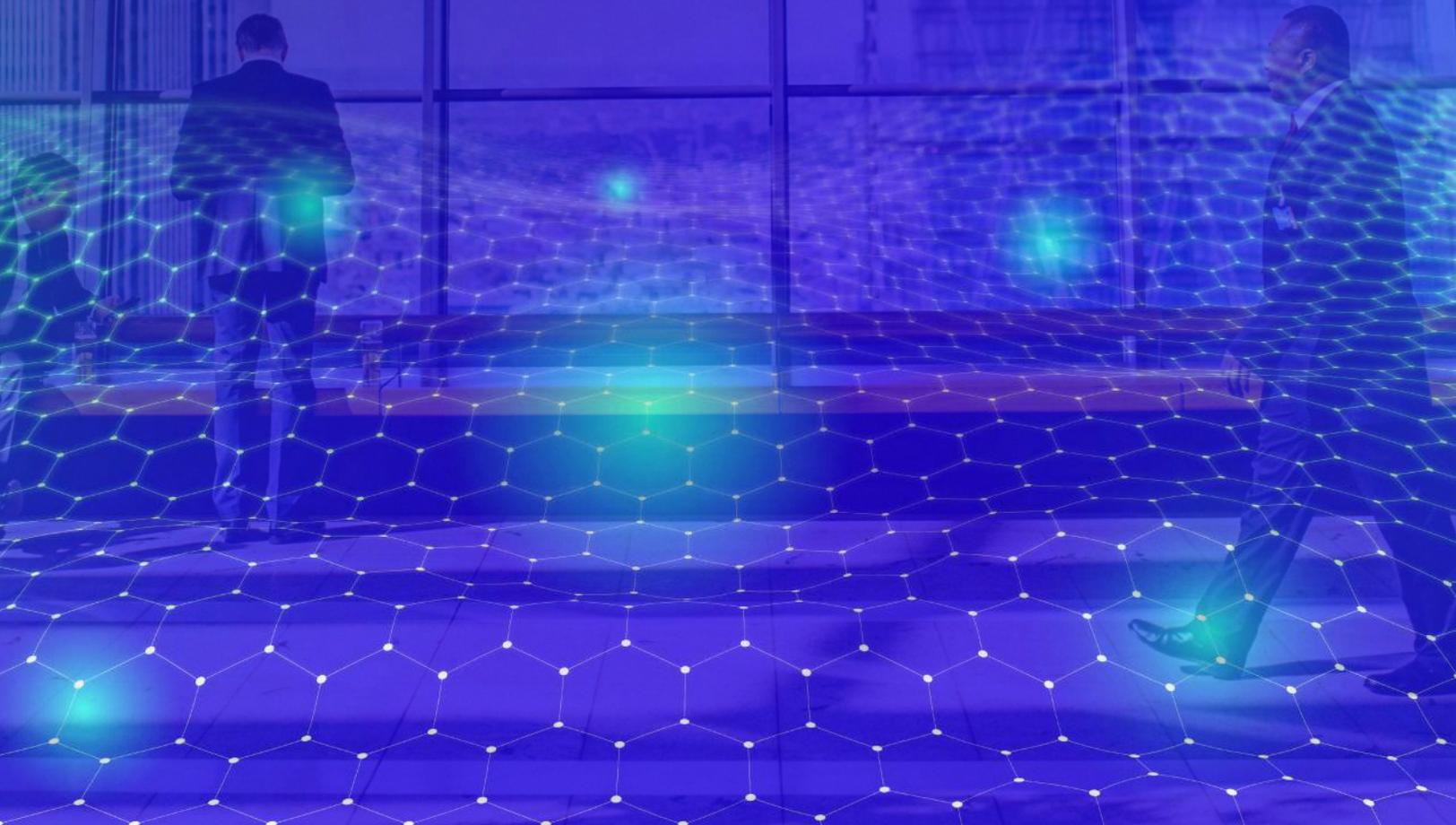




Become the Credit Union of the Future, Today

Digital Transformation for a Successful Member Experience

An NGDATA White Paper





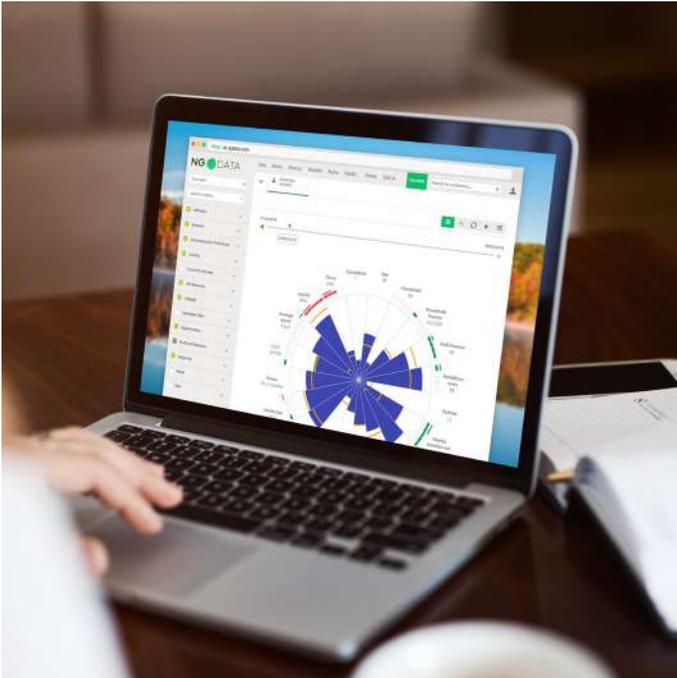
The banking industry is entering a new frontier. Less banking is done in physical branches and interactions through mobile apps are shorter, but happening with more frequency. While at the same time, competition is creeping in from new places. Technology companies, such as Google, Apple and Amazon, are using advanced technology that puts the customer center stage, making competition to attract and retain customers more important than ever before.

In response, credit unions across the globe are adopting strategies to become more member-centric. This means understanding members on a deeper, more individual level, and presenting them with more relevant and timely offers. The trick is providing members with the right content, within the right context and at the right time. This is why marketers should adopt a member-focused approach through the use of real-time data analytics.

Credit unions run their business as “not-for-profit” – by the people, for the people – with serving their members as their core value. To accomplish this, credit unions originally served their members in their physical branches. The more advanced credit unions have added different digital offerings to supplement the physical one.

In recent years, however, credit unions face formidable competition from fintech startups that are being very creative in the way they engage with customers and the digital experiences they offer.

For credit unions to stay competitive and continue to put their members first, they must adapt new approaches, change their mode of operation and compete for customer acquisition.



Transformation Strategy

Having been in existence since the 1850s, credit unions are no strangers to business transformation. While business transformation is essential for survival, it's also fundamentally risky, and digital transformation is no different. Digital transformations impact every aspect of the organization – systems, processes and people. These resources need to be introduced to these digital changes in ways that bring positive momentum and additional opportunities.

While you can wield the systems to operate in any way you choose, it is important to understand what the organization wants to achieve first, and what are the expectations and constraints. It then requires working with the organization's customers, providers and employees to develop a proper strategy to meet the current and future needs of the organization.

Operational Excellence

Credit unions use a variety of systems to service their many members and onboard other financial services providers. Many of these are legacy systems that are not governed by any application, so they require a lot of time to input and retrieve information out of. Without automation, many business processes, such as processing and request and response routing, are a manual and time-intensive effort.

Implementing an external data exchange system and an internal interconnected data integration platform that serves all applications allows the credit unions to store data in a centralized environment, automate many of its processes, shorten timelines, reduce errors and increase efficiencies. Systems, infrastructure and architecture modernization is the most basic and essential step to start the digital transformation.

Customer 360

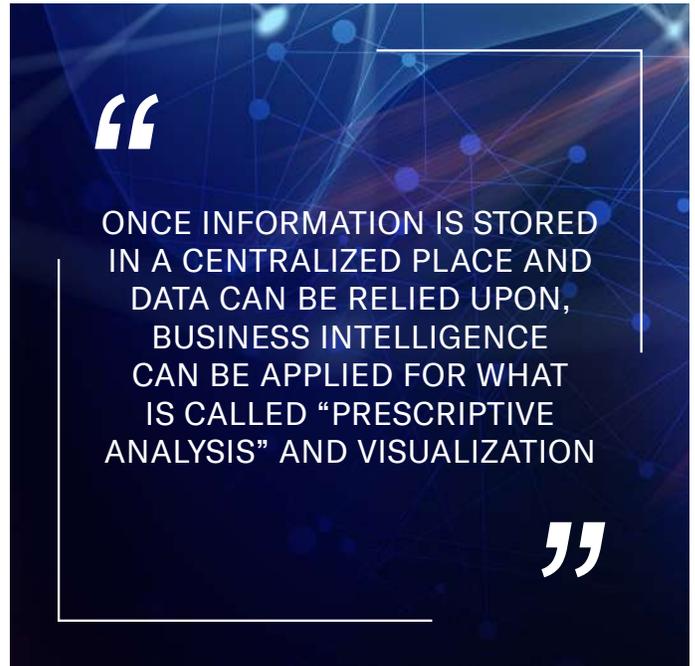
There are two challenges that connecting platforms and centralizing data don't solve. First, credit unions will still have conflicting views of the same member. Second, they will find it difficult to gain a holistic understanding of all its interactions and transactions with their business.

To solve these problems, organizations must "master the data" and then create a "360 view" of the member. Once all the siloed systems have been connected, information is cleaned, de-duped and mastered to create a golden, single view of the member across all systems. Next, all interaction and transaction data points are connected to build an all-encompassing, 360 degree view of any given member. Mastering the data and creating a 360 degree view of the customer is the most critical step to begin tracking and understanding the business's customers.



Marketing and Sales Insights

Credit unions have multiple departments offering different types of services to its members. However, without information sharing across these departments, it's as if each one is operating as its own autonomous organization. This can cause the member to become frustrated and lose trust as they realize that the various department don't fully understand their broader relationship with the credit union or their needs. The credit union's departments further suffer from the inability to capitalize on member knowledge gained by their fellow employees and departments, which effectively limits the ability to leverage such insights for upselling and cross-selling.



Once information is stored in a centralized place and data can be relied upon, business intelligence can be applied for what is called “prescriptive analysis” and visualization – an in-depth view and understanding of the activities and state of a member or even provider. Moreover, with enough data points and historical information collected, prescriptive analysis can be applied to promote offers of probable value, better control members behavior and enhance member experience and loyalty.



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Marketing to the Individual Member-Level

You might think that centering marketing strategies around the member is a no-brainer. While it should be, many credit unions are still relying on product or campaign-based outbound marketing strategies that target people from static, socio-demographic information used to segment, such as Location and Age. The results are low-precision mass campaigns that are often times irrelevant to your many members. Members then wonder if their credit union really knows them at all, or cares to get to know what they want, while opportunities for targeted cross- and up-sell fall by the wayside.

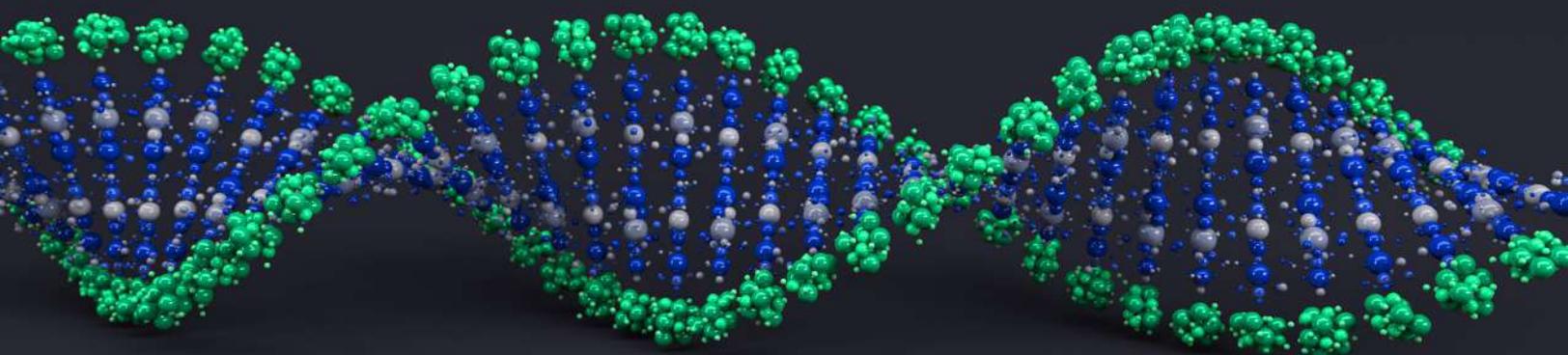
With access to real-time data, credit unions can put the member front and center, resulting in one-to-one, individual-level marketing that is more appealing to members with tailored products, services, and offers that anticipate and fulfill their preferences and needs at the moments that matter most.

True View of Your Members

The most successful companies and financial institutions are those that don't just put their customers first, they put them at the center – the center of everything. As soon as a customer begins interacting through any channel—whether it's a store/branch visit, customer service call, or website inquiry—bring all the core information about this interaction into one central system and from that moment onwards keep connecting the dots for all future interactions, building a complete multichannel customer view. This allows credit unions to track what users do each time they interact with your brand so you can better understand them on an individual level and subsequently tailor your marketing initiatives to their specific needs. By understanding members on this level, you can answer critical questions like how did they initially find your company? When and from where did they visit your website? Do they act in different ways on different channels? Knowing these answers will help you achieve more targeted campaigns that engage and motivate both prospects and members.

Individual member data – from behavioral to contextual and everything in between – is the single most important key to enabling customer centricity. This is what creates “Member DNA.” This is a collection of thousands of metrics representing the core information on individual members’ profiles, behaviors and preferences. These are calculated in real-time and organized for each individual member. The metrics are the basis of which to improve service and experience, and even increase upsell opportunities, which grows lifetime value. Having a full understanding of your member at the individual, DNA-level allows credit unions to know how messages should hit the right person, at the right time, and through the right channel—ensuring relevancy of content and delivery.

In tandem, the member benefits by receiving offers that are actually relevant and helpful to their lives.



The Ability to Track Trends

Traditional business intelligence systems can reveal what happened in the past and why. That approach delivers insights: snapshots of understanding based on past events. However, insights aren't enough. Without the ability to track trends, we won't be able to make accurate predictions about future behavior, and thus can't determine WHEN to take action. Companies need to be able to track trends in real-time to be ready to engage with relevant content, and to be able to answer important questions like, "What will happen?" and "What will we need to do?" Having these answers is the only way to achieve real impact. Both of which make member centricity a reality.



The Bottom Line

The key to delivering superior member experience is to contextualize data and get personal—understand your member at the individual-level, understand their lifestyle to deliver products, services and content that are pertinent to them, via the right channel, at the right time. Only then can your business truly become member-centric. Without leveraging all available cross-channel member data, in a timely manner, you risk missing opportunities to connect with your most valuable members to keep them coming back and to increase their value to your credit union.

As credit unions continue to extend their outreach from brick and mortar physical branches to online banking, offering multiple services, they must future-proof their business in such a way that it can viably compete in the marketplace with much smaller, nimbler companies that are tailoring their offering to modern customer needs. Every transformation will look somewhat different for a given organization, but they will all follow the same steps: build a strategy, modernize systems, connect the organization together to better understand the customer, and gain insights into customers and the best ways to engage with them.

NGDATA helps brands achieve data-driven customer centricity. Our AI-powered Customer Data Platform (CDP) & Digital Transformation services and solutions enable our clients to deliver relevant, connected and timely customer experiences. We partner with our clients to help them capitalize on emerging opportunities, drive profitable customer experiences and supercharge analytics and campaign ROI. NGDATA partners with companies around the world to drive digital transformations.

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