



WHITE PAPER

Bringing human interactions to digital banking

How using a natural approach to information gathering can take your members to the highest level of engagement



Table of contents

Executive summary	3
Background	4
The opportunity	4
Solutions	5
Focus on your members' goals and needs	5
Adopt a streamlined initial onboarding workflow that's fun and engaging	5
Leverage the core values of the credit union to help members reach their goals	7
Create human-like interactions	7
The value of speed when activating members	8
Conclusion	8
References	9

Executive summary

Your credit union members today are looking for and expecting highly personalized experiences. However, producing truly customized and thoughtful digital experiences requires critical thinking, prioritization, and satisfying expectations. Failing to meet members' conscious and unconscious needs often results in poor engagement, or worse, losing a member's trust and, ultimately, their business.

The purpose of this white paper is to showcase how **continuous activation and thoughtful engagement are powerful tools used to help you elevate digital banking products to build better experiences for credit union members.**

What is continuous activation?

Ideally, there is a moment in a user's lifecycle of using a product when they grasp the value that your product provides. This can be referred to as the user's "aha moment" or the moment the user became "activated." The goal of any digital product should be to activate its users as quickly and effortlessly as possible. Members can have vastly differing needs based on a myriad of factors (those needs can change over time), and there can be many ways your digital banking product can create value. Thus, you are never done "activating" your members. Your digital banking product must be able to learn about each of your members and continuously find ways to provide meaning and value to them. This process is what we call continuous activation.

Throughout this white paper, we'll discuss the modern techniques that you can use to continuously activate your members so that they are able to quickly and effortlessly find the success they desire in using your products.



Background

With so much technology at our fingertips, the necessity to visit a bank or credit union branch has dwindled. In the past, digital banking experiences have often been transactional, simple, serial, and designed only to meet basic consumer needs. **Today's consumers crave a more engaging and thoughtful digital experience.**

Consumer expectations are being shaped and changed by other digital experiences in their daily lives. They want interactions tailored to their interests and integrated into multiple channels. Big banks, large technology companies, and FinTech startups know this and are using this information to transform today's banking ecosystem. Thus, credit unions should focus more on elevating their customer engagement via digital channels as well as others in the market.

According to Javelin Research, **75% of consumers prefer to bank digitally over visiting a physical branch.** It makes sense—why spend time waiting in line to deposit a check when you could snap a picture of it and in just a few moments deposit the funds into your account virtually?

Digital platforms make banking more convenient and accessible, but they can also lack the warmth and engagement that human interaction brings. Larger, well-known banks have evolved digital banking to meet consumer expectations quickly. Smaller financial institutions like credit unions, however, risk being left behind without the proper innovations that make members feel the same hospitality that face-to-face interactions bring.

The opportunity

As a credit union, you have an opportunity to leverage digital trends not only to stay on par with big banks but surpass them by focusing on what makes you great and applying that to your digital experiences. **By extending the hospitality members receive in person and translating it into a modern consumer engagement platform, you are able to stay relevant while heightening your member's experience and empowering them to reach their financial goals.**

Additionally, you will have to look to the future of your member base when developing new tools. Javelin Research states that Generation Z will require financial institutions to think carefully about how digital and offline channels work together, figure out how digital tools can both divert redundant activity from more costly traditional channels while also facilitating in-person interactions, and how the unique features of each channel can be used optimally for their new audience (Benton, [Javelinstrategy.com](https://www.javelinstrategy.com)).

Solutions

Focus on your members' goals and needs

Go beyond the transactional function of digital banking and consider your members' financial and emotional needs. Your members want to feel understood and heard, and they want to know that you have their best interests at heart. This requires you to know your members at a level that may be new for some credit unions. You need to be able to see how your members are using your products and services. Advanced analytics will be extremely helpful to categorize your membership to better understand how they are engaging with you so that you can chart out ways to elevate their level of engagement.

At the same time, these are people we are talking about, not just numbers. So, reaching out to them on a personal, one-on-one level is important. A platform that enables you to create a personal connection with your members is essential. Whether it's providing a personalized experience that makes the member feel understood or a tool that helps you reach that member, such as video chat, having a flexible platform focused on finding creative ways to engage your members is key.

Once you have the analytics and the ability to get direct feedback from your members, you can begin to map out how your products and services are meeting your members' needs. Then, you can focus on providing more of the kinds of features and services that help your members achieve their goals and meet their emotional needs.

Adopt a streamlined initial onboarding workflow that's fun and engaging

When a member visits a branch for the first time, does the member get introduced to your credit union with a barrage of invasive personal questions and required to fill out a pile of paperwork, or instead, are they greeted warmly and assisted with their immediate needs quickly? Continuous activation mimics much more closely the second interaction described. It allows users to grow in familiarity with the tool, thus building trust and connection.

With a streamlined onboarding process, members directly experience the basic utility of the digital banking platform immediately. Members can clearly understand what the platform is used for, why they need it, and what benefits they will derive from using it. Remove any steps that are not required or slow the member down. Use creative design elements and conversational language to walk the user through the steps. Get them into the product with as little friction as possible. The faster and more enjoyable the initial process is, the sooner your members will start experiencing the benefits and value of your product.

Your members want to feel understood and heard, and they want to know that you have their best interests at heart.

Make feature discovery an ongoing process

The best time for feature discovery is typically when the user is new. They've just registered for digital banking and are using your product for the first time. This is when they are most aware of what features are available and how your products work. Take advantage of this time by making recommendations for the user on how they might get value from your product. Based on analytics about the user and users like them, recommend products and features that they might not otherwise pay much attention to but would be useful. Because when they are new, they are most likely to try them out.

This doesn't mean you should give up on trying to help members find their "aha moment" after they are no longer a new user. Feature discovery should be an ongoing process. Members' needs change over time, and their relationship with the product and with the credit union changes over time, too. The more successful you are at driving engagement and providing value, the more your members will trust your recommendations and the more willing they will be to try new things. Thus, you should constantly look for ways to elevate their engagement by presenting them with new features, services, and products that are highly personalized and relevant to the member. Build their trust with meaningful recommendations and your members will reward you for it.

The goal of any digital product should be to activate its users as quickly and effortlessly as possible.

Leverage the core values of the credit union to help members reach their goals

Industry leaders know that their products need to be predictive, personalized, and offer multi-channel support. Credit unions can personalize their platforms using goal and behavior-driven guidance to retain members.

A great example of leveraging goals for digital platforms is MyFitnessPal. MyFitnessPal has users insert basic individual details (age, height, weight, gender, and normal daily activity) to calculate a personalized plan for their fitness goals. As the user continues to use the platform it collects information and data—and provides helpful guidance and personalized support.

Your digital banking platform can use a similar goal-tracking method to help a member reach their monthly savings goals by implementing a tool for budgeting. Instead of tracking fitness goals, credit union members could insert monthly income and spending (bills, groceries, etc.) to budget and reach their savings goal. By using personalized goals and behavior-driven guidance, users are more inclined to reach their goals since they're seeing a tangible record of their progress that's keeping them accountable.

This is just one example of how you can use your digital banking tool to implement a great digital experience for your members successfully. **By simply evaluating your members' needs, your credit union can personalize your products.**

Create human-like interactions

Thoughtful activation and personalization should mimic the natural progression of a human conversation.

Now, more than ever, consumers expect their digital platforms to provide the same components of a face-to-face banking relationship that they value most: quality, convenience, ease of use, low anxiety, and stability (Marous, [Thefinancialbrand.com](https://www.thefinancialbrand.com)).

One way to do this is by humanizing your digital tool and introducing platform interactions that can be used as an extension of credit union employees. This can be done through a human-like representation (think Siri or Alexa) or simply through conversational language. With humanized interactions, your credit union will be able to provide meaningful, useful, and insightful engagements through the digital platform whenever your members need it most, no matter where they are. In doing so, you will learn new things about each member and learn to leverage that information into valuable engagement moments.

Credit Unions can personalize their platforms using goal and behavior-driven guidance to retain members.

The value of speed when activating members

It's important to note that continuous activation relies on a keen understanding of your members' needs and how your product meets those needs. It requires real-time analytics where you are able to see how your members are experiencing your product's aha moment get feedback on how you can better provide those moments and areas where you can remove friction. However, it's essential that you are able to move at your members' pace, and their expectations are only growing—thus, the ability to iterate and innovate frequently and inexpensively is key.

Members are primed to expect updates immediately; credit unions will lose their loyalty and interest without immediate updates to features and information. **Latency is exactly what our competitors are struggling with right now. At Lumin, we refuse to struggle with it.**

We believe that building trust on a digital level is on par with building it on a personal level, and products are only as good as their owners. Think about it—would users rather be on a platform that was updated a year ago, six months ago, three months ago? Once upon a time, a software product that was updated three months ago was the norm; it was what software vendors strived for. Not anymore. In modern software companies, daily updates, or even multiple updates per day, are common. To keep up with evolving member expectations, daily updates are required. And **while applying new technologies plays an important role in this lifecycle, the most important element is your ability to understand and form a personal, human connection with your members.** The most important tech is the tech that helps your members in some way. It's all about understanding their needs, delivering better solutions, testing and experimenting, iterating, and releasing value at speed over and over again (Marous, [Thefinancialbrand.com](https://www.thefinancialbrand.com)).

Conclusion

Using continuous activation and thoughtful engagement tools to create a habit-forming digital banking platform offers your credit union members a personalized journey. It can be a true game changer for your credit union and improve your ability to build trust and value for your members.

In the future, credit unions also have to evolve alongside their competitors and leverage new technologies, like voice assistants and ambient technologies, to find new ways of continuously providing value. By maintaining continuous activation along with constant, meaningful engagements, you will be able to develop deep, long-lasting relationships with your members.

References

Benton, Ian, and Jacob Jegher. "Digital Banking for Gen Z." Javelin, 16 Aug. 2018, www.javelinstrategy.com/coverage-area/digital-banking-gen-z.

Ellis, Sean, and Morgan Brown. Hacking Growth: How Today's Fastest-Growing Companies Drive Breakout Success. Crown Business, 2017.

Marous, Jim. "Loyalty Advantage Now Favoring Digital Banks and Big Tech Firms." The Financial Brand. 30 Jan. 2019, www.thefinancialbrand.com/80293/trust-loyalty-digital-banking-big-tech-amazon-paypal.

