



THOUGHT LEADERSHIP

4 Ways Credit Unions Can Leverage Member Experience Programs for Business Success

With multiple touchpoints, different member segments and needs, changing competitive threats, an inflexible regulatory environment, and many other internal and marketplace factors, credit unions often strain to understand how best to impact or influence business outcomes with their member experience program.

Luckily, credit unions can break this mold with the right experience partner. An experience program that leverages an optimized combination of data, technology, and human expertise can directly support a credit union's quest to not

only improve members' and employees' experiences with the organization, but, most importantly, to drive critical business and financial outcomes.

Looking for more specifics? We've identified four goals a credit union's member experience program should strive for. Whether you're at the drawing board or looking to reset your priorities, focusing on these areas will help you make the connection between your program and tangible value. Let's dive in.



GOAL #1

Improve Overall Retention

Let's state the obvious: finances are an incredibly personal subject (there's a reason why it's one of the subjects you've been told to never bring up at the dinner table). When people deposit a check, open their first savings account, apply for a loan, or use any of the services your credit union offers, it's likely that the action they're taking is highly personal, making their experience's stakes much higher. If their experience is great, they are likely to stay with your brand, but if it's bad, you're risking the possibility of member churn.

Retaining members and reducing churn is at the heart of credit unions' business goals for many reasons. Not only is it far cheaper to retain a member than to acquire a new one, but members with wandering eyes have far more resources and information available to them today, making it easy for them to research your competitors, become swayed by attractive offers, and, ultimately, defect. Luckily for credit unions, retaining members is also at the heart of a superior member experience program.

Member experience programs are able to help you increase overall retention using a variety of strategies. Here are just a few of the ways that the right experience partner can help you keep your members coming back year after year.

○ IDENTIFY AT-RISK MEMBERS:

Member experience programs deploy strategies and tools such as **closed-loop processes, real-time alerts, and actionable intelligence** to help you pinpoint the individuals who are more likely to leave.

The term "closing the loop" actually refers to two separate processes. The first, sometimes called closing the inner loop, denotes addressing and resolving individual issues or complaints, poor experiences, or negative brand perceptions from members. Closing the outer loop, by contrast, refers to engaging the entire organization in a holistic, continuous improvement effort.

Member experience programs help you to close both the inner and outer loops by first alerting your member service representatives to negative feedback as soon as it is received. Your representative is then able to reach out to that member and resolve the situation, potentially rescuing a member from defection. However, a member experience program doesn't stop there; using advanced analytics, you

will be notified of recurring, organization-wide issues, and then be empowered to make the large-scale changes necessary to prevent those issues.

○ ISOLATE STRENGTHS AND IMPROVEMENT OPPORTUNITIES:

Additionally, member experience programs are able to help credit unions identify **the key drivers** of overall perceptions and member experience. Tracking experiences and perceptions of performance for these key drivers will help brands to prioritize continuous improvement efforts. Contextualizing improvement opportunities is also important.

The right technology platform is able to collect all of your **data from everywhere**—operational, financial, and beyond—to give you a holistic view of the experience. From there, you will be able to isolate what you are doing well, and also identify the areas that need improvement. Even better, it helps you identify the areas that can be improved in a way that benefits the bottom line.



For example, a number of members may point out that call center wait times are longer than usual. While many of these members later leave the brand, call center wait time may not be a reason they actually leave. A powerful experience program will be able to isolate the root cause by contextualizing the experience from different data sources to identify members who prefer the digital channel, who later call the call center and are more likely to leave. While the organization may believe that adding staff to the call center to reduce wait time may save member relationships, this fix would not address the heart of the matter. Instead, the organization should address the digital shortcomings that impact experiences and drive them to the less preferred call center. Members who leave cost the organization money; therefore, addressing the root cause for attrition is paramount.

○ **PREDICTIVE ANALYTICS FOR PROACTIVITY:**

A holistic view of member data provided by a powerful experience program enables the transition from reactively managing member experience to proactively improving it with predictive analytics. This approach uncovers the biggest opportunities with each and every member—even the ones that don't respond to surveys.

Predictive analytics takes the data from the few members who do share their opinions, combines it with the wealth of member information you collect from other systems and sources, and then uses it to make accurate predictions about member behaviors. This idea of combining direct survey data with other forms of member information to actually predict the concerns and behaviors of all your members holds tremendous potential—not only for identifying silent members who may be dissatisfied or upset, but, more importantly, for executing dynamic offers, personalized incentives, and member-focused policies that build loyalty and drive new business.



GOAL #2

Grow Share of Wallet

Growing your share of wallet can be achieved in two ways: firstly, by acquiring new members or expanding the credit union's product/service footprint, or secondly, by capturing a greater share of current members' financial wallet with additional products and services. For this goal, we focus on growth by acquisition or expansion.



○ ACQUIRE MORE MEMBERS:

Member acquisition is one of what we at InMoment like to call the four economic pillars of member experience return on investment (ROI). Why? Because it's absolutely key to making sure that your CX efforts (along with marketing campaigns, promotions and more) are paying off. Understanding the effects of your actions as a brand have on different segments of members is crucial, as it allows you to further target your initiatives. You are then able to acquire more of that type of member, then quantify the value of those new members to your bottom line.

For example, an InMoment client sought to capitalize on acquisitions by **optimizing its surveys** to find new types of members. By targeting respondents between the ages of 18 and 35 with specific questions, the company was able to understand this demographic and what drove it so that the company could include this intelligence in its expansion initiatives. The practitioners who ran this initiative were then able to prove its worth by tracking the new member acquisition, increases in unique members, and market share growth that it generated.

○ UNDERSTAND HOW YOU MEASURE UP:

Equally important to acquiring more members is understanding what your competitors are doing that

convinces those individuals to choose a brand other than yours. Understanding competitive differentiation in terms of brand, experiences, and product and servicing offering can inform the organization on target audiences, competitive members who are most vulnerable, and how to position the organization's product and servicing offering in the most attractive way. With competitive perceptions, a credit union may find a specific opportunity to attract competitive members who may not be happy with the digital offering available with a current provider, or attract the attention of members with a specific product offering targeted to their defined needs.

To gain this understanding, you'll need a CX partner who can help not only to explore your members' experiences with other credit unions, but also to provide competitive perspectives through marketplace or **competitive benchmarks**. Competitive perspectives can help an organization prioritize areas where differentiation is possible and will allow the organization to grow in meaningful ways. Specifically, competitive benchmarking is vital to understanding both the opportunities you have to grow and how you stack up against competitors.



GOAL #3

Relationship Deepening

The stickiest relationships that credit unions have with members is when the member actively uses multiple products and services. Deepening those existing relationships with your existing members is the lifeblood of longevity in the credit union industry. We don't just mean this in the historic sense, where generations upon generations would keep their money in the same bank because it was local or convenient. We mean this in the sense that when you are able to create trusting relationships, your members will stick with you even when they are faced with floods of information and offers to open accounts elsewhere. That kind of loyalty is priceless, and your member experience program can help you create it.

Experience programs are the best tool you can ask for when it comes to not only soliciting feedback, but understanding the experiences that members, employees, and even non-buyers are having. It is incredibly important to have this understanding for the reasons we have listed above, but it all points back to one idea: member experience doesn't exist in a vacuum. There are many different elements that affect member experiences other than transactions. Understanding everything that impacts your member is the key to understanding them, and then knowing when, where, and how to act to deepen their relationship with your brand.

○ KNOW YOUR MEMBERS—AND MEET THEIR NEEDS:

“Ask not what you need from your members, but what you can do for your members.” That's how the saying goes, right? When it comes to creating surveys or other tools for soliciting feedback, many brands take the misstep of first considering what they want to know from their members. Where they actually should start is by giving their members the opportunity to tell their favorite brand what they need out of their experience.

A great way to identify these member needs is with engaging methods that allow members to give feedback on their own terms. **Unstructured feedback** is particularly useful here because long-form answers give members the opportunity to give you valuable context for their situation. You can also employ **multimedia feedback methods**—including image, video, and voice—so your members can

actually show you what is important to them. Combine this “whenever, wherever, however” feedback approach with advanced analytics that identify key themes, and you will constantly be aware of both your customers' needs and how you can fulfill them.

○ TARGET INFLUENTIAL, HIGH-VALUE, OR HIGH-POTENTIAL MEMBER SEGMENTS:

Once you are able to identify member needs, you can further segment your understanding into key member groups. You'll be able to spot what type of member someone is, then craft a personalized journey for them by creating **targeted campaigns** and offers for that member group. This is a great way to encourage members to adopt more products, anticipate their needs, and increase your presence in their financial life.

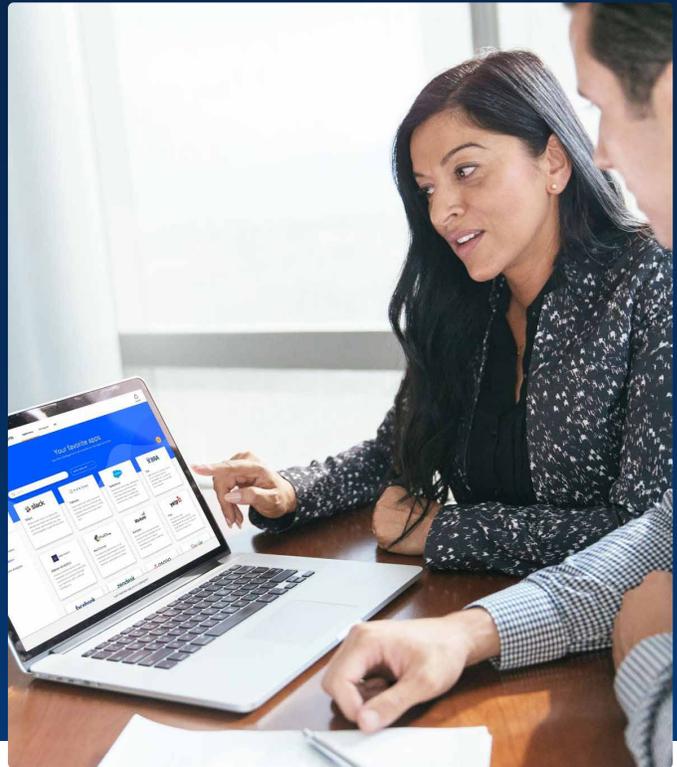


GOAL #4

Reduce Costs and Increase Efficiency

All organizations want to run like well-oiled machines, but from time to time, there are places where certain processes or procedures can be replaced or updated to reduce costs and increase efficiency. Areas of opportunity vary from industry to industry, but for credit unions, these areas typically involve improving aspects of the experience, becoming easier to do business with, or supporting efforts to leverage member-preferred channels.

An experience program can help you to identify these specific areas and more, including:



DO BETTER WITH WHAT YOU HAVE:

Touchpoint studies can help isolate specific transactions or services members struggle with, as well as to report higher levels of dissatisfaction. Member feedback related to those specific experiences—coupled with employee insights about them—shed light on what a credit union can do better. Areas where there are a lot of complaints are most likely where the organization could and should do better. Member and employee insights spotlight what to fix and how.

OPTIMIZE YOUR CHANNELS:

For all credit unions, there are multiple ways or channels for members to engage. Channel preferences and the experiences they provide are the focus for most credit unions' member experience programs, as their organizations work to provide the very best experiences regardless of interaction or member segment. But, members have preferred channels, and when they are not able to complete a transaction via their preferred channels, they are forced to

rely on other, less preferred means of getting things done. This is the primary challenge for credit unions' **omni-channel strategies**.

A CX program can help connect channel experiences to highlight specific interaction or transaction types with which members are not able to use their preferred channel. Many credit unions are focused on digital conversion because they realize that members want to be self-sufficient. For example, a financial institution realized that one in five members was calling a contact center about transactions they could easily accomplish in a digital channel. The institution focused on profiling and understanding more about the members who relied on the call center, which was a more costly interaction. A specific communication and educational campaign was created to encourage digital conversion of members, yielding better experiences for those individuals and more cost-effective interactions for the organization.

○ ASK YOUR EMPLOYEES:

It's easy to forget that the people who understand your member's experience the best (other than the member themselves, that is) are your employees. They see firsthand which processes are confusing, which times are the busiest, and which small actions make members' days. **Employee experience programs** can tap into that knowledge base, then work in tandem with your member experience efforts to identify steps you can take that will make the biggest difference for your member.

As an added bonus, when you make it clear to employees that you value their input, they become more engaged in your efforts because they feel more empowered to influence the member experience.



Whether you're starting a new member experience program or resetting priorities for a long-standing one, aligning to these four goals will help you cut through the noise and begin efforts that will both improve experiences and positively impact your bottom line.

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