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Bank 2.0: Remaking your financial website for a Web 2.0 world

Part 1: Blogs and feeds

Author: Jim Bruene, Editor, Online Banking Report

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Abstract:

Last month, we looked briefly at the Web 2.0



phenomena, a trendy label for second-generation websites often built around user-generated content such as photo sharing, blogging with comments, and video. While there is no precise definition, there are a number of communication techniques, design guidelines, and attitudes shared by successful Web 2.0 companies (*see report for details*).

But how much of the Web 2.0 discussion applies to banks and credit unions? Do we need a Bank 2.0? Or is this just another design fad, like shag carpet, that can be ignored? Could we be witnessing a fundamental shift in consumer behavior that requires new investment?

The answer depends on which Web 2.0 tactic you are looking at. See inside the report for our recommended toolkit for adding Web 2.0 features and benefits to your financial institution website.

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One tool that is impossible to overlook is the blog. Because blogs are relatively inexpensive – in fact, you may be able to *reduce* your Web development expense with them – they are no longer optional. You might as well get started now while you can still be the first bank on the block with a blog (see *inside the report for our advice on building a winning banking blog*).

A related tool, perhaps even more powerful, is the RSS/XML feed. Some experts believe feeds will do to email what email did to faxing. See inside the report for our recommendations on harnessing feeds for your corporate and customer communications.

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Sample Page

BANK 2.0

Bank 2.0 Techniques

Going Web 2.0 is fine if you are a photo-hosting site, online calendar, or productivity tool. But how much of it applies to highly regulated entities such as financial institutions, especially publicly held ones? Quite a bit actually. We've already seen financial institutions hosting user-submitted videos (National Bank of Australia, MasterCard), photos and stories (BECTU), blogs with comments (Wells Fargo, Vancity CU), and even creating MySpacepages (Brevery CU).

**Table 2
Evolving from Bank 1.0 to Bank 2.0***

Bank 1.0	Bank 2.0
ATM	ATMs with moderation
PDF versions of paper statements	Tagging, categorizing, reports on the fly
Check request system	Complete blog with RSS feed
Email notifications	RSS feeds
Info from your bank	Info across many financial institutions (account aggregation)
Rates from your bank	Rates from many banks
Time everything to create statements	View-related services (not always free) to create loyalty
30 days of rates	Lifetime rates
Login 20 days ahead to check account status	Remote account page via email/SMS
Send money to "approved payees"	Send money to anyone
Loans must be approved by bank and awaiting	Loans are formed out to other financial institutions and are an individual's (i.e., Procter, Clark)

Source: Online Banking Report, 11/08. *Online Banking Report owns the domain names bank2.0.com and bank1.0.com, which we registered for promotional purposes, but we'd be willing to sell them to a subscriber (contact jmg@banker.com).

**Table 3
Web 2.0 tools in use by financial institutions**

Web 2.0 Tool	Benefits	Examples
Audio and video content, podcasting	Educational and branding	<ul style="list-style-type: none"> Processing @ CU, National Bank (<i>Audio 20 Oct 08</i>, <i>Financial Group CU, US Bank</i>, <i>Audio 4 Jul 08</i>)
APIs	Leverage other APIs to create an integrated social networking interface in and out	<ul style="list-style-type: none"> Procter and Clark have both released APIs 20/20k is using Facebook's API to deliver payment tracking services (see <i>Procter, Clark</i>, <i>Audio 8 Sept 08</i>)
Blogs, internal and external	Support overall corporate PR, marketing, branding	<ul style="list-style-type: none"> Verity CU (<i>top 25/26</i>) Wells Fargo
	Support the community	<ul style="list-style-type: none"> Vancity CU, <i>Change Everything</i> (<i>top 25/26</i>) Wells Fargo, <i>Guided by history</i>, http://blog.wellsfargo.com/Guided%20History/
	Support individual product lines or campaigns	<ul style="list-style-type: none"> Wells Fargo <i>Student Loan Drive</i> (<i>top 25/26</i>) Bank of Montreal <i>Canada 2010</i>, <i>Table 7, p. 6</i> State Bank, <i>The RBC Next Great Innovation Challenge</i>, <i>Audio 3 Nov 08</i>
Blog comments	Involve customers/employees	<ul style="list-style-type: none"> Wells Fargo Wells Fargo

table continued on next page

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Company Examples Cited

City National Bank, Digital Mailer, New York Times, RBC Financial Group (Canada), PayPal, TechCrunch, Upcoming.org (Yahoo), Verity Credit Union, Vancity Credit Union (Canada), Wells Fargo, Zillow, Zopa (UK)