

E-commerce goes "fast-food"

Netflix, internet-enabled game consoles, and N-routers (the new faster, version of wireless communications in the home and office) are re-defining the banking delivery channel. "Fast food" has hit the internet in the form of immediate fulfillment, or "I want it now!"

• • •

The scenario goes like this: I have a Netflix membership and a Sony PlayStation 3 game console networked through my newly installed N-router at home, which, by the way, is faster than a jet-powered snowmobile on ice! I log on to the Netflix site, menu surf, select a movie and in a matter of a few seconds, my movie is downloaded. Yes, I said seconds, not minutes.

This form of e-commerce and immediate fulfillment is exactly what the digital native expects, and goes way beyond existing pay-per view deals and 250-channels-with-nothing-to-watch frustration. Immediate fulfillment gives the digital native what they want, when they want it. Access to a huge digital video library... instantly. It's fast-food video. Think about it. If everything is there online and it takes seconds to download it, why would you waste time on a DVR?

Not long ago, e-commerce for banks was a website with a list of your products, locations, and hours. Next came the retail internet bank then remote deposit capture (yes, I am omitting a few steps for simplicity). Now mobile banking is hot, but it is not enough.

The digital native's attitude is, "I want it all and I want it now!" To respond to that, the financial institution delivery channel needs to be redesigned in a big way. It is not a matter of sequentially keeping up to remain competitive as much as it is rethinking how you deliver services—e.g. the timeframe associated with delivering your decision to fund an account.

Ultimately, the fulfillment model will morph into minutes or less, not hours or days, when it comes to new accounts, loans, and even mortgages. That may be about as much time as you will have to respond to a customer request before you lose the opportunity to a competitor.

The Wombat!

About the Author

Dan Fisher is president and CEO of The Copper River Group, a consulting firm headquartered in Fargo, N. D., that focuses on technology and payment systems research and consulting for community financial institutions. For nearly 30 years, Fisher has worked in the financial industry using technology to improve the bottom line. He was CIO of Community First Bankshares (now part of BancWest), has served as a director of the Federal Reserve Board of Minneapolis, the chairman of the American Bankers Association Payment Systems Committee, and was a member of the Independent Community Bankers of America Payments Committee. Fisher has written numerous articles on banking technology and the payments system. He has authored or co-authored six books and recently published a book titled, "Capturing Your Customer! The New Technology of Remote Deposit." You can contact Fisher at dan@copperrivergroup.com.

P.S. To understand Dan's nickname, check out "About the Wombat" on his website, www.copperrivergroup.com