Winning with Member Experience

September 5, 2018



What is member experience and why is it important?



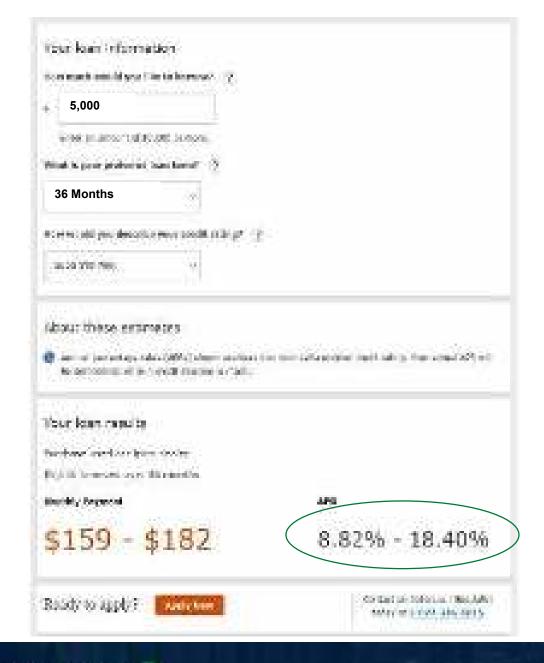
Two Banking Experience Stories

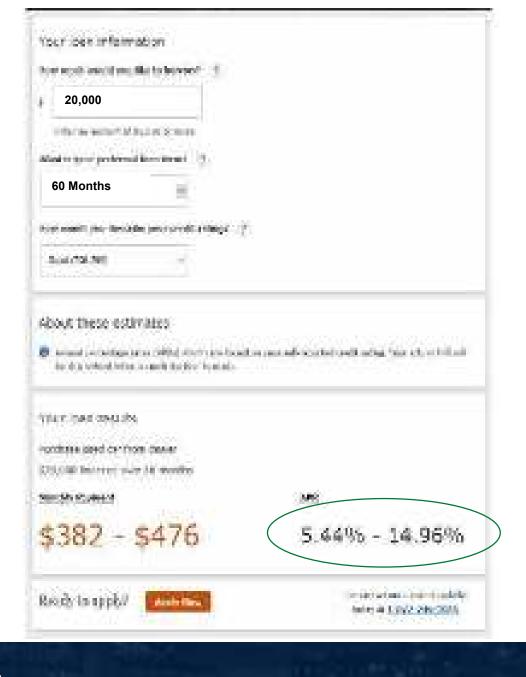






Sometimes it's disconnects in the organization





Member Experience is top of mind –

American Banker Magazine, February 2018



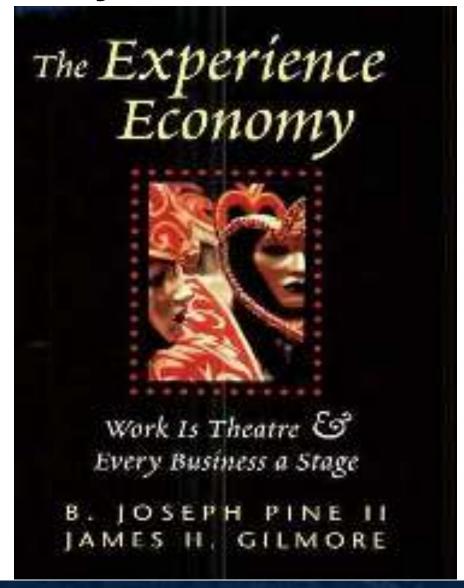
"We've organized around member experiences", Scott Lippert VP, General Manager, USAA

"Member Experience and Journey Mapping is a transformative concept and I am delighted that Kinecta is moving in this direction. As such you are all a part of this cultural transformation" Sharon Moseley, SVP, CIO and Strategy Officer, Kinecta Federal Credit Union from the project kick off announcement

"A customer journey approach is an approach to putting the human right at the center of what we are designing for", John Finley VP of Innovation and Customer Experience, Bank of the West

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The Experience Economy





we now live in an **experience economy**

where people have shifted from passive consumption to active participation

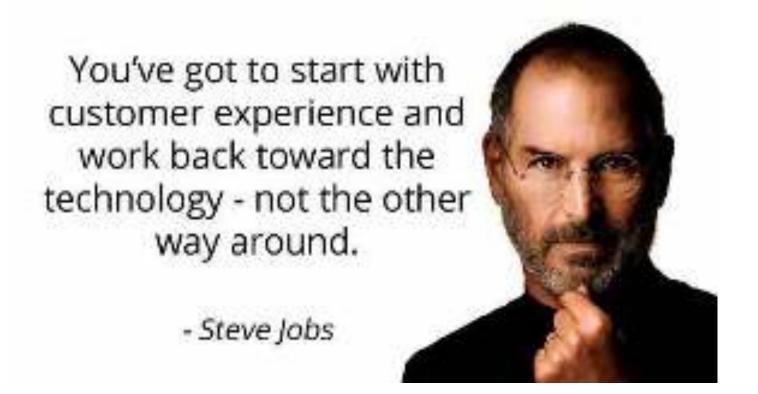
Joseph Pine and James Gilmore







Making the Member Experience the heart of your value proposition





OK...I will just leave.....quietly





Member Experience is:

how members perceive their interactions with you at each touchpoint within the relationship

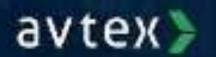


MX impacts the bottom line

Retention – keep members buying from your organization

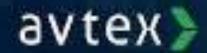
Enrichment – ensuring that members buy more

Advocacy – recommending you to others



Why experiences matter - economically

Commodity Goods **Service Experience** \$.01 - \$.03 \$.05 - \$.25 \$.75 - \$1.50 \$2 - \$5 Per Cup Per Cup Per Cup Per Cup **Agriculture Economy Industrial Economy Service Economy Experience Economy**



WHAT ARE THE CORE DISCIPLINES NEEDED TO WIN IN THE EXPERIENCE ECONOMY?



"Soft" Competencies & "Hard" Competencies

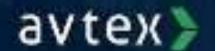




iduality Real accurate Ownable AUTHENTICITY Jenuine WITHTIVE HONESty reliable Waluet AUTHORATIVE

The Change in Customer Sensibilities

Economic Model	Business Imperative	Customer Sensibility
Agrarian	Supply	Availability
Goods	Control	Costs
Services	Improve	Quality
Experiences	Render	Authenticity



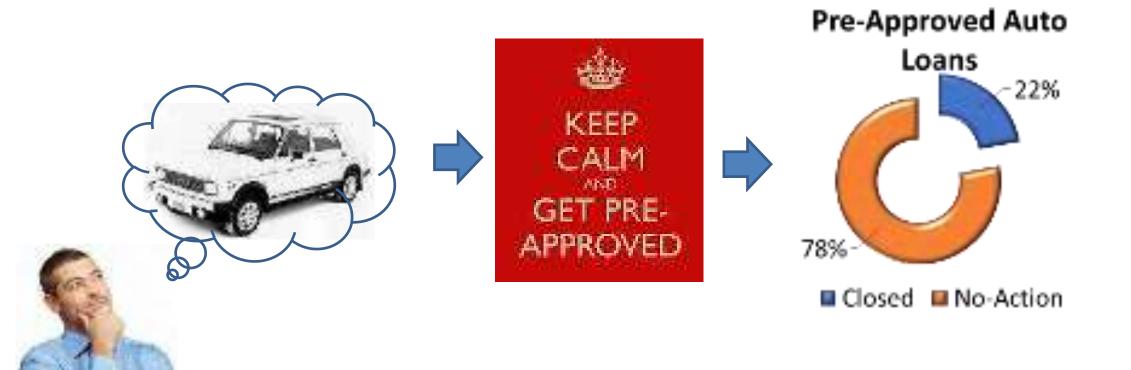
MOMENTS THAT MATTER

There are Two Types of Moments that Matter



FUNCTIONAL





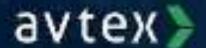




1000 Potential New Members



Enhanced Satisfaction







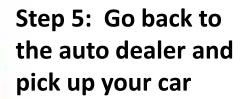
Step 2: Go Car Shopping



Step 4: Bank wires payment to Auto Dealer



Step 3: Go back to the bank with VIN, Purchase Contract, Price Etc



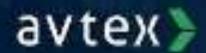


Step 2: Go Car Shopping

possibly go

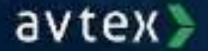
Step 3: Go back to the bank with VIN, Purchase Contract, Price Etc wrong?

Step 5: Go back to the auto dealer and pick up your car



How about these guys!?





Moments That Matter

There was <u>no emotional</u> closure for pre-approval



When the experience meets peoples emotional needs – price becomes less of a motivator



Timex Gold Band Watch \$69.90

MOMENT NEED:

What task am I trying to complete

I need to be able to tell what time it is

It need to be formal enough for work

I need to be able to use a timer



Rolex Watch \$6990

EMOTIONAL NEED:

What motivates me

I need something that says "I have arrived"

I want a beautiful piece of mechanical art on my wrist

I need a watch that's as amazing as me



A story from my life as a consumer





Minnesota has 11,827 lakes over 20 acres in size



If you are over 55 you can only have a fishing boat or a Pontoon





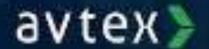
....So we went shopping











....and more shopping













Social Cognition



Simple Definition of SOCIAL

Pepularity: Top 10% of words

- : relating to or involving activities in which people spend time talking to each other or doing enjoyable things with each other
- : liking to be with and talk to people : happy to be with people
- : of or relating to people or society in general

Source: Merriam-Webster's Learner's Dictionary



CHRIS MALONE | SUSAN T. FISKE

HUMAN HUBRAND

How We Relate to

PEOPLE, PRODUCTS, AND COMPANIES

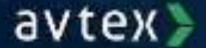


Warmth

Do you actually care for me or am I just another transaction?

Competency

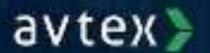
Are you good at what you do and should I trust you?



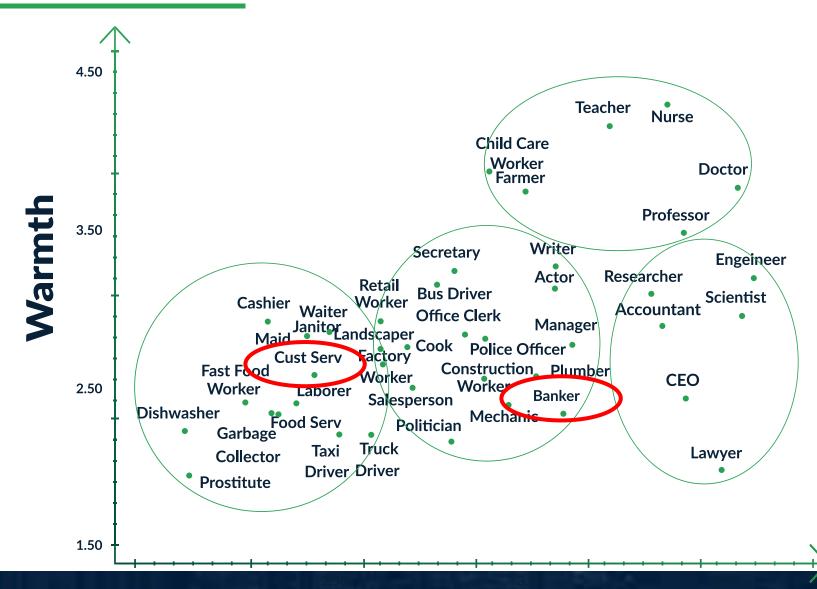


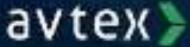


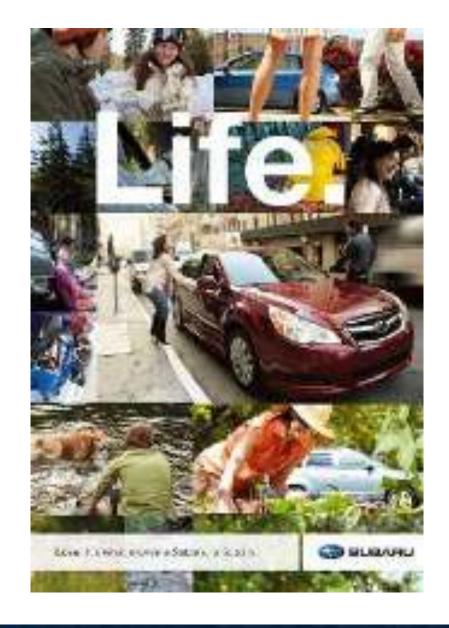
We have perceptions about various occupations and where they fit



The research shows:











Soft Competencies are:

- 1. Authenticity
- 2. Understanding Moments that Matter
- 3. Warmth
- 4. Competence









HEARING

We want to understand the context in which this touchpoint occurs (time, place, emotions) so we can design to support the goal.



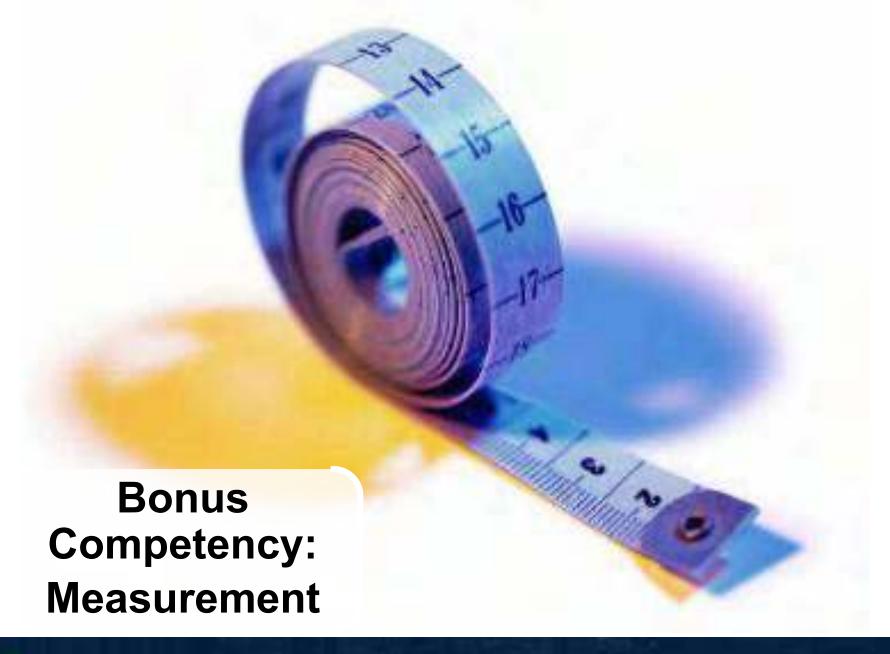


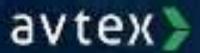


A typical member-centered experience design process

Mr. IDEATE **EMPATHIZE** Brainstorm Develop a deep potential solutions IV. understanding III. Select and develop of the challenge PROTOTYPE DEFINE your solution Besign a prototype Clearly for series of articulate the prototypes) to test problem you TEST all or part of your Walte to solve Engage in a solution continuous shortcycle innovation process to continually improve your design







Gustomer experience quality



Customer loyalty



Effectiveness

The experience delivers value to customers.



The likelihood that a customer will keep existing business with the company.





Ease

It's not difficult for customers to get value from the experience.

Enrichment

The likelihood that a customer will buy additional products and services from the company.





Emotion

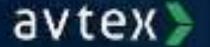
Customers feel good about their experience.

Advocacy

The likelihood that a customer will recommend the company to others.



Source: Forrester



74% of firms say customer experience is a top strategic priority for their company

Yet only 11% manage to deliver an excellent customer experience

"A customer is the most important visitor on our premises, he is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so." (Mahatma Gandhi)

"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better. In highly competitive environments, brands are judged not for product price or quality, but for the experience they build around it." (Jeff Bezos)



Thank You!



