIAL ADVISORY BOARD

Robert Bessel,  
Public Relations, COCC, Avon, Conn.  
Phone: (860) 678-0444  
[www.cocc.com](http://www.cocc.com)

William J. Carner, Ph.D.,  
Director Business Foundations Program  
University of Texas at Austin  
1 University Station, B6700  
Austin, Texas 78712-1176  
Phone: (512) 471-5485  
[wjcarner@mail.utexas.edu](mailto:wjcarner@mail.utexas.edu)

Chris Young, SVP and General Manager  
RSA Consumer Solutions,  
RSA Security  
[www.rsasecurity.com](http://www.rsasecurity.com)

Leisha Richardson,  
Director of Marketing, Americas  
Postilion, a Division of S1 Corporation

[Leisha.Richardson@postilion.com](mailto:Leisha.Richardson@postilion.com)  
[www.postilion.com](http://www.postilion.com)

Laura Schaeffer,  
Vice President, Treasury Services  
National Bank of Arizona  
Phone: (602) 212-5680  
[laura.schaeffer@nbarizona.com](mailto:laura.schaeffer@nbarizona.com)

Jeffrey Torp,  
Compliance Consultant  
Minneapolis, Minn.  
[jtorp@mn.rr.com](mailto:jtorp@mn.rr.com)

## Leveraging Green Practices and Messaging to Maximize Your Marketing Budget

With the current state of the economy maximizing your marketing efforts is more critical than ever. Very likely your marketing budgets have shrunk, causing you to look for creative solutions to help drive acquisition efforts and increase cross-sales.

Leveraging “green” messaging can be an effective way to grab both a prospective and existing consumer’s attention. Financial institutions in particular have a leg up on other types of organizations, as they provide a number of services like online banking and bill pay that in design, already support if not promote green-friendly practices. This provides financial institutions with the ability to leverage green messaging with minimal effort and cost.

Promoting the conveniences and security benefits of consumers managing their finances online can easily be coupled with the rewards of environmental sustainability. While enabling consumers to confidently leverage the Internet to view account activity, pay bills, view checks and account statements, financial institutions are helping to reduce the consumption of earth’s natural resources, innate benefits of self-service solutions.

It’s important to note that financial institutions shouldn’t position themselves as “going green” unless they’re prepared to do so throughout their whole organization. Not being true to the green movement could provide backlash from special interest groups. It is easy, however, to promote the environmental

benefits of your products and services.

There is a tremendous amount of supporting material for financial institutions that are looking to leverage green marketing practices to promote their self-service solutions. Many of the recognized research firms have produced reports and statistics supporting the green movement within the financial services market. For example, Javelin Strategy & Research reports that “If all U.S. households viewed and paid bills online we could save 2.3 million tons of wood, or 16.5 million trees.” You have your own valuable statistics as well; promote how much paper you have saved by getting your clients to take eStatements vs. paper or to pay all of their bills online. This type of messaging can help to attract even those least likely consumers that aren’t particularly interested in the green movement.

This type of compelling messaging coupled with visually stimulating graphics that support the need for more green practices like online banking and bill pay can grab consumers’ attention and help set your financial institution apart in these extremely competitive times.

A few things that financial institutions should consider when promoting the environmental or green benefits of their self-service solutions:

- ◆ Use email or online campaigns whenever possible
- ◆ Use recycled or FSC-Certified paper

for any printed marketing materials, such as lobby merchandising, direct mail or statement stuffers

- ◆ Only position the bank or credit union as “green” or “going green” if you are fully committed to implement green practices across the organization
- ◆ The green movement doesn’t stop after a 30- or 60-day campaign, the benefits should be reinforced through future marketing and communication initiatives

Plus, when consumers adopt a financial institution’s self-service solutions its even easier and less expensive to cross-sell other products and services to them while also using environmentally friendly approaches such as email marketing, product messaging and various online media.

Financial institutions can make strong meaningful connections with their consumers using inexpensive techniques such as email to promote equity products, investment accounts and rates, etc. all leveraging green messaging. Financial institutions will find it wise to communicate to their online users regularly with email marketing and other online media options, as they will find online users, especially ones receiving online account statements (if offered), are less likely to visit their local branch lobby. The more self-service solutions a consumer becomes engaged in the more important it is for the financial institution to leverage alternative marketing techniques. However, these techniques should be purposeful and carefully managed. Financial institutions should:

- ◆ Carefully manage users that unsubscribe and consider traditional communication methods
- ◆ Know the limitations and nuances of the email client providers servicing the users targeted. Financial institutions should research their users’ most commonly used email clients and test

*continued on page 8*

## Account Opening

(cont. from pg. 1)

Drivers of successful online account opening services vary from institution to institution, but we have found our most successful clients have followed these best practices:

Meet the customer's expectations. If it's online, it should be fast and convenient. Most consumers expect the online application experience to be easier than going to a branch or making a phone call. They also expect rapid decisions. For this reason it is critical to have an account opening service with an integrated consumer application workflow. This feature enables the financial institution to customize a workflow that fits its specific business needs. In some cases, financial institutions use the implementation of the account opening service to re-examine their application processes and then tailor the workflow accordingly. In turn, the account opening service will be programmed to present only the options that are relevant to the consumer that is applying, enabling a personalized and streamlined user experience.

Provide funding options to close the deal. If consumers reach a stumbling block when it comes to funding the account, the application is likely to be abandoned. Ensure successful completion by offering multiple funding options, including secure electronic funding, ACH trial deposit, ACH funding or check/cash received.

Make your staff part of the success. Staff involvement is crucial in boosting completion rates. The key to their involvement is the administrative back-office module that supports the online account opening service. This module should enable staff to easily track and process applications using a defined queue management system. The module should include an abandoned application queue that staff can use for

follow-up, or that may be provided to an outsourced call center for follow-up.

Ensure security for you and your customers. Compliance and risk management should meet the institution's needs while enabling instantaneous pass/fail decisions to meet your customers' expectations. The account opening service should minimize risk by seamlessly integrating with trusted third-party verification services, including OFAC and credit reporting agencies. This allows for quick applicant ID verification, fraud assessment and real-time compliance with the PATRIOT Act. The service should also support an e-Signature process to further reduce paperwork and streamline processing, along with paper form image mapping.

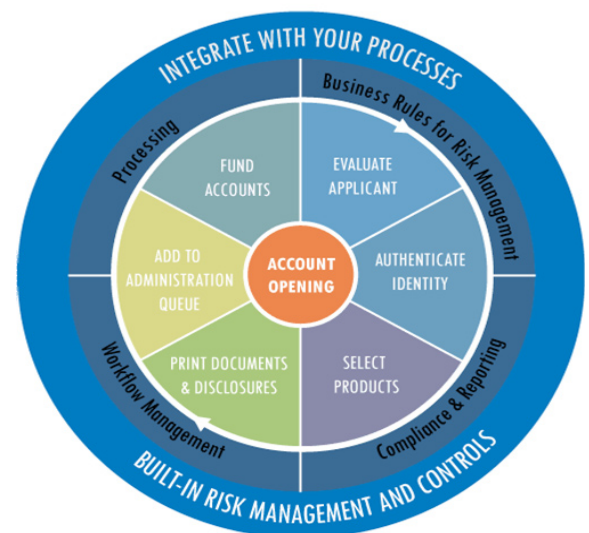
Promote, promote, promote. As with most new technologies, promotion drives acceptance. Account opening service providers should be able to arm financial institutions with a comprehensive marketing plan that will help them quickly broaden markets online. For example, the entire online channel should promote the availability of the account opening service, including within online banking and bill payment. Statement inserts should note the service for existing customers, along with traditional in-branch and automated marketing for existing and new customers. It should be included in search engine optimization as well.

Given today's economic environment and consumers' continued movement to the Internet to research financial products, online account opening represents an enormous opportunity to help increase deposits, lift completion rates and reduce expenses. Financial institutions can leverage their Internet

channel to provide self-service solutions to efficiently and effectively expand their market presence online, gain new customers and build existing relationships.

*Ronald J. Bergamesca  
EVP and General Manager,  
Community Bank & Credit Union  
Services  
Online Resources Corp.  
Chantilly, VA.*

## Critical Components of Online Account Opening



## Green Practices

(cont. from pg. 6)

prior to distributing emails to ensure optimum viewing

- ◆The purpose of the email message should be obvious and have a call to action
- ◆Use rich graphic images

- ◆Label email images to encourage viewing

Financial institutions have an opportunity to make lasting impressions while helping the environment and positioning themselves to leverage cost-effective online marketing techniques.

While leveraging green marketing, financial institutions can appeal to environmentally responsible consumers and disinterested consumers alike simply by pointing out how their existing

products and services can promote environmental sustainability. □

*Matt Domanico*  
*Senior Marketing Manager*  
*Postilion*

### SOURCE:

“2007 Online Banking and Bill Payment: Trends, Forecasts, and Strategies for Reinvigorating Growth and Adoption” Javelin Strategy & Research

---

# Mobile Providers Gain Revenue Through Mobile Banking in Latin America

Mobile banking is a budding service in Latin America and is expected to catch on in countries such as Chile, Brazil, and Argentina, where the economic and political condition is relatively stable. Success in the mobile banking market will help mobile operators shore up their average revenue per user (ARPU) even when the mobile voice traffic slows down.

New analysis from Frost & Sullivan, Latin American Mobile Banking Market, finds that currently the main channel of connection is SMS and is likely to remain so, since mobile banking through messaging will be less expensive for the user and will not require a sophisticated handset. But, even though the most important connection channel with the highest rates of adoption is messaging, accessing mobile banking with a special WAP application will represent a considerable increase

in mobile data use, and carriers will be most interested in working together with financial institutions to promote this value added service.

“The increasing usage of mobile devices over the last three years in Latin America has created a more suitable market for advanced applications and features such as mobile banking,” says Frost & Sullivan Consulting Analyst Andres Sciarrotta. “By 2008, most major banks in the region had provided some kind of mobile banking service; however, the level of adoption continues to be low.”

The slow uptake can mainly be attributed to mobile subscribers’ inadequate awareness of the benefits of mobile banking. Mobile banking is often viewed as lacking in security and users labor under the misconception that their personal information will be divulged to third parties.

To assuage these security concerns, banks offer special codes and passwords for different transactions. They have also launched educational marketing campaigns and hired more instructive personnel to let the clients know that the service is completely safe and secure. Their education programs are aimed at encouraging end users to learn and understand the numerous benefits of mobile banking.

Banks and mobile operators are hoping to rope in more subscribers by partnering and improving mobile banking services. Some banks are considering the provision of payment services since most banks currently offer the option of recharging the mobile phone but not the possibility of paying by cheque or credit card.

For more information: [www.frost.com](http://www.frost.com)