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Creating Subscription-Fee-Based Online & Mobile Services

How new revenue models will propel online/mobile banking to the next level

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Abstract: In this report, we look at ways to develop subscription-based services delivered primarily through online and mobile banking.

After a decade-long free ride, it's time for banks to deliver, and consumers to pay for, value-added online services.

We are not suggesting banks charge for straight-forward data access, that clearly must be provided free of charge. But there is a whole host of niche services that certain consumer segments will value highly, and that can be delivered with solid profit margins.

For example, **Mercantile Bank of Michigan**, one of the most innovative community banks in the nation, has enrolled nearly 30% of its online banking consumer customer base in a novel \$4/mo value-added service that provides users a sneak peak at pending transactions the day before the charges hit their checking account.

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Companies Mentioned: American Express, Bank of America, Balance Financial, Banco Popular, Campus Federal Credit Union, Continental Bank, Facebook, Finsphere, Fort Sill National Bank (FSNB), M&I Bank, M&T Bank, Mercantile Bank of Michigan, Microsoft, St. George Bank (Australia), Twitter, U.S. Bancorp, Wells Fargo, Western Bank, Zions Bank

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