IMPACT BRIEF

Using Technology to Build Relationships

Centris Federal Credit Union believes serving underserved consumers doesn’t just make good business sense, but is integral to its heritage and mission. Established in Omaha, Neb., in 1934 by telephone company employees whose needs were not being met by other financial institutions, the credit union stays true to the principles of its founders.

But the 79-year-old institution has not been immune to the challenges other financial companies have faced in trying to figure out how best to serve today’s underserved consumers—a group that is large, varied and growing every day. Serving the underserved requires management support and board backing, but also a willingness to engage in non-traditional thinking and accept change. These are lessons Centris gleaned from participating in the Center for Financial Services Innovation’s Underbanked Solutions Exchange, an industry network for smaller financial institutions looking to develop profitable, high-quality products for the underserved.

In June 2012, the credit union launched Centris Express as its solution to the problem of how to reach and better serve underserved consumers. Centris Express offers users a complete suite of products and services through a bank-in-a-box kiosk powered by Nexxo Financial Corp. Set up in eight locations around Omaha, in both Centris branches and grocery stores, as well as in a specially designed Express Money Center adjacent to a branch, Centris Express enables customers to cash checks, buy money orders, transfer money, pay bills, buy cellphone minutes, and reload prepaid cards, all with the touch of a few buttons. The kiosks integrate with the credit union’s backend processes, so users can make deposits and withdrawals from their Centris checking and savings accounts.

But the high-tech solution is also high touch. A dedicated sales staff is on site to support customers who need assistance or want to move into more traditional products. Users also have access to enhanced products and services like domestic remittances, a general purpose reloadable prepaid card, and a rewards program.

Making the Case

The road to the bank-in-the-box kiosks was not an easy one for Centris, a very traditional credit union.

“People didn’t think we could provide products to nonmembers,” recalled Centris President and Chief Executive Kevin Parks. “We didn’t think of retailers and check cashers as competitors. This was the environment we faced.”
But Centris could not ignore that there were some segments of members—specifically low- and middle-income depositors and fee income customers—who were simply unprofitable for the credit union. Something had to change, Parks said. The credit union analyzed the commonalities these segments shared and found that they were social, loyal, and tech savvy. Additionally, checking accounts were not their product of choice; they were users of non-traditional financial products. Thus, Centris needed to take an unconventional approach to finding an appropriate, low-cost method of delivering such products and services.

Centris decided to go the kiosk route versus offering new products and services designed for underserved consumers in its branches for several reasons. For one, successfully integrating products and services like check cashing and remittances into a branch setting is difficult when underserved consumers are uncomfortable going to branches in the first place. Having kiosks allows Centris to offer its services in locations that are more familiar and convenient to consumers, like grocery stores. Plus, they are a low-cost form of delivery and are more appealing to a younger, technology-savvy audience. Kiosks also enable the credit union to extend its hours, offer bilingual services, and recall customer preferences easily, resulting in improved customer service and overall satisfaction.

And while Centris Express customers who qualify can access more traditional financial products through the credit union, that is not the ultimate goal, Parks said. “It’s not our job to push products onto customers,” he said. “When they feel they have a need or desire, that’s what the salesperson is there for. We don’t want to make the cash-based customer a banking customer. We just want to provide a full range of financial services to deliver best products when needed.”

After all, the credit union developed Centris Express as its solution to how to remain relevant to all populations, not just the underserved. Centris made a conscious decision to use its branding on this new offering, as a way to show the community that it could create something new and different as an organization and that it wanted to provide more self-service options.

“Self-service does not mean low relationship,” Parks said. At Centris, it’s about finding a way to build relationships through technology.