

Inside NAFCU Services

By Wayne Conte

Engaging members in tough times

The current economic climate is, without a doubt, having a substantial impact on your members. Unemployment is up, the housing market is down, and stock markets are unstable. It might not seem like it, but now is the perfect time for you to engage with members to help them understand what it all means.

Members are looking for peace of mind and expect to have their needs met by their financial institution. Successfully meeting expectations or needs generates engagement between you and your members. Based on a recent survey, anxiety-related concerns are top-of-mind.

- 74 percent of people are more worried about having their identity stolen than their car or home broken into.
- More than 50 percent of people believe that they might be in danger of losing the security provided by their insurance should they lose their job.
- 52 percent of people surveyed said that if they were to suffer an accident or accidental death, they would be “concerned” or “extremely concerned” about their loved one’s financial stability.
- Almost half of identity thieves aren’t caught, making it likely that they will become repeat offenders.
- 45 percent of Americans said that a financial blow of as little as \$500 would severely impact their financial stability. (The average hospitalization costs more than this amount).

On the positive side, there is a tremendous opportunity for you to become a resource for your members. Many know they need to find help, but don’t know where to find it, or they don’t trust some of the resources they see advertised. Whether it’s their first time being laid off, having a loved one experience an accident, or having their identity stolen, your members are looking for peace of mind. And you are in a trusted position to provide it.

You can’t package peace of mind

Admittedly, the idea of offering members “peace of mind” can sound a little overly ambitious, especially considering that the term is going to mean something different to each person. It’s important to realize there’s no one size fits all, so you’ll need to find a multitude of benefits to offer to your members.

The best services are the ones members expect to find from you and which meet their needs, for example:

1. Alternative insurance
2. Fraud protection
3. Credit monitoring
4. Discounts on everyday purchases in dining, travel and healthcare
5. Identity restoration support services



Successful marketing is critical

Engagement only occurs when solutions are specifically tailored to the *individual* needs of members. Making sure this happens is a jointly shared responsibility — belonging both to you and the partner providing the solution. Key evaluation criteria in choosing a partner should be the ability to work with you to market to each individual.

There is also the “noise factor” to consider — engagement can rapidly become disengagement if members are bombarded with offers from one or several vendors for one or more solutions. How many different messages does it take until your member’s definition of “peace of mind” becomes “no more junk mail or e-mail?”

You can address this potential problem by having one person from your credit union be responsible for coordinating offers. It also helps if you can find one partner that can offer all your solutions, rather than multiple vendors, which complicates the process.

Regardless of whether you choose to work with one or several vendors, it is essential to look for a partner with a proven track record of driving results for credit unions like yours. Check references, and ask for specific performance metrics, everything from response rates to income yield. Finally, you’ll want a partner with multiple ways to reach your members.

The benefits of engagement

Looking past the immediate crisis and income opportunities, engaging members yields benefits for your entire credit union. A client recently conducted a study that showed that its depositors involved in its consumer engagement program were — across the board — more likely to:

1. Recommend the financial institution to others
2. Continue doing business with them
3. Record higher levels of satisfaction than depositors not enrolled in a program

In other words, you can have members who are happy to keep their membership longer, happy to recommend membership to their friends and happier to work with you.

Now is the perfect time to be a trusted guide for your members in tough times. You can start by providing peace of mind. 🐾

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