

How Credit Unions Can Optimize Member Engagement

June 22, 2021



Housekeeping

- Listen-only mode for attendees
- Use the Q&A feature to submit your questions
- Questions will be visible to all attendees, but there is an option to submit anonymously
- Presentation recording will be available on our website at environicsanalytics.com/resources/webinars

Today's Presenters



Evan Wood

EVP and Chief Strategy
Officer



Nil Patel

Director, Business
Development for
Credit Unions

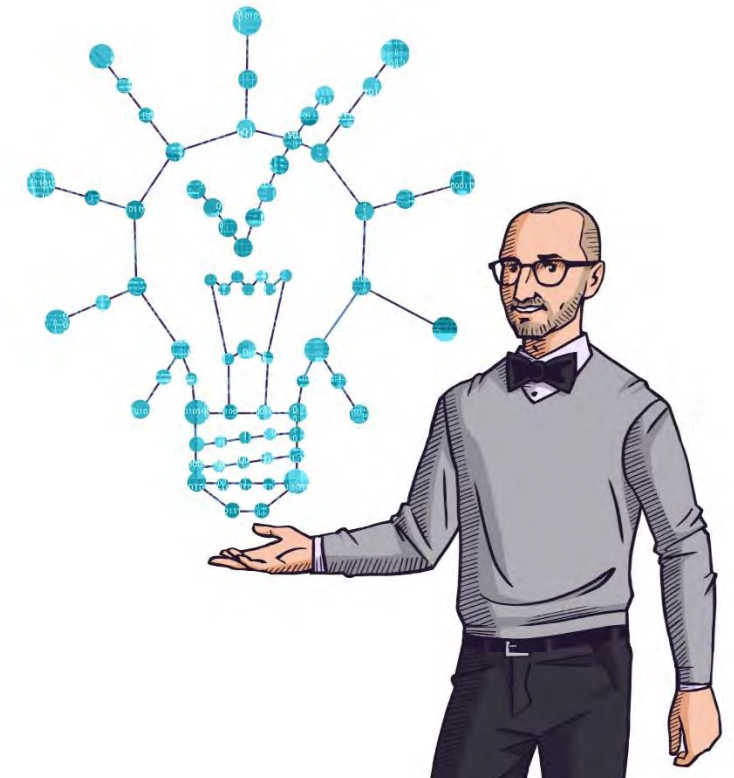


Sharon Brown

VP, Account
Management

Who We Are

We help clients achieve their business objectives by delivering actionable customer and market insight grounded in data and analytics.

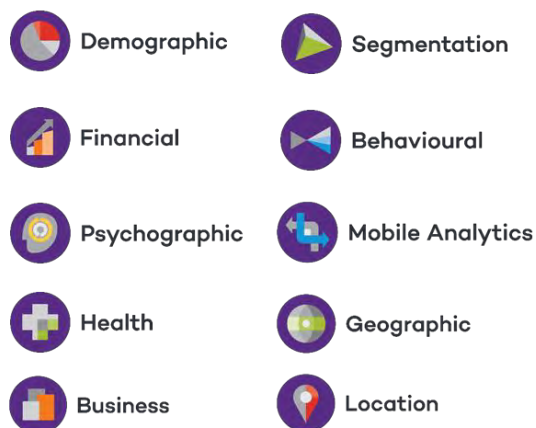


ENVIRONICS
ANALYTICS

Delivering Data, Analytics and Activation

DATA DEVELOPMENT

Used by over 1,000 Canadian Organizations



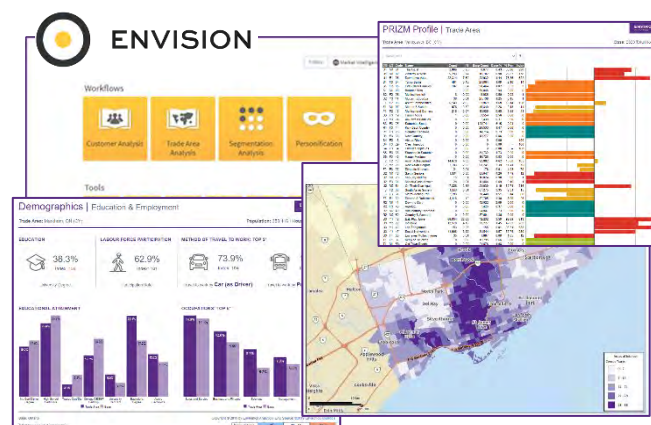
30,000 Current Variables at Postal Code Level

- Comprehensive
- High Quality
- Proprietary
- Privacy Compliant

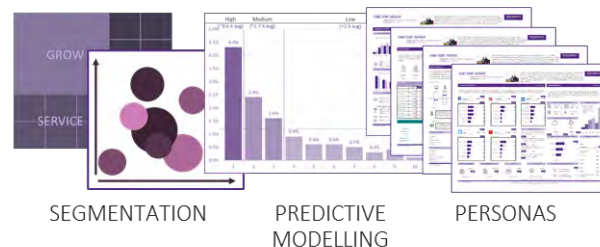


ADVANCED ANALYTICS

80% in Subscription & Purpose-built Platform



+ Custom Analytics



MARKETING ACTIVATION

The “Intel Inside” in all Channels





















































Traditional Media



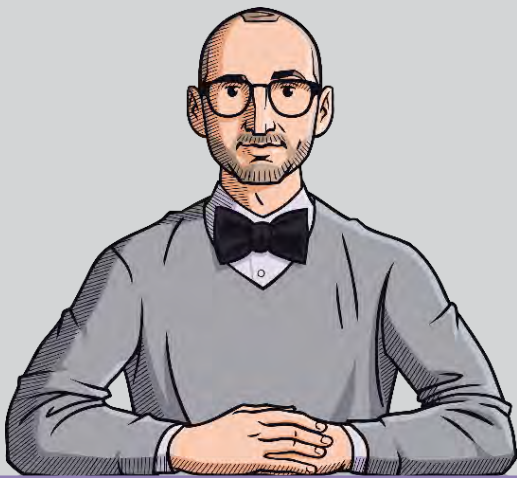
Online Mobile & Social



Environics Analytics – 30,000 Data Variables

Demographic	Segmentation	Behavioural	Location	Financial
 DemoStats	 PRIZM	 Opticks <small>powered by Vividata</small>	 TrafficCounts	 WealthScapes
 DaytimePop	 DELTA	 Opticks <small>powered by Numeris</small>	 ATM Locations	 WealthScapes Daytime
 CensusPlus	 PRIZM QC	 Opticks Mobile <small>powered by AskingCanadians™</small>	 Bank Branch Locations	 WealthTrends
 AccultuRates		 Opticks eShopper <small>powered by AskingCanadians™</small>	 ShoppingCenters	 AgeByIncome
 CrimeStats		 Opticks Social <small>powered by AskingCanadians™</small>	 Businesses	 Neighbourhood View™
		 ShopperChoice	 Spectra Trade Areas	 FoodSpend
		 GivingBack	 Points of Interest	 MoneyMatters <small>powered by Canadian Financial Monitor</small>
		 Homescan® Profiles	 Financial Institutions	 LiquidAssets
		 DonorRank™	 TDLinx®	 HouseholdSpend
		 GreenLiving	 ChainLocations	 WealthCare
		 CannabisInsights <small>powered by Vividata</small>		 WealthTransfer
		 CommunityLife		 ClickSpend™ <small>powered by J.C. Williams Group</small>
		 VisitorView		
Health	Movement			
 CommunityHealth	 MobileScapes ENVISION			
 Social Vulnerability Index	 MobileScapes Out & About			
 Frailty Index	 MobileScapes Plus			
 VaccineInsights				
Psychographic	Software			
 SocialValues	 ENVISION			

Impact of COVID-19 on Behaviour Change

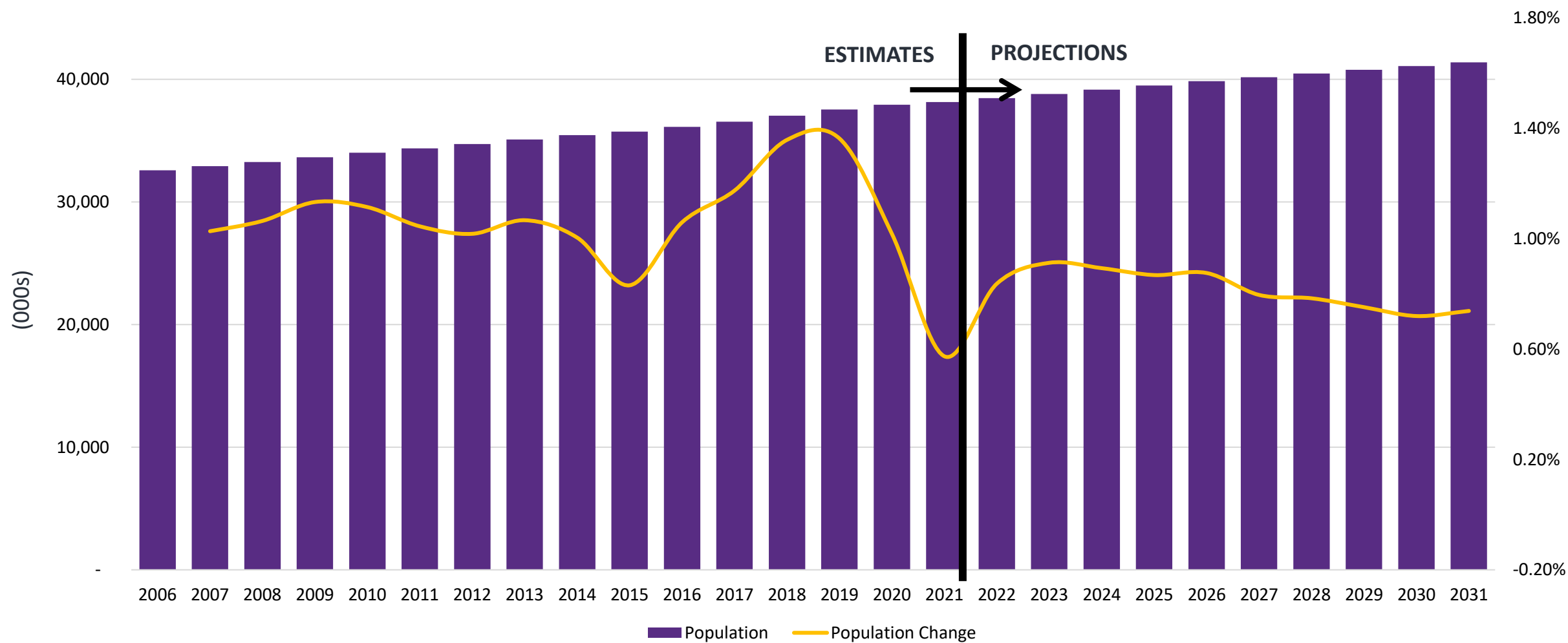




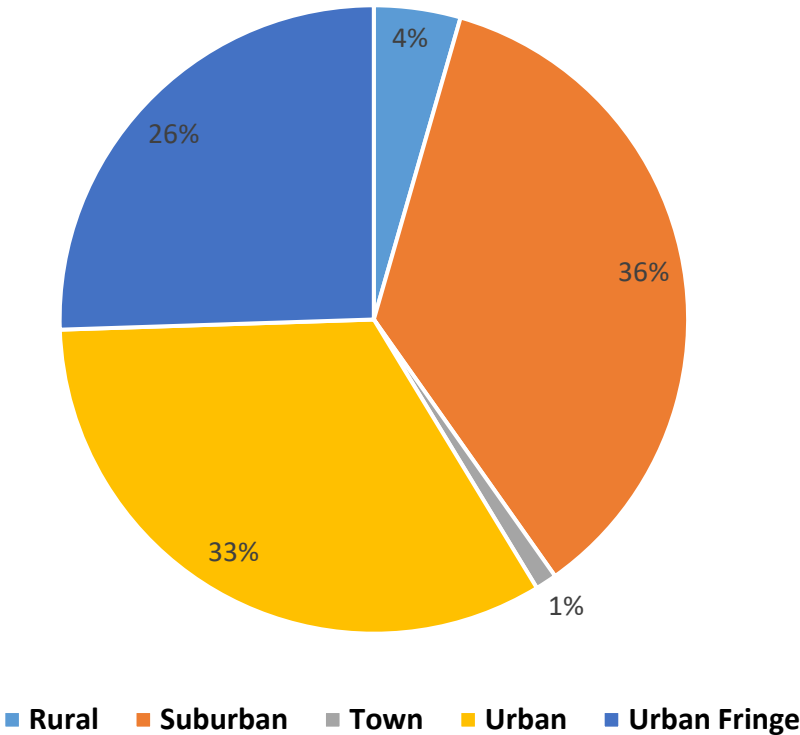
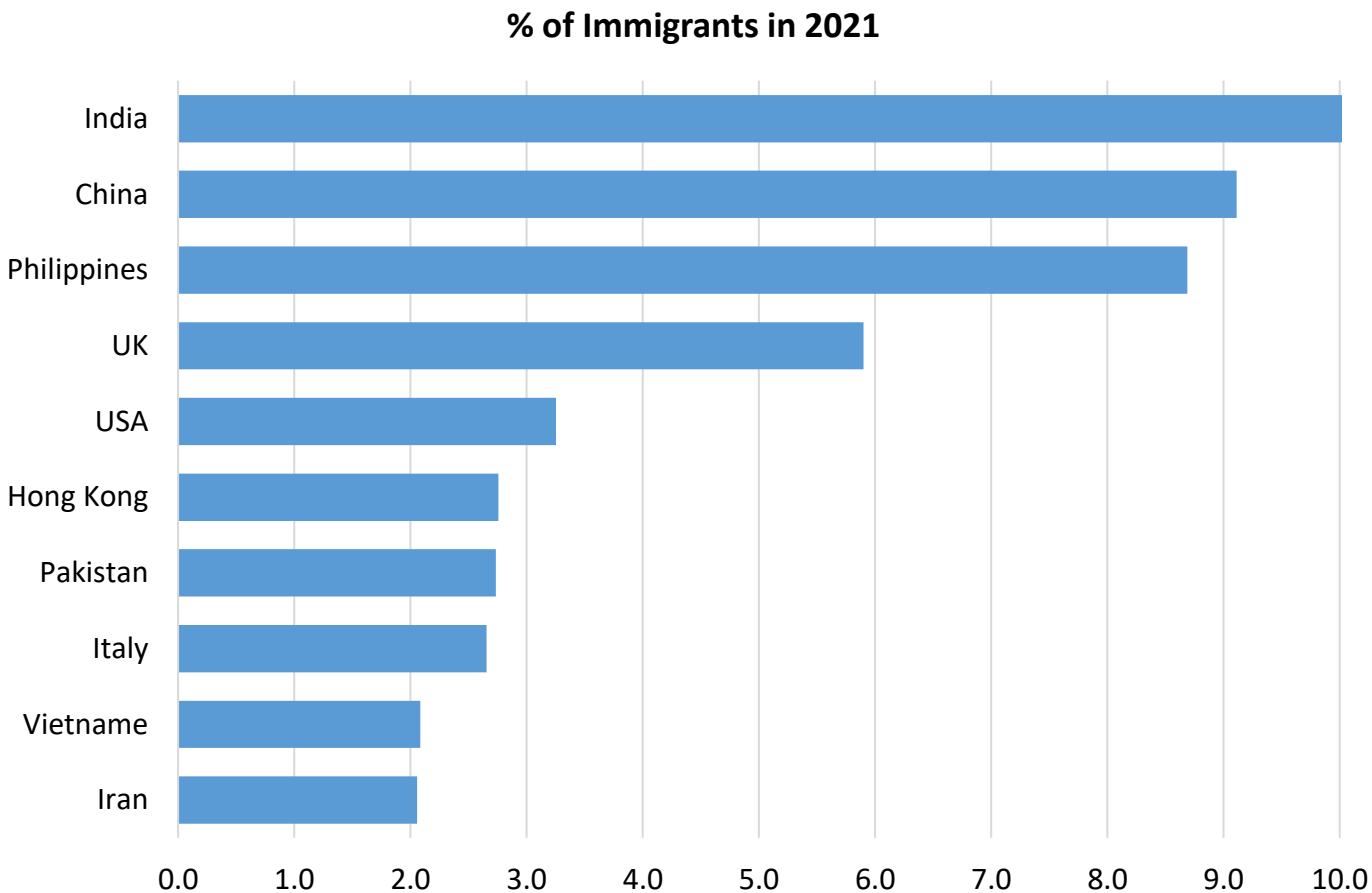
COVID-19 Behaviours and Norms?



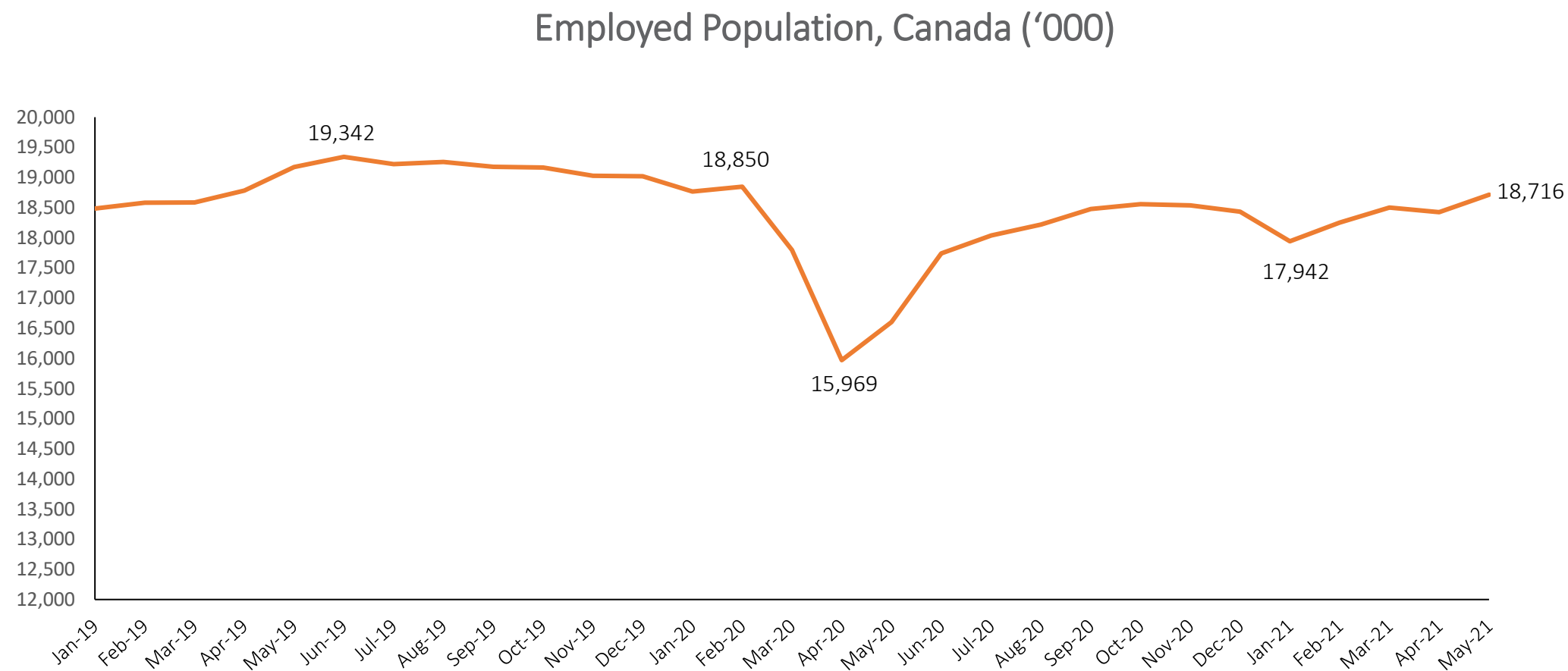
Population Trends in Canada



Immigrants – Increasing Diversity



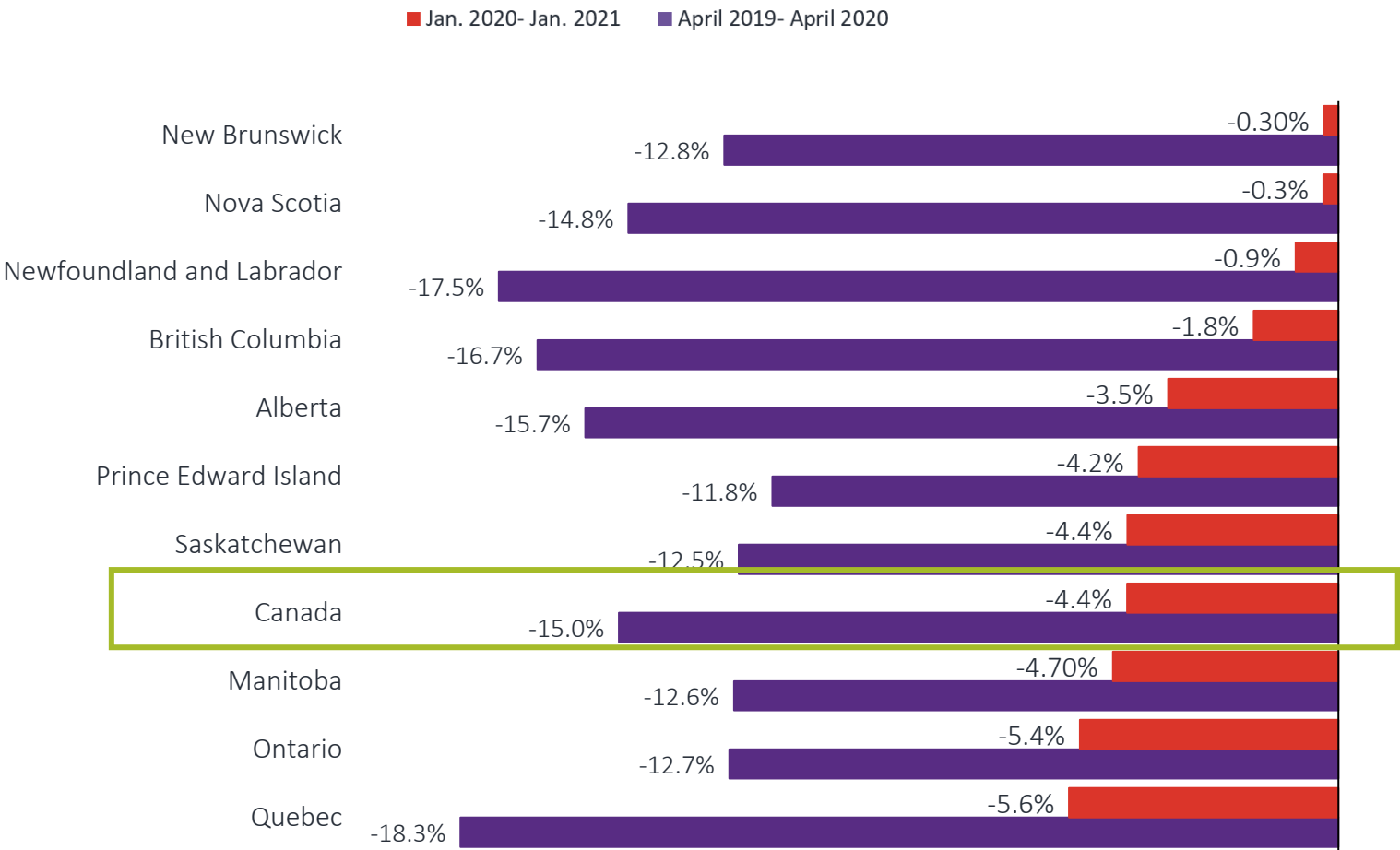
Employment – Has Bounced Back



Source: Statistics Canada, Labour Force Survey, Table 14-10-0017-01

Employment – Recovery by Province

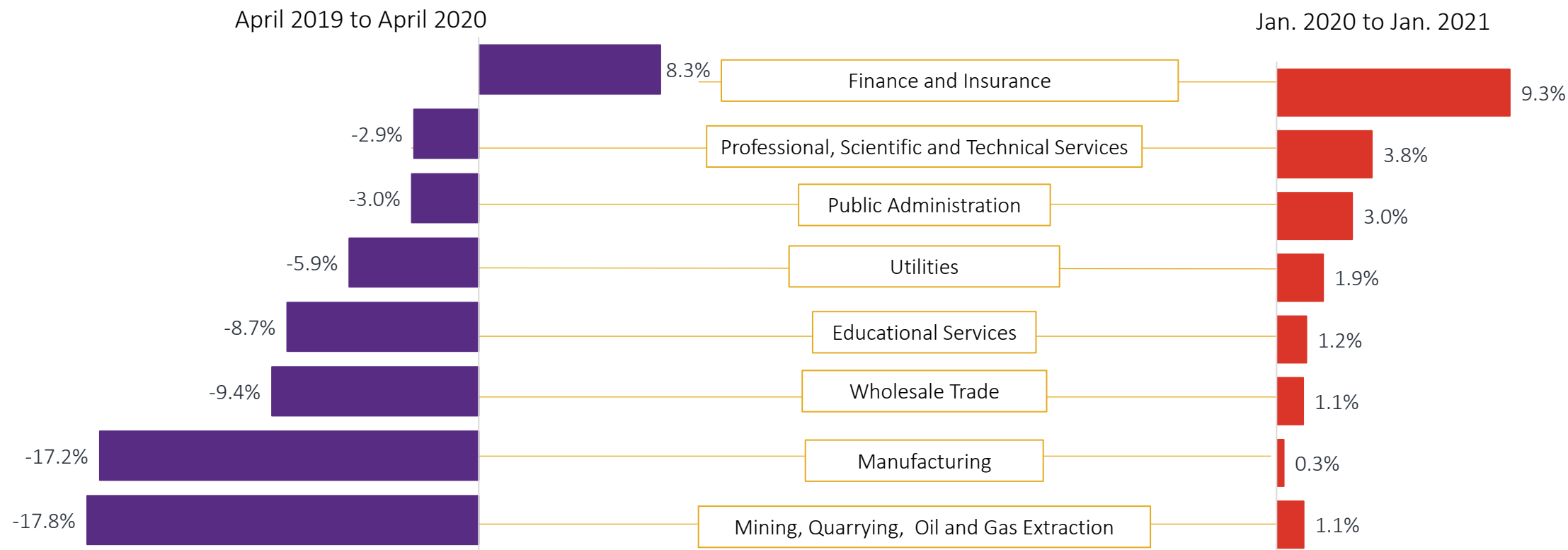
Drop in Employment January 2020 to January 2021, Canada



Source: Statistics Canada, Labour Force Survey Table 14-10-0017-02

Some Industry Sectors Have Recovered

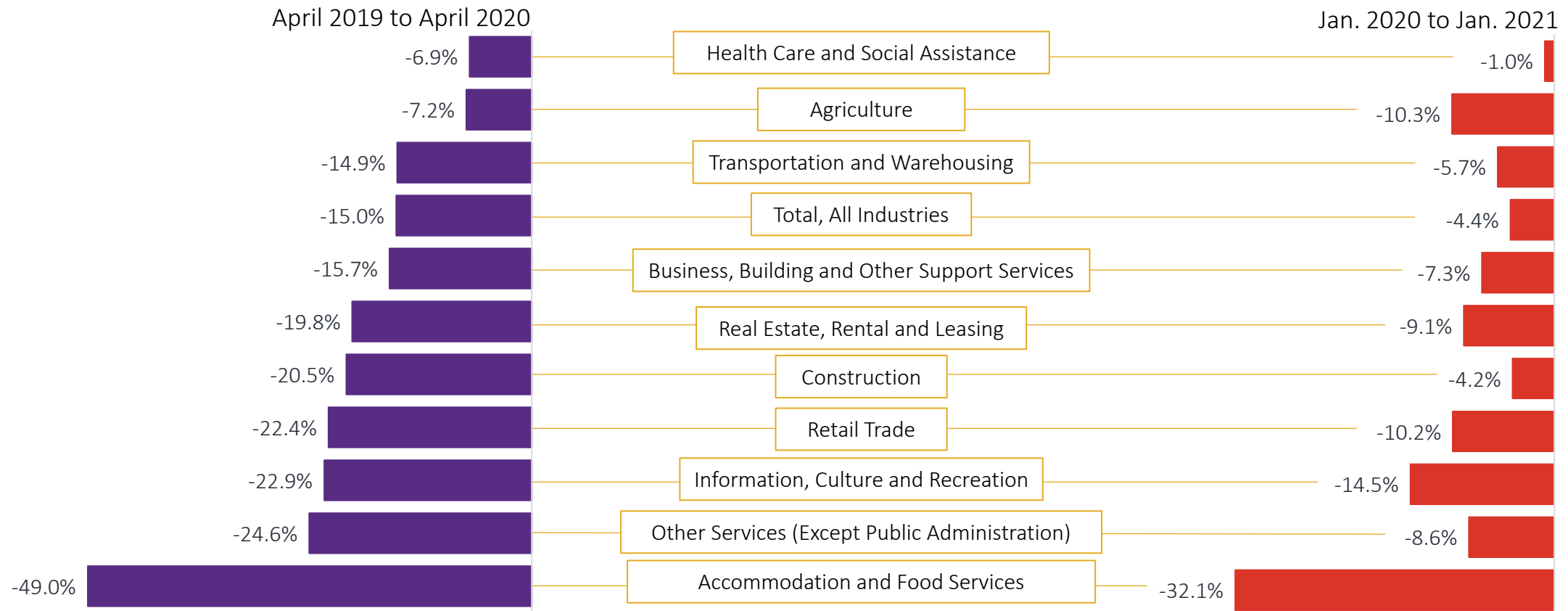
Percent Change in Employment April 2019 to April 2020 and Jan. 2020 to Jan. 2021
(Industries Fully Recovered)



Source: Statistics Canada, Labour Force Survey Table 14-10-0022-01

Some Industry Sectors Still Struggling

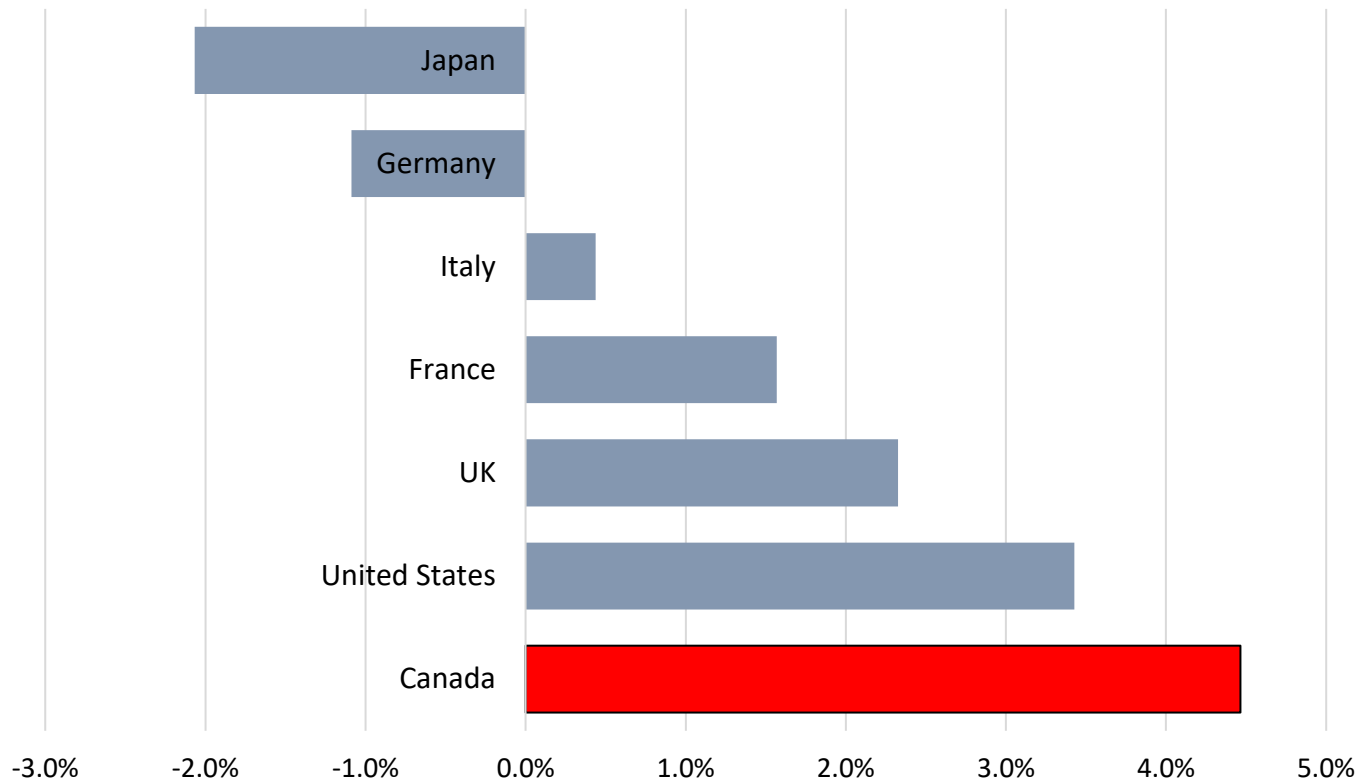
Percent Change in Employment April 2019 to April 2020 and Jan. 2020 to Jan. 2021
(Industries fully recovered)



Source: Statistics Canada, Labour Force Survey Table 14-10-0017-02

Economic Growth - 5 Year Projection

G7 Countries

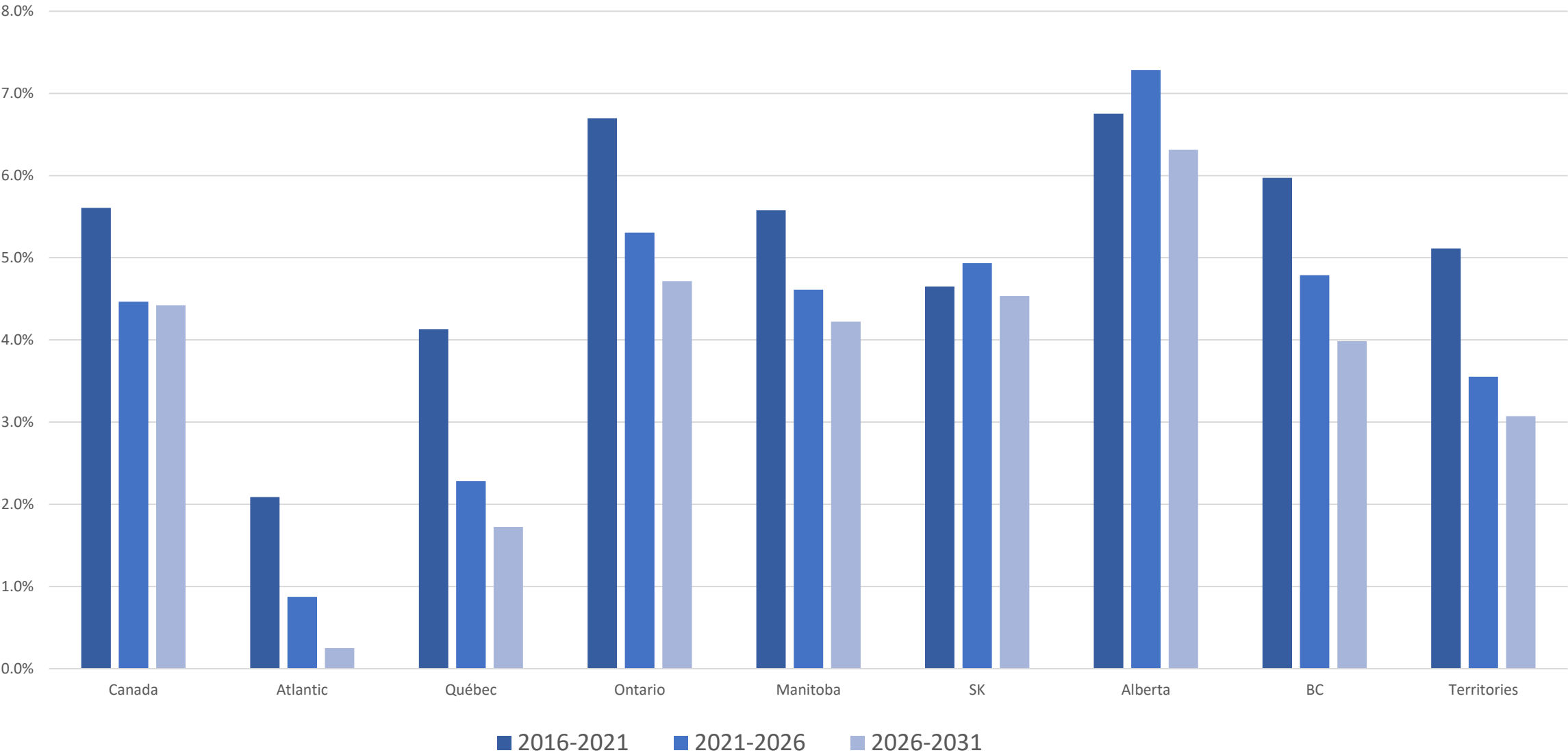


G20 Countries

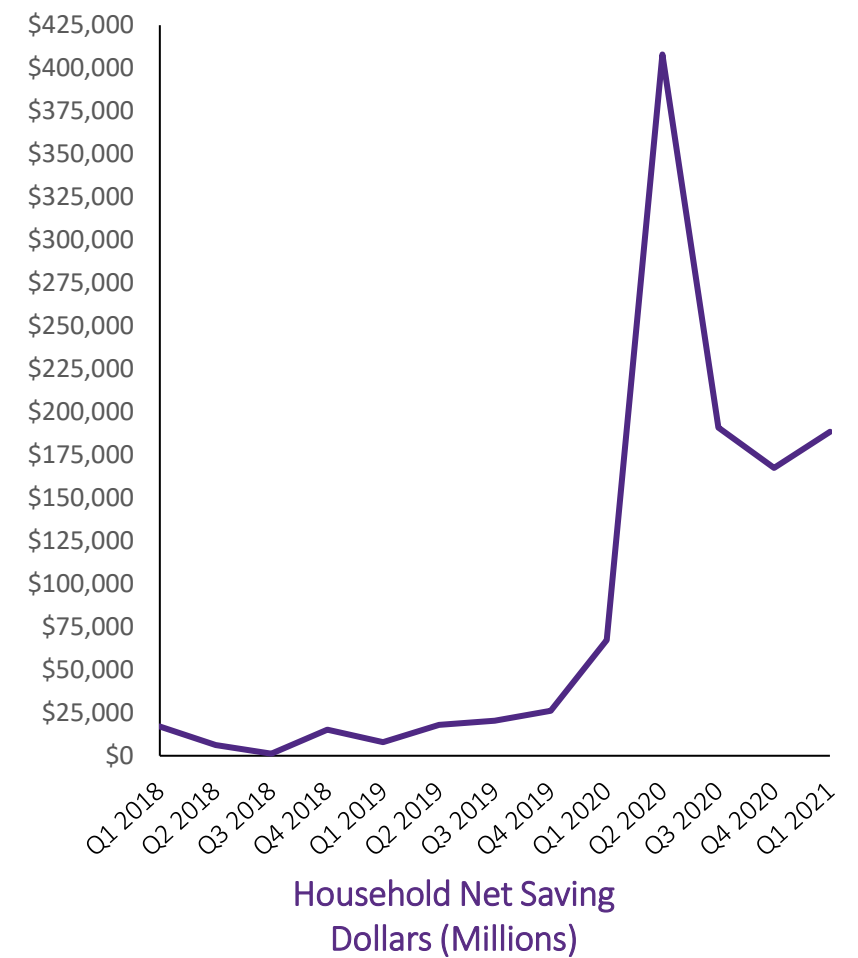
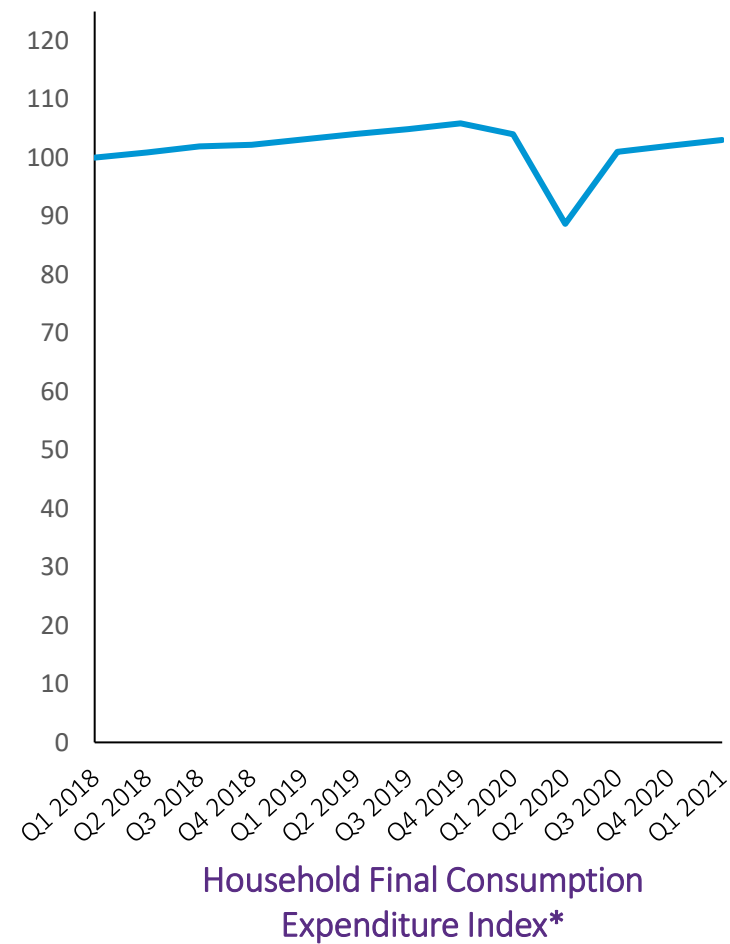
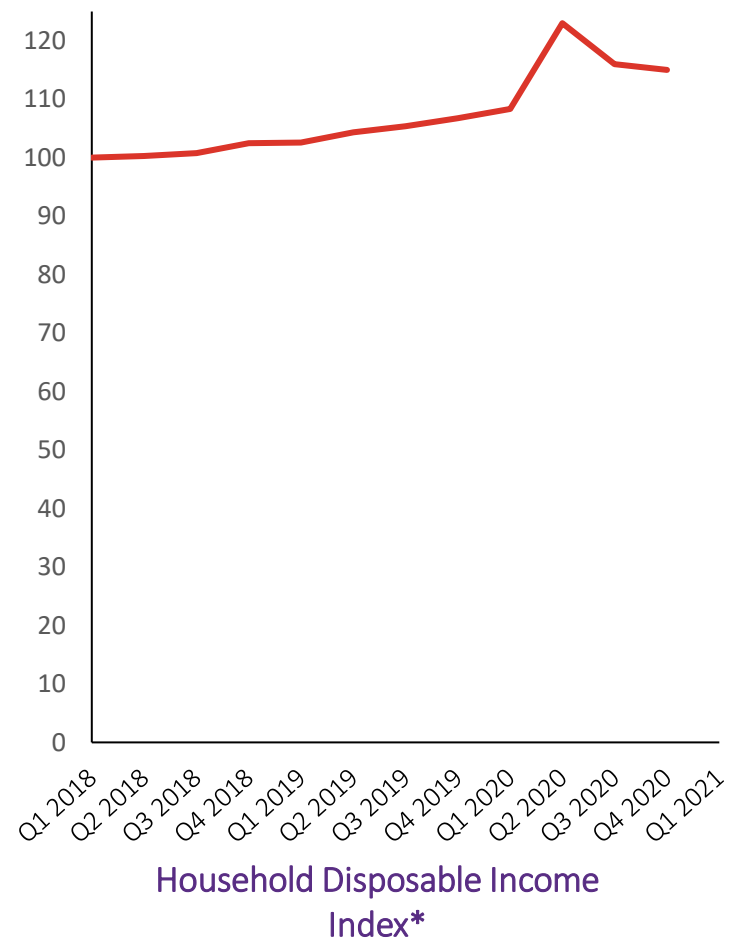
Rank	Country	% Growth
1	Saudi Arabia	8.7%
2	Australia	6.0%
3	India	5.0%
4	Mexico	5.0%
5	Canada	4.5%
6	Argentina	4.5%
7	Indonesia	3.8%
8	United States	3.4%
9	Turkey	3.2%
10	Brazil	3.1%

Source: U.S. Census Bureau - International Data Base (IDB), December 2020

Economic Growth - 5 Year Trends by Province



Canadians' Financial Profiles Look Good

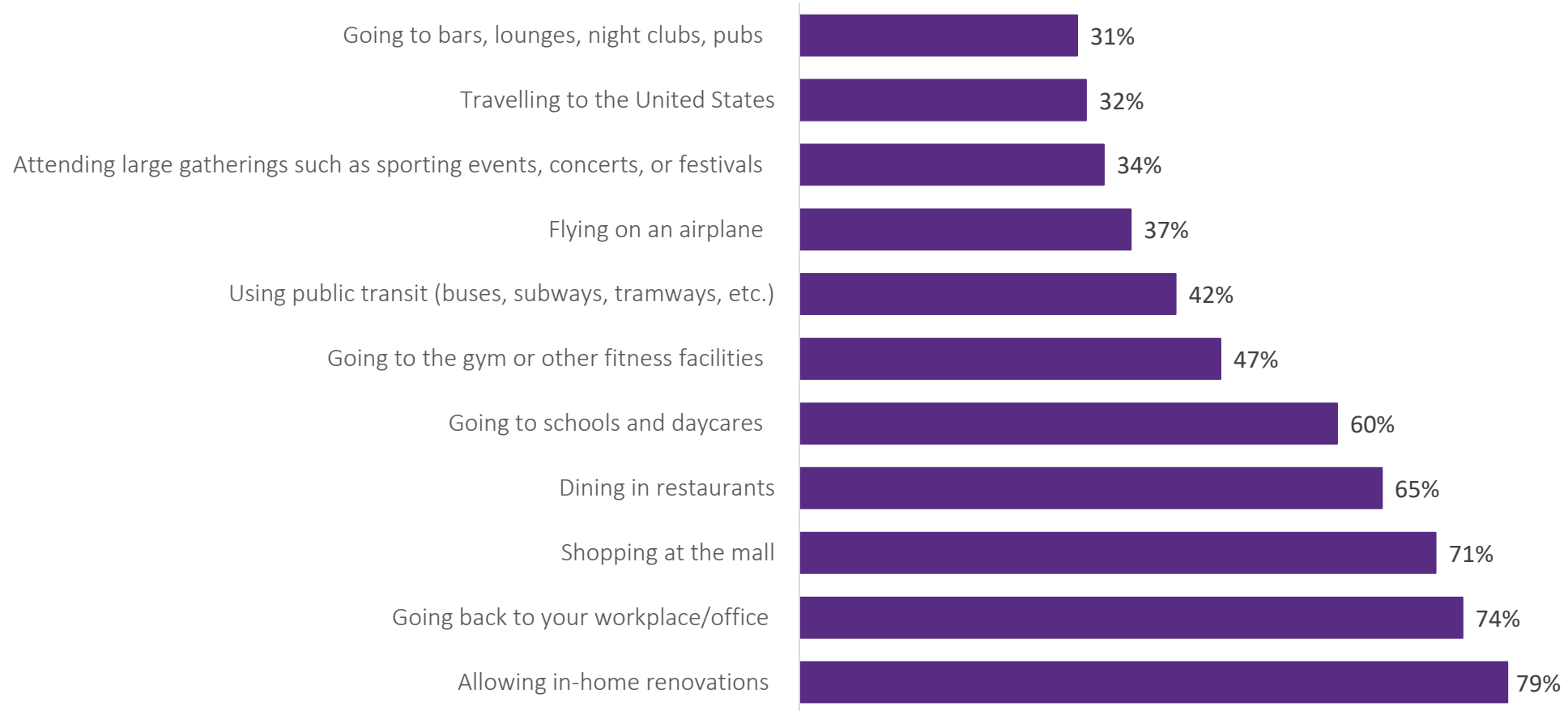


Source: Statistics Canada, National Accounts, Table 36-10-0112-01

Notes: Seasonally adjusted at annual rates
*Q1 2018=100

Comfort Levels Increasing (...But Back To Normal?)

Once the governments lift the protective measures put in place to fight COVID-19, which of the following would you be comfortable doing?

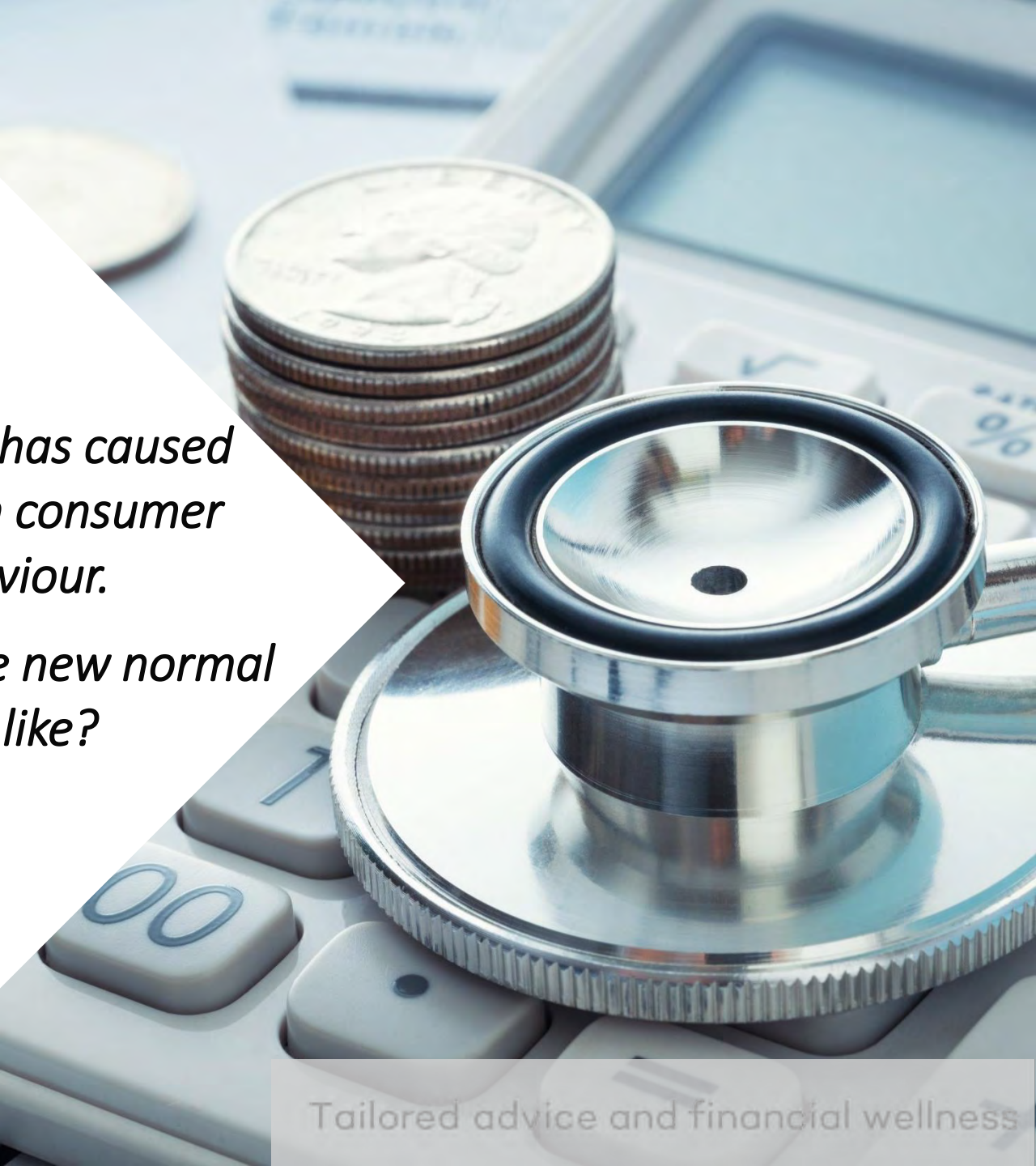


Source: Association of Canadian Studies, Survey Feb. 6



*Disruption has caused
changes in consumer
behaviour.*

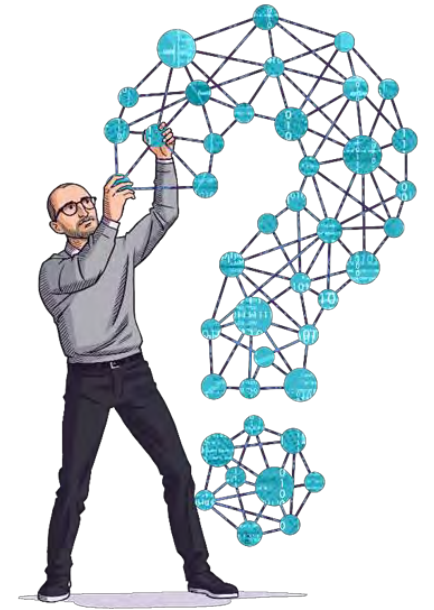
*What will the new normal
look like?*



What Does It All Mean for Credit Unions?

Canada's population is dynamic, diverse and behaviours are changing. More than ever, successful business strategies hinge on using data-driven insight to:

- Understand who your members are and how to engage them more effectively and efficiently
- Identify, quantify, locate and acquire new, high potential members
- Determine your market and growth potential by product category to extend your member penetration





Building the Credit Union Roadmap



Building The Right Foundation

GOALS

Increase Insight &
Relevancy

Improve Resource
Allocation &
Investment Efficiency

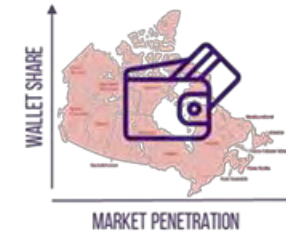
Enhance Product
Performance &
Holdership

TOOLS

Customer
Segmentation
& Personas

Economic
(Value)
Segments

Gap Analysis



OPPORTUNITY

Define your segments,
enhance member
experience and identify
hidden opportunities

Match service levels
and engagement
strategies to client
needs and potential

Identify the gaps in
product penetration,
market share & share
of wallet

PRIZM Segmentation-The Cornerstone

Classifies Canada's neighbourhoods at postal code-level into actionable, lifestyle segments



Look up your segment!

<https://prizm.environicsanalytics.com/>

PRIZM Captures:



Aging population



Increased cultural diversity



More urban lifestyles; Emerging urban Fringe



Emergence of Millennial lifestyles






Evolving household types

M4W 3H1

Uniqueness of each 6-digit postal code

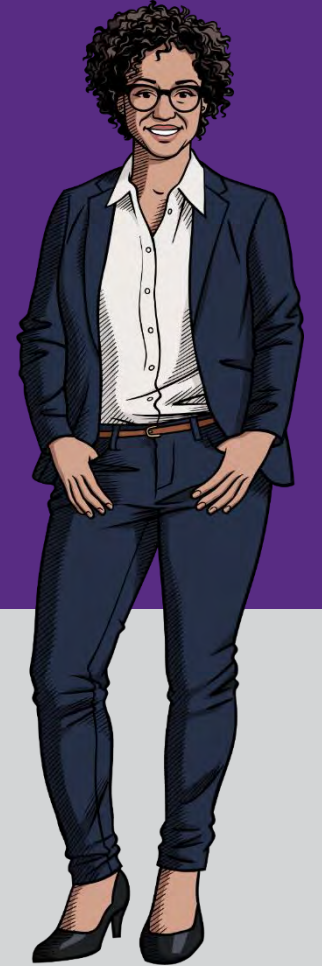
Each Segment Has Their Own Characteristics

			
INCOME	\$ 170,830	\$ 157,740	\$ 175,149
DWELLING TYPE	Single Detached/Low Rise Apt/Semi	Single Detached	Single Detached
EDUCATION	University	University	University/College/Trade School
LEISURE	Camping/Boating Art Galleries/Museums Restaurants/Bars	Golfing/Fitness Classes Video Gaming Golfing	Camping/Cross-country skiing Music Concerts Home entertaining
COVID-19	Pharmacies for Vaccine	Family Doctor for Vaccine	Belief of Vaccine Effectiveness

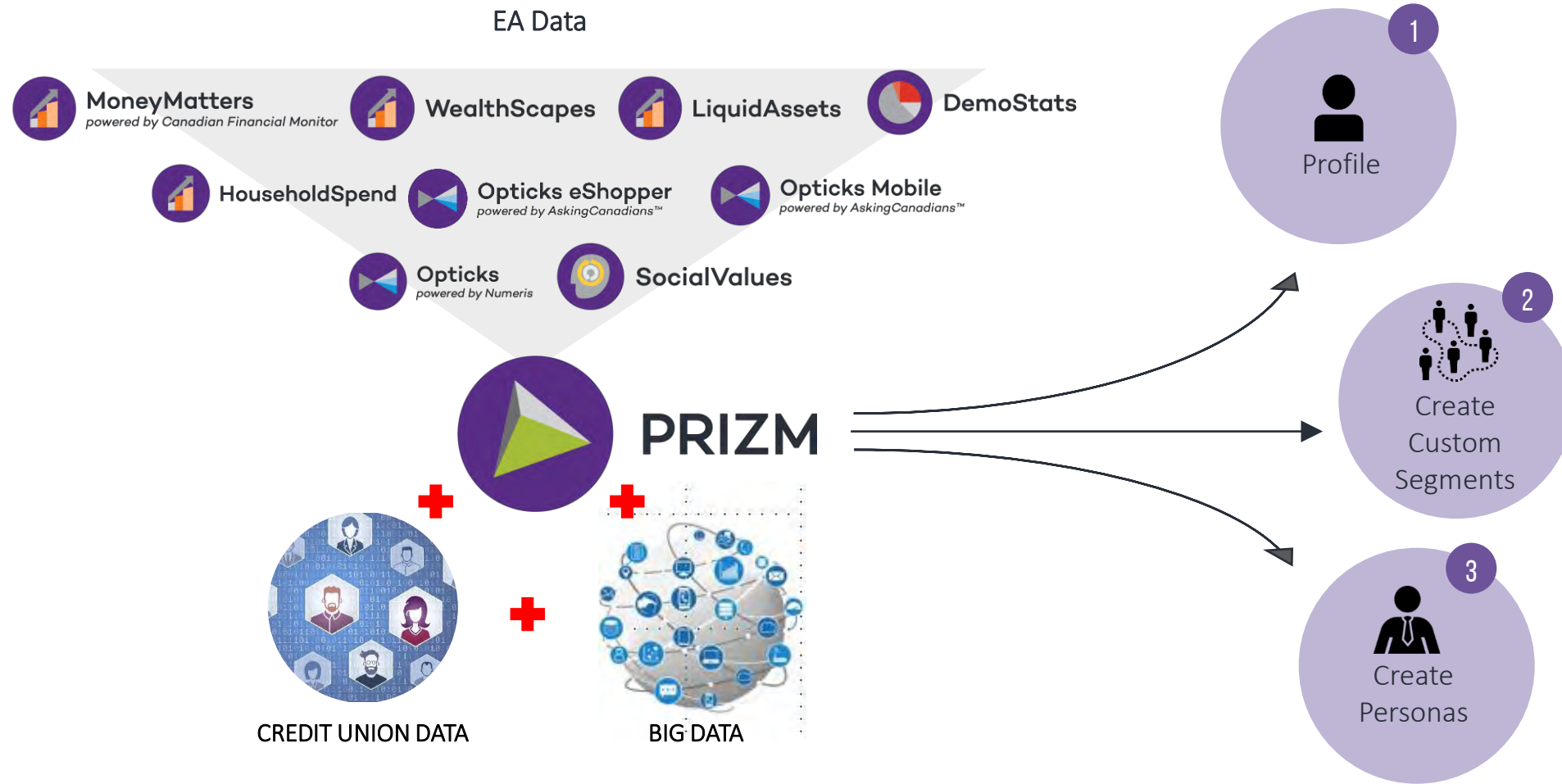
30,000 Variables To Describe Segments



Member Segmentation & Personas



Moving To A Targeted, Segmented Approach



Identify The Themes That Matter To You

- Credit Union Data
- EA Data
- Both



Member Characteristics

Propensity to be a CU member, regional distribution, tenure, age



Member Engagement

Includes key validation metrics for members, as well as loyalty and value measures of members



Demographics & Socioeconomic Status

Inputs addressing the financial profile, lifestage, urbanity and socioeconomic status of the market population



CU & Market Channel Use

Identify segments who prefer traditional, digital, or multi-channel interactions



Market Competition

Propensity of segments to bank with big banks, credit unions, direct banks or fintech



Social Values

The mindset and attitudes of Canadians, including those pertaining to their financial outlook

Understand Members By Key Attributes

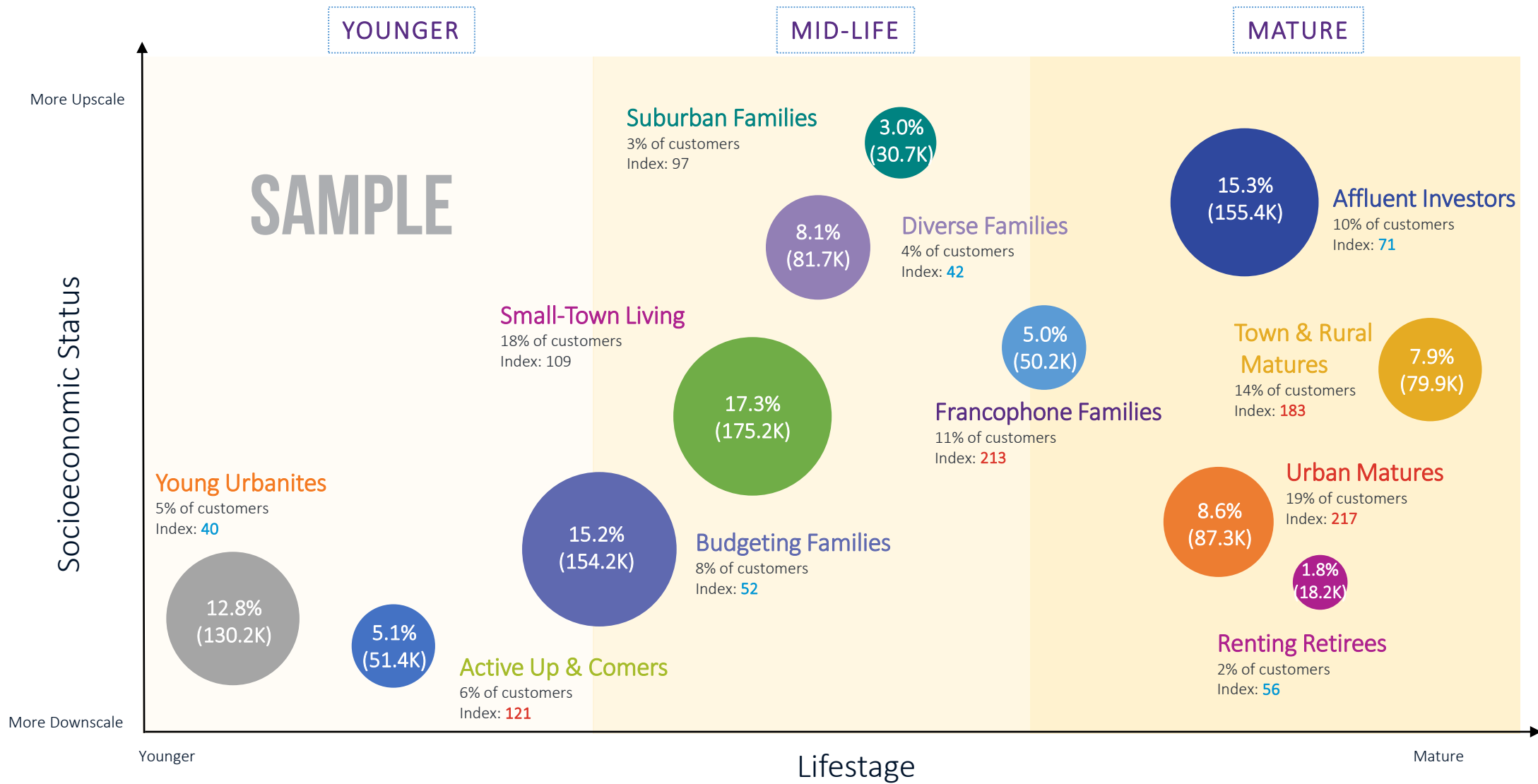


Index Colours:
At least 10% **over**/**under** average (100)

	Lifestage	Kids at Home Avg: 40.1%	Education				Visible Minority Avg: 45.5%	Owns Home Avg: 65.3%	Household Income Avg: \$106,754	Household Net Worth Avg: \$1,098,512	Top Social Values*
			Trades Avg: 7.3%	College Avg: 20.5%	Bachelor's Avg: 24.1%	Above Bachelor's Avg: 11.9%					
Rustic Homesteads	Mature Singles & Couples	26.7%	11.7%	25%	11%	5.2%	7.5%	68%	\$76,883	\$670,011	<ul style="list-style-type: none"> Attraction to Nature Utilitarian Consumerism Cultural Assimilation
Fast Lane Suburbs	Younger to Middle-aged Families	51.5%	12.2%	25%	15%	7%	20.0%	82.3%	\$122,479	\$983,239	<ul style="list-style-type: none"> Primacy of the Family Rejection of Orderliness Attraction to Nature
Established Midlife Families	Middle-aged & Older Families	48.7%	7.7%	23.5%	19%	10.5%	20.2%	84.8%	\$152,481	\$1,870,501	<ul style="list-style-type: none"> Attraction to Nature Obedience to Authority Cultural Assimilation
Striving Startup Families	Young Couples & Families	35.1%	8.7%	23.8%	18%	7.3%	29.0%	59.4%	\$79,499	\$488,169	<ul style="list-style-type: none"> Attraction to Nature Flexible Families Need for Escape
Modest Empty Nesters	Mature Singles & Couples	30.1%	9.8%	24.6%	19%	9.9%	20.0%	80%	\$97,893	\$1,032,880	<ul style="list-style-type: none"> Emotional Control Ecological Concern Technology Anxiety
Aging & Affluent	Older to Mature Families	47.3%	7.4%	23%	24%	13%	27.4%	85.8%	\$144,042	\$1,866,260	<ul style="list-style-type: none"> Effort Toward Health Legacy Ecological Lifestyle
Tech-Savvy Multiculturals	Younger to Middle-aged Families	56.8%	7.2%	23%	23%	10%	54%	79%	\$120,700	\$1,007,201	<ul style="list-style-type: none"> Status via Home Ostentatious Consumption Pursuit of Novelty
Diverse Families	Younger to Middle-aged Families	49.1%	5.3%	18%	20%	9.5%	74%	59%	\$92,886	\$646,789	<ul style="list-style-type: none"> Joy of Consumption Traditional Family Introspection & Empathy
Upscale Elites	Middle-aged & Older Families	52.8%	5.7%	17.5%	29%	13%	69%	71.8%	\$131,948	\$1,973,222	<ul style="list-style-type: none"> Confidence in Big Business Ostentatious Consumption Advertising as Stimulus
Singles in the City	Young Singles & Couples	23.9%	4.9%	18%	33%	18%	51%	42.5%	\$88,989	\$769,403	<ul style="list-style-type: none"> Cultural Sampling Rejection of Authority Need for Status Recognition

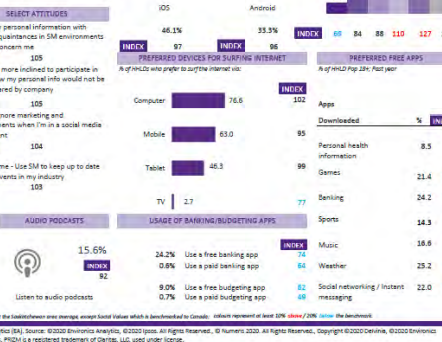
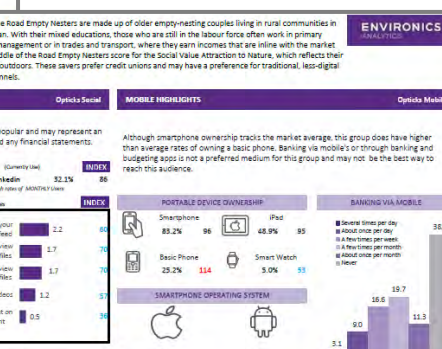
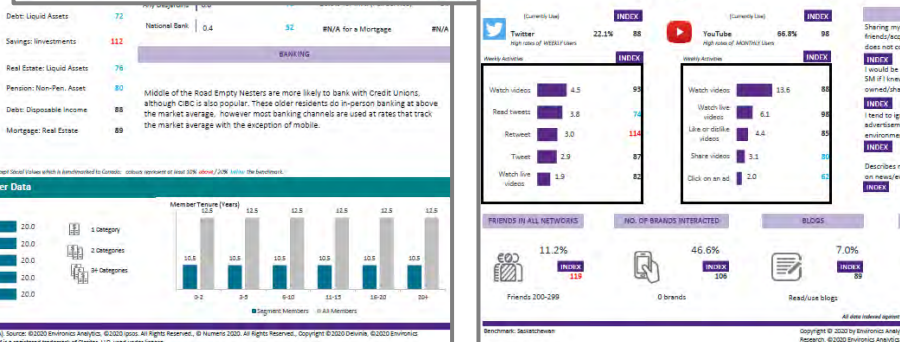
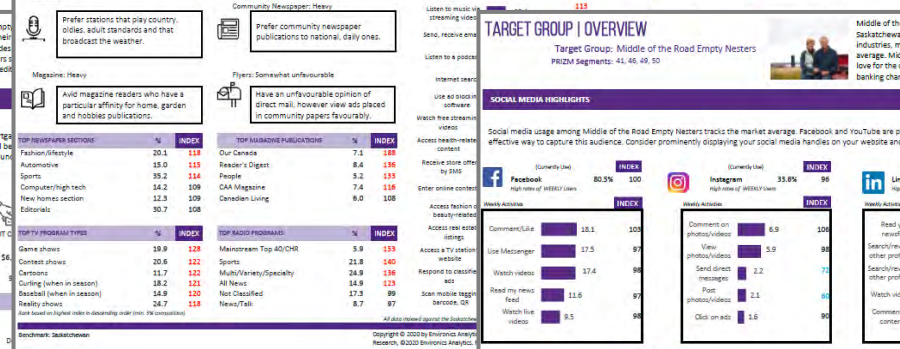
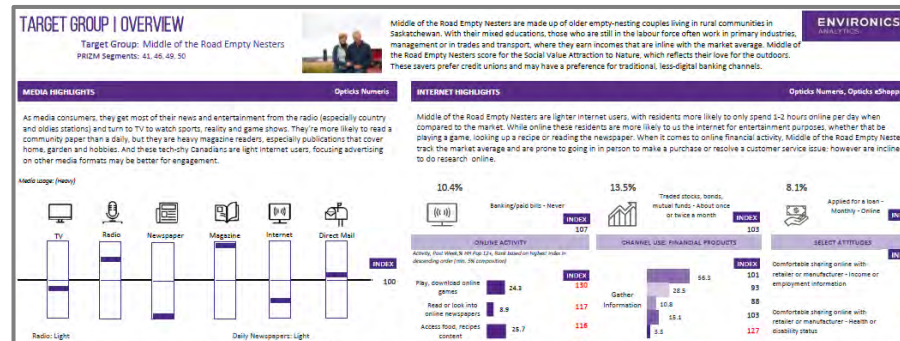
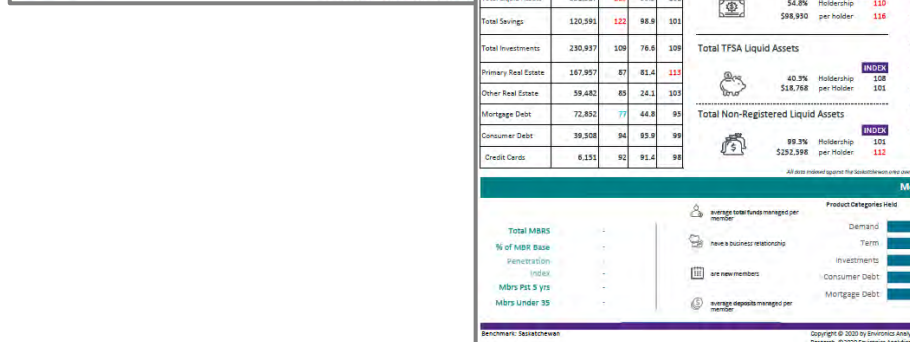
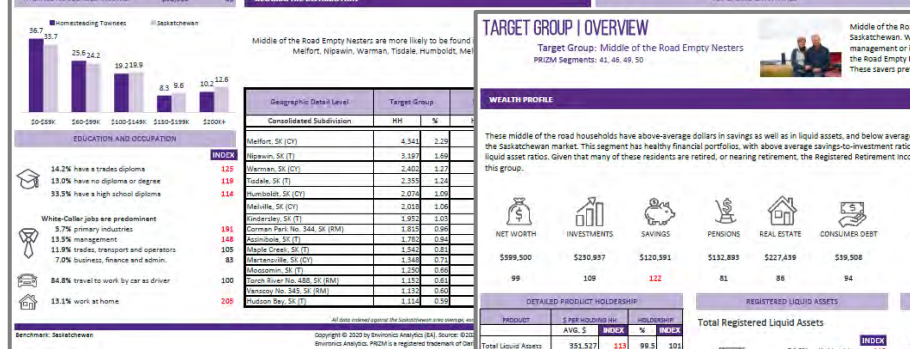
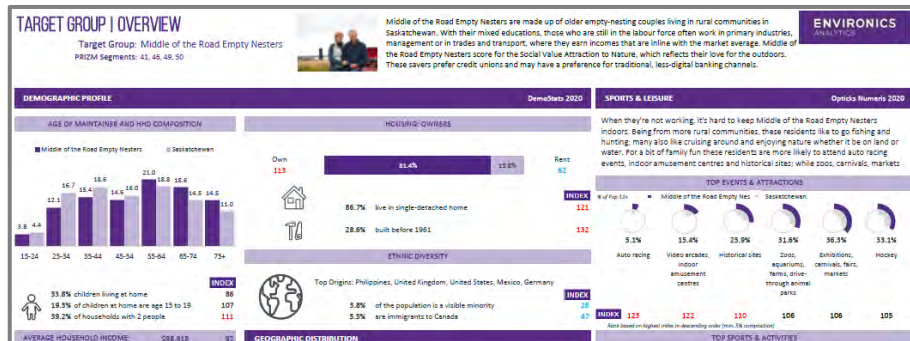
Data Sources: PRIZM 2020, DemoStats 2020, WealthScapes 2020

Quantify By Lifestage and Socio-Economic Status

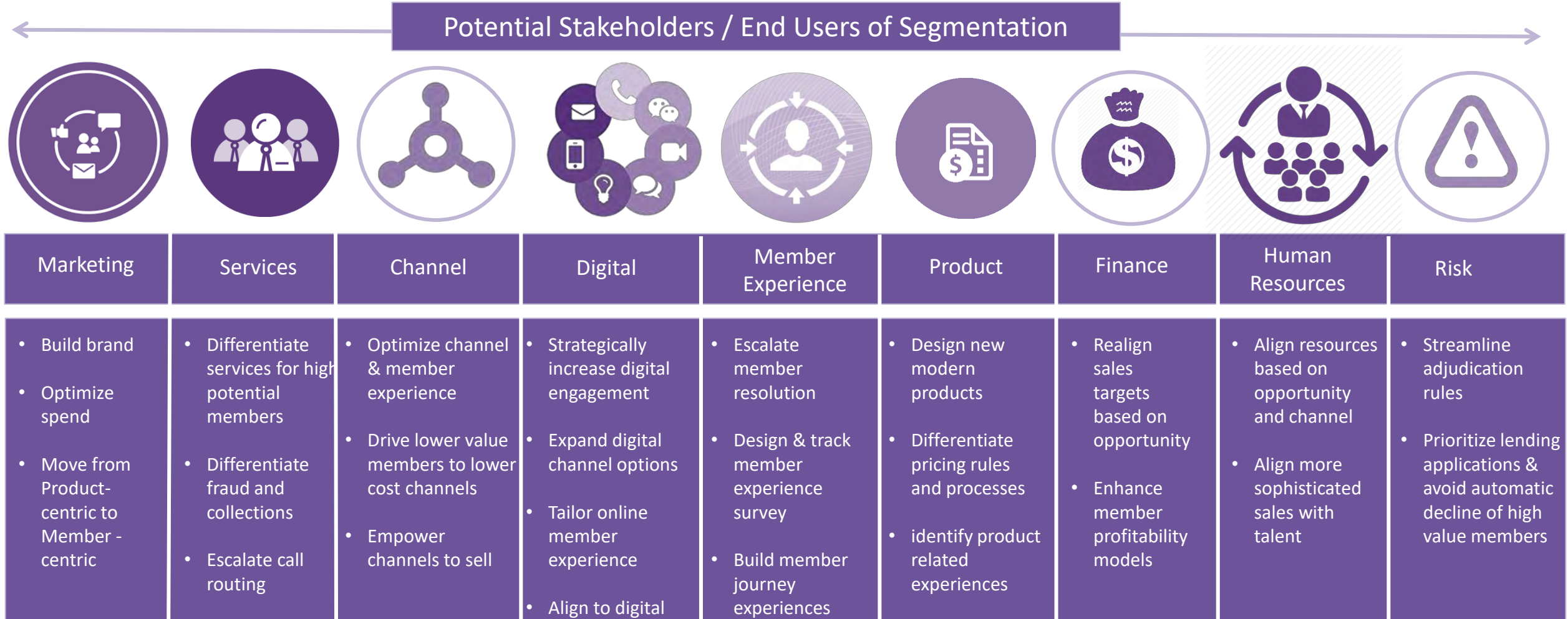


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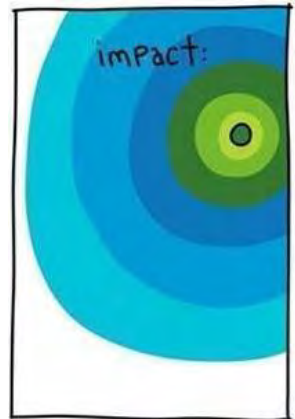
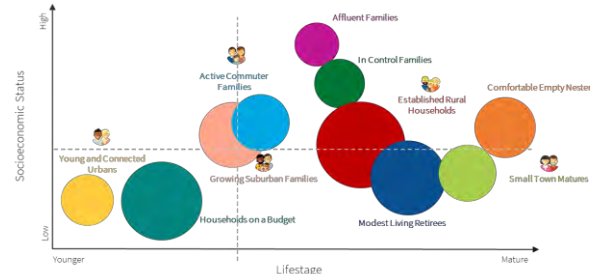
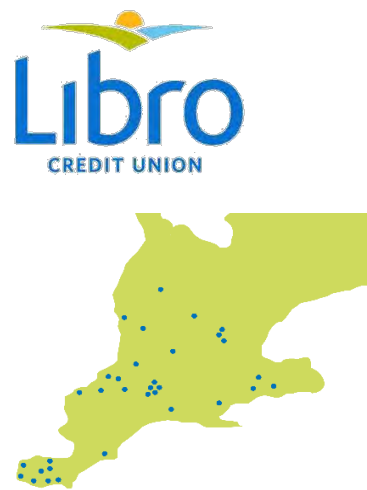
Personify Target Segments for Actionability



Activate Across The Organization



Case Study for Marketing



Potential Stakeholders / End Users of Segmentation								
Marketing	Services	Channel	Digital	Member Experience	Product	Finance	Human Resources	Risk
<ul style="list-style-type: none">Build brandOptimize spendMove from product-centric to Member-centric	<ul style="list-style-type: none">Differentiate services for high potential membersDifferentiate fraud and collectionsEscalate call routing	<ul style="list-style-type: none">Optimize channel & member experienceDrive lower value members to lower cost channelsEmpower channels to sell	<ul style="list-style-type: none">Strategically increase digital engagementExpand digital channel optionsTailor online member experienceAlign to digital expectations	<ul style="list-style-type: none">Escalate member resolutionDesign & track member experience surveyBuild member journey experiences	<ul style="list-style-type: none">Design new modern productsDifferentiate pricing rules and processesIdentify product related experiences	<ul style="list-style-type: none">Realign sales targets based on opportunityEnhance member profitability models	<ul style="list-style-type: none">Align resources based on opportunity and channelAlign more sophisticated sales with talent	<ul style="list-style-type: none">Streamline adjudication rulesPrioritize lending applications & avoid automatic decline of high value members



10-26%

OF NEW OWNERS FROM PRIORITY MARKET SEGMENTS OF 10%-26% SINCE LAUNCH.

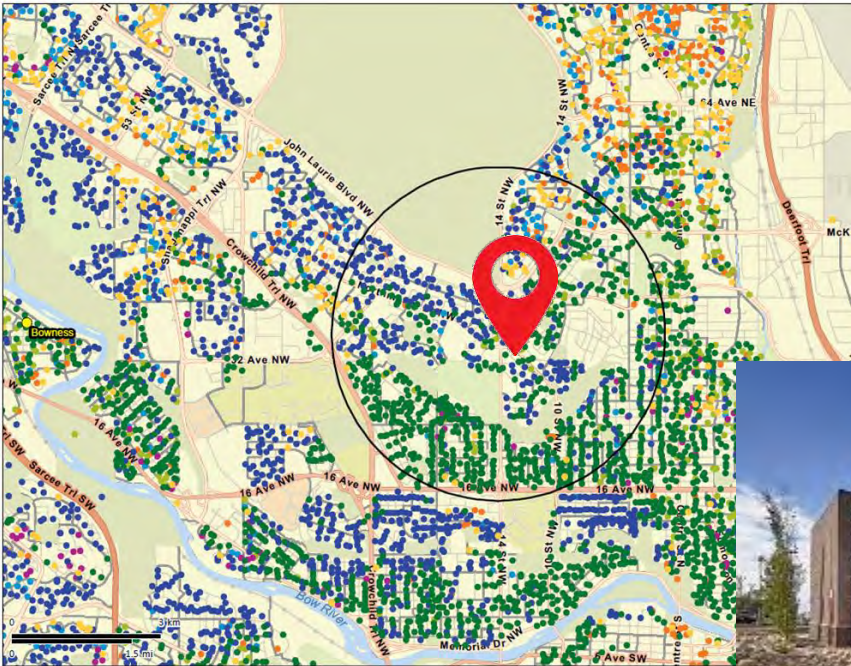


\$30M

IN SALES & PIPELINE FROM PROACTIVE OUTREACH.

“Simple Concept Yielding Big Opportunities”

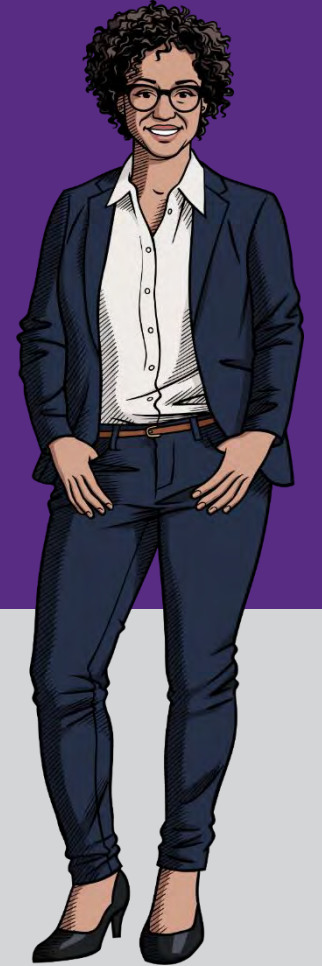
Case Study Branch Planning



Potential Stakeholders / End Users of Segmentation								
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Prioritizing Growth Within Your Existing Member Portfolio



All Members Are Valuable But In Different Ways



Brian

Profile:

- 33 years old
- Medical student in residency
- Renting in downtown condo
- Married, no children

Holdings with Bank:

- \$50,000 in deposits
- \$120,000 student loans
- \$5,000 monthly credit card spending



Matt

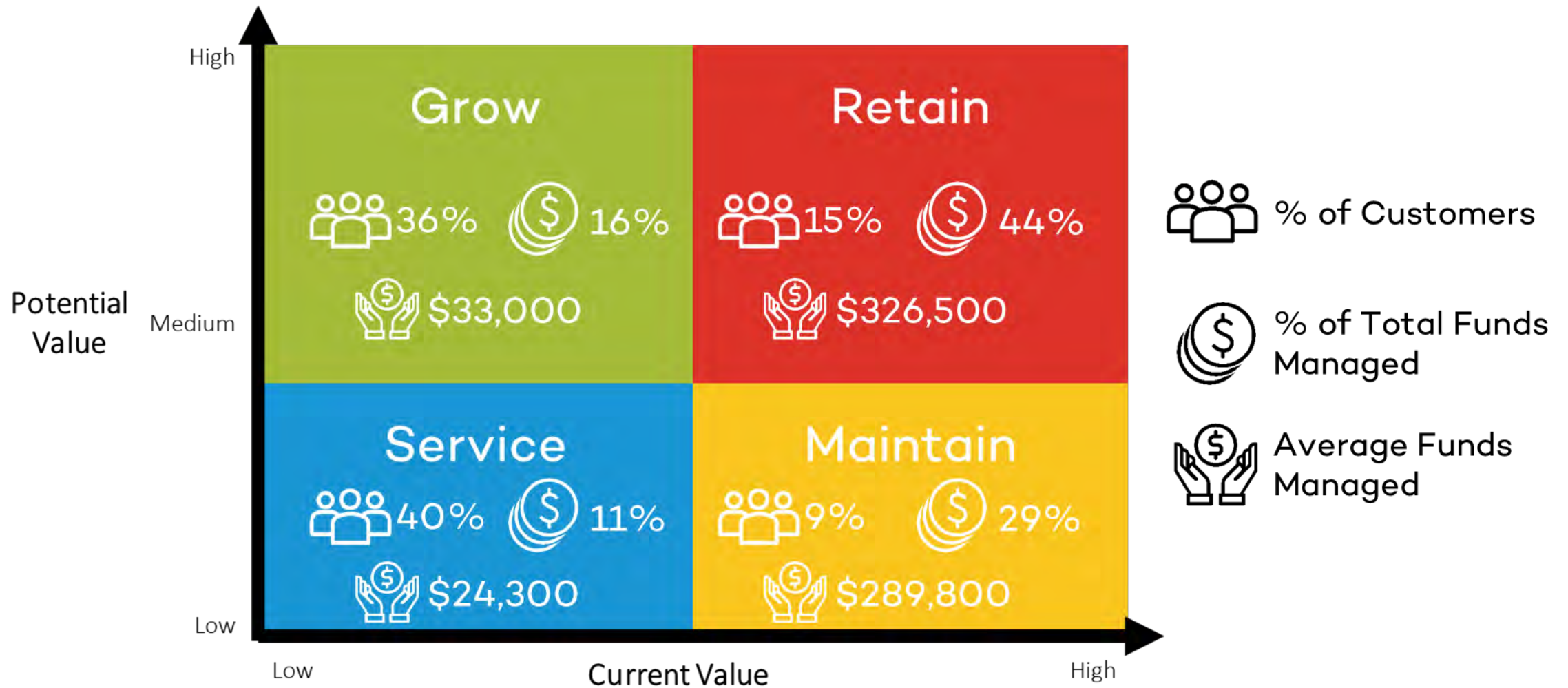
Profile:

- 36 years old
- Coffee shop owner
- Owns a suburban apartment
- Single

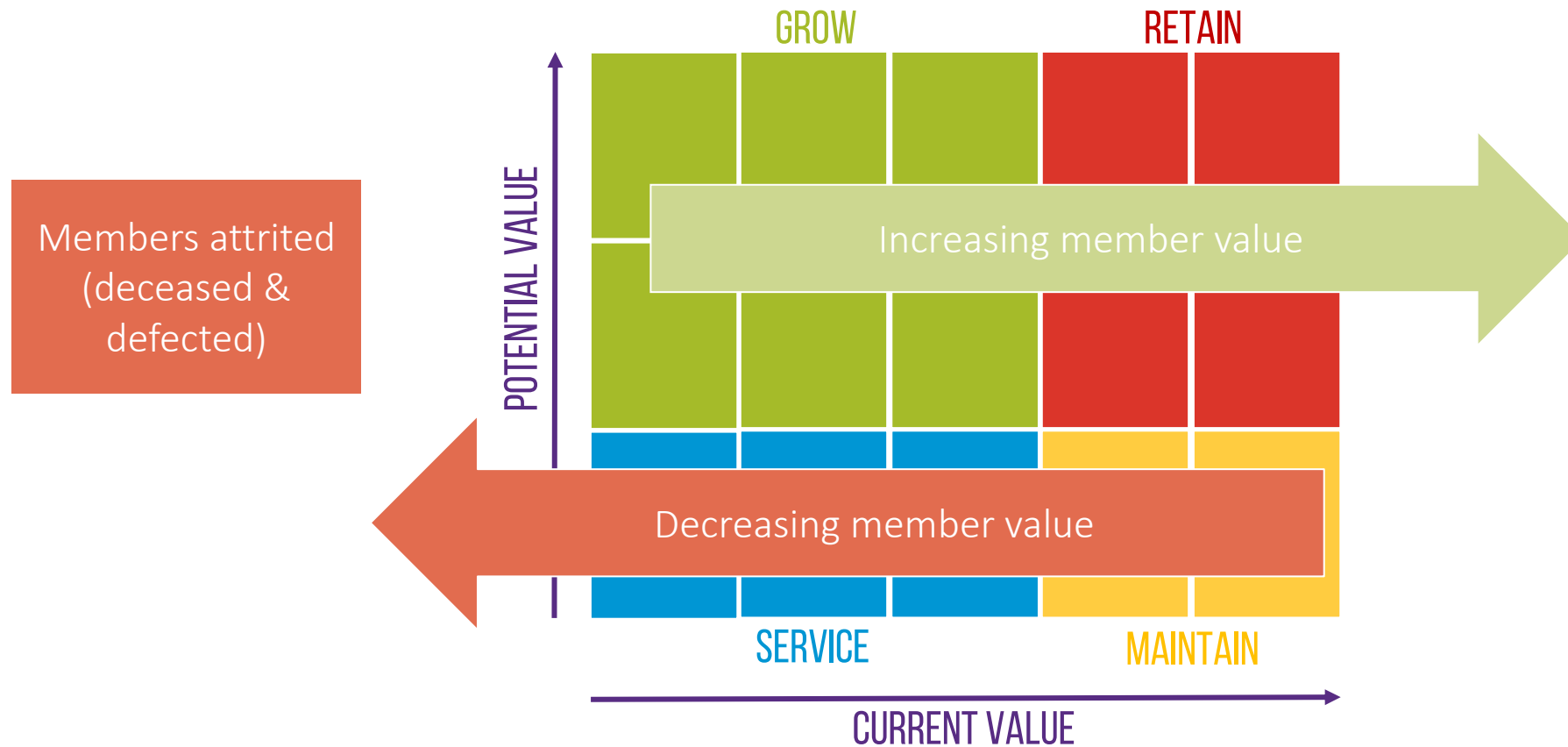
Holdings with Bank:

- \$45,000 in deposits
- \$200,000 mortgage on \$450,000 home

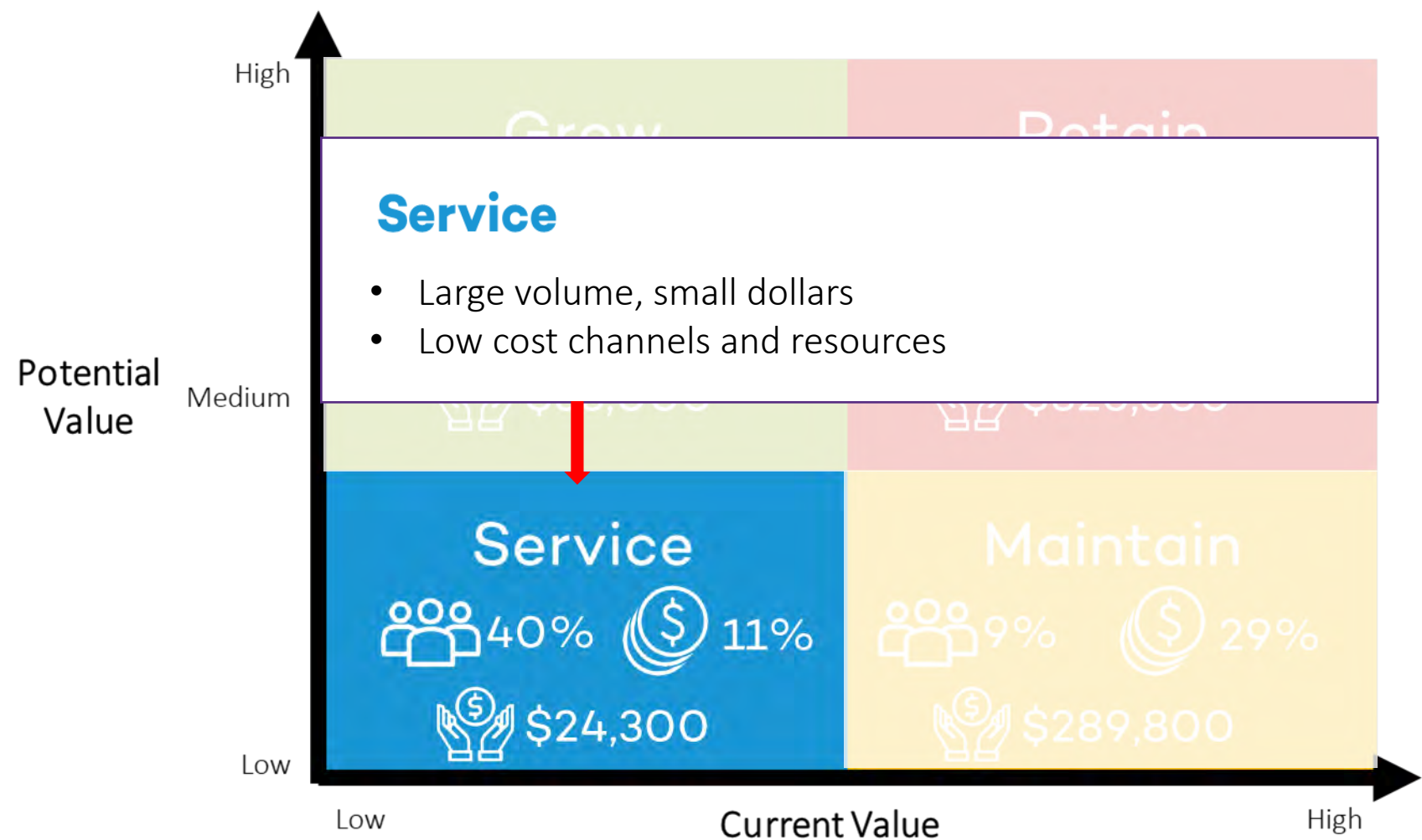
Matching Services and Strategy to Potential



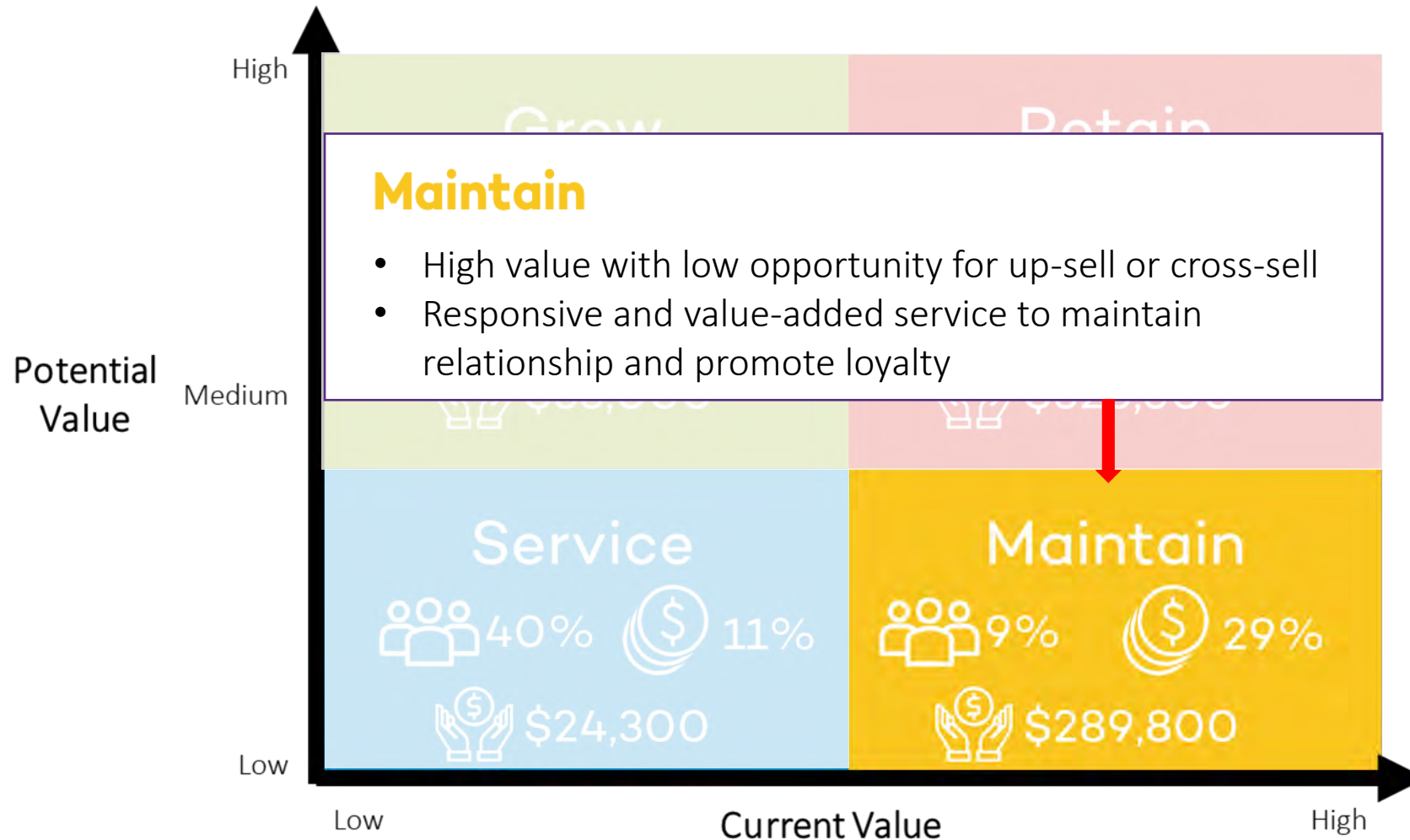
Monitor Change In Portfolio Performance



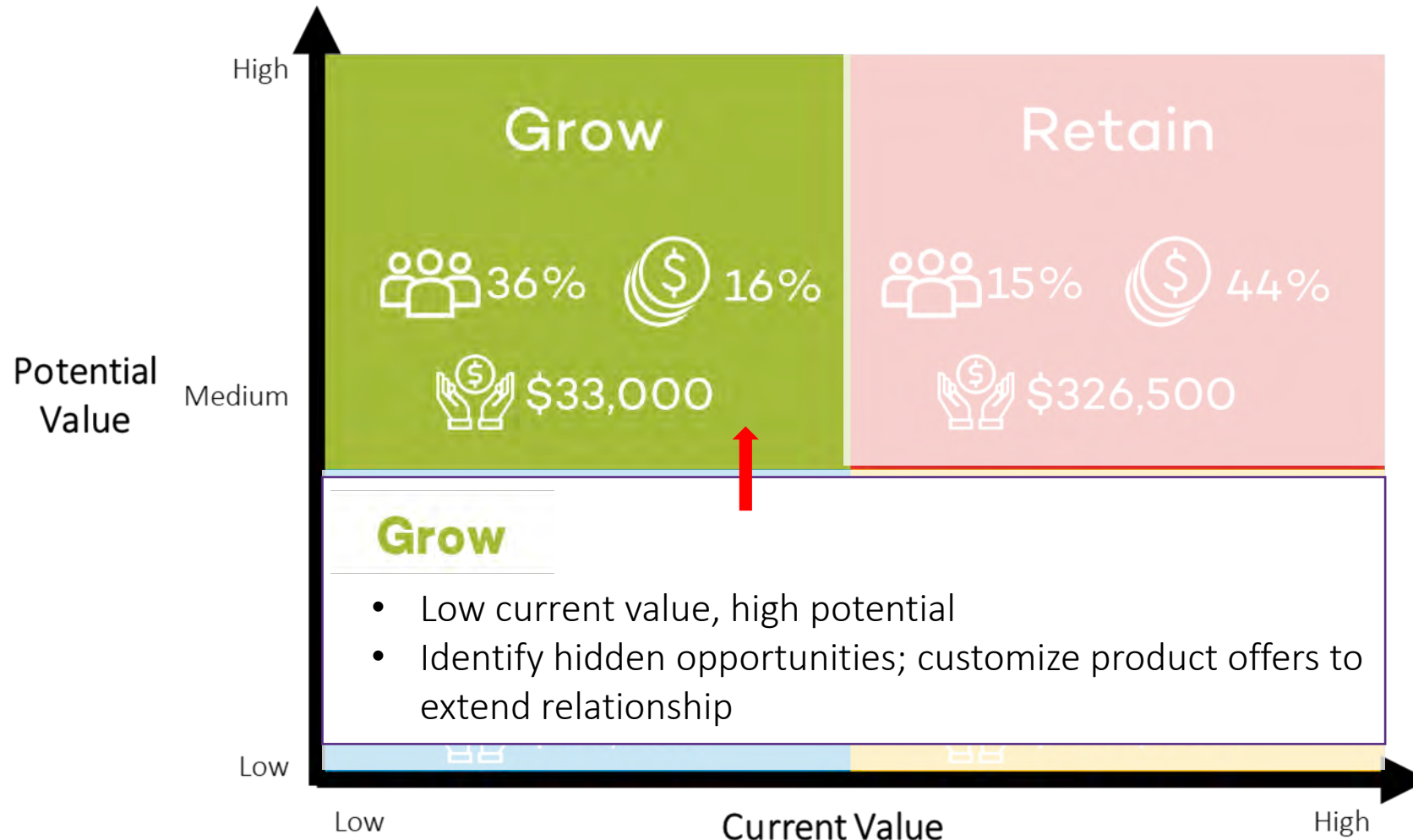
Mass Customization Strategy



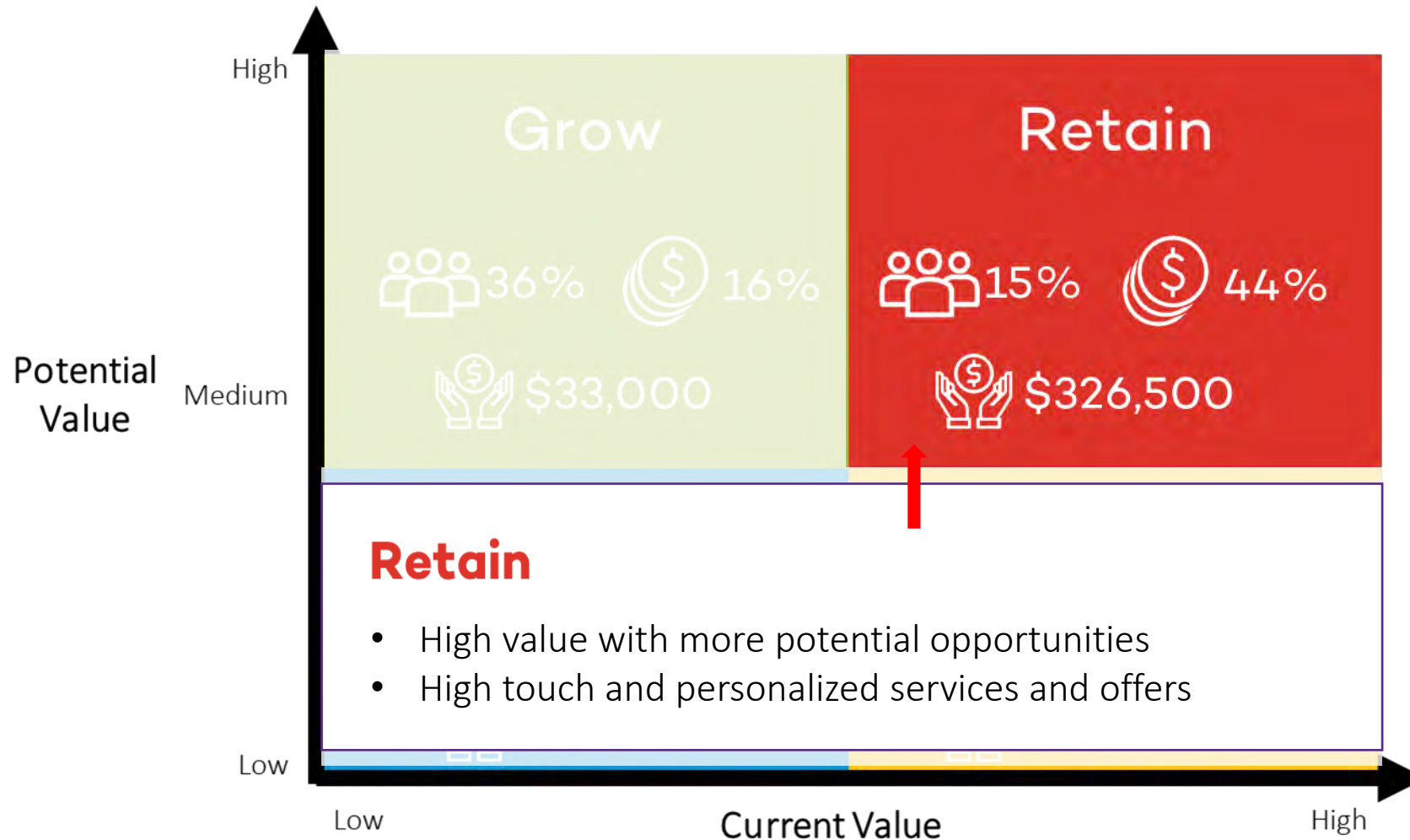
Protect Assets of Loyal Customers



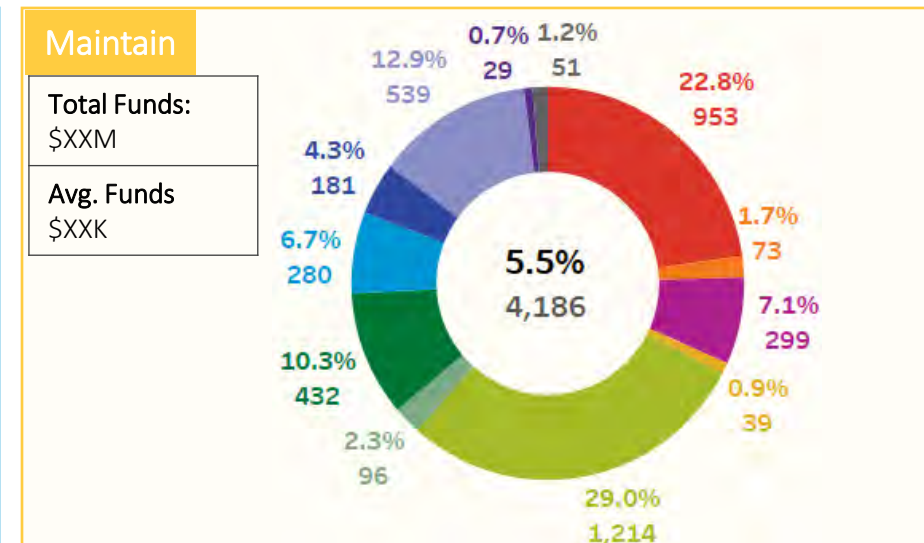
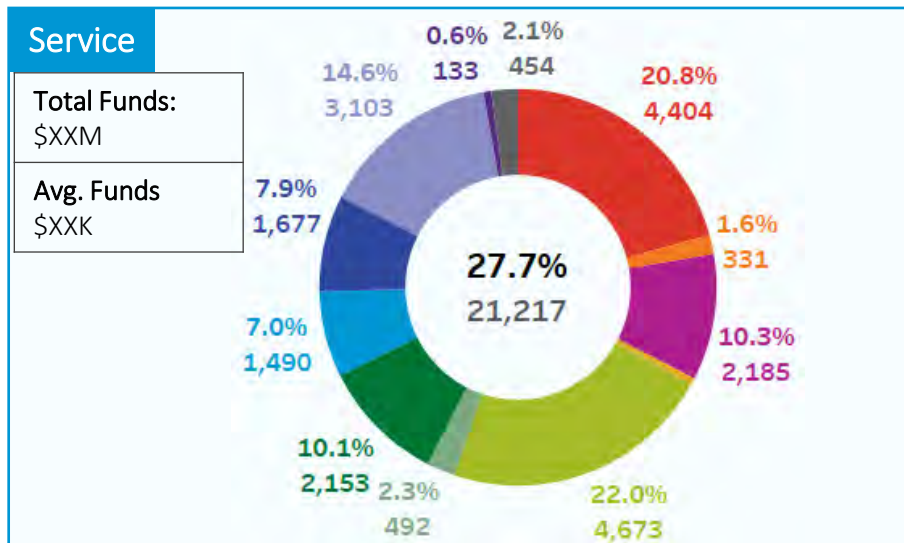
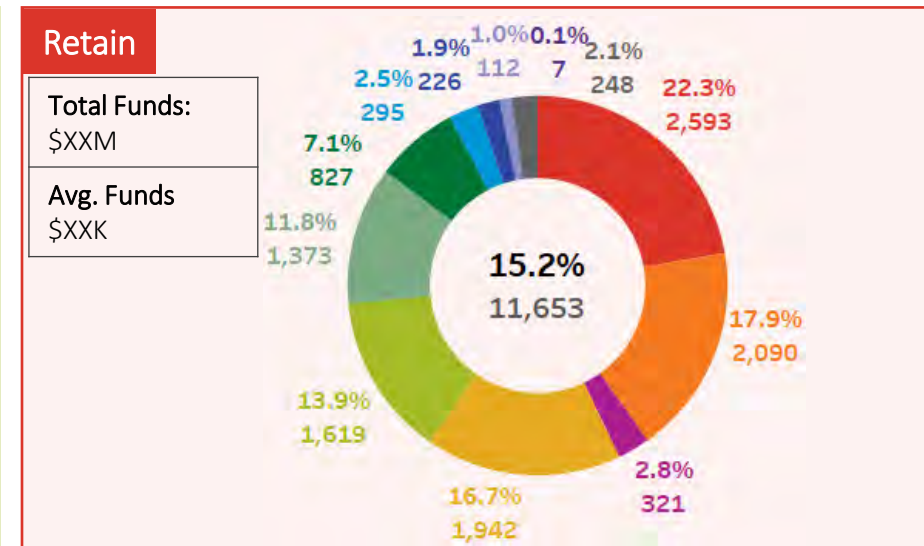
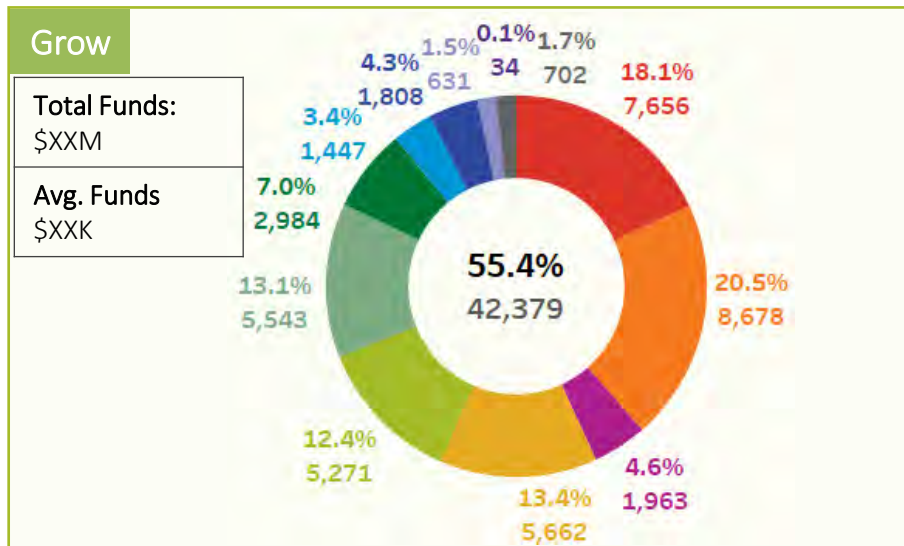
Investment Strategy To Deepen Relationship



Retention Strategy



Connect To Marketing Segments



Identify Growth Potential For Your Products and Regions



Identify Gaps With WealthScapes

ANSWERS KEY QUESTIONS



WealthScapes

Balance sheet of Canadian's assets and liabilities acts as the denominator for measurement and/or validation

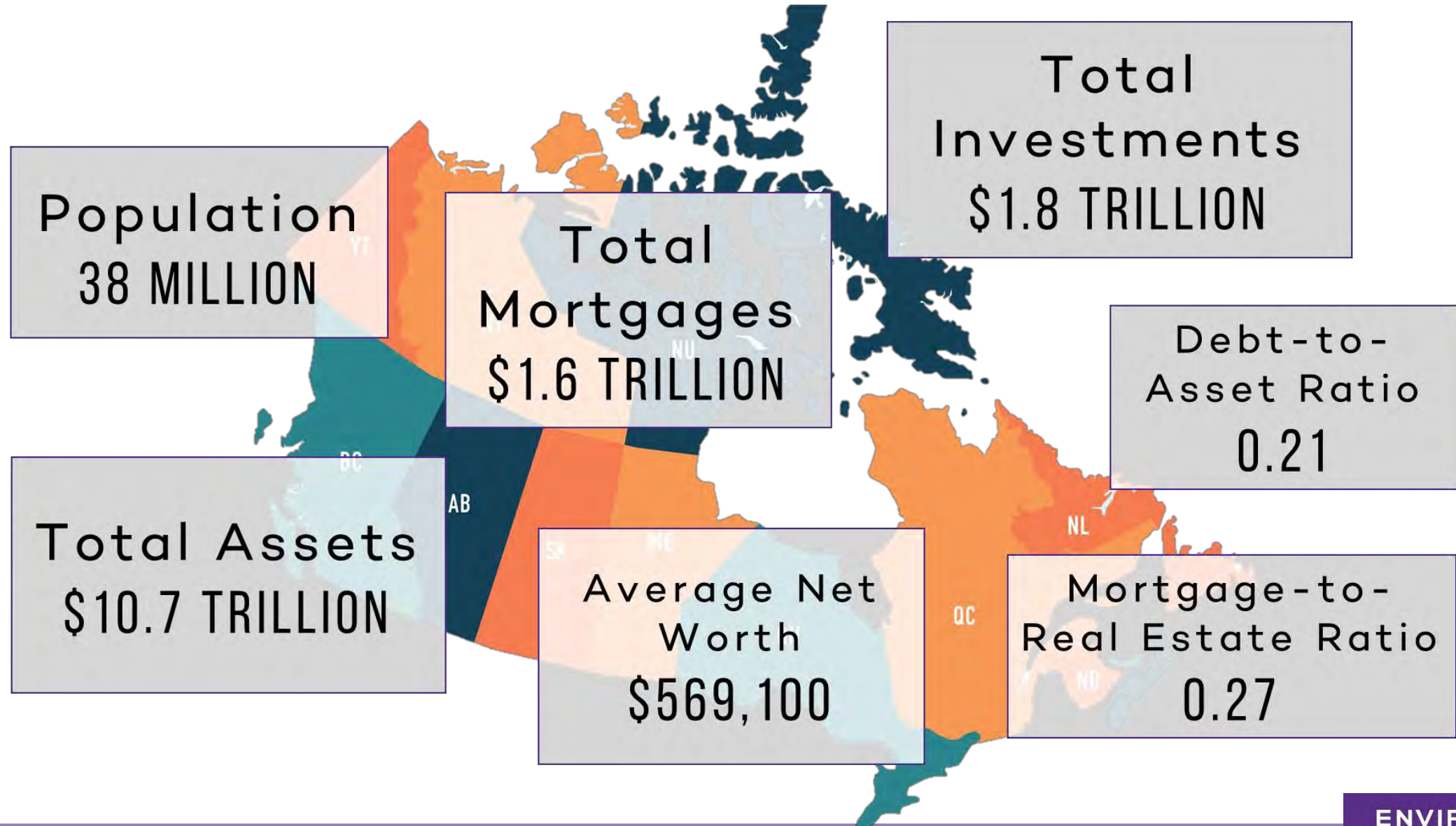


WealthTrends

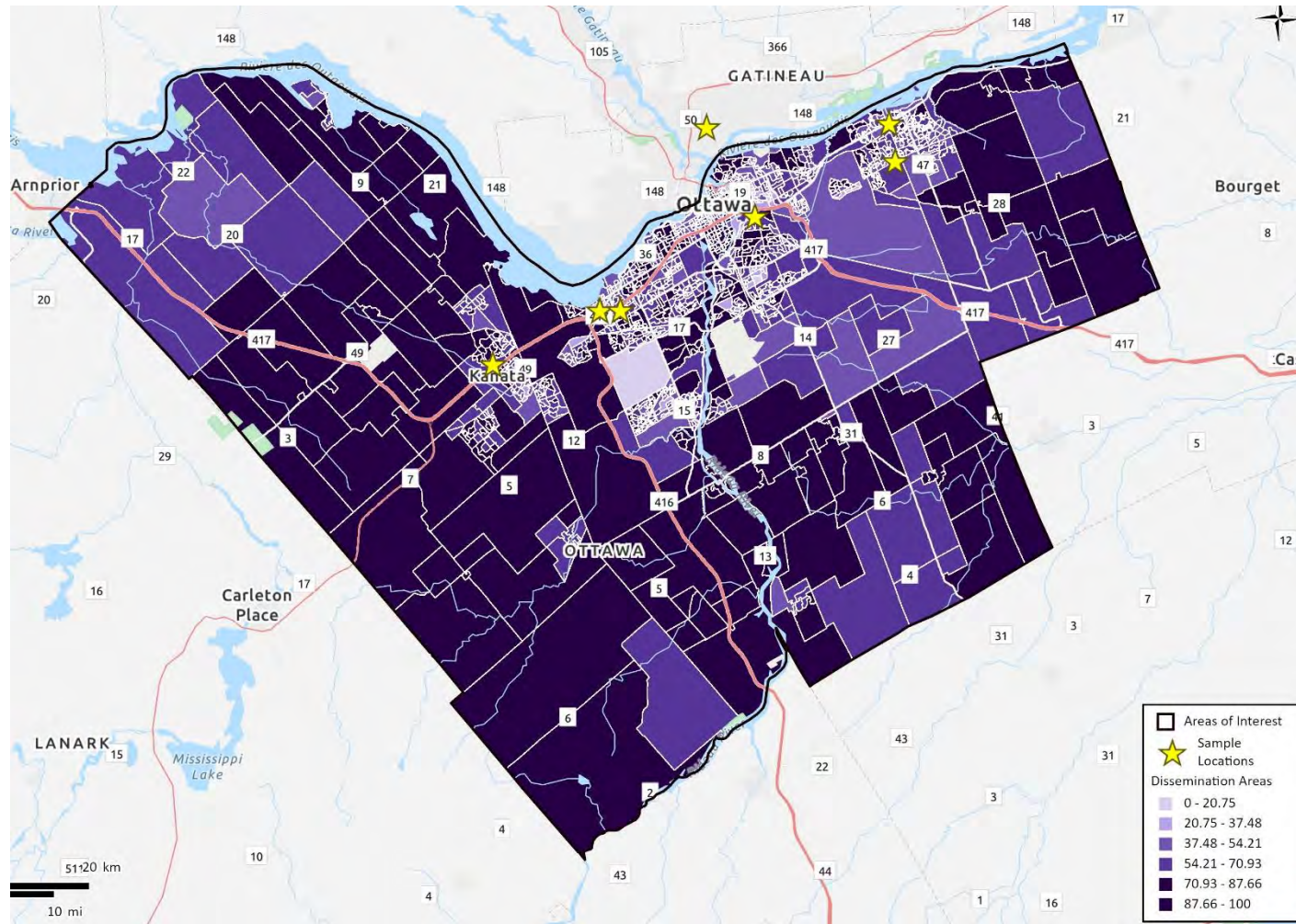
Quarterly updates on Canadian's financial status to help organizations adjust strategies in response to economic changes

- Where are we winning?
- What areas have the strongest penetration?
- What is the untapped potential by product?
- Where should we invest our marketing dollars?
- What is a realistic target in each market?
- Where can we gain more market share?
- What products should we focus on to grow wallet share?
- What strategy should we focus on in each area? Acquisition, retention or cross-sell/up-sell?

Canada By The Numbers



Penetration Map of Investment Fund Holdership Ottawa Census Subdivision by Dissemination Area



INVESTMENT FUNDS in Customer Portfolio



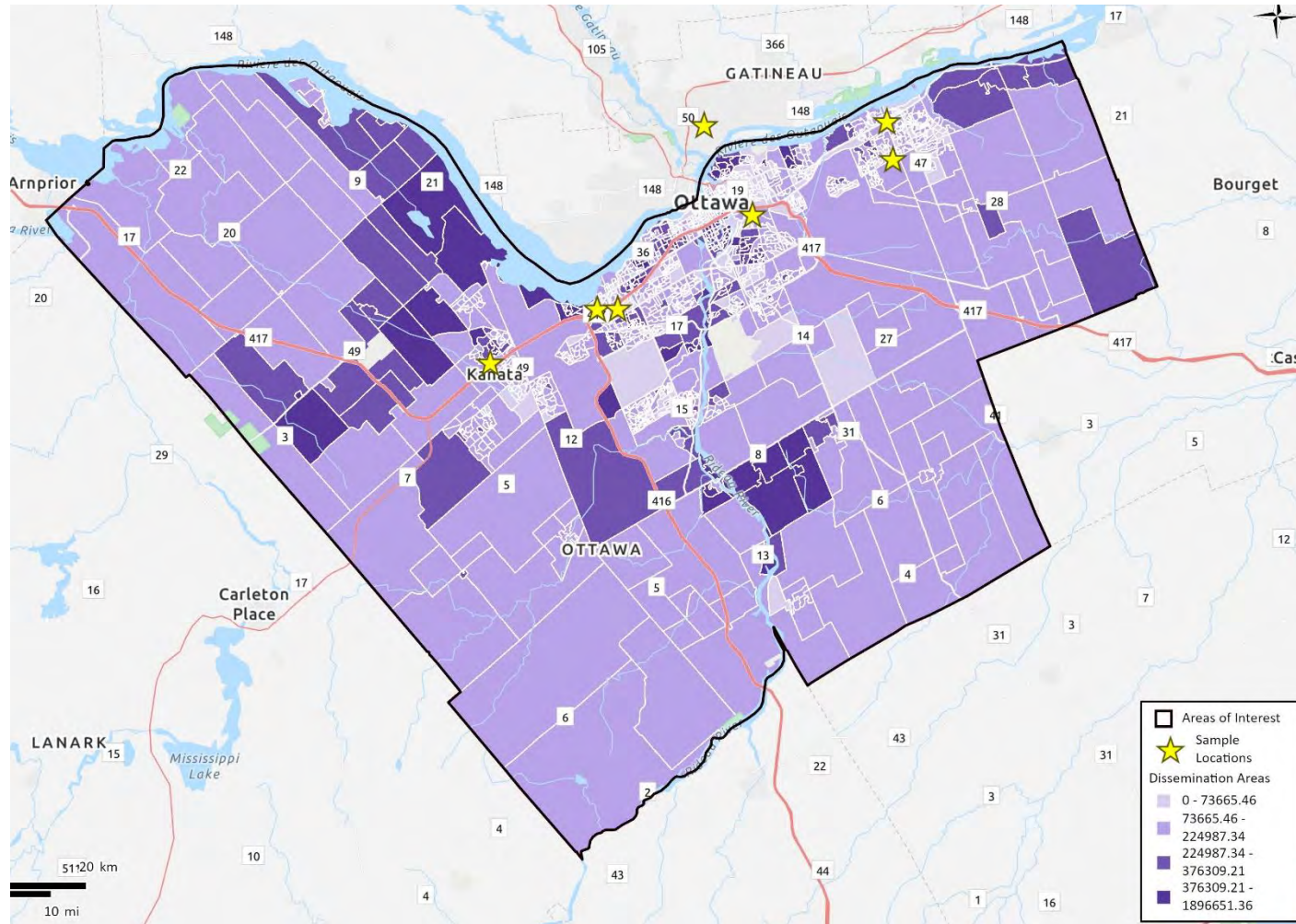
\$1.5 Billion in
Investment
funds

Market Share

2.8%



Penetration Map of Investment Fund Holdership Ottawa Census Subdivision by Dissemination Area



INVESTMENT FUNDS

Wallet Share

My Bank

WealthScapes

\$64k

vs

\$136k

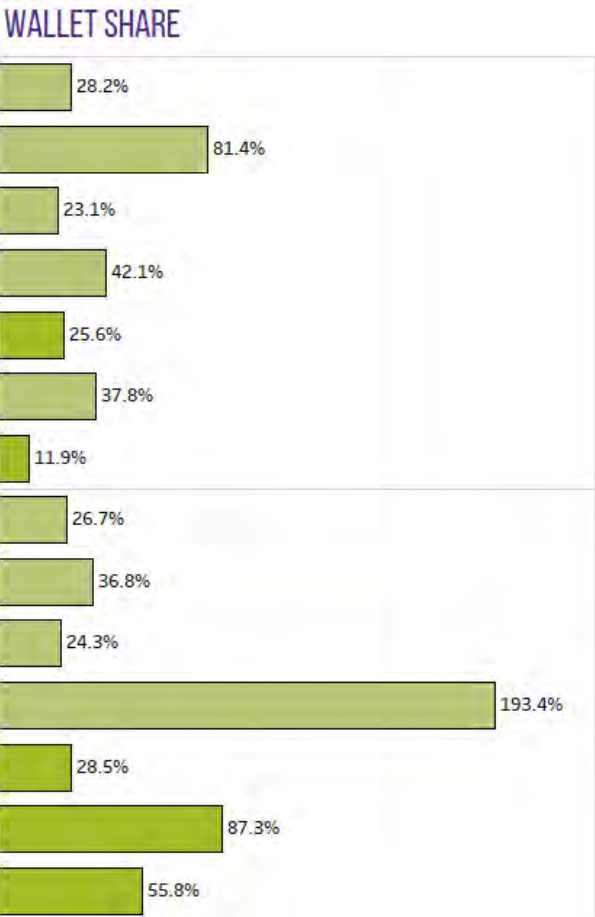
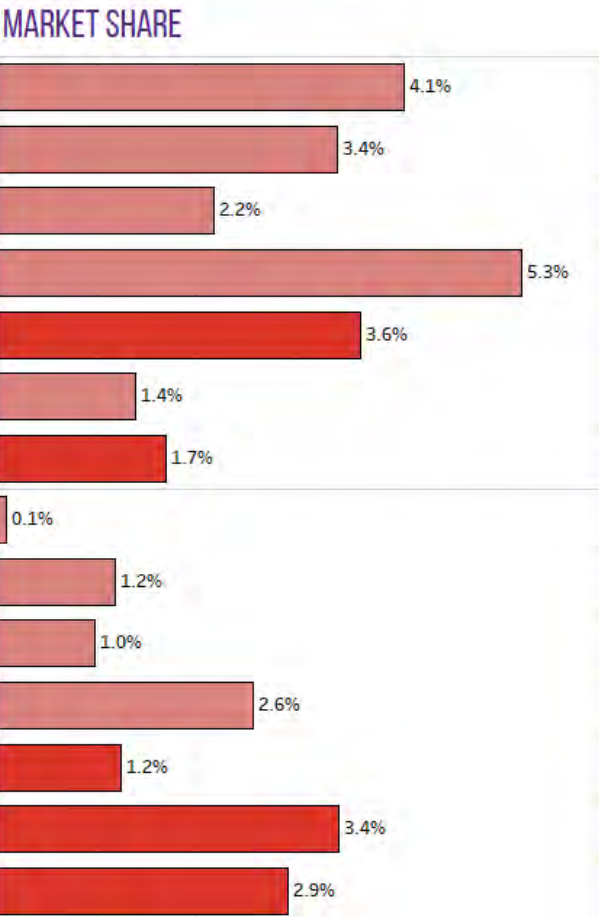
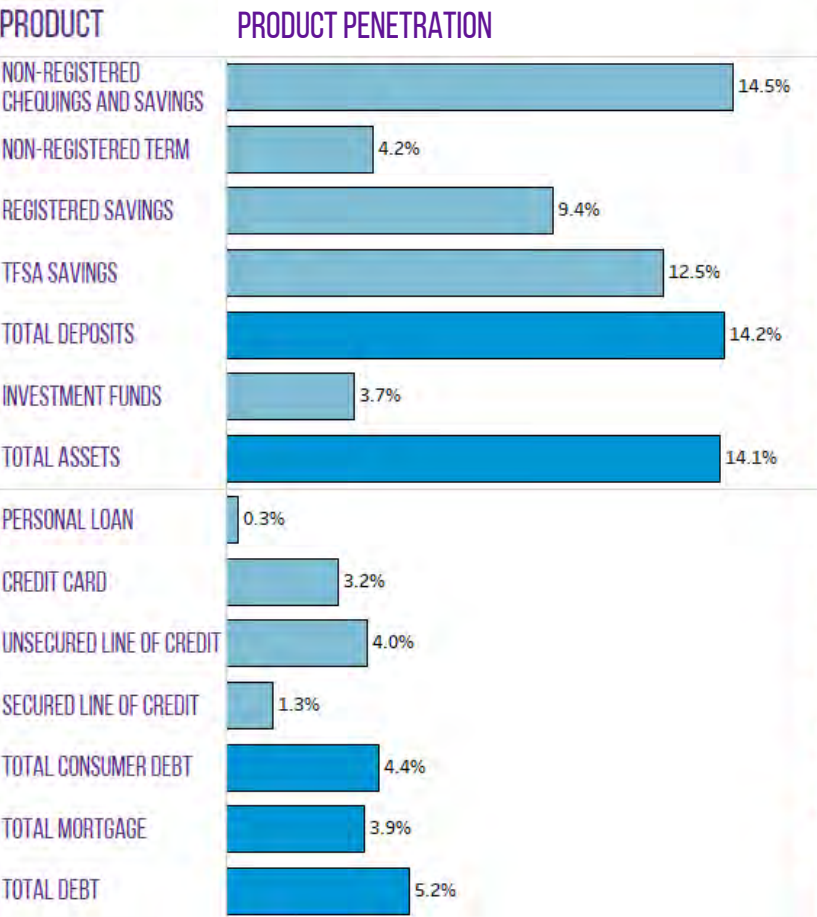
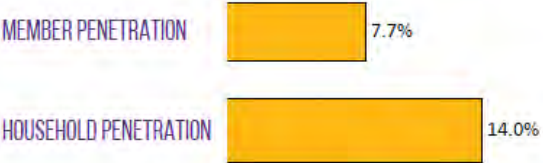
Wallet Share



47%

UP-SELL

Benchmark Your Penetration & Share



OBSERVATIONS

- The detailed product view allows for more granular products to be analyzed, such as demand and term accounts
- TFSA Savings has the highest market share at 5.3%; Personal Loan is the lowest at 0.1%
- Secured Line of Credit has the highest Wallet Share at 193.4%; suggesting that Credit Union is nearly twice the average market balances - this could result from some Mortgage products combined in HELOC

Penetration vs. Wallet Share

Strategy: Acquisition

Low penetration; high wallet share

Opportunity to grow with members that have a stronger relationship with your CU

Wallet Share (%)

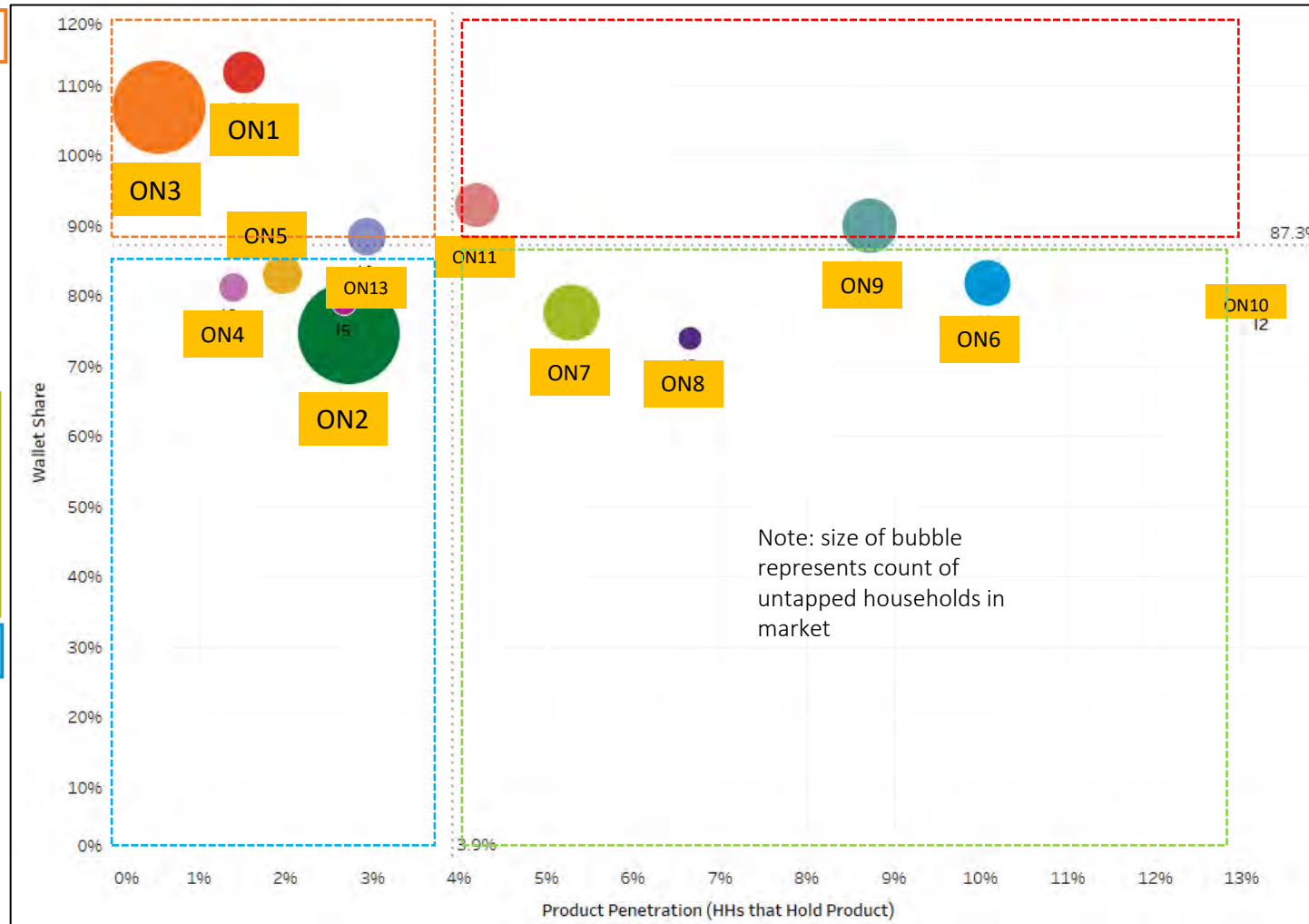
The average share of wallet held for a particular product such as mortgages

Indicates the depth of a product relationship with Credit Union

Develop New Strategies

Low penetration; low wallet share

Regions in this quadrant are under penetrated and members have low wallet share with your CU



Deepen and Maintain

High penetration; high wallet share

High Penetration and high engagement with your CU

Deepen Relationships

High penetration; low wallet share

High Penetration; upsell members to increase your current strength

Product Penetration (%)

Percentage of households that have products with Credit Union

Untapped Potential Analysis – Region Comparison



ON1

ON2

ON3

ON4

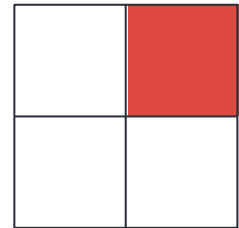
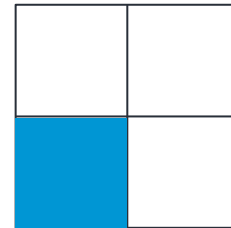
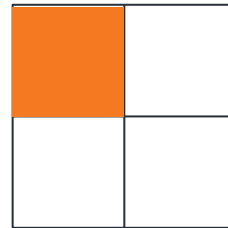
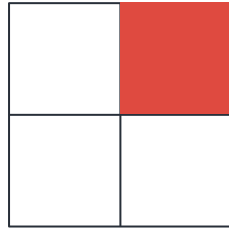
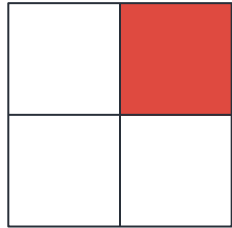
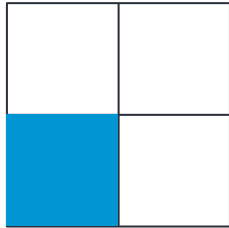
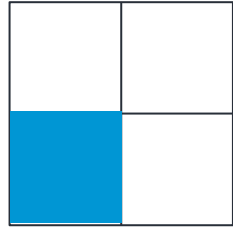
ON5

ON6

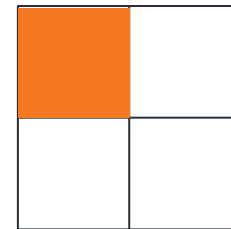
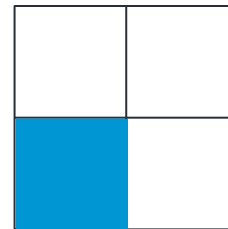
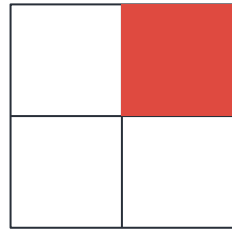
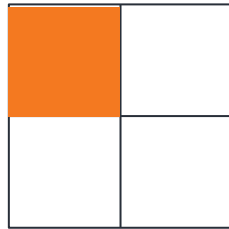
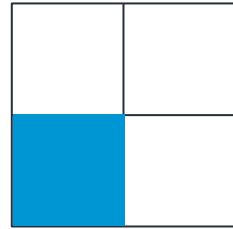
ON7



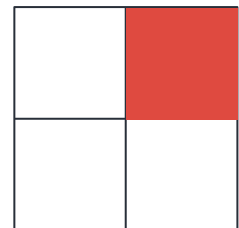
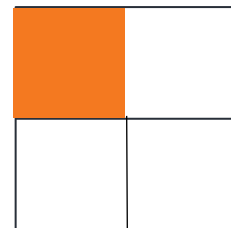
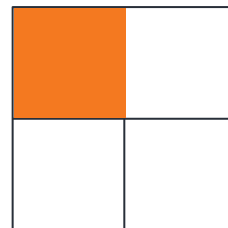
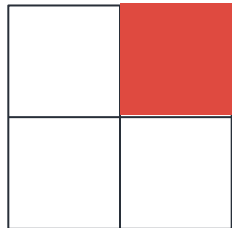
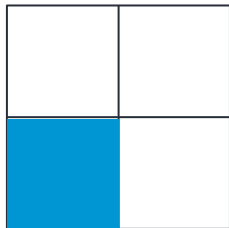
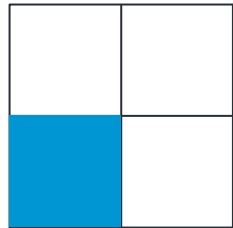
Deposits



Consumer Debt



Mortgages



Your Data & Analytics Toolbox



Partnering With Environics Analytics



- Breadth of experience working with over 60 Credit Unions across Canada
- Relevant services tailored to the Credit Union Industry
- Subject matter expertise in Analytics
- Access to a wide variety of market data
- Engagement models to suit your business objectives and budget
- Scalable solutions over time and across the organization

Thank You. Questions?



Some Final Considerations

