

Tough Questions Series:

# Is Your Credit Union Member-Centric?

Alix Patterson, Partner  
Callahan & Associates

**CALLAHAN**  
ASSOCIATES  
*the credit union company*

Knowledge. Insight. Strategy.

# Can You Hear Me?

- We are audio broadcasting so please plug in your headphones or computer speakers to listen in.
- If your audio is choppy or slow, you may wish to dial into the teleconference:

Dial: +1 (415) 655-0003

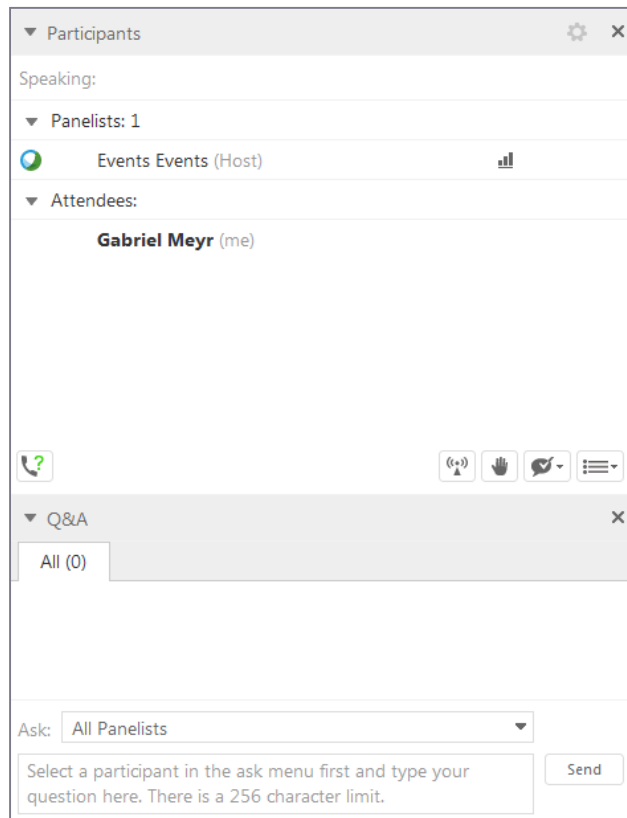
Enter access code: 664 003 378#

# Slide Link

Today's slides can be found online at:

<http://bit.ly/10-16-18-member-centric>

# We Encourage Questions



Use the

## Questions Box

located on the right side of the screen, to type your comments or questions.

# You Might Also Be Interested In

## [Why Credit Unions Need To Ask Tough Questions](#)

A monthly collection of Callahan content that, together, addresses a single topic from a variety of perspectives.

## [10 Questions That Keep Credit Union Leaders Up At Night \(And What To Do About Them\)](#)

Financial services move fast. These credit unions have discovered ways to move faster.

## [Ask Tough Questions Before Investing In New Capabilities](#)

To meet consumer expectations in the digital space, credit unions must think differently about their entire operation, not just technology platforms.

## [Simple Ways To Engage Members](#)

Town & County cuts back on traditional media, scraps fees, improves processes, and deepens its community engagement.

# Tell Us What You Think!



**Please take our post-event survey. We value your feedback!**

# Tough Questions Series: Put Your Member Experience Under the Microscope

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# What We'll Cover Today

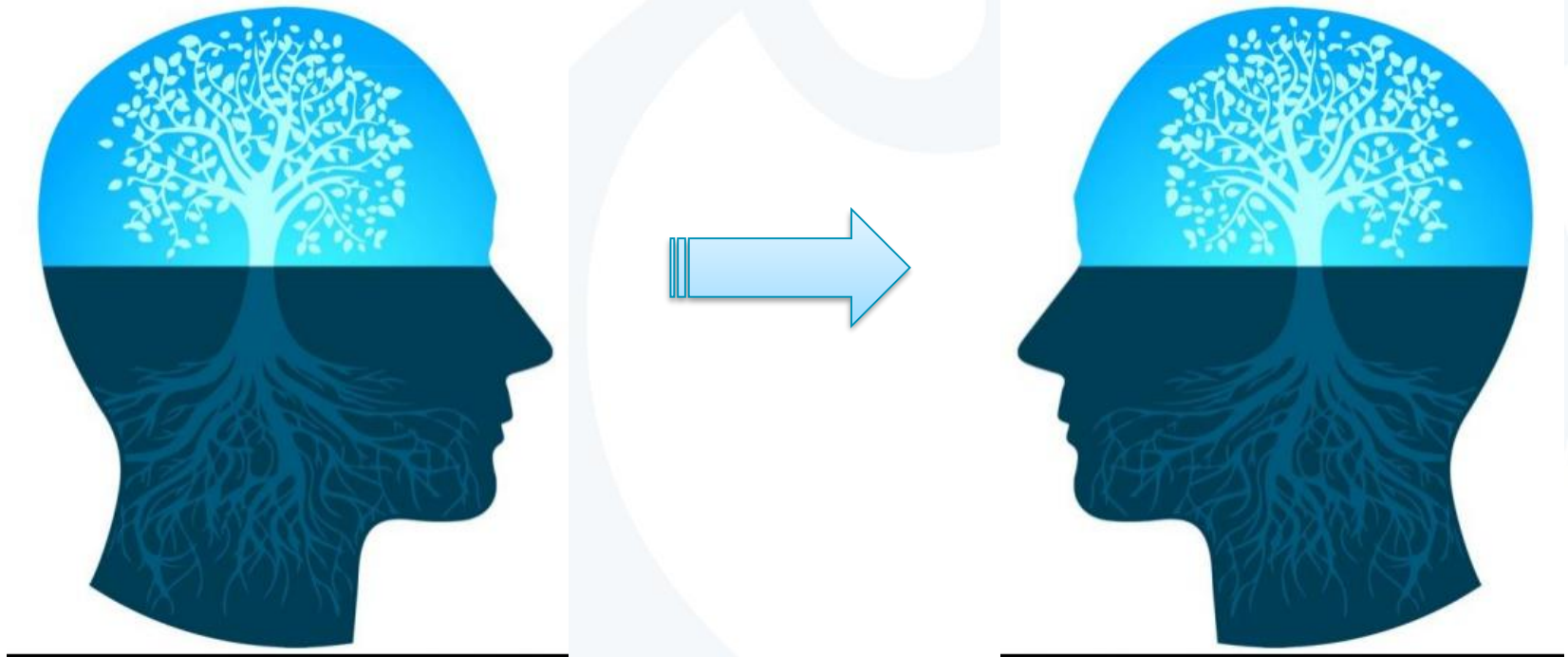
- Industry dynamics to consider
- How to bring members into the process to learn what they need.
- Success stories of credit unions who are walking the walk.
- Tips to help your credit union become even more member-centric.



# What does member-centricity mean?

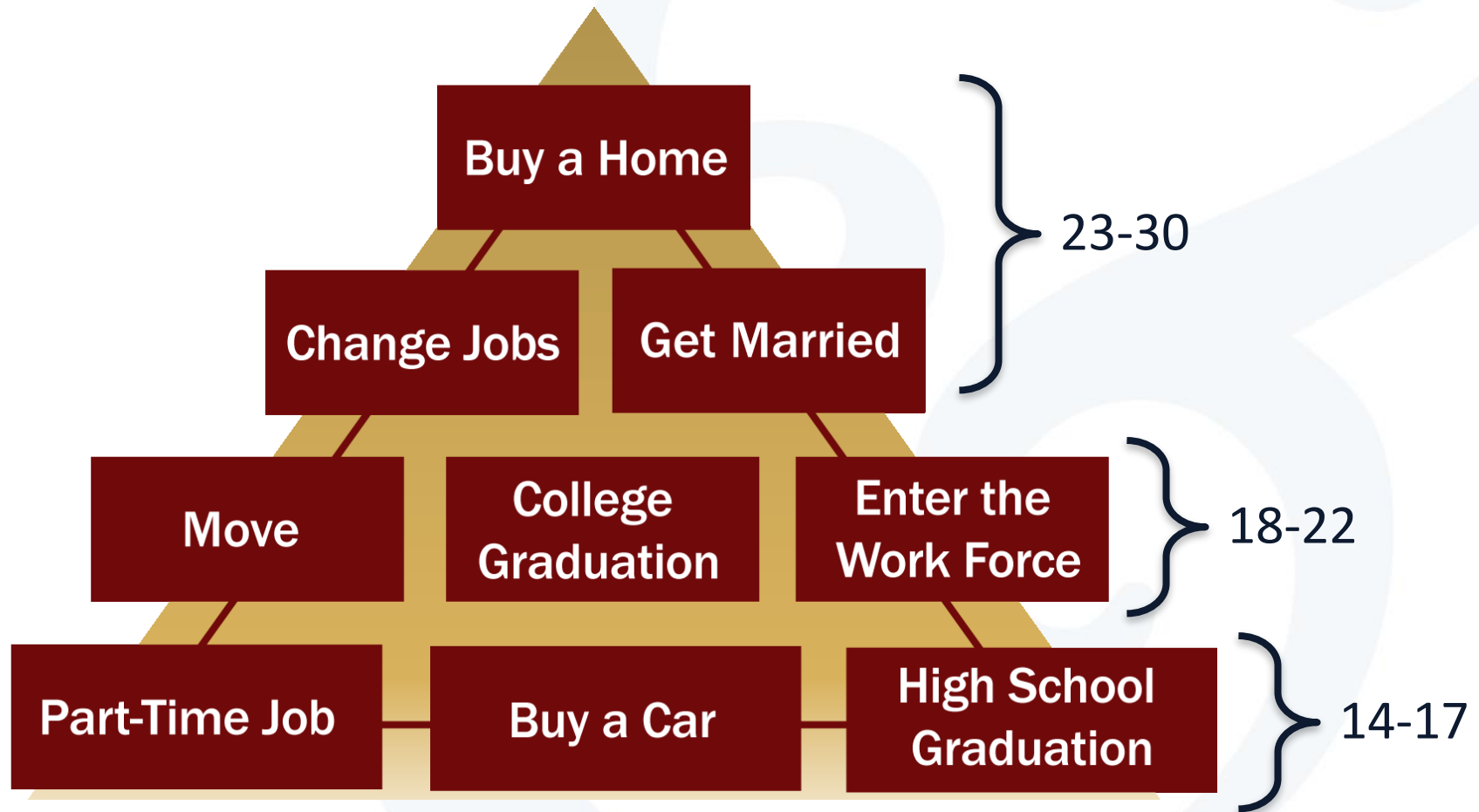
How can we grow  
loans?

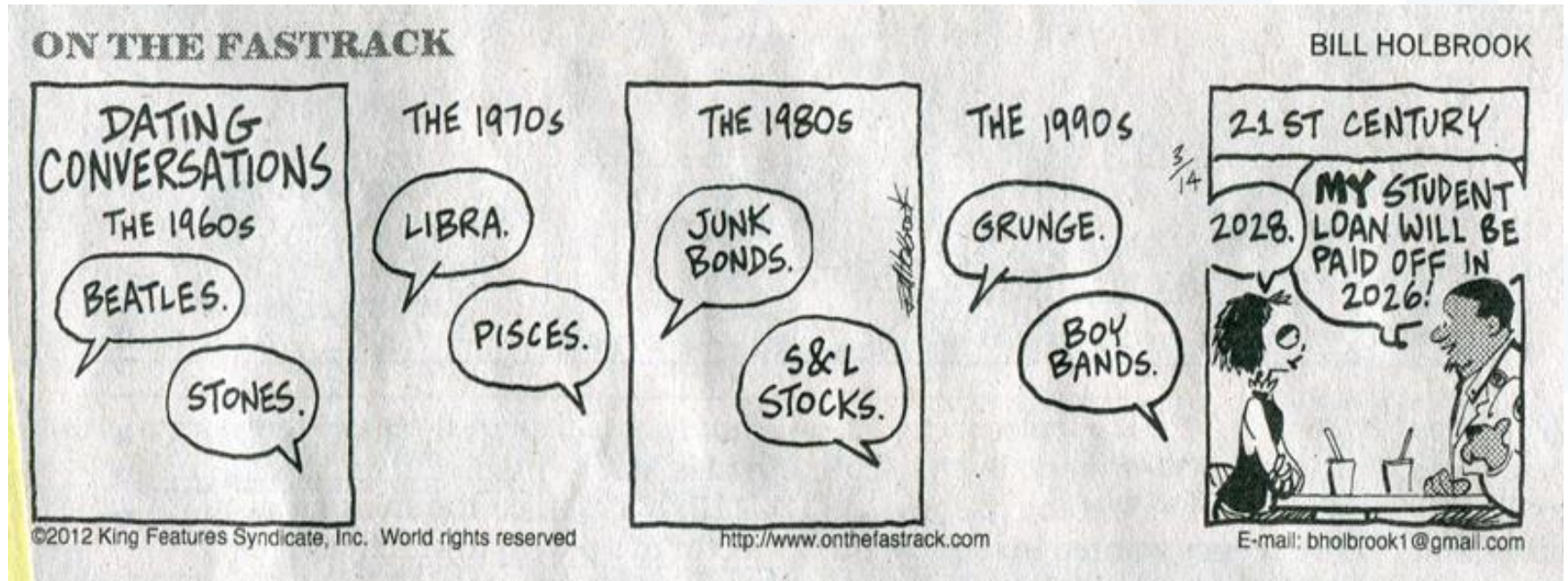
How much money can we save  
our members in interest  
payments?



# SHIFTS IN MEMBER BEHAVIORS

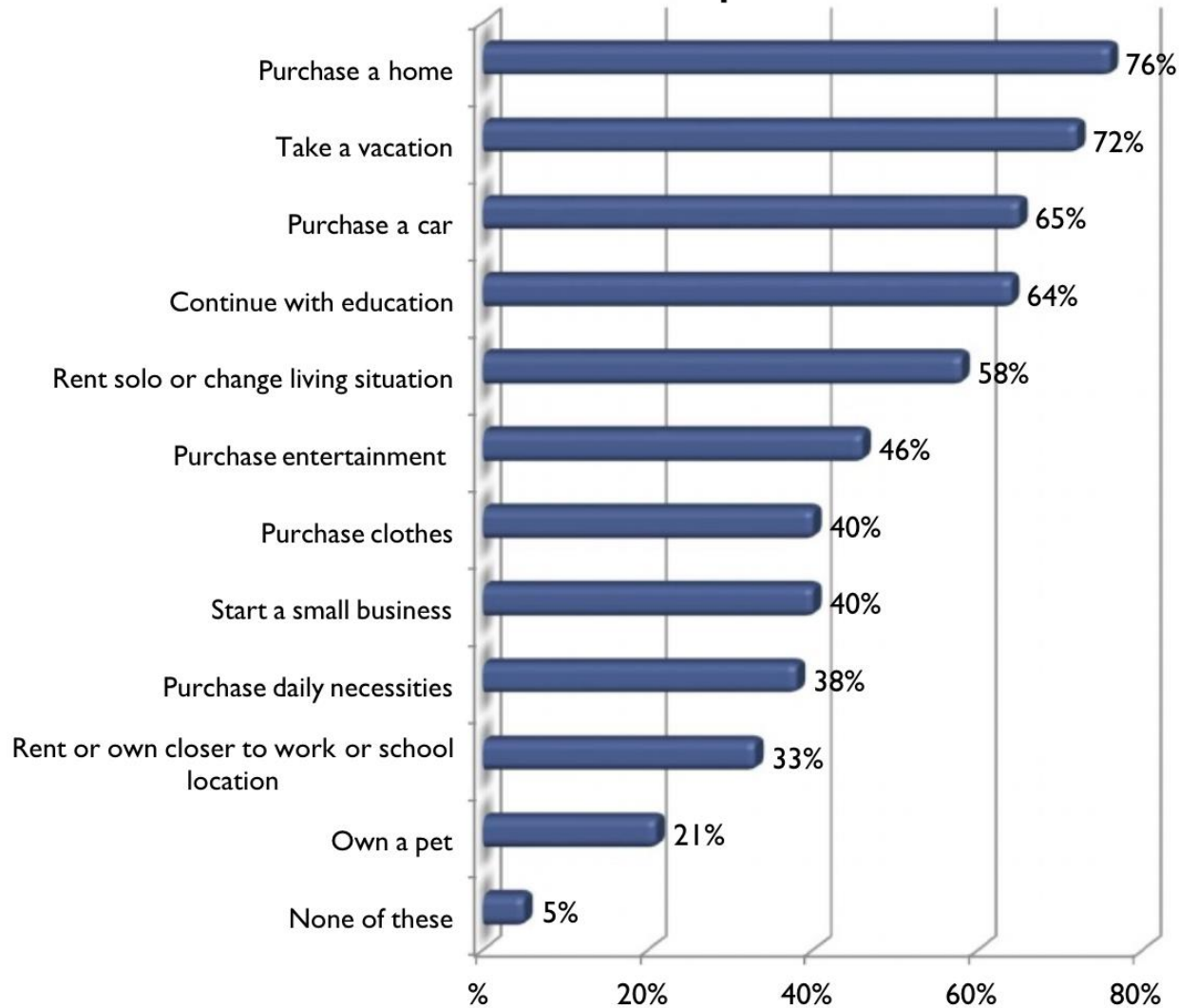
# Traditional Sequence of Financial Decisions





- 70% of college graduates have a “significant amount of student loans”
- 44 million Americans hold over \$1.4 trillion in student loan debt

## Student Loan Debt Impacted



**2017 Student Loan Debt and Housing Report**

Shift in attitudes as well...

Ownership → Access

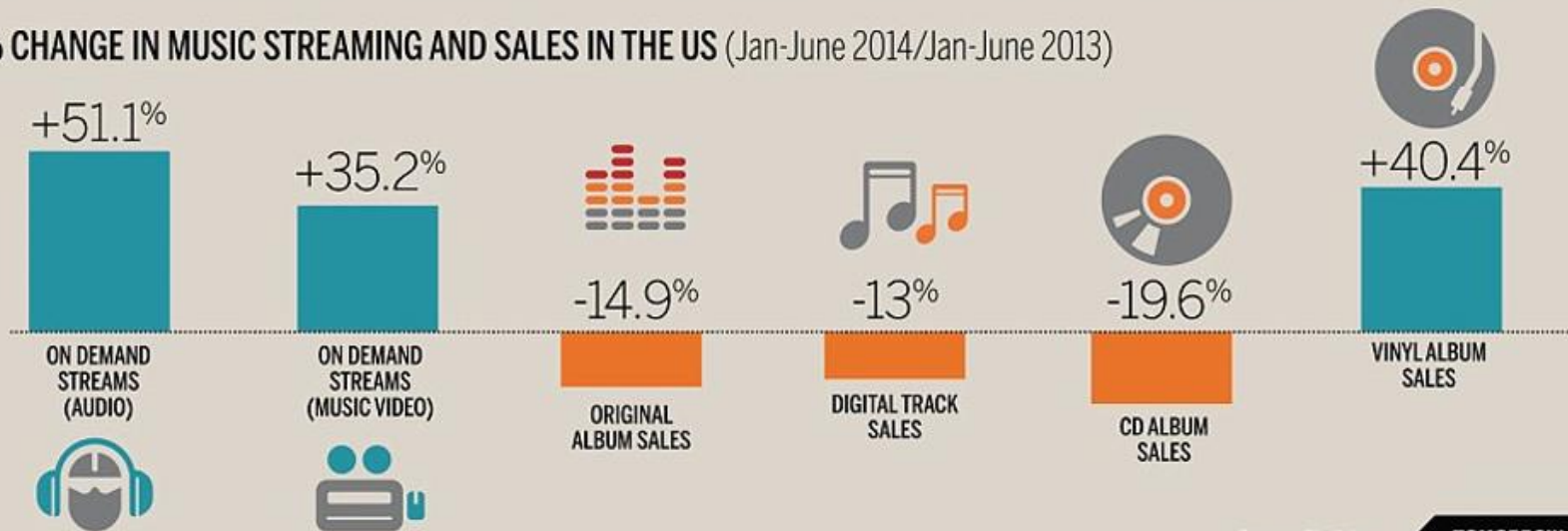


# Disruption of the Music Industry

## Access is more valuable than ownership

One of the most counter-intuitive, and disruptive, changes in consumer behaviour brought about by the Internet is greater preference to access than ownership of media. Right now the trend is most evident in music. Only exception: vinyl sales

% CHANGE IN MUSIC STREAMING AND SALES IN THE US (Jan-June 2014/Jan-June 2013)



Source: Statista

**TOMORROW:**  
The Needler



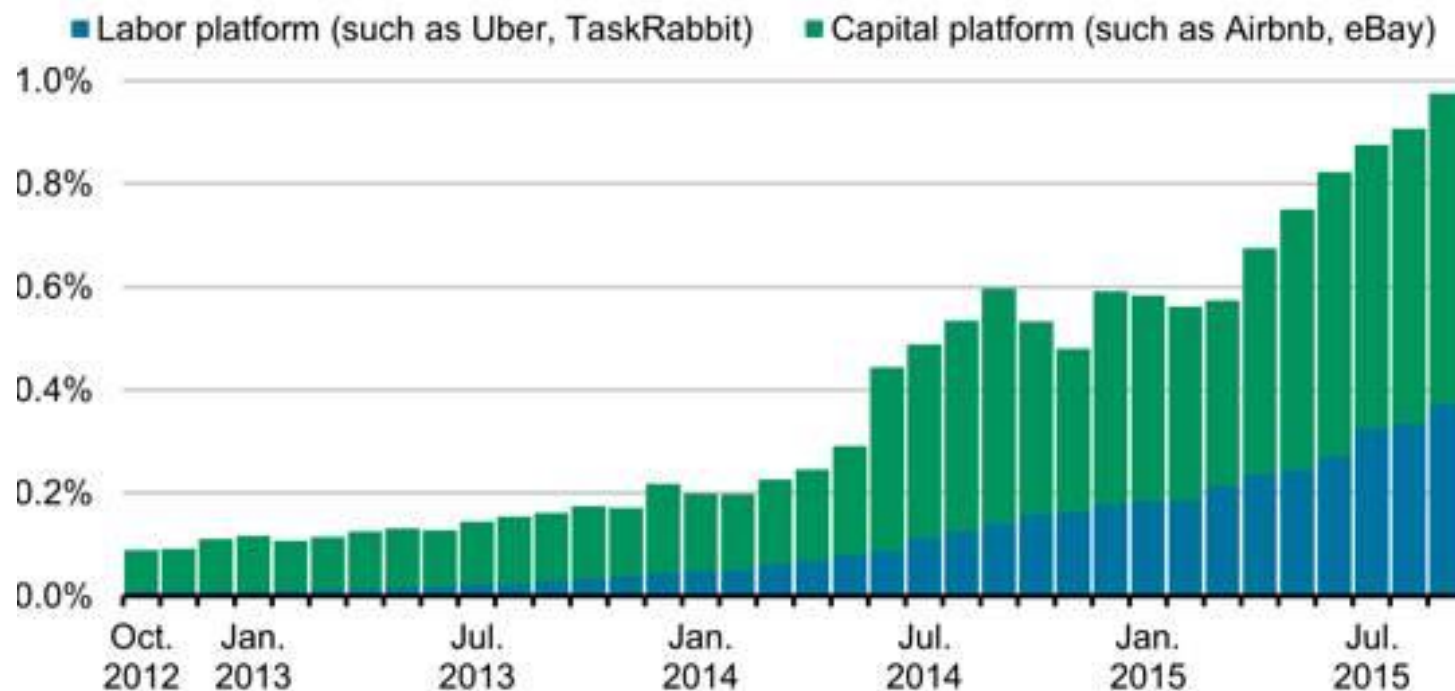
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# The market is growing – fast

## Gig Growth

Share of U.S. adults earning income in a given month via online platforms, often referred to as the gig or sharing economy.



Source: JPMorgan Chase Institute | WSJ.com

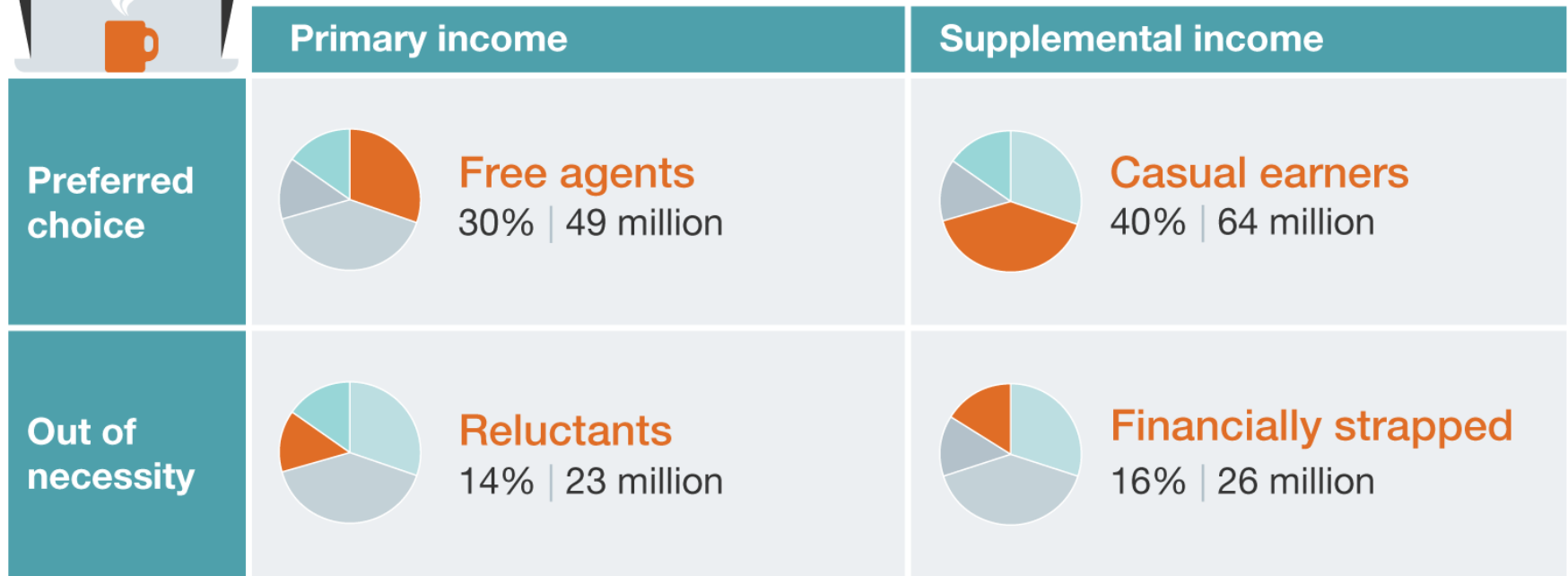
# Poll: What percent of Gig Workers do so by choice (vs. necessity)?

- <20%
- 20-29%
- 30-39%
- 40-49%
- 50-59%
- 60-69%
- 70%+



## Independent workers generally fit into four segments.

Share of working-age population engaged in independent work



Source: 2016 McKinsey Global Institute survey of ~8,000 US and European respondents

McKinsey&Company

# 3 ways to be more member-centric

- Use your data
- Ask your members
- Put yourself in your members shoes

# Using Data to Drive Member-centricity




# What do we know about our members?

- Where they shop – stores and locations
- What loans they pay elsewhere
- What channels they prefer to use
- Spending and savings patterns
- Demographics – age, gender, family, income

# Anticipate problems

## Low balance warning



 Below you can set a THRESHOLD value and the EMAIL address to be notified when your balance goes below threshold value. We will send you an email once the threshold has been reached.

Threshold



Threshold

Email



Email

Language

 English (UK) ▾

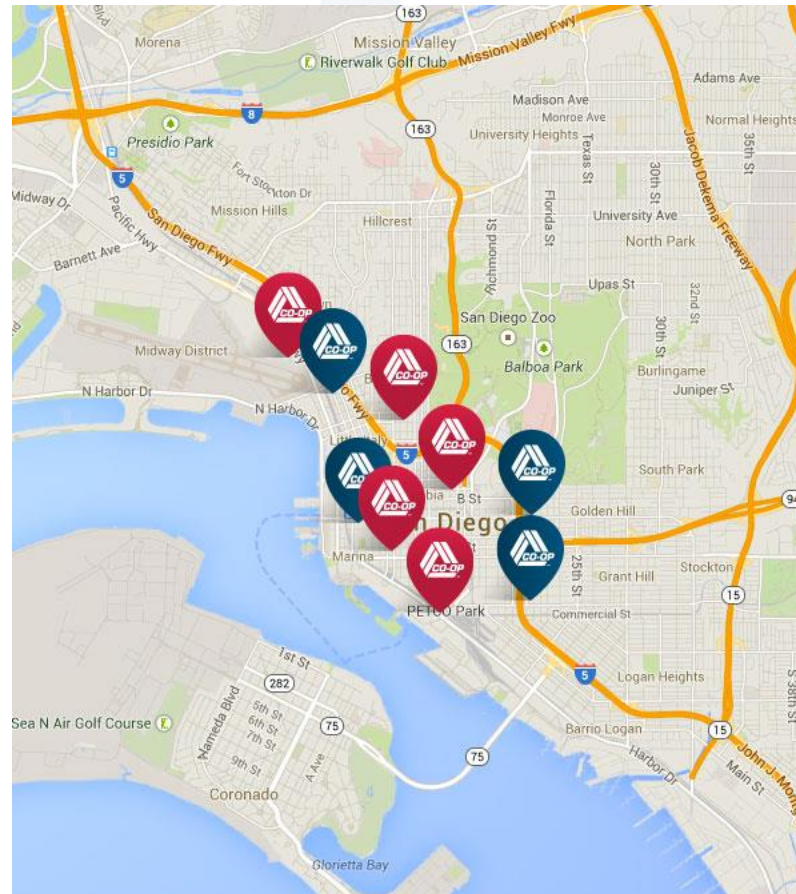
Low balance warning

Enabled ▾

OK

Cancel

# Save them money





# Save them time



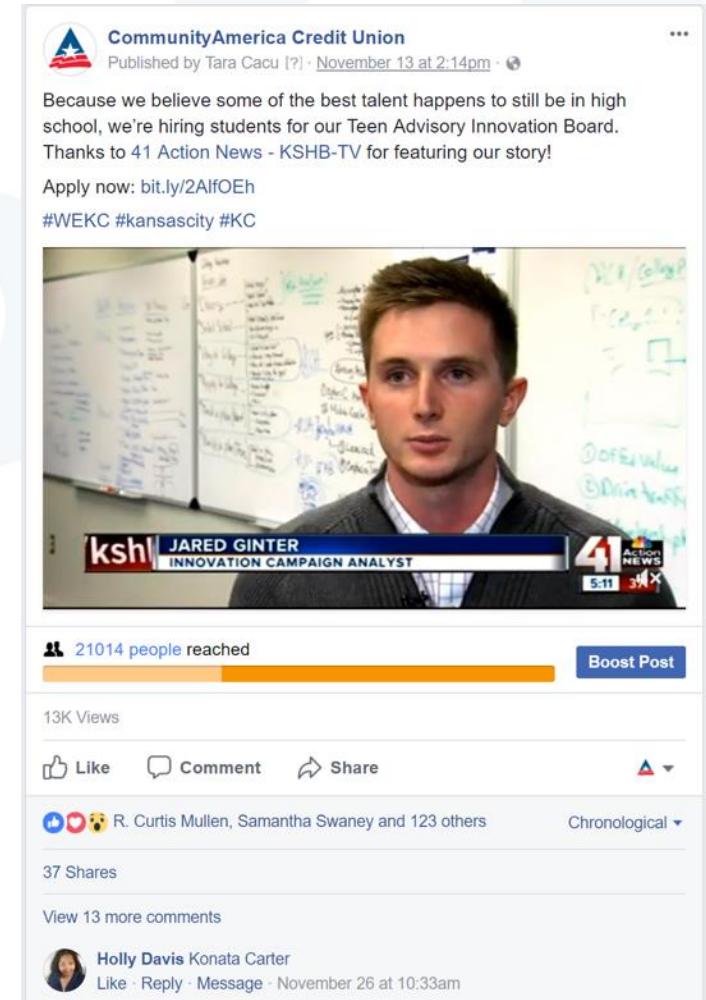
# Success Story: CommunityAmerica



<https://www.creditunions.com/videos/videocontent/a-member-driven-approach-to-innovation/>

# Hire your Members

- Created a Teens Advisory Board
- Objective
  - Offer & collect feedback
  - Learn about innovation
  - Tell friends, family about it
- Paid them \$200



# Recruiting Students

- Social
  - 41 Action News clip
  - Instagram, Facebook
  - Strong Word of Mouth
- High schools in the area
  - Teachers
  - High School ads
- Word-of-mouth
  - Applicants often heard about this opportunity through family/friends
- College Planners



CACU – Teen Advisory Board and Innovation Approach

# It's Viral!

"I liked the feeling of being able to contribute to **making something that actually got released**. It feels nice to see my work being used."

"**The innovation board presented me with lots of opportunities that I didn't even know I could have. I also think that it is super important to have input from teenagers**, especially on a topic that is so relevant to us. In short, I have learned a lot, made new friends, and was a part of something great."

"**it's a wonderful program that provides a lot of opportunity for teenagers**, and helps young people better understand the importance of innovation"

"Of course, **it was one of my favorite projects I've worked on in high school.**"

"I think it is a great way to branch out and hear from really interesting students. It was also cool because **you got real world experience with creating an app** and marketing it out to people."



# Success Story: Clearview FCU



# 3 Dimensions of CX

Effective  
-ness

- Customers get value from the experience


Ease

- Customers get that value without difficulty

Emotion

- Customers feel good about the experience.

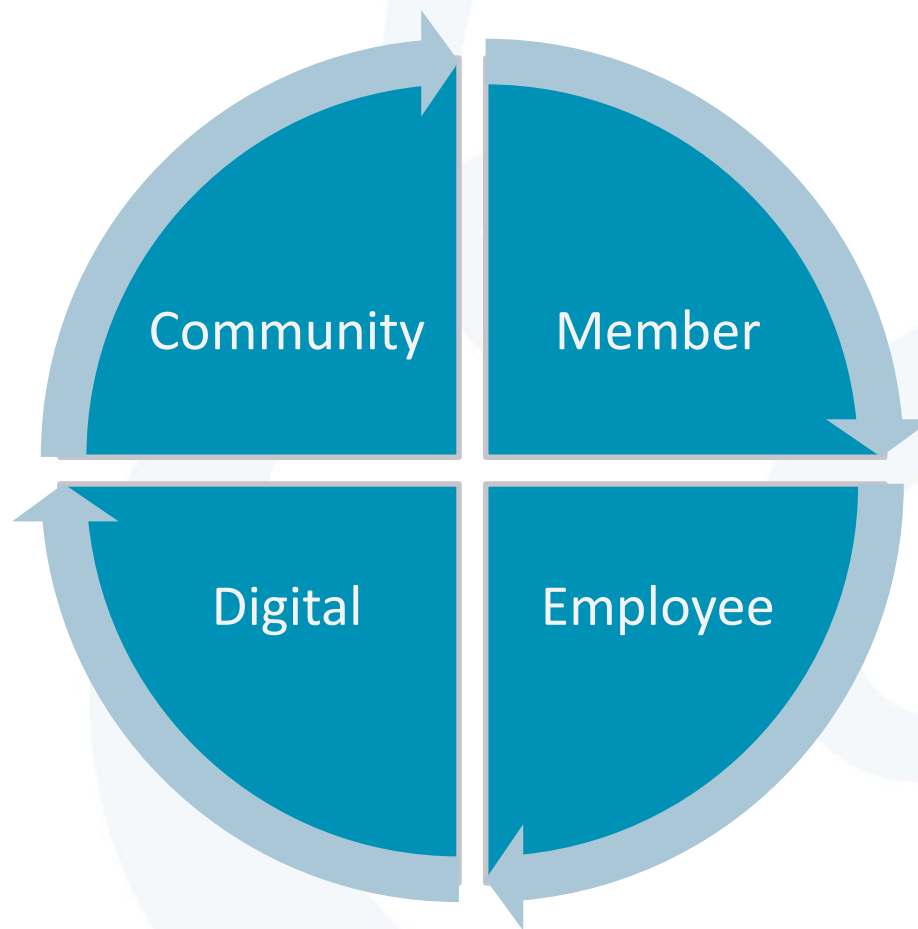
Source: Forrester Research, Inc.

A black and white close-up portrait of a woman with short, curly hair, looking slightly to the side with a gentle smile. She is wearing a multi-strand pearl necklace. The background is dark and out of focus.

*People will forget what you said.  
They'll forget what you did.  
But they will never forget how  
you made them feel.*



# Clearview's Dimensions of Member Service





# Tips for Your Credit Union

- Reframe your success metrics: rethink how we approach “winning” from the member POV
- Get a handle on your data: start small, ask a few questions, see what results you get
- Engage your members: bring them into the decision-making fold
- Walk in your members shoes: with your own channels but also with competitors

# How We Can Help



Contact us to learn more  
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# CONTACT INFORMATION

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