

Early Concept Document

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UMatter

CONCEPT DOCUMENT



INTRODUCTION

There is an untapped opportunity to provide Gen X members with the exclusivity and value added services typically reserved for high net worth members.

Why Gen X? The 30-45 year old generation is at the point in their careers where they are accumulating net worth and making major life cycle purchases. They are underserved by traditional wealth management programs because of balance restrictions. They are under-emphasized by traditional credit union marketing which now has shifted focus to Gen Y and younger.

By giving this demographic group unexpected exclusivity and rewards, we intend to build long term loyalty and create a bridge to future borrowing, savings, and wealth management services.

EXECUTIVE SUMMARY

A member can only qualify for UMatter if he/she is referred by an existing UMatter member and if certain minimum account qualifications are met. The UMatter members earn benefits (see Member Benefits below) and earn higher levels of benefits with the more referrals they make.

OPPORTUNITY

To build long-term member loyalty by delivering exclusivity and a sense of belonging

ENVIRONMENTAL SCAN

Umatter.com is a car repair website
Umatter.org is a pregnancy care center in Milwaukee
Umatter.net is under construction

Facebook contains a few Umatter locations with various types of content

SOLUTION

To create the feeling of exclusivity, there is a referral requirement. A member qualifies for UMatter if he/she is referred by an existing UMatter member and if certain minimum account qualifications are met, for example, active credit card, \$10,000 on loan or deposit, active direct deposit, and a checking account. The UMatter members earn benefits and earn higher levels of benefits with the more referrals they make. The UMatter program is flexible in terms of the benefits awarded and the referral levels necessary to achieve them. Credit Unions can design it to fit their needs.

MEMBER BENEFITS

Basic

- Free safe deposit box
- Free credit score
- Rate coupon for 25bps

Intermediate

- Personal relationship manager
- Surcharge free ATMs
- Rate coupon for 50bps

Advanced

- Free financial planning
- Lottery prize
- Rate coupon for 75bps
- Charitable donation
- Credit card points

CREDIT UNION BENEFITS

- Build long-term member loyalty
- Member and product growth
- Create a core group of member advocates
- By targeting a specific member demographic, the credit union can more effectively deliver more resource intensive services to members that are more likely to drive further member and product growth

TARGET MARKET

Gen-X

OPERATIONAL AND OTHER CONSIDERATIONS

Since the focus will be on Gen-X this segment of the population is very active on the Internet and adept in the use of social media. We have created a template website for institutions that utilizes a Skyza Web 2.0 media bar to enhance the experience with integration to;

- Facebook
- Surveys created by the credit union
- Comments
- Announcements
- RSS – which can be the CU's RSS feed
- YouTube channel integration
- Games – many Web 2.0 sites utilize games to garner repeat visits (Farmville, etc)

The customization and integration of this social experience is sophisticated in its presentation but created in such a way as to be exceedingly simple for anyone with basic knowledge of HTML. This should provide institutions that do not have in house resources to have the site up within a few hours of minimal effort. The Facebook integration can be used as the source of tracking linking directly to the credit union's Facebook site or an alternate method of referral tracking may be used if desired.

PROOF OF CONCEPT

Survey Data

- 61 total surveys
- Average Age – between 25-44
- Average Income – between \$50,000 - \$99,000
- Top three perks – Discounted loans, cash prizes, free ATM usage
- Bottom three perks – 24/7 personal banker, personal line of credit, drop off/delivery service
- 57% were likely or highly likely to participate
- 61% were likely or highly likely to refer a friend

Pilot Results

Initial individuals are purposely chosen for their sphere of influence such as real estate agents and those with key “Seg Group” ties. Their initial reaction so far has been very positive as they contemplate who they can refer to qualify at each stage. There appears to be a desire to be loyal to the CU inspired by its loyalty to provide perks through the program such as opening the checking account to get the loan perks.

Tracking has been set up in the core. Information sheets with referral forms and coupons have been placed in envelopes for those who enroll in the program. The charity chosen is one that is well-known in the area and highly regarded. The perks have been amplified just a bit to determine more readily their viral nature.

A loan officer has been designated at each branch to enable the members to choose which location best serves their needs. We have already seen the initial Umatter members refer both family and friends. The key point of referral denoted so far is when they are able to refer someone with a coupon for a car loan.

GETTING STARTED

- Make U M atter work for U: The U M atter program is flexible in terms of the benefits awarded and the referral levels necessary to achieve them. Any credit union can design the awards and levels to meet their needs.
- Staff selection process: It is highly recommended that the staff selected to run this program consistently go “above and beyond” to always build on our exclusivity factor; therefore, select your star member service employees.
- Research your credit union membership: Target initial members with the minimum account qualifications to be your “inaugural” membership intake. The program should take off from this point with referrals coming in from the inaugural membership and build from there.
- User Friendly: Marketing materials should be user friendly – explaining the program and keeping the exclusivity factor of referral only. Create a link and display it on your credit union website for easy access of program information to the members referred as well as a direct contact person.

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- Additional support tools for *UMatter*: In an effort to assist credit unions in accommodating the internet and social media savvy attribute of Gen X, we have created a presence on the internet. Use our website template with integration ability to Facebook, YouTube, RSS feeds, games, etc (reference our “operational” section for further details).

MARKETING TACTICS

Because of the desired exclusivity and demographic of the audience, marketing this program relies heavily on word-of-mouth. Initially the program is announced to those members who meet the age and balance criteria. This was done through Facebook and face-to-face meetings with members. Depending on budget, it could also be done with direct mail and online channels. Once members are in the program they are required to refer other members in order to expand the amount of benefits they receive. The new members must also invite members. They can do this by referring them to the website or Facebook page.

Through word-of-mouth marketing and social media channels, the intent is for this program to grow virally in order to fit the desired communication methods of this demographic and to remain exclusive.

FINANCIAL PRO-FORMA

With the member benefits listed above, we determined that it would take roughly \$30,000 in new/retained loan or share balances per participating member to breakeven.

PROJECT TEAM

Filene i³ is a creative group of insightful and energetic credit unions professional who develop new ideas, innovate, and implement for the benefit of the credit union system. Please visit filene.org/home/innovation or email innovation@filene.org to learn more. The team members who developed this idea are:

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