

Future Members: How Credit Unions Can Tap the Youth, Today's Most Powerful Trendsetters

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Topics

- He's not in the youth demographic.....
- Maritime, Mining & Power Credit Union
- Youth Market
- Behaviours and Attributes
- I want it now
- Social Media
- MMPCU Actions



He's not in the youth demographic...



He's not in the youth demographic...

- I cannot catch fish.
- Wisdom and experience to recognise the need, collect the resources, give them to the right people.
- Share the journey MMPCU has been on in the pursuit of the youth market.



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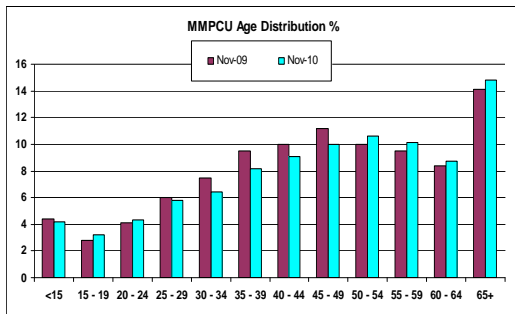


Maritime, Mining & Power Credit Union

- Asset size AUD\$660m
- 33,000 members
- Industrial and Community
- National credit union
- 28 branches and agencies
- 130 staff
- Why should we look at youth market?



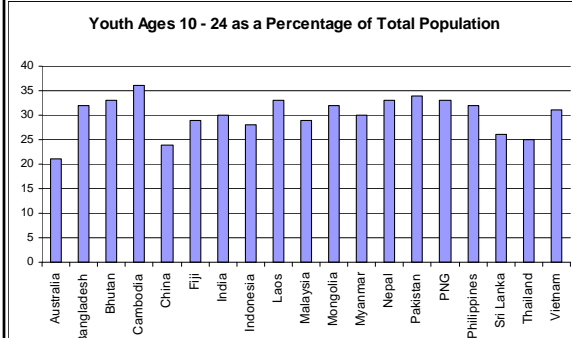
MMPCU Age Demographics



Youth Market

- Only 12% of MMPCU members are aged less than 24
- 21% of Australian population is aged 10 - 24
- 27% of the world population is aged 10 - 24
- 30% of Asian region population is aged 10 - 24

Asian Youth Market Demographics



Topics

- He's not in the youth demographic.....
- Maritime, Mining & Power Credit Union
- Youth Market
- **Behaviours and Attributes**
 - *Collected from various articles, marketing people, 'experts' etc along the way*
- I want it now
- Social Media
- MMPCU Actions

Behaviours and Attributes

- Gen X - Aged 31 - 45 years in 2011
- Gen Y - Aged 16 - 30 years in 2011

GEN Y- Personal Characteristics

- The best educated generation ever, (but they can't spell!).
- The most affluent, mobile and best travelled young generation ever.
- No commitment to brands.
- Seeking instant gratification or connection - I want it now.

Behaviours and Attributes

- More socially & environmentally aware than any other generation.
- Want to work to live, not live to work. Balance in life.
- Confident of their own abilities.
- Natural scepticism fed by Internet gossip and information.
- Curiosity is stirred by rumour, gossip, word of mouth.
- They question everything & everybody.

Behaviours and Attributes

- *No-one knows better than they do.* They thus have *their own truth, as they define it.*
- They don't read daily papers or watch TV news all that much, so they are harder to brainwash.
- Their own truth is more powerful than any advertisement or editorial.
- *They believe what they experience, not what they are told.*
- They want more fun, more money, more friends, more experiences, & want to pay as little as possible for these.



Behaviours and Attributes

Gen Y – Behavioural Characteristics

- They form 'global' youth connections via mobile & internet.
- They are instant messengers rather than email writers.
- "I find out about things I want to buy from my friends or from information on the Internet".
- If you do not have a website & can't communicate with Gen Y via email, they will wonder what is wrong with you.
- They 'spend for now' and save only for specific 'things'.



Behaviours and Attributes

Gen Y – Financial Needs

- Cash – for living and living well. (They are the most financially stressed young generation.)
- Fee-free ATMs, no account fees, no transaction fees, no minimum deposit, no rules, no catches, no judgements.
- Loans – to pay off debt from purchases already made.
- More & more credit.
- They do not share the financial guilt of Gen X or Baby Bs who have spent more than they could afford.



Behaviours and Attributes

- They are transactors only and want no contact/'bother' from a financial institution.
- They don't care to 'learn from their mistakes' in financial terms, because spending \$400pm on their mobile phone calls is important to them socially & emotionally.
- So they will continue to spend & will 'find a way' to pay it off.
- *These last 2 points may demonstrate a misunderstanding between the generations. It may be that to Gen Y this type of spending is a necessity not a choice.*



Behaviours and Attributes

- Want to make their own financial decisions. Some will ask their parents, friends or work colleagues. None will seek professional advice.
- They will use a branch only if they have to (e.g. for a PL).
- More dependent on interest-free store credit than on credit cards.



Behaviours and Attributes

Gen Y – Marketing

- *There is no single answer, a lot of this is common sense and applies to other generations not just youth. However for what it's worth:*
- Be part of their world
 - Know where they meet, hang out & communicate. Integrate your brand into their world, not them into yours.
 - Emphasise the credit union difference, its not just about us, we care, community involvement, active community support.
- Empower them
 - Listen to what they say. Help them make decisions for themselves.



Behaviours and Attributes

- Keep it fresh
 - Continually tell them something new, & do it in new ways.
- Be yourself
 - Be true to your brand & service. Do not try to pretend to be what you are not.
- Be honest
 - If you are not so good at something, say so. Then go on to say what you think you are good at, & ask them to try you out for that.
- Inform them all you can about smart money ideas
 - Do this on the street, online, email, SMS, on the Internet.
 - Let them take away the information you have given but leave the decisions to them.



Behaviours and Attributes

- Show them why you are there for them
 - Let them know why you exist, what you can do for them, what it will or won't cost them, and how they go about getting what they need.
- Keep it simple
 - Focus each message.
 - 10 seconds may be all you've got before they move on.



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- **I want it now**
- Social Media
- MMPCU Actions



I want it now

- Web Site
- Online Forms
 - New member application forms.
 - Applications for loans, credit cards.
- Immediate Access
 - Information on products and services.
 - Interest rates.



I want it now

- Through multiple channels
 - PC
 - Laptop
 - Mobile Phone
 - Ipad
 - Call Centre
 - Face to face
 - Because in the end I still want to be able to talk to someone.



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Social Media

- What's all the fuss?



Access to Social media

- 68% of population in Asia have a mobile phone
- Do the maths
 - 20% of the population in Asia are aged 10 – 24 and have access to a mobile phone.
 - Of these mobiles around 85% can access the internet.
- Lets bring it down to some meaningful numbers
 - For every 1000 potential members
 - 200 are aged 10 – 24.
 - have access to mobile phones.
 - 170 of these can access the internet.

Source: International Telecommunications Union Oct 2010



Social Media

- What's all the fuss?
 - Need to be visible to the youth market and social media is where they are.



Social Media

- What's all the fuss?
 - Need to be visible to the youth market and social media is where they are.
- How will we use social media?



How will we use social media?

- 600 million people on Facebook at the end of 2010.
- 100 million new Twitter accounts in 2010.
- Huge numbers of other mind blowing statistics around social media on usage, reach, frequency etc .
- Advertising product?
- Or communication channel?



Social Media

- What's all the fuss?
 - Need to be visible to the youth market and social media is where they are.
- How will we use social media?
 - Communication channel, good corporate citizenship, community involvement, caring credentials, putting members first.



Social Media

- What's all the fuss?
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- How will we use social media?
 - Communication channel, good corporate citizenship, community involvement, caring credentials, putting members first.
- Return on investment



Social Media ROI

- It depends on who you ask
 - You can demonstrate a positive ROI from activities in social media
 - IT professionals, social media consultants, external web content providers, marketing department
 - You can NOT demonstrate a positive ROI from activities in social media
 - Accountants, Compliance and Risk departments, some senior management, some Boards



Social Media

- What's all the fuss?
 - Need to be visible to the youth market and social media is where they are.
- How will we use social media?
 - Communication channel.
- Return on investment
 - Not yet?



Social Media

- What's all the fuss?
 - Need to be visible to the youth market and social media is where they are.
- How will we use social media?
 - Communication channel.
- Return on investment
 - Not yet?
- Control of the message



Social Media – Control of the message

- Possible members, current members and employees, particularly in the youth demographic are already engaged in social media.
- Like it or not your credit union is being discussed on social media.



Social Media – Control of the message

Reviews of MMPCU personal loans

“ I was a founding member of the Credit Union. I have a Visa card through the MMPCU which is comparable with others. I used to pay my salary into the CU and now in retirement I pay my pension into it. I joined my children into it and they too use its services for banking and loans. The Pros include it's personal service, an ability to talk directly to loans officers who rather than lend people beyond their means, concentrate on helping members to consolidate and manage their finances. I have abandoned my accounts with the Commonwealth and ANZ banks”

Pricing 9/10 Features 9/10 Service 10/10 Convenience 10/10
Trust 10/10 Overall 10/10



Social Media – Control of the message

Reviews of MMPCU savings account

“Hated this credit union. Staff are rude, it took 6 months to close it and they don't have enough checks for when you transfer money so you can end up sending it to the wrong account and losing it. Fees are high and there's only one outlet in each city if there's one at all.”

Pricing 1 /10 Features 1/10 Service 1/10 Convenience 0/10
Trust 2/10 overall 1/10



Social Media – Control of the message

- Members and employees, particularly the youth demographic are already engaged in social media.
- Like it or not your credit union is being discussed on social media.
- Accept that in the social media space, unlike traditional channels, you cannot control the message.....but do you need to?
- Do you rather accept that it's a conversation, communication, member education opportunity?



Social Media

- What's all the fuss?
 - Need to be visible to the youth market and social media is where they are.
- How will we use social media?
 - Communication channel.
- Return on investment
 - Not yet?
- Control of the message
 - No.



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MMPCU Actions



MMPCU Actions

- The Board and senior management agreed that marketing to the youth demographic is an important part of our overall marketing strategy.
- Empower young people in the organisation.
- Staff and member focus groups.
- Youth Group networking.
- Appropriate products and channels.



Appropriate products and channels

- Good web site.
- All information and forms available on line
 - Online memberships application with immediate ID verification.
- And access to internet banking
- Through all channels, PC, laptop, mobile etc.
- Student accounts with no fees.
- 'New' technology adopter
 - Paywave cards
 - E Statements

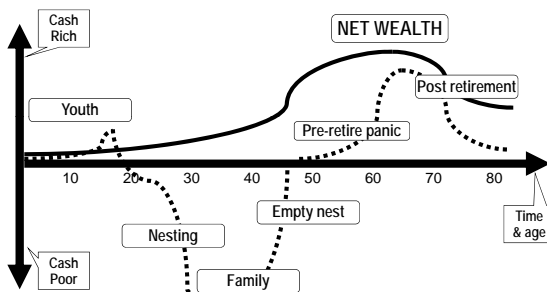


MMPCU Actions continued

- Board and Management backing
- Empower young people in the organisation
- Staff and member focus groups
- Youth Group networking
- Appropriate products and channels
- **Packaging for lifecycles**



Financial Services lifecycle



Youth package

- Under 16
 - Savings focus.
 - Give aways of 'piggy banks'.
- Over 16
 - Visa Debit card (pay wave).
 - Access to website and Internet Banking by PC, laptop, and mobile phone.
 - Online statements; no paper statements.
 - Access to over 8,000 fee free ATM's.
 - Student accounts with no transaction fees.



MMPCU Actions

- Board and Management backing
- Empower young people in the organisation
- Staff and member focus groups
- Youth Group networking
- Appropriate products and channels
- Youth package
- **Social media**



Social Media

- Despite no ROI measure the Board Marketing Committee agreed that we need to be involved in this channel.
- We are clear in our focus and goals.
- It's a communication channel not primarily a means for overt product advertising.
- We will emphasise our community support.
- Reserve domain names.
- We chose not to begin using all channels. Restrict to Facebook or Google+ and outbound Email campaigns at first. No Twitter or YouTube.
- Must resource properly, start when completely prepared.



Summary - Topics we covered



Summary - Topics we covered 1

- He's not in the youth demographic.....
 - Enlightened wisdom.
- Maritime, Mining & Power Credit Union
 - The journey.
- Youth Market
 - Why?
- Behaviours and Attributes
 - Some truth in the generalisations.



Summary - Topics we covered 2

- I want it now
 - Immediate access.
 - But I still want to talk to someone.
- Social Media
 - Just another channel.
 - Decide how you want to use it.
- MMPCU Actions
 - Our actions regarding the youth market.
 - No easy answers.
 - Common sense, hard work, good fortune.



"The world is passing through troubled times. The young people of today think of nothing but themselves. They have no reverence for parents or old age. They are impatient of all restraint. They talk as if they knew everything, and what passes for wisdom with us is foolishness with them. As for the girls, they are forward, immodest and unladylike in speech, behaviour and dress."



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Peter the Hermit

1274 AD



End

