



CREDIT UNION MEMBER EXPERIENCE:

## 5 Signs Your Members Might Churn & How to Win Them Back

One of our InMoment team members recently made a big decision. After more than 16 years of being faithful and loyal, they decided it's time to start shopping around and end their long-standing relationship...with their credit union.

Many credit union members end their relationship for the same reasons that seem to doom many relationships—neglect and complacency. It's at this point when members start shopping around for alternative credit union relationships. They become what we like to call "member prospects."

### MEMBER PROSPECTS

Member prospects are still with their current credit union, but they are prospecting the competition. They are officially "in the market," having already begun the challenging task of comparing and contrasting other credit unions. At the same time, the member prospect's current credit union has no idea they're about to lose a member.

This lack of awareness of possible member churn isn't unique.

There are instances and events along a member's journey when a current member can easily become a prospect (for example, if they're looking to buy a new car or a new home). They are learning about and interacting with your competitors, and often it doesn't take much for them to consider a switch. Technically, they are still your member at this critical consideration point, but they are also a prospect you may need to re-win.

All credit unions have trigger points where churn is most likely. Some of these trigger points are defined, while other triggers are less defined. But, perhaps most painful are those triggers within your control, such as poor service events that cause your members to entertain thoughts of defection and ultimately become member prospects.

At InMoment, we're committed to helping credit union organizations see, sense, and act on the experiences of every member at every touchpoint. It's our goal to help companies increase customer and



member retention, conversion, and lifetime value by ingraining member experience intelligence and action systems into the DNA of their business operations. With that as a mantra, let's highlight a few common characteristics shared by member prospects and then we'll unveil a few new approaches and methodologies designed for:

- Quickly identifying these at-risk members
- Uncovering trends in your member data
- Taking appropriate action to retain members and grow your business

## CHARACTERISTICS OF MEMBER PROSPECTS

- **Members making more frequent inquiries about their accounts and loans.** One indicator of a member prospect may be inquiries about details related to existing accounts and policies. These members may spend

more time accessing their accounts online in an effort to learn more about their current services and benefits. It is highly unlikely they have simply decided to become more informed members. Instead, it is more likely they are gathering information to make apples-to-apples comparisons with your competition.

- **Members who are interacting with you less.** A member's lack of interaction is a definite trigger that your relationship is in peril.
- **Members who give you poor ratings or are detractors.** Unhappy members will eventually leave. It's not if, but when. Case management is important to acting personally to retain the business, but really helps identify if there are larger systemic issues at play. Unhappy members do not stick around long, regardless of the product, service, or industry.
- **Members who do not always choose you.** If you are in an industry where consumers have a lot of choice, understanding why they don't consistently choose you is imperative.

## WINNING BACK MEMBER PROSPECTS

Regardless of the trigger that leads to your member becoming a prospect, it is important you understand what is leading to their consideration, who is being considered, and what steps are important to retaining those

members. Many financial organizations rely on collecting feedback from weary or disengaged members in an effort to understand what retention strategies could have/should have been in place. Why wait until the member is lost? Your growth strategies should focus on acquiring new members and deepening relationships with existing members.

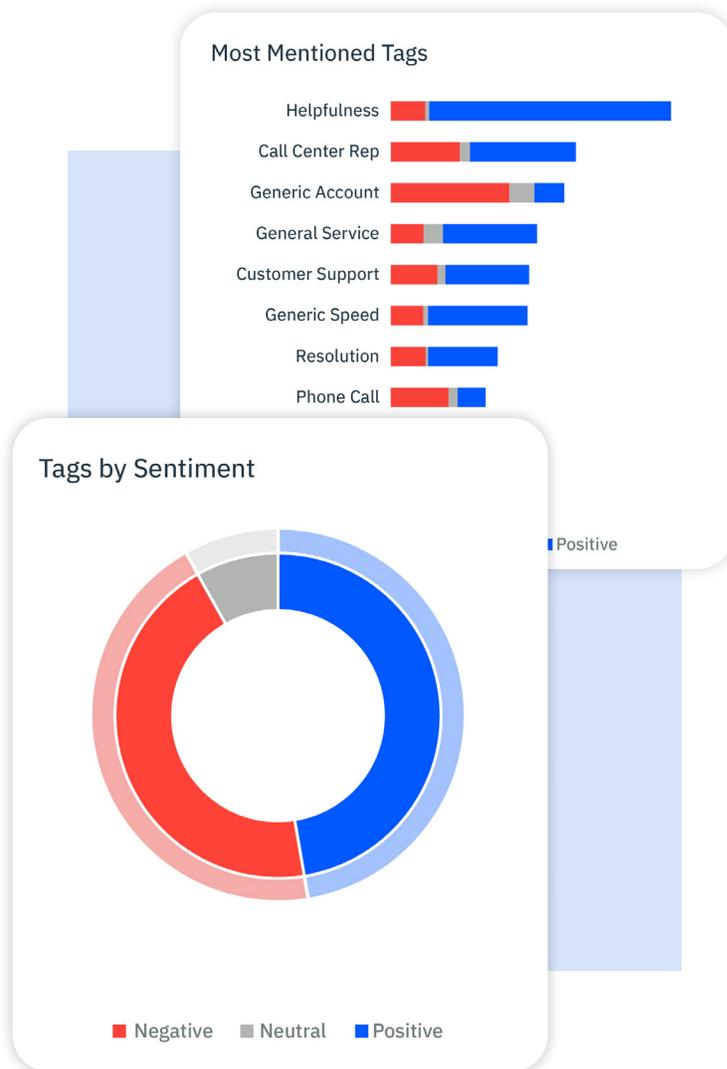
Let's examine some strategies designed

to keep your members from becoming member prospects.

**IDENTIFYING AND RECOVERING “AT-RISK” MEMBERS**

Your institution's ability to accurately identify and recover at-risk members depends largely upon the effectiveness of your customer experience (CX) platform. The platform should be capable of generating a separate measurement specifically aimed at exploring risk. However, at a minimum, you should consider exploring member prospects as a sub-group of your broader relationship and transactional research efforts. Leverage your experience program to understand member satisfaction and loyalty levels and use the opportunity to act personally and improve your standing with members.

Sub-group analysis and the capacity to filter for the purposes of identifying and tracking at-risk members—potentially member prospects—are inherent capabilities of the via dashboard filtering and standard reports analytic tools.



## TIP

Conduct a customized competitive benchmark study to obtain a detailed assessment of your competition. This type of study is often used to support an institution's strategic planning as it pertains to enhancing the customer experience. Results can be leveraged to identify opportunities for addressing performance gaps and for further differentiation.

### IDENTIFYING PATTERNS, PREDICTING BEHAVIOR, AND SPARKING ACTION

**Identifying Patterns.** Market speed and increased competition necessitate an expedited method for uncovering insights and identifying trends of dissatisfaction—trends capable of producing member prospects. A data mining solution capable of analyzing survey responses as well as insights from operational and transactional data in a matter of seconds. InMoment's Spotlight reveals patterns and trends in the data and delivers the business story behind what members say, ultimately helping guide organizations in making real business decisions.

**Predicting Behavior.** Many financial institutions—from retail banks and investment firms to insurance and credit unions—have a CX program in place and regularly seek member feedback. But are these organizations really receiving all the data needed to make viable decisions? What about the silent members who do not speak up and never respond to surveys? It is challenging to gauge the silent member's affection, disaffection, or next move.

InMoment's market-changing predictive analytic solution is designed for organizations like financial services firms that have a high risk of churn and possess a significant amount of experience data.

**This solution offers a new approach to gauging sentiment and is designed to address:**

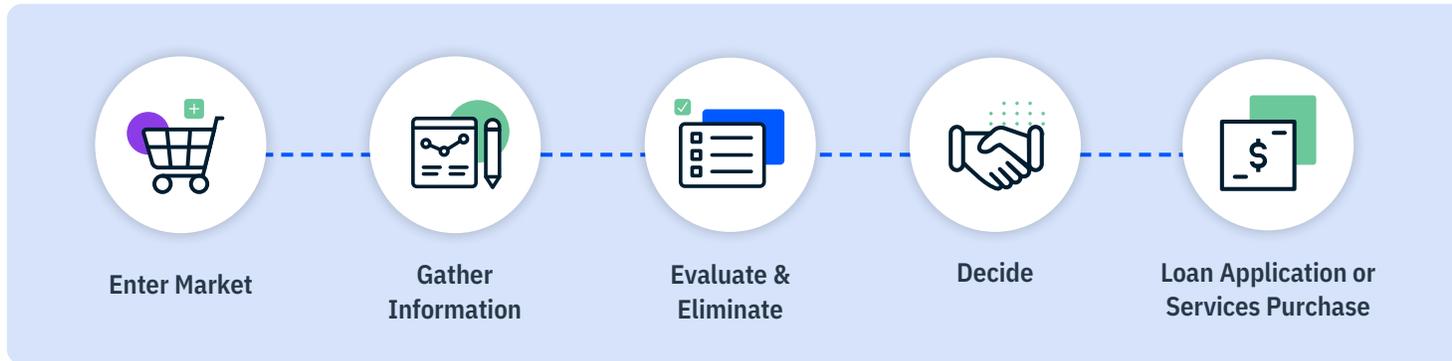
- Declining survey response rates
- The potential for biased data
- Members who can find another provider in a heartbeat

The solution enables organizations to extend the responses of a small population of survey responders to the member base as a whole by building a predictive model that combines small doses of hard response data with all known attributes about the rest of the member database. With predictive analytics, companies are able to predict customer sentiment, act before they even have to ask, and ultimately recover member prospects.

**Sparking Action.** It's important to determine how best to remediate at-risk members once they are identified. In today's competitive financial market, organizations who can quickly identify and take action on member satisfaction issues position themselves with a strategic differentiator—the difference between losing and retaining a member. Companies need to employ case management activities that entail taking personal action to address specific member needs while also investing in an action planning process that is designed to systemically identify the root cause of issues and, subsequently, employ impactful changes.

## UNDERSTAND THE PATH TO CONSIDERATION AND LOAN APPLICATION

Customer prospects are defined as being “in-market” since they are considering different options and new providers. Therefore, purchase stages across the customer journey are important to understand. Each path to purchase, no matter how long or short, includes the following steps:



The approach seeks to understand the nature of how brands come into and out of the consideration set during the early member journey stages. This allows you to know when to intervene, and what tools are most effective in influencing a purchase decision.

**Since different buyer types may take an equally diverse purchase path, the ideal solution should allow you to determine:**

1. Your target prospects
2. Your message
3. Your timing

This understanding offers increased clarity of the path-to-purchase journey. It is also important to note that path-to-purchase research should be implemented as a means for developing a strategy aimed at retaining member prospects in addition to winning new members.

## MEMBER PROSPECTS CAN HELP DEFINE RETENTION STRATEGIES

All credit unions are focused on two things: 1) growth and 2) retention. We addressed growth a little earlier. But, it is critical to pay attention to member prospect feedback.

This data should be used as a fundamental resource in building your retention strategy.

These less-than-satisfied members can give you an idea of what you are not doing well, what you need to improve, and maybe some details about what your competition is doing better. From a member satisfaction perspective, your focus is on delivering the best possible member experience. Why not specifically explore member prospects or at-risk members to understand how to improve? These members are in the best position to give you the most candid and actionable information to support your retention strategies.

## SAVING YOUR MEMBER PROSPECTS

A man walking along a beach noticed that thousands of small crabs had been washed up with the tide. He knew they needed the water to survive so he began tossing the crabs one-by-one back into the ocean as he made his way along the surf. With a friendly smile, a passing jogger remarked, "You can't save them all." As the man tossed another into the ocean, he replied, "No, but I made a difference for that one."

You certainly won't save all your member prospects, but you can engage experience program measures and tactics that make a difference to others who are contemplating defection. And, in doing so, you'll be proactive in enhancing your overall member experience efforts and more effective in staving off situations that would otherwise turn members into member prospects.



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