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## Consumer Experience Matters

Members want education, information, reassurance from their financial institution.

Consumers make decisions based on brand experience. Understanding and addressing the connection between consumer online experience and conversion, loyalty, and advocacy impacts the credit union's financial performance.

**It is challenging for credit unions to differentiate themselves within a commoditized market.** Executives have limited opportunities – namely in products, rates, fees, and member experience – to stand apart from the crowd. Product offerings are relatively consistent and are easily replicated by competing institutions. Lowering rates or fees might capture consumer attention, but discounting typically harms the bottom line. Therefore, improving the experience is the most powerful and accessible means of achieving brand differentiation.

Consumers make decisions based on brand experience. According to a Forrester Research study, consumers demonstrated between a 14 to 17% swing in willingness to buy more product, reluctance to switch, and likelihood to recommend based upon their perception of the experience provided by a financial institution. Understanding and addressing the connection between consumer experience and conversion, loyalty, and advocacy impacts the credit union's financial performance.

### The Importance of the Online Experience

Consumers' brand impressions are increasingly defined by their online experience with the brand. Credit union executives must balance challenges from extending the institution's brand online and meeting business growth goals with preserving the level of expertise, authority, and helpful member service characteristic of a face-to-face meeting with a branch representative, financial advisor, loan officer, or broker.

Consumers of financial products overwhelmingly choose to research online before they move forward with their decision – regardless of the channel in which they convert. According to the Forrester Research article, Online-Influenced Sales Exceed Direct Sales in Financial Services,

“In 2008, 63% of U.S. online adults who researched a financial product did so online.” A poor or confusing online experience with the credit union, therefore, translates into an expectation of a poor experience in conducting business with the credit union, which means lost business and opportunity.

To meet online challenges, credit unions must create an engaging and empowering consumer experience, one that provides critical brand differentiation and turns prospects into members and members into advocates. When members become advocates, their voice, amplified through social media, creates a powerful multiplier effect for the business.

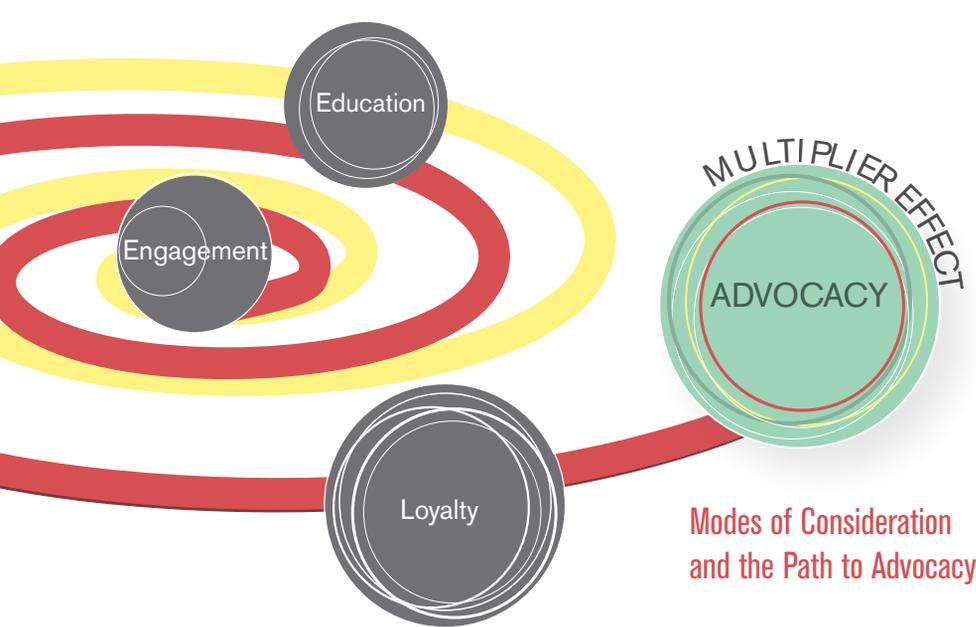
Online members and prospects expect to proceed at their own pace with helpful, easy-to-use tools available to answer their questions. They also expect meaningful product recommendations, informative educational content, and guidance and reassurance in making smart financial decisions. A member experience that fails to meet these needs quickly leads to lost opportunity and member defection, or worse, brand detractors.

### The Consumer Consideration Process

Credit unions can address members' expectations for the online experience by responding to all the stages in the consumer consideration process.

	Customer Experience Laggards (Bottom quartile)	Customer Experience Leaders (Top quartile)
Willingness to buy more product	-7.7%	+6.7%
Reluctance to switch	-7.6%	+8.2%
Likelihood to recommend	-8.2%	+8.4%

Bruce Tempkin, Vice President & Principal Analyst, Forrester Research



### Modes of Consideration and the Path to Advocacy

Historically, marketers have viewed online opportunities in the context of the direct response model. However, the decision to purchase a financial product or service differs from traditional consumer product buying behavior.

Purchasing a product or service is a complex process that typically requires several weeks and differing channels. As such, consumers journey through multiple modes of mindset and behavior as they interact with a credit union. Members look to the credit union for education and information as well as for reassurance that the choices they make are the right ones.

Simply adding static content to a website can confuse the consumer and make decisions more overwhelming. Leadfusion, Inc., has identified six key modes of the consumer consideration process that credit unions should address in order to improve members' online experience.

- **Engagement:** The consumer consideration process starts with a personal need. Consumers most often engage with online resources for answers to questions. Credit unions can draw consumers in this stage to their website by offering easily accessible resources and trusted content.
- **Education:** Examining multiple "What if?" scenarios helps con-

sumers self-educate and become more comfortable with their financial situation. The educational experience builds a relationship between a credit union and the consumer and positions the institution as the trusted source for reliable answers to important personal financial questions. As consumers educate themselves on their financial decisions they gain ownership and confidence in their choices and prepare to take the next step.

- **Empowerment:** Consumers move from focusing on their personal financial questions to understanding product solutions. For credit unions, this presents an opportunity to engage consumers in more sophisticated dialogue. Consumers seek validation and reassurance of the decisions they are making. Providing compelling product information to in-market consumers empowers the decision-making process.
- **Conversion:** Consumers want to eliminate uncertainty and own their financial decisions. Be cautious about selling to consumers; instead, help them buy. Establishing an online guided selling tool facilitates the consumer's path to conversion. Allowing consumers to control the length and depth of the sales experience increases the likelihood of purchase.

- **Loyalty:** After conversion, consumers evaluate their satisfaction with the financial experience to-date. A satisfied member becomes a loyal member. Encourage continued loyalty by maintaining ongoing, relevant dialogue. Cementing loyal relationships with members enhances the share of wallet and overall lifetime value for a credit union.
- **Advocacy:** Thanks to the amplifying impact of social media, a single loyal member can become a powerful advocate. Consumers are using social environments to share brand experiences. By extending the credit union's presence in online forums, members can become brand champions, inherently spreading awareness of personal satisfaction with a credit union. This process multiplies the effect of a positive member experience exponentially.

### Financial Experience Management (FEM)

Financial Experience Management (FEM) is the tools and processes a financial institution uses to produce an authentic online experience that creates personal value for consumers, drives conversion and enhances the corporate brand. FEM is the next generation CRM for financial services, allowing consumers to self-educate and self-sell through their considered purchase cycle. A thorough understanding of the consumer consideration process is central to FEM. FEM enables credit unions to reassure and validate consumers throughout the consideration cycle by presenting relevant research tools, timely marketing communications, and guided selling solutions. Credit unions have an opportunity to focus on Financial Experience Management as a primary means of brand differentiation in coming years. 🖱️