



Discovery Webinar Series

Visibility Matters in a Digital Age

**Boosting Member Engagement:
Unveiling Key Moments of Receptivity
for
Digital Products**



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Digital Distribution

Know your audience & experience

WHO & WHY

Discover when they are receptive

WHEN

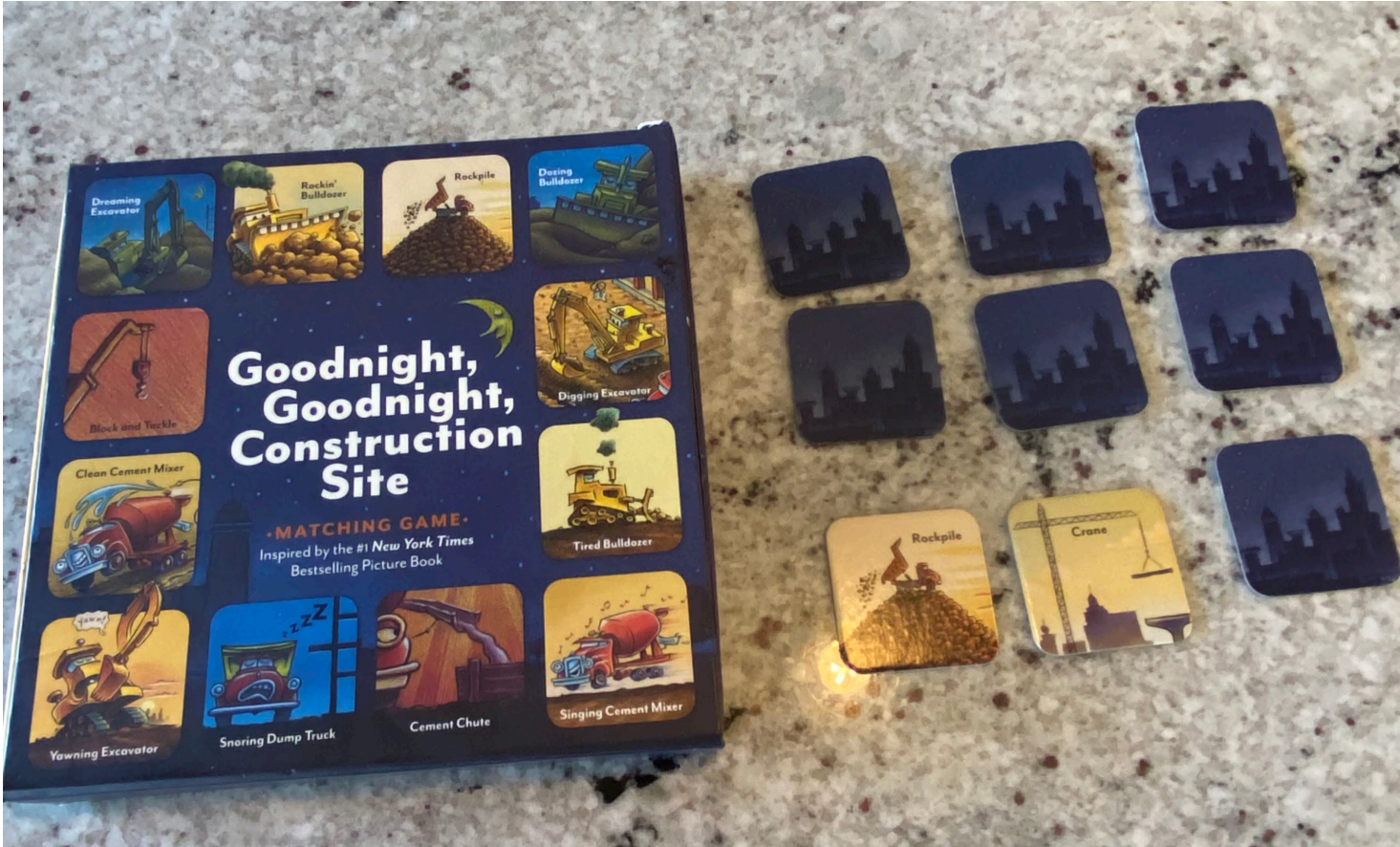
Make it real

HOW & WHAT



Know your audience & experience

Playing “Guess WHO?” particularly in digital is risky & costly.



Know your audience & experience

“~~Guess~~ Know WHO & WHY?”

Leveraged existing internal data

Behavioral segmentation survey of ~3k CU members

Quantitative lending consumer experience & preferences research

Consumer financial motivations study

I have no one else's income but my own to rely on.

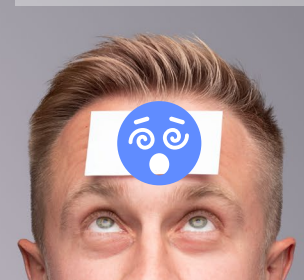
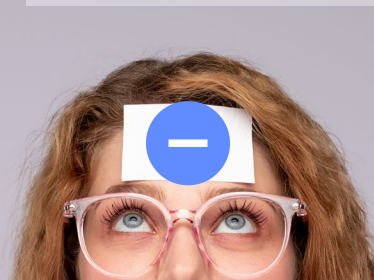
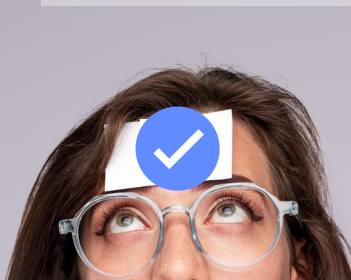
Meh. I just don't trust or need those options.

Anything I can do to protect myself from the unknown is good.

I'm good taking risks and nothing is going to me happen anyway.

I don't want my wife & kids to be burdened with debt.

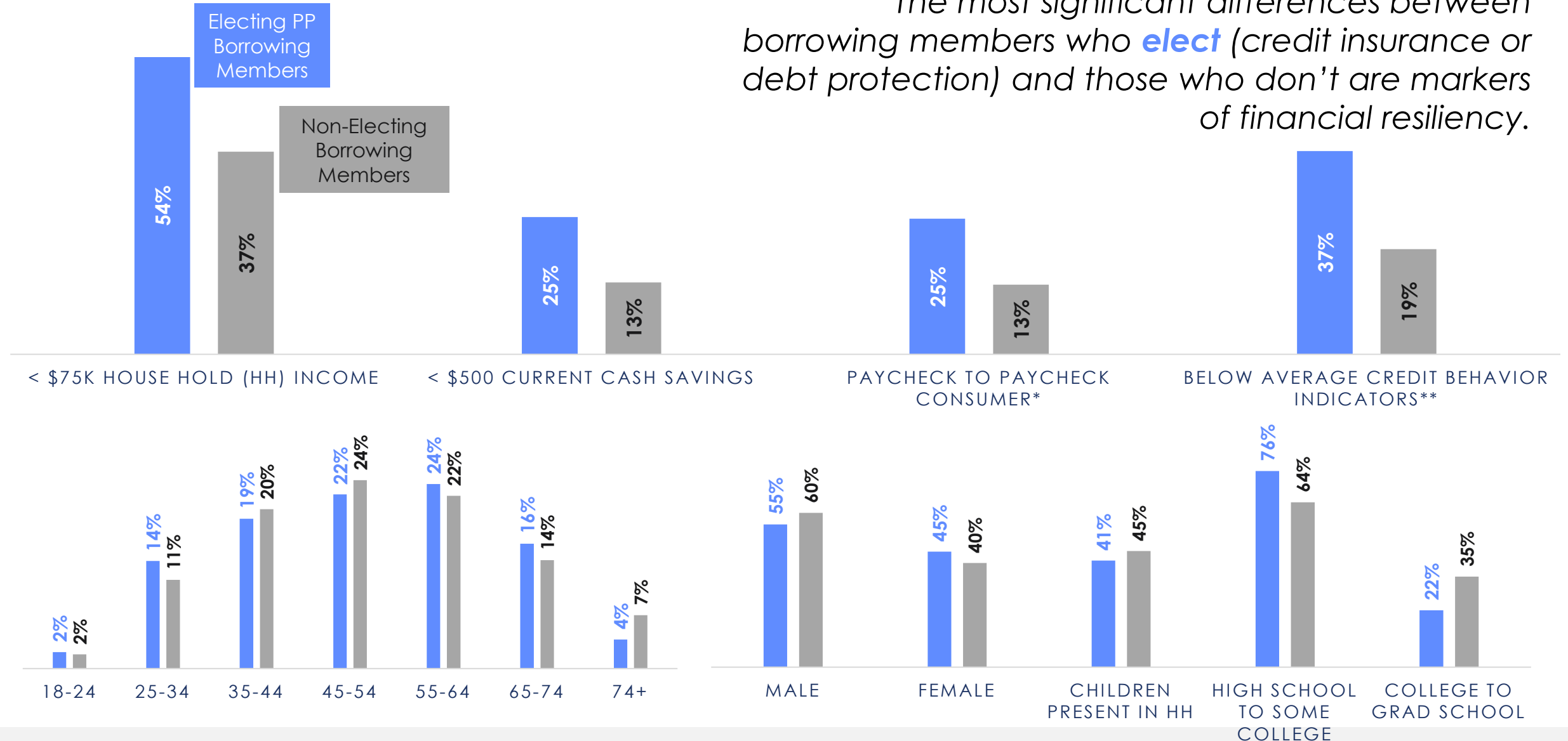
Financial decisions and insurance make my head spin.



Leveraged existing internal data

Who elects payment protection?

The most significant differences between borrowing members who **elect** (credit insurance or debt protection) and those who don't are markers of financial resiliency.



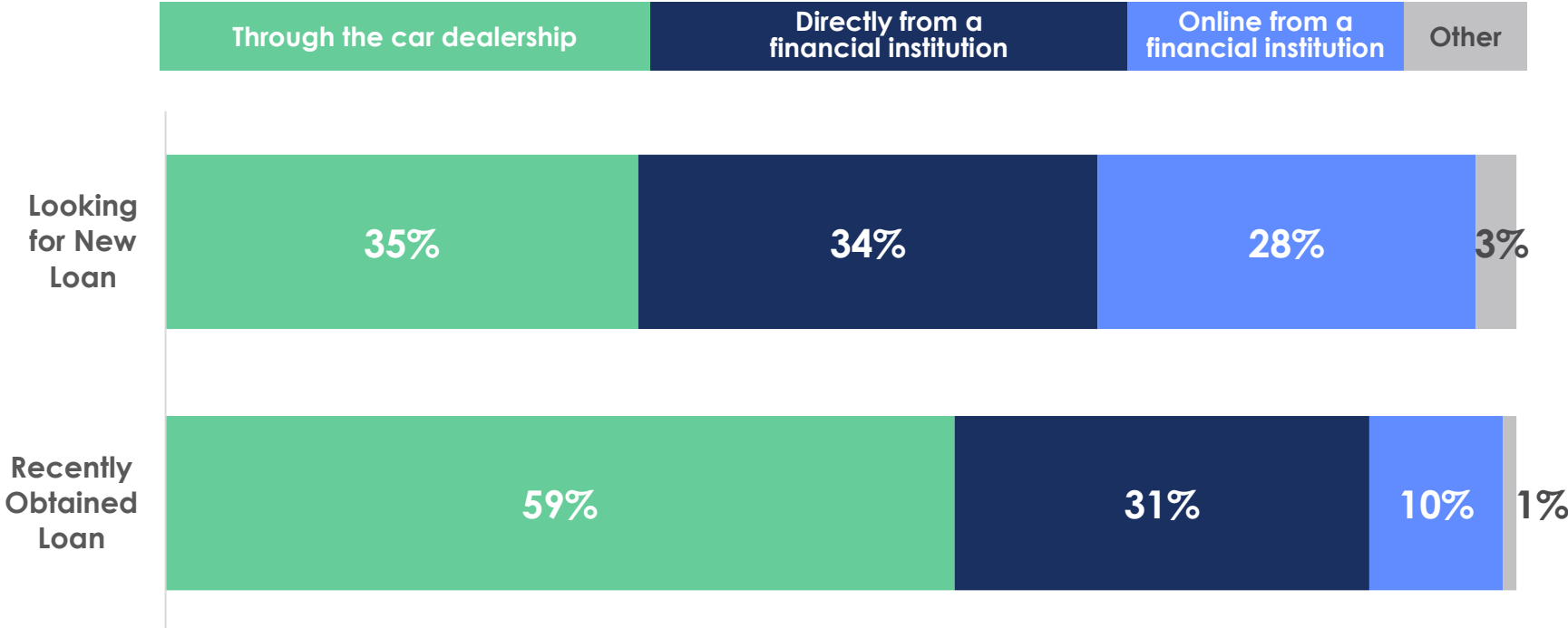
Consumer Lending Preferences Study

WHAT do consumers experience, expect and prefer?

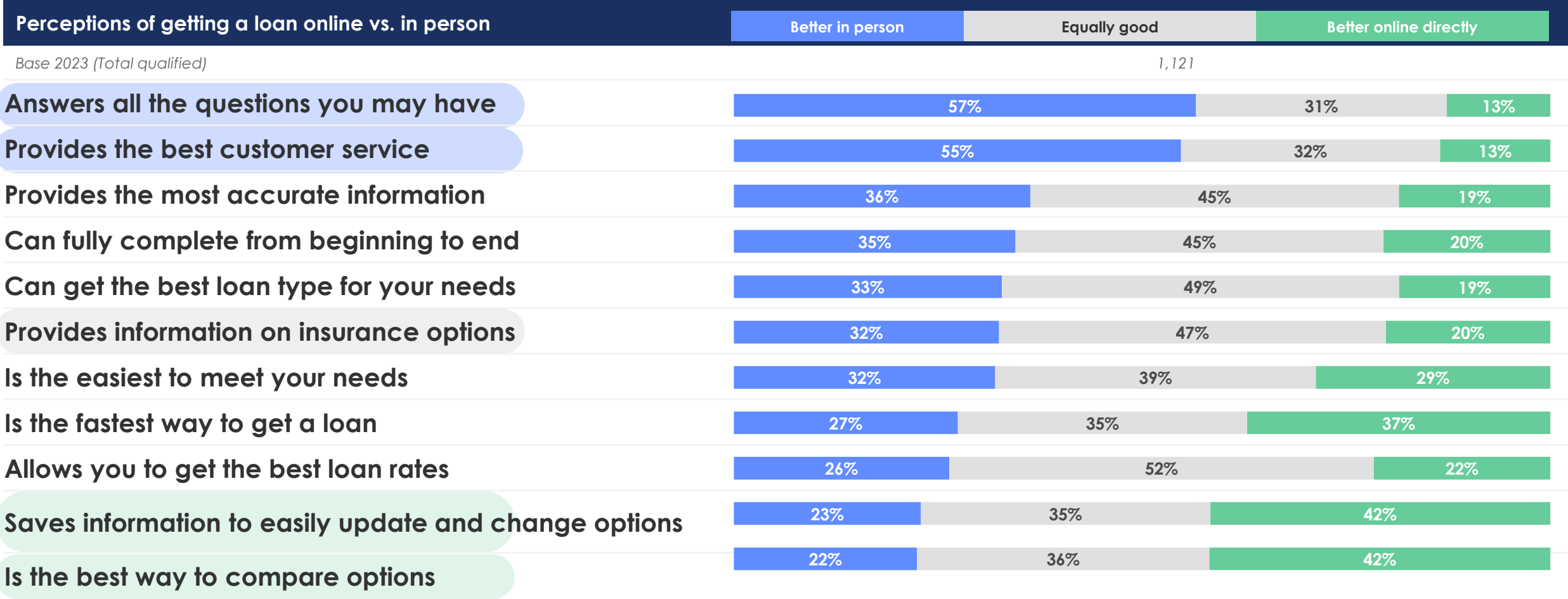
March 2023 - Study of over 1k consumers

- Age 25-75
- Make the main decision or share decision in loan decision making
- Obtained an auto, personal, or home equity loan in the past 12 months - OR -looking / planning to get in the next 6 -12 months

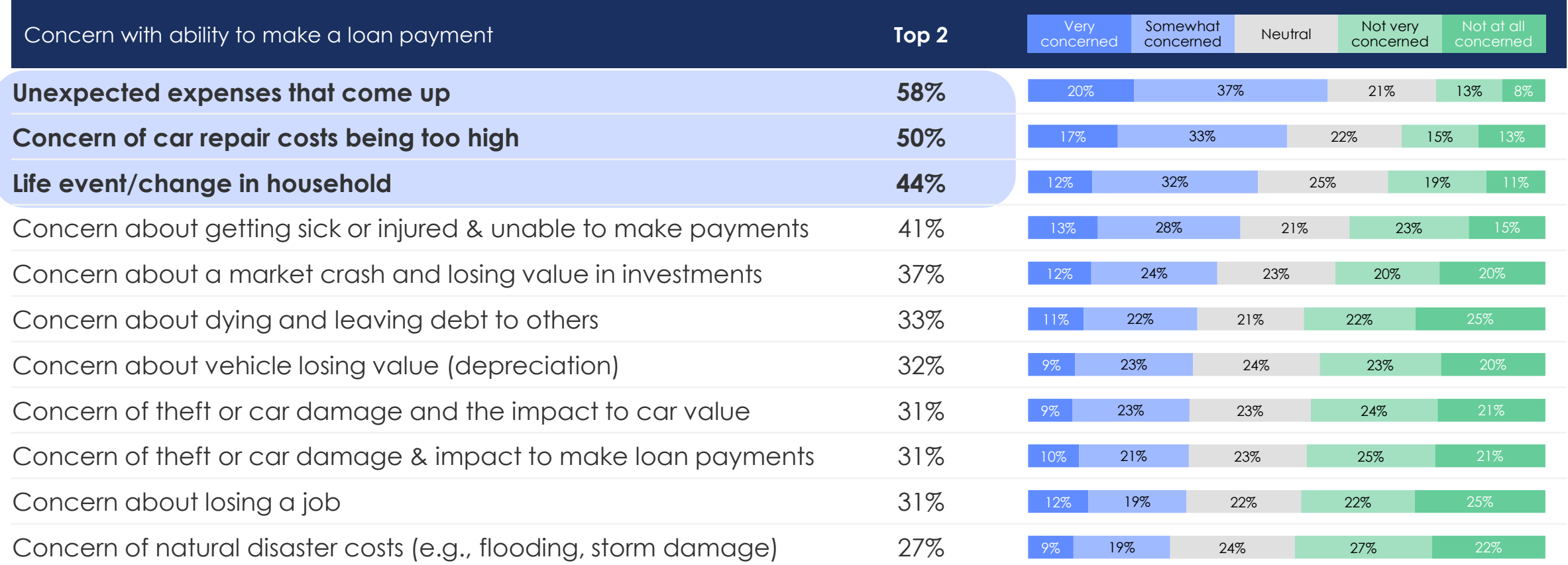
What consumers SAY they will do, isn't always what the actually do.



Members have different perceptions about what is better done in person online and often believe either is equally good when obtaining a loan.



8 in 10 consumers have one or more concerns about ability to make their loan payment.



Base 2023 (Total qualified) n=1121

Monthly payment is a key decision factor due to fit with how most consumers conduct their day-to-day lives.

Reasons for focusing on 'monthly payment amount'	2023
<i>Base (total qualified who selected 'monthly payment amount')</i> 575	
It is easier to know if I can handle the monthly payment	58%
Most of my bills and payments are monthly so keeps it easier to track	41%
Is just habit of how I look at expenses (on a monthly basis)	28%
I know what monthly amount I can afford, but don't know the total amount I can afford	28%
To keep my monthly payment amounts similar to what I currently pay now	26%
Has the biggest impact on my day to day	27%
Can think of other things to reduce costs on a monthly basis so it balances out	16%
Other	1%

Members find relevance and are interested in lending protection options, when they are aware.

8 in 10

consumers have concerns about the ability to make their loan payment

6 in 10

consumers would be interested in payment protection if made aware

50%

of consumers didn't recall being offered protection during a recent loan



Members are more concerned about more things...

6 in 10 members are concerned about having enough money for the future.

Nearly half don't feel they are as capable as others to handle a financial hit.

Perception Statements – Financial Well Being	Credit Union Members	Credit Union is Primary Financial	Would Elect PP In Future
I am concerned about having enough money for the future.	61%	62%	75%
I don't have anyone else's income or wealth to fall back on in case of a mishap (such as job loss or health issues).	54%	55%	63%
Compared to other people I know, I'm pretty capable to handle a financial hit.	48%	45%	36%
I have a person or people who depend on me financially.	46%	46%	52%
I am working on ways to improve my credit.	44%	44%	64%
Compared to other people I know, I have more everyday expenses that make it difficult to save much.	25%	26%	41%

Consumer Financial Motivations Study, September 2023 | N = 2602 Q5. Please indicate how much you agree or disagree with each of the following statements. (please select one for each)
Options: Strongly Agree, Somewhat Agree, Neutral, Somewhat Disagree, Strongly Disagree | Percentages derived from T2B = Top Two Box

Nearly 8 in 10 members are concerned about inflation impacting everyday costs.

6 in 10 are concerned about

- Own or family's health changing
- Unexpected expenses
- Rising interest rates

Consumer Financial Motivations Study, September 2023 | N = 2602 Q7. How much of a concern do you have with each of the following impacting your financial status? (please select one for each) Options: Very concerned, Somewhat concerned, Neutral, Not very concerned, Not at all concerned | Average % & Elect PP in Future averages selected by those who answered in top two boxes.

How much of a concern do you have with each of the following impacting your financial status?	Credit Union Members	Credit Union is Primary Financial	Would Elect PP In Future
Inflation impacting everyday costs	77%	78%	83%
My or my family's health changing	62%	63%	69%
Unexpected expenses that come up	61%	62%	71%
Rising interest rates	60%	61%	72%
Car repairs being too high	53%	55%	68%
A market crash and losing value in investments	49%	47%	46%
Life event/change in household	46%	47%	58%
Getting sick or injured and not being able to keep up with payments	44%	46%	58%
Theft or car damage	33%	35%	46%
Dying & leaving debt to others	30%	32%	46%
Losing a job	26%	26%	34%
Vehicle losing value	18%	20%	28%

6 in 10 (64%) credit union members have experienced some type of negative financial difficulty.

Situations impacting credit score & medical debt being the most common.

Consumer Financial Motivations Study, September 2023 | N = 2602 Q6. Which of the following, if any, has ever happened to you? (please select all that apply | Elect PP in Future averages selected by those who answered in top two boxes.

Which of the following has happened to you? (Select all that apply.)	All Credit Union Members	Credit Union is Primary Financial	Would Elect PP In Future
Experienced a situation that impacted your credit score	30%	31%	43%
Had medical debt	29%	30%	40%
Had a financial setback due to losing a job	24%	23%	29%
Net: Missed a payment	20%	22%	34%
Had a financial setback due to illness or disability	19%	21%	29%
Was not approved for a loan that I applied for	19%	20%	30%
Other financial difficulties	17%	18%	25%
Missed a loan payment	15%	17%	25%
Missed a credit card payment for multiple months	14%	15%	24%
Experienced a time when the insurance I had was not enough	12%	12%	18%
Had a negative experience when applying for a prior loan	12%	12%	20%
Was impacted financially by a natural or weather disaster (e.g., flooding, storms)	9%	8%	12%
Had a vehicle repossessed	7%	8%	14%
Was denied a type of insurance that you wanted (e.g., life insurance due to a pre-existing condition)	6%	7%	9%
None of these	25%	25%	15%

Know your audience & experience

“~~Guess~~ Know WHO & WHY?”

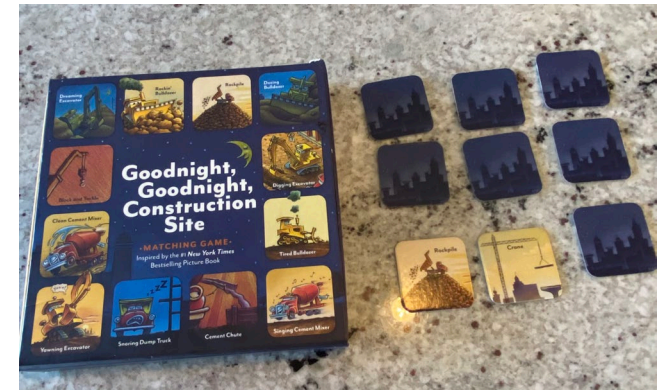


DOS

- Ask
- Know data accuracy
- Share actionable insight
- Ongoing process

DON'TS

- Assume
- Ignore data biases
- Seek to confirm strategy
- One-and-done effort

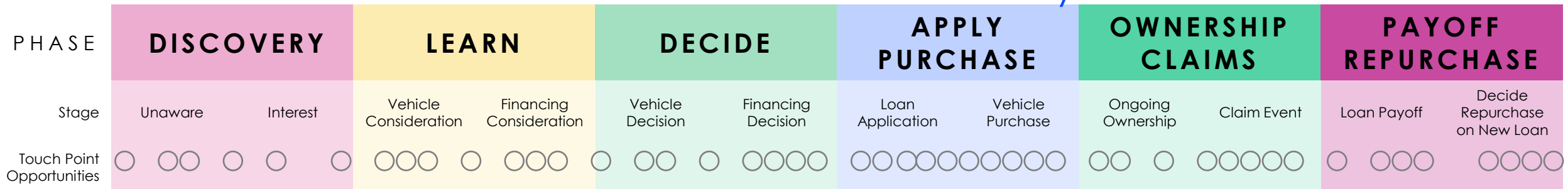


Discover when they are receptive

Playing “Guess WHERE, WHEN & HOW?” particularly in digital is risky & costly.

Create informed decisions through E2E multitouch & multi channel experience.

Auto Loan Consumer Journey



Discover when they are receptive

Know ~~Guess~~ WHERE, WHEN & HOW?"

Learning/Testing with UX Research

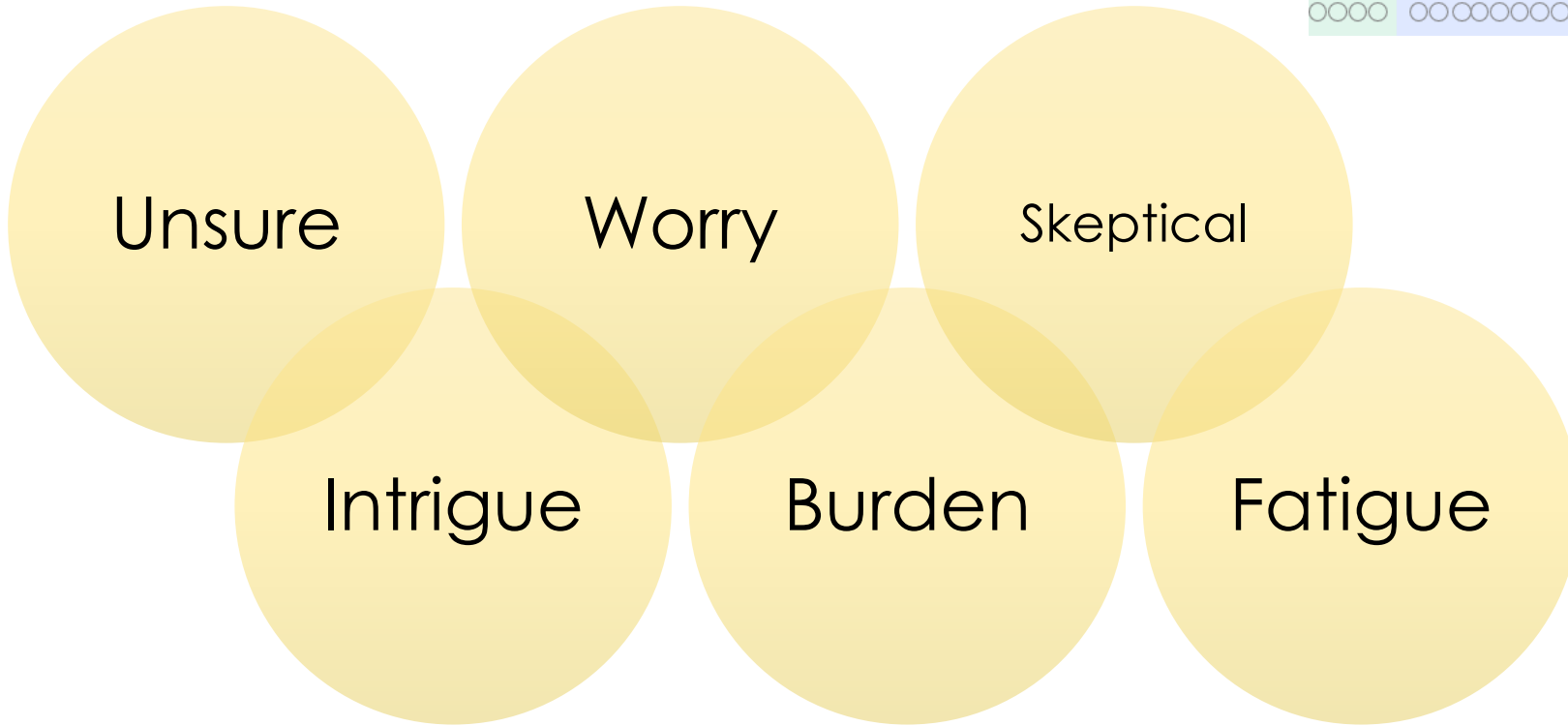
- Prototyping – UserTesting.com - Methods and Results
- Incremental Changes and Measurements
- A/B Testing – Methods and Results



Discover when they are receptive

Finding the Moments of Receptivity within the Loan Application ...

DECISION	APPLY PURCHASE		OWNERSHIP
Financing Decision	Loan Application	Vehicle Purchase	Ongoing Ownership
○○○○	○○○○○○○○○○	○○	○



Discover when they are receptive

Example: Finding Moments of Openness

Emotions

- Borrowing is a stressful
- Applying is overwhelming

Experience

- Form filling is a mode
- Switching to reading is hard
- Just want to be done
- Knowing the end is important
- The review page is where they become more open

Placement

Within Loan Form

Below Loan Form

Just Before Review

On Review Page

After Submission

Feels



Clicks

N/A

2-8%

25-30%

40-45%

N/A

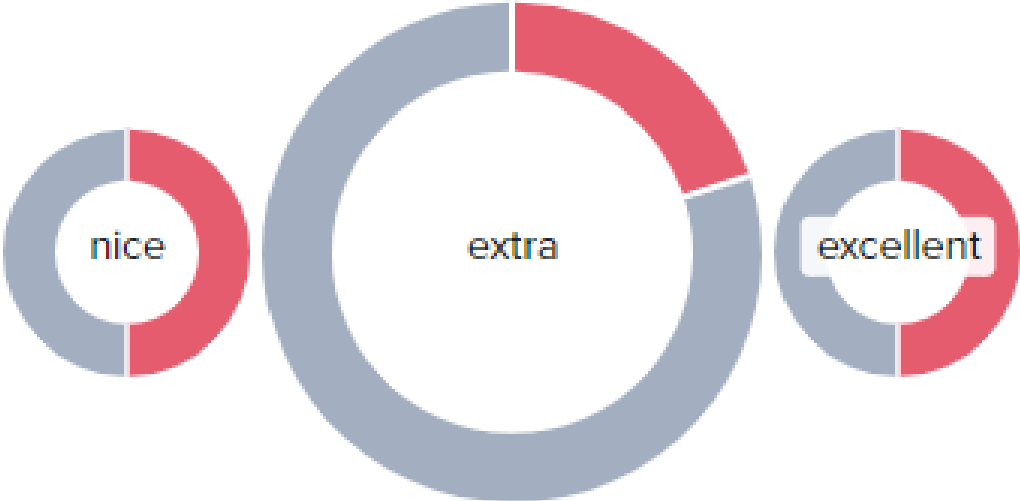
Discover when they are receptive

Example: Finding Moments of Openness – UserTesting.com

The screenshot shows a browser window with the URL `dfa69laxshare.com/?id=4yd9d6&p=more_details_-_v1`. The page is for Credit Union's Personal Loan application, specifically the 'Review' step. A 'Debt Protection' pop-up is active, explaining that it can cancel loan payments in case of a covered life event. The pop-up lists two options: 'Life' (cancel payments if you pass away) and 'Life and Disability' (cancel payments if you have a disabling accident or illness, or if you pass away). A 'Next Step' button is visible. A 'Step 6 of 12' instruction box is overlaid on the pop-up, asking the user to describe what would happen next if they clicked 'Tell me more later'. A video player at the bottom shows a user's video feed with a neutral face emoji overlaid on it. The video player shows a progress bar at 0:05 / 0:54 and a 'Clip 1 of 5' indicator.

Discover when they are receptive

Leads to Improved Sentiments



Product displayed **BELOW** Loan Form
Product displayed on **Review Page**



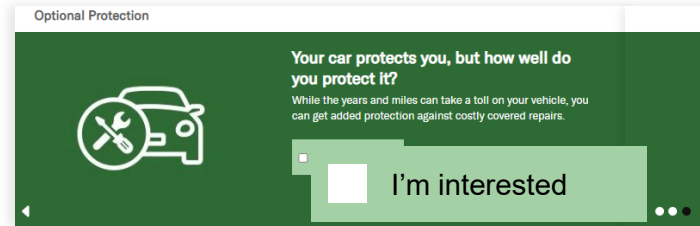
Example: Isolating Change

1 Initial Launch

A screenshot of a web form titled "Vehicle Loan New". On the left is a progress indicator with five steps: "1 - Getting Started", "2 - Your Loan" (with sub-items "Loan Information" and "Collateral"), "3 - About You", "4 - Review", and "5 - Submit". The main form area has a dropdown menu set to "Declined", two "Other?" dropdown menus set to "Choose", and an "Additional Comments" text area. At the bottom are "BACK" and "CONTINUE" buttons.

2% engagement

2 Visual Redesign



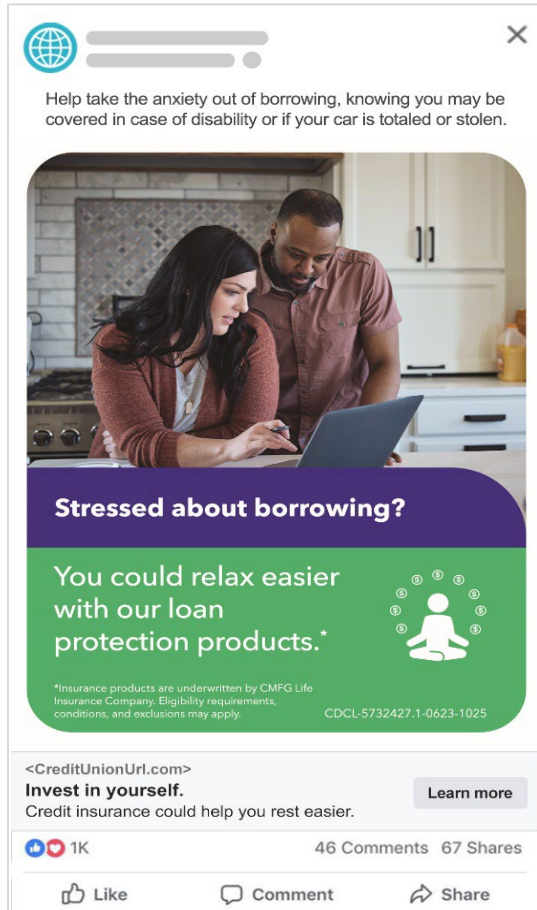
8% engagement

3 Workflow Redesign

A screen titled "Optional Protection" with the text: "Select the options you'd like to review. You'll have a chance to discuss in detail when finalizing your loan." Below this are three sections, each with a "More Details" link and a checkbox: "GAP Plus" (checked), "Mechanical Repair Coverage (MRC)" (unchecked), and another "GAP Plus" option (checked). At the bottom are "BACK" and "CONTINUE" buttons.

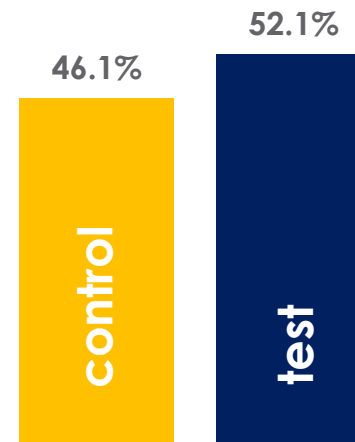
44% engagement

Example: A/B Testing – Lending Media Program



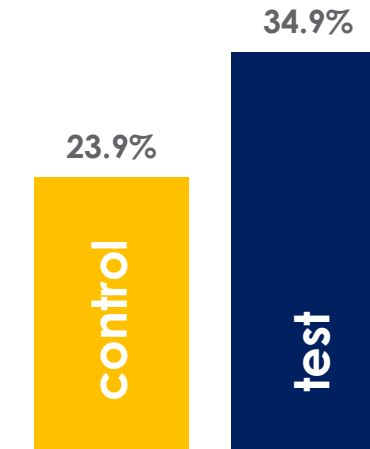
Value of Advertising Payment Protection

Loans Protected



13% Increase

Loan Dollars Protected



46% Increase

Example: Words & Context Matter



“I’m younger and pretty healthy...this could be good for my parents.”

■ **Credit Disability Insurance** + /mo*
Makes your loan payments if you become disabled and unable to work.

“Oh, pregnancy could cause a disability. That could happen to me”

Credit Disability Insurance

■ May make your loan payments if you become disabled and are unable to work.

Must be fully disabled for over 14 days. **Benefits payable for all disabilities except those that:**

- Happen 6 months before or after the effective date of insurance*
- Result from a disease or injury for which you dismissed medical advice or diagnosis
- Result from a normal pregnancy

“

Without data, you're just another person with an opinion.

W. Edwards Deming

”

Know your audience & experience

WHO & WHY

Discover when they are receptive

WHEN

Make it real

HOW & WHAT





Know Your Audience

Use the data you have & get what you don't, to understand the realities of the members you're trying to reach

Get Relevant

Make tangible connections to how your product or service helps financial well-being through messaging & timing

Educate

Educate early & throughout the journey – right place, right way, right time

Make it easy

- Clear call to action
- Consistent to access, find & get questions answered
- Multiple steps & some complexity is ok – unnecessary, redundant, and overly complicated is not

Thank you!

Questions?

Find More

Lending Consumer Insights Whitepaper

Discovery On Demand

Contact us or your TruStage Representative

<https://www.trustage.com/business/insights/understanding-customers/lending-preferences-survey>

<https://events.trustage.com/discovery2023-on-demand>

Access your copy now:





Q&A

Know Your Audience's Needs & Concerns

Consumer Lending Preferences Study

WHAT do consumers experience, expect and prefer?

March 2023
Study of 1k consumers

- ✓ Age 25-75
- ✓ Make the main decision or share decision in loan decision making
- ✓ Obtained an auto, personal, or home equity loan in the past 12 months - OR - looking / planning to get in the next 6 - 12 months

Consumer Financial Motivations Study

WHY do consumers buy (motivations) & **HOW** (behaviors) do they make decisions?

September 2023
Study of 2600 members

- ✓ Household currently uses a credit union / is a member
- ✓ Age: 22 to 75 years
- ✓ Main or shared household financial decision maker



Provided in partnership with



Payment protection partner integrations

SIGNED PARTNERS

IN DISCUSSIONS

Digital Loan Application Partners

861 CUs with 50M Members



Digital Marketing Automation Partners

36 CUs with 2.6M Members



Digital Communication Partners

Use case analysis



Digital Banking Partners

Adding for 2024





TruStage™

Insurance | Investments | Technology