

SUMMARY SLIDES

Ignite Sales: Digital Engagement for Indirect Lending

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FiLab



FiLab seeks out innovative solutions and creates capacity for credit unions to rapidly test and implement promising concepts in the marketplace.

By leveraging Filene's cutting-edge research and engaging the market to identify emerging innovations, FiLab will provide an efficient platform for exploring new products and strategies and implementing solutions to the challenges that matter most.

Each year, FiLab will engage key partners in selecting and executing four to six innovation tests that drive change for credit unions

During this time, credit unions participate in a testing approach that answers questions about potential solutions while receiving tools and support to test a unique hypothesis and assess a concept's desirability, viability, and scalability.

To kick off the first round of tests, FiLab partnered with Ignite Sales as one of four solutions for the 2023 testing phase.



Ignite Sales provides credit unions with member engagement technology that transforms digital channels into customized digital dialogue guides that match members to credit union products and services.

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The Challenge and a Possible Solution

ENGAGING INDIRECT MEMBERS

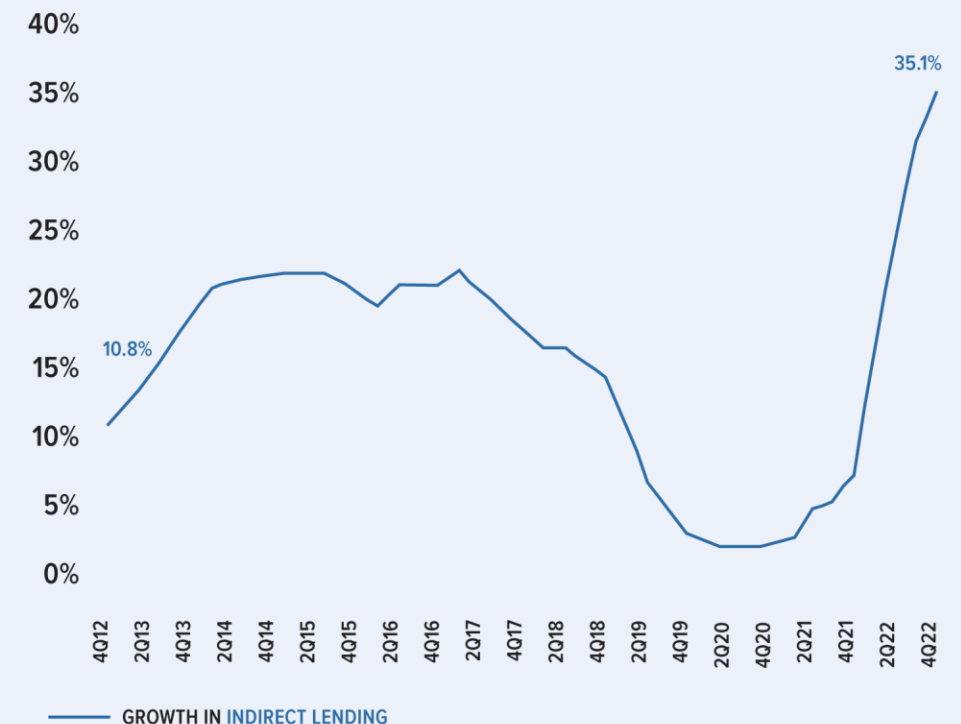
Indirect lending can effectively increase loan volumes, yet it presents a challenge for credit unions: **many indirect borrowers rarely evolve into significant, long-term members.** Often, individuals who secure indirect auto loans from dealerships aren't fully aware of their membership in a credit union or the range of financial services available to them.

After several years of slowed growth, indirect lending has recently regained popularity. Industrywide, the value of indirect loans saw a year-over-year increase of 35.1% in the last quarter of 2022. Despite this growth, the historical challenge of engaging these new members beyond the initial auto loan remains.

As borrowers often require various financial solutions over time, a positive onboarding experience can keep the institution top of mind for future needs. **Credit unions have the opportunity to leverage digital marketing strategies to enhance virtual engagement and strengthen their relationships with members, extending beyond just indirect lending.**

INDIRECT LENDING GROWTH

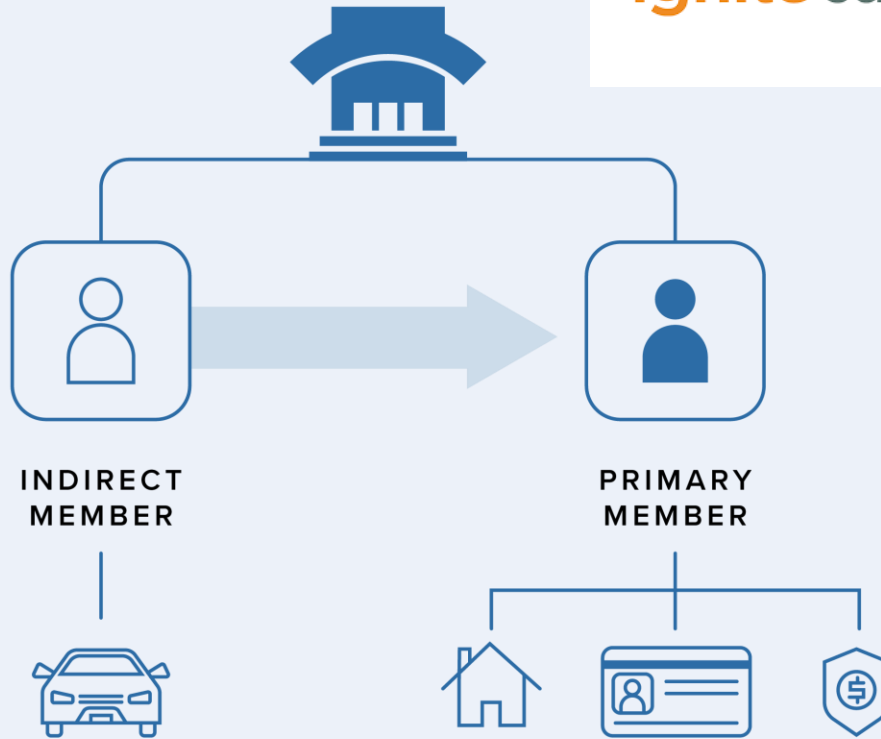
For US Credit Unions | Data as of 12/30/22



Source: Callahan & Associates, December 2022.

IGNITE SALES

ignite sales



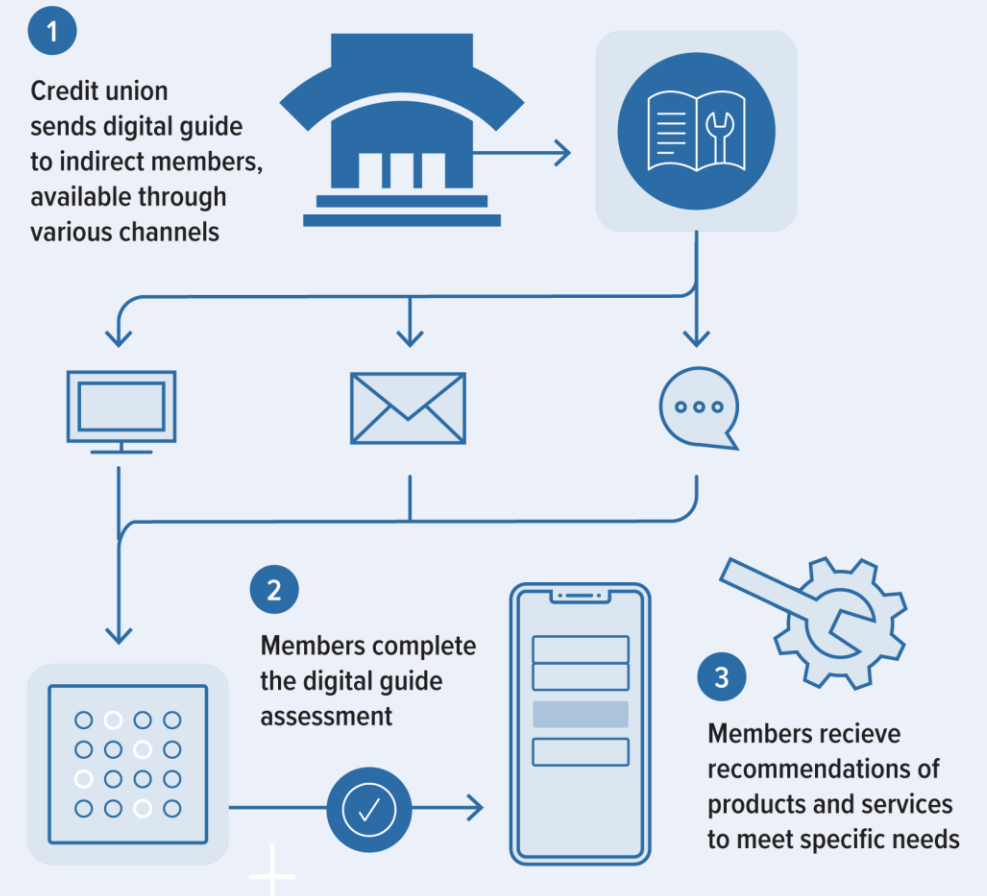
Ignite Sales provides credit unions with member engagement technology that transform every branch, self-serve and contact center channel into engagement experts. The dynamic digital dialogue engagement platform is driven by expert systems, decision tree science and art.

The focus of the guided dialogue is to discover needs and perfectly match those needs to the right solutions that your credit union offers. The Ignite technology guides, ensure a consistent, relevant and compliant engagement with all members and prospects.

IGNITE SALES

HOW IT WORKS

- During the onboarding process, the credit union sends a **digital guide** to the new indirect member.
- These guides are easily accessible through various channels such as self-service portals, email campaigns, and text messaging, making it simple to begin engaging conversations with indirect members.
- Members complete their digital guide and receives recommendations of products and services that meet their specific needs.
- Members can adopt recommended products and services through a self-service portal (e.g., online account opening) as well as in any branch or contact center.



A POSSIBLE SOLUTION

IGNITE SALES



EXAMPLE SCREENS



CREDIT UNION

We would like to learn a little bit more about where you are on your financial journey. Please answer a few questions to help us make recommendations to help suit your needs.

Where are you in your financial journey? (Choose all that apply)

- ☐ The car loan was my first big financial transaction
- ☐ Managing my credit / borrowing
- ☒ Growing my savings / wealth
- ☐ Managing / protecting my wealth
- ☒ Desiring easier ways to do everyday banking

Digital Guide

Recommended Products & Services

Membership brings new opportunities!
Here are just a few.

CONTACT ME

4.9% Intro Credit Card Promo

APPLY

DETAILS

Cash Back Checking

OPEN

DETAILS





Ignite Sales: Credit Union Pilot Overview

WHAT WE TESTED



Filene examined Ignite Sales to understand the desirability, feasibility, and viability for credit unions to offer **more ways to engage with their indirect members while helping them expand their relationships beyond their initial auto loan.**

FOUR RESEARCH QUESTIONS

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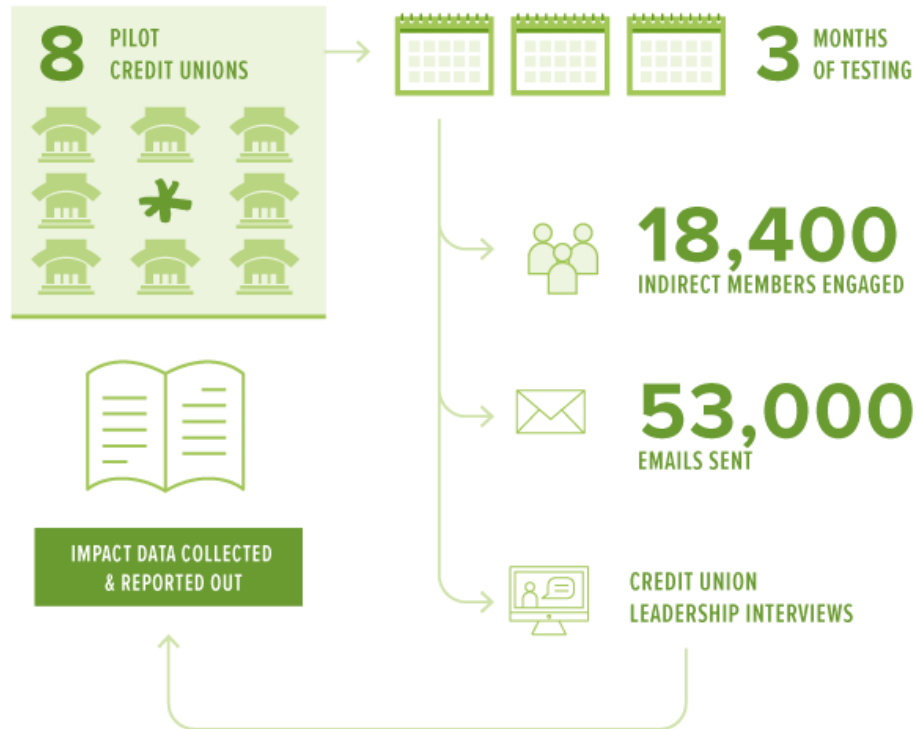
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- How can **credit unions best relay what they can offer to indirect members** and successfully expand their relationships?
- Based on indirect member engagement, what products and services should credit unions offer to **make these members more “sticky”**?
- How would Ignites Sales’ conversation guides **impact the credit union’s financial performance**?
- Are credit unions an **ideal channel** for Ignite Sales?

HOW WE TESTED



RESEARCH DESIGN FLOWCHART

- Filene engaged indirect members and staff at eight geographically diverse credit unions of various asset sizes in the US.
- Member research was conducted in two stages:
 - **STAGE 1:** A sample of indirect members received 3-5 onboarding emails with a link to Ignite's digital conversation guides.
 - **STAGE 2:** Filene, in partnership with Ignite Sales, examined and analyzed email and guide engagement. Additionally, testing credit unions tracked converted products.
- Filene also interviewed and surveyed credit union leadership engaged in the pilot to provide qualitative feedback on integrating and offering Ignite Sales.



Credit Union Results

EMAIL & DIGITAL GUIDE ENGAGEMENT



ONBOARDING

The first email in a 3–5 part onboarding series received the most engagement. **Higher click through rates were attributed to being simple in design, brief, and included a direct call to action.** Using consistent language throughout the emails and digital guides lead to a 26% boost in completion and action rates.

EMAIL ENGAGEMENT

Open Rate	60%
Click Through Rate	12%

DIGITAL GUIDE ENGAGEMENT

Guides Started*	49%	
Guides Completed	37%	→ clicked apply or contact
Took Action**	47%	
Deep-link Action***	25%	→ clicked “Learn more” driving activity to credit unions website

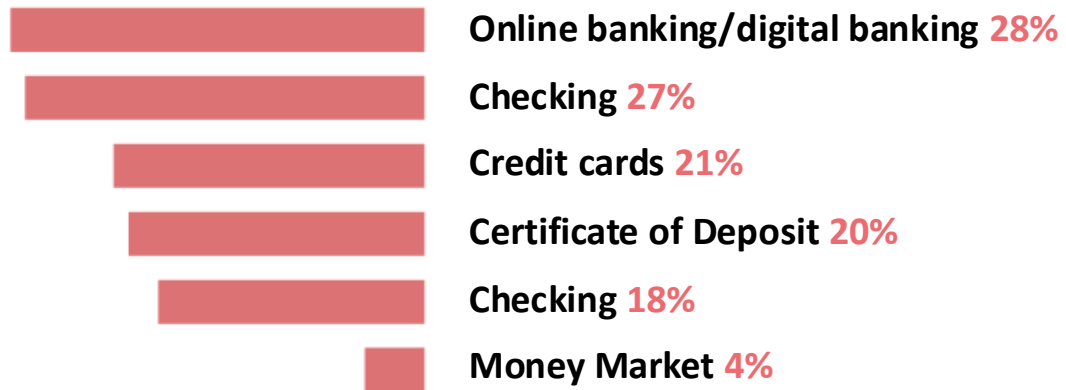
* **Guides Started** means number could be skewed based on the fact that a member could click “get started” multiple times.

** **Took Action** means clicked apply or contact credit union.

*** **Deep-link Action** means they clicked learn more taking them to the product description on the CUs website.

PRODUCTS & SERVICES CONVERTED

Despite not seeing a significant rise in the conversion rates for products overall, **participating credit unions experienced a faster conversion for a second product:**



If I could compare it dollar to dollar, one whole year to one whole year, what we have seen as successful is the time to convert. [...] Most of these members are converting 9 to 12 days. So, **we're finding the second product is coming much faster.**



LEADERSHIP FEEDBACK

Participating credit unions found Ignite Sales' digital guides and marketing approach effective in the the following areas:

- **Efficient Engagement**
The platform led to quicker member conversion to second products and showed high engagement and click-through rates, particularly with survey features and autoresponder emails.
- **Enhanced Onboarding**
It facilitated clear and direct communication, improving the onboarding process.
- **Useful Tracking and Personalization**
The tracking dashboard and personalized recommendations were highly valued.
- **Increased Website Traffic**
A noted increase to the credit union's website highlighting the to boost awareness of the various products and services available.



LEADERSHIP FEEDBACK

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I believe the pilot **assisted with providing Indirect members an opportunity to open other products** and learn more about the credit union.

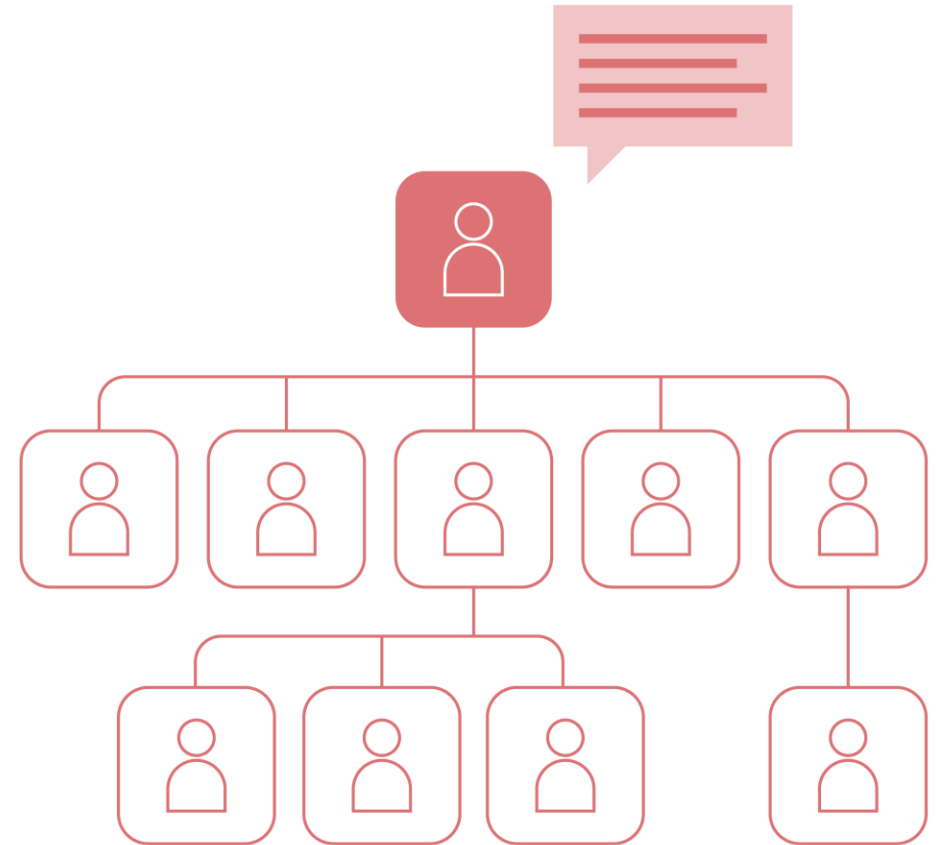
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We had no emails going to any indirect members. **Ignite Sales provided us best practice emails we had extraordinary engagement and click through rates.** So, their marketing is right.

LEADERSHIP FEEDBACK

Participants indicated that **extending the pilot period might lead to a more comprehensive evaluation** of the platform's effectiveness, particularly in the onboarding of indirect members and the enhancement of conversion rates. Additionally, they provided several recommendations for potential improvements.

1. **Member Incentivization:** Develop more effective strategies to motivate members to engage with the platform, possibly through rewards or personalized experiences.
2. **Customization and Branding*:** Enhanced customization and branding of digital guides are needed for better alignment with internal messaging.
3. **Data Segmentation and Analysis:** More efficient data segmentation and easier analytics options are required for enhanced effectiveness.



** Comments are in the context of the pilot structure where participating credit unions were not required to do a full marketing push to their members. Additionally, Pocketnest offers in-app integration in a more formal partnership.*



Conclusion

OPPORTUNITY FOR PARTNERSHIP

Ignite Sales, or similar products, are worth considering and could be offered to members in a variety of ways while potentially having a positive impact on the credit union's financial performance. **Based on credit union feedback, Ignite Sales can:**

- **Transition indirect members**, who may initially only use limited services, into fully engaged members to improve their experience and the credit union's revenue.
- **Gather data about members' needs and preferences**, which can inform future product development and marketing strategies.
- **Enhance the credit union's brand** and reputation in the community.



OPPORTUNITY FOR REFINED INDIRECT ONBOARDING STRATEGIES

Credit union staff thought Pocketnest would be a valuable member benefit or service. While most felt it would not be a significant driver of new membership, the group shared how Pocketnest could benefit their credit union and membership in other ways.

- The success of the Ignite Sales digital guide indicate that **personalized and interactive elements can enhance member engagement.**
- **Clear and straightforward communication is more effective** in engaging indirect members, especially in the initial stages of onboarding.
- **Timing of outreach is crucial.** Introducing relevant offers and information early in the member relationship, and at appropriate intervals, can lead to better engagement and conversion rates.



Ignite Sales prompted us to reevaluate our communication style, particularly in terms of being more straightforward. For instance, our initial email now clearly states, 'Yes, we're the organization handling your auto loan,' ensuring members immediately recognize who we are.

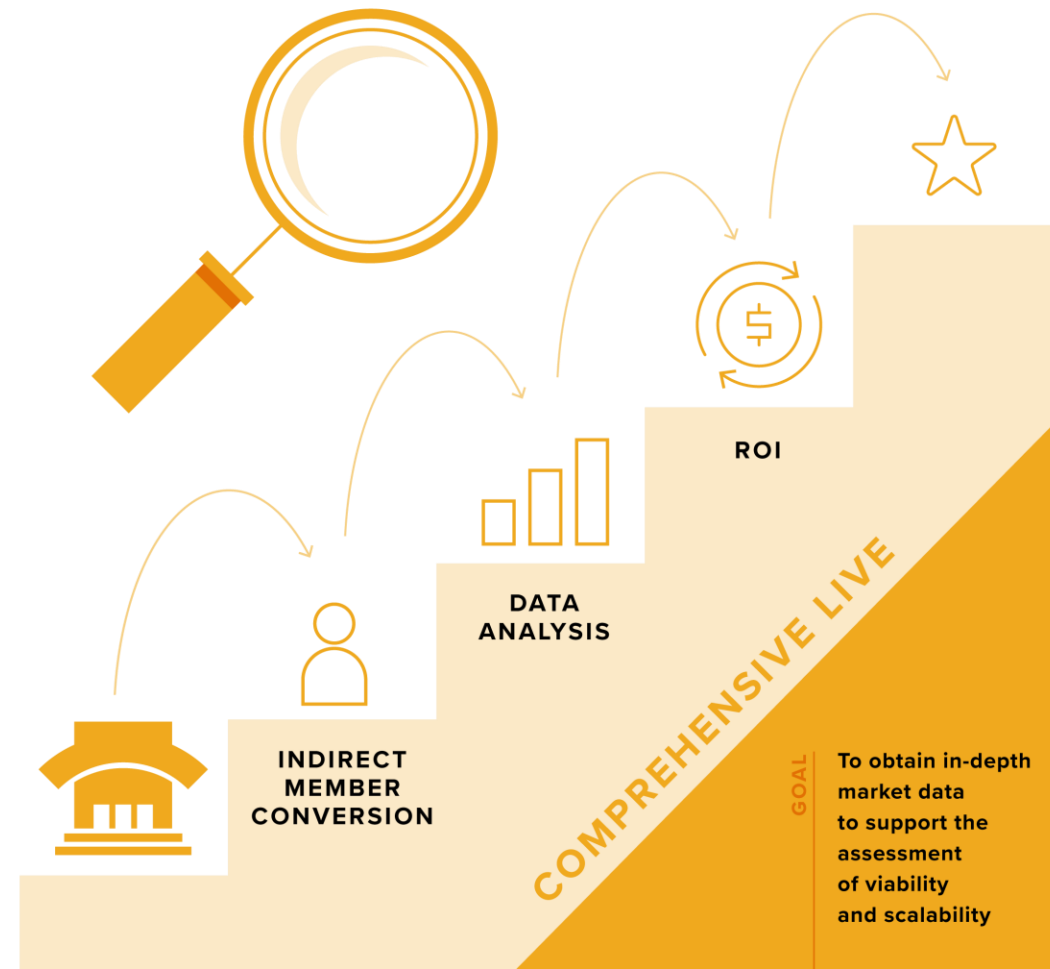


The pilot certainly influenced our strategic approach, inspiring us to adopt and integrate new methods into our ongoing campaigns throughout the year.

NEXT STEPS

For credit unions interested in solutions, like Ignite Sales, FiLab would recommend initiating a comprehensive live to obtain additional in-depth market data and support the assessment of viability and scalability. **The extended pilot should seek to understand:**

- **The impact of Ignite Sales in transitioning indirect members** to fully engaged credit union members.
- **Data trends for credit union** to track the needs and behaviors of indirect member during the onboarding process.
- **The return on investment for the credit union**, factoring in both direct outcomes and indirect advantages such as increased loyalty and the acquisition of qualified leads for new products and services.



THANK YOU

ACKNOWLEDGMENTS



The Filene Research Institute would like to thank **Ignite Sales** for its contributions to freely shared their concept with us and provided invaluable support throughout the test.

Next thank you to our participating credit unions
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