

# Accelerate

INSIGHTS FROM NCR | VOLUME 3, ISSUE 2  
MAY 2023

Building the

**FOUNDATION FOR  
DATA-DRIVEN DECISIONS**

Unpacking Data:

**FROM BASELINE TO  
BIG OPPORTUNITIES**

How To Level Up Your Strategy:

**BANKING ON ARTIFICIAL  
INTELLIGENCE**

How Data Is Driving

**HYPER-PERSONALIZED  
COMMUNICATION**

The Power of

**PROFITABILITY  
ANALYSIS**

Data Helps Millennials

**IMPROVE FINANCIAL  
HEALTH, ATTAIN WEALTH**





### A NOTE FROM FRANK HAUCK, PRESIDENT & GM, NCR BANKING

Over half (58%) of Americans are living paycheck to paycheck, according to a new [survey](#) by CNBC and Momentive. And 70% say they feel financially stressed, mainly due to rising inflation, high interest rates and economic uncertainty. They need strong financial partners to provide the tools and guidance to manage their financial health and help lighten the burden.

Nurturing and retaining your consumer and business relationships is more critical than ever right now. And to do that, you need to be able to analyze and acquire insights from your data to provide the personalized experiences, advice and support your customers or members need.

**Our digital-first approach to data and technology helps our clients stay connected when it matters most.**

In this issue of Accelerate, you'll read insights on why having a data strategy is so vital and how AI-powered technologies can help take customer service and personalization to the next level. You'll find stories about how our clients are using data to arm their leadership with insights to make sound financial decisions and help people improve their financial well-being. And you'll also see how we can help you better understand how active use of your individual institutions' digital capabilities impacts your retention rates and profitability.

*Frank*

TABLE OF CONTENTS

04

08

12

16

20

26

## Building the Foundation for Data-Driven Decisions

[Allegacy Federal Credit Union](#)

## Unpacking Data: From Baseline to Big Opportunities

[Why data must be a top priority](#)

## The Power of Profitability Analysis

[An assessment of 25M digital banking users](#)

## Banking on Artificial Intelligence: How To Level Up Your Strategy

[Ready or not, AI is here to stay](#)

## How Data Is Driving Hyper- Personalized Communication

[ChannelNet & Tropical Financial Credit Union](#)

## Data Helps Millennials Improve Financial Health, Attain Wealth

[How to create meaningful relationships with younger users](#)



Allegacy Federal Credit Union

# Building the Foundation for Data-Driven Decisions

■ By NCR Digital Banking | May 2023

Data is fundamental to doing business. And being able to analyze data allows companies to benchmark current initiatives, determine where to make improvements and recognize new business opportunities. Making decisions based on data can lead to better experiences, higher revenue and profits and greater efficiencies across an organization.

But without reliable, real-time data, these things can be challenging. And presenting consumers with the highly personalized experiences they expect can be impossible.

North Carolina-based Allegacy Federal Credit Union understands the importance of data and is taking steps to make its data actionable, reveal predictive insights and drive innovation.

## About Allegacy Federal Credit Union

Founded in 1967, North Carolina-based Allegacy Federal Credit Union has over 174,000 members, 18 locations and nine high school student-run credit unions. The credit union has been an NCR Digital Banking client for over 20 years.

## The path to data-driven decision-making

In its efforts to become a more data-driven company, Allegacy conducted a data strategy assessment to help navigate this strategic shift. The credit union hired a third-party consultant to interview nearly 50 employees to understand their data needs. Allegacy then used these insights to inform and develop the RFP to evaluate data warehouse and analytics platforms and vendors.

Allegacy aimed to build an enterprise data warehousing and analytics platform that its teams throughout the organization could utilize. The platform needed to house all its membership information in one centralized location. And it needed to provide data visualization tools to assist its leaders with planning new initiatives and making sound business decisions.

The credit union would also utilize those learnings to optimize day-to-day branch, retail and lending operations to better serve its members' needs. Additionally, it would leverage the insights to help foster financial literacy and well-being among its members.

## The power of cloud technology

Allegacy strategically selected NCR and [Google Cloud's](#) data warehousing and analytics solution. Given its strong, long-term relationship with NCR, the NCR and Google Cloud partnership was a winning combination for Allegacy.

**“What appealed to us was having the technology available at our fingertips,” said Ernest Hanington, senior vice president of enterprise technology at Allegacy. “We wanted to be sure we had the technology that can grow with us as we move forward, but that could also be very responsive when technology changes. Google is known for its cloud platform. And everything is built on that cloud platform and data warehouse.”**

Like most banks and credit unions, Allegacy had an abundance of data available across the enterprise. But due to being siloed, it was fundamentally unactionable.

In working with NCR and Google Cloud, Allegacy has brought together several disparate data sources across the organization. And because its new data warehousing and analytics platform is a living initiative, the credit union is continuously expanding upon the platform.

The first phase began in January 2022 and involved onboarding its digital banking and core data and developing a dashboard with data visualization tools. This phase took just over three months to complete.

**“We knew we were building this platform from the ground up, and we were partnering with two very strong strategic partners of ours, NCR and Google,” said Hanington. “So, phase one was to onboard the digital banking data and our core banking data. That was a very aggressive timeline. But it has been a great success.”**

With the completion of that first phase, Allegacy has established the foundation to lead with data throughout the organization. This will ultimately allow its leadership team to make smarter business decisions, provide more personalized experiences and adapt as the market changes.

The credit union has also completed onboarding additional data sources, including its lending systems and investments database. And next, it will be adding credit card, debit card and ATM transactional data.

Allegacy is also going through data validation and educating teams throughout the organization on how to use the dashboards. These efforts will help empower them to drill down and understand data relevant to their focus areas. The teams are also working to refine use cases for making strategic decisions on marketing, new product introduction, customer service enhancements and improving members' overall financial wellness.

**“From a futuristic perspective and where this can take us, we’re excited,” said Hanington. “I wanted to know that as technology quickly changes, we could keep pace. And we know with NCR and Google leading that effort, we’re able to do that.”**

Banks and credit unions increasingly recognize how cloud technology can help them achieve their business goals. The power of cloud technology and analytics can help institutions obtain intelligent insights, power better decision-making and drive their businesses forward. ■

## Google Cloud

NCR and Google Cloud collaborate to accelerate digital transformation in banking.

[LEARN MORE](#)



## Data & Insights

# Unpacking Data: From Baseline to Big Opportunities

■ By Douglas Brown, President & GM, NCR Digital Banking | May 2023

The financial services industry is one of the most data-driven industries, relying heavily on data for decision-making, risk management and day-to-day operations. The wealth of information our industry collects can help surface insights into consumer behaviors and channel preferences, transactional patterns and recent life events. And banks and credit unions can use this information to personalize their products and services and improve customer satisfaction.

Data can also help reveal opportunities to drive revenue, make an organization more efficient and avoid costs. And it can provide insights into how to increase profitability.

But the fact is, not all financial institutions are effectively using their data or analyzing how people are interacting with their products and services. And many lack the resources to develop strategies to increase profitability.

Eighty percent of financial institutions have limited confidence in their institutions' ability to forecast and manage profitability performance. Ninety-one percent believe their institutions should be doing more to leverage profitability analysis to inform strategic decisions.\*

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As financial institutions continue to speed up their digital-first transformations and work to gain cross-channel efficiencies, reduce operating costs, improve experiences and increase profitability, data must be a top priority. And it needs to be viewed as an asset to the organization — not a scary four-letter word.

But all the data in the world won't make much difference without a defined starting point.

### Establish baseline metrics

When organizations understand where they're starting from, they can define where they want to go. However, too often, we see financial institutions measuring things like website traffic, digital banking logins, new account openings and bill pay enrollments. But often overlooking the metrics that matter most, like annual attrition rates, opportunities to educate and where to increase engagement across channels and demographic behaviors.

Why? Many institutions don't have the resources or systems in place to do so. And others are unable to measure those metrics because they don't have clean data or the ability to surface it in a way that allows them to analyze it comprehensively.

Establishing KPIs and measuring success is nearly impossible without a baseline understanding of what a financial institution's users are doing and how they interact with their products and services. Equally, measuring the impact of new enhancements or initiatives without baseline metrics is not feasible.

Knowing that only 10% of a bank's digital banking customers are using bill pay, for instance, can

highlight the need for a marketing program to boost adoption and usage. Similarly, understanding the top actions a user conducts when signing on to their mobile banking app can help inform areas for investment, where to personalize experiences and how to alter or segment the experience based on demographics. Determining that a specific feature, such as card management, is the third most used feature, but knowing that it's also three clicks deep, for instance, can surface an opportunity to make that feature more prominent in the navigation.

Not having those baseline metrics makes it difficult to know where to invest and make improvements, who to market to or what other products and services consumers are more likely to adopt.

### Identify trends in the data

When baseline metrics are established, financial institutions can work to identify trends in their data and measure the impact of various channels and services over time. They should be looking at month-over-month and year-over-year reporting to better understand the profitability of their products and features and determine which are tied to higher retention rates.

By identifying and analyzing trends, financial institutions can make better decisions regarding their efforts to positively impact profitability. A bank might determine that its active bill pay users are more likely to own more products, such as the bank's credit card, making them stickier and more profitable than non-bill pay users.

Because of its established baseline data, the bank already knows only 10% of its active digital banking customers are actively using bill pay.

By identifying trends among its active bill pay users, the bank can create a targeted marketing campaign to encourage non-bill pay users to pay their bills digitally. And once they get them over that hump, the bank can market specific products and services its existing active bill pay users have been more apt to adopt.

Financial institutions can also analyze trends to identify improvement areas, whether with the customer experience or operations, for example. Perhaps an institution learns that their personal financial management tool has high usage among Gen X, but adoption falls off considerably among 18-25-year-olds. The bank could use that insight to enhance its financial wellness efforts and show this demographic how to set and manage a budget, track their spending and become more financially fit. The bank also could use that data to survey the younger demographic to better understand if usability challenges prevent them from wanting to use the solution. And if so, use those learnings to improve the user experience and workflows.

Likewise, financial institutions can analyze their data to identify trends at their physical locations to help optimize operations. By looking at trends over time, such as the number of visitors to a particular location at peak hours, types of

transactions conducted or use of Integrated Teller Machines (ITMs) at different locations, they can learn where to adjust to increase efficiencies and cut costs.

By analyzing historical data, institutions can better inform future initiatives such as rolling out new features, modifying workflows or optimizing their branches. And they'll be able to provide the individualized experiences consumers want and expect.

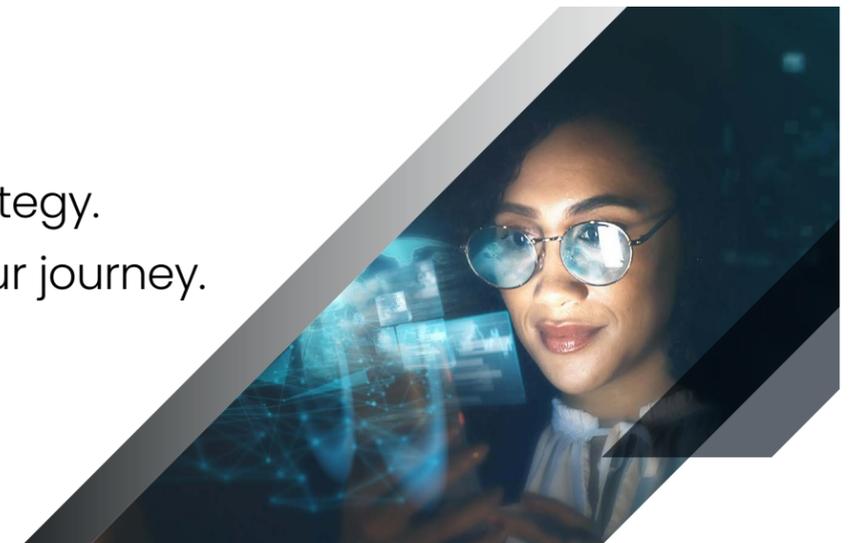
Meeting consumer expectations is nearly impossible without an effective means to analyze and glean insights. But the importance and utilization of data will only continue to increase. Banks and credit unions should lean on their technology partners to help establish baseline metrics, identify trends and track growth using profitability studies. This can help them understand what each user is worth, which can help inform efforts to drive engagement, increase wallet share and maximize retention efforts. ■

\*Kaufman Hall and Financial Managers Society. (2019). 2019 profitability perspectives: 10 findings reveal need for specific leadership action. Retrieved April 10, 2023, from Syntellis: <https://www.syntellis.com/resources/research-report/2019-profitability-perspectives-10-findings-reveal-need-specific>



Whatever your data strategy.  
Wherever you are on your journey.  
We have a solution.

START YOUR DATA DISCOVERY



## Insights & Trends

# The Power of Profitability Analysis

■ By Jason Weinick, Senior Solutions Manager, NCR Digital Banking | May 2023

Digital banking is the No. 1 channel consumers use to engage with their financial institutions. And those who use this channel are more profitable than their offline counterparts. They own more products and have a lower cost to serve.

But have you ever wondered how active use of *your* digital capabilities impacts *your* retention rates and profitability or the likelihood for a user to own more of *your* products?

We help banks and credit unions gain these valuable insights — specific to their financial institution. NCR Profitability Analysis is a complimentary service for all NCR Digital Banking clients that scientifically analyzes each institution's online and offline users. It gives them a better understanding of usage patterns and cross-sell opportunities by evaluating data and reporting on retention rates, account ownership, channel touchpoints and other key metrics.

Check out our infographic on the next page for a preview of some of the many metrics we're measuring and trends we're seeing.

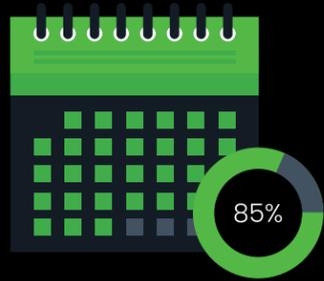


See how [Penn Community Bank](#) leveraged Profitability Analysis to better understand the profitability of its business banking customers and put a plan in place to improve their experience.

# Data-Driven Digital Insights

NCR powers digital banking solutions for over 600 financial institutions serving 25M end users.

## ► A good onboarding experience is crucial

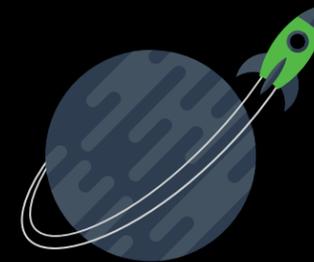


85% of consumers who enroll in digital banking do so **within 30 days** of opening their banking relationship

### PRO TIP

Our free Lifecycle Marketing Program helps elevate adoption and active use of digital.

## ► Digitally engaged users drive significant revenue



Per year, they generate \$\$\$\$\$  
**\$478 in revenue**  
That's 252% higher than offline users

### PRO TIP

Educate and inform both inactive and active users on the benefits of using digital.

## ► Bill pay is the stickiest feature

Bill pay users have a **97% retention** rate with their primary FI



### PRO TIP

Incentivize your non-bill pay users to start paying bills digitally, driving loyalty and retention.

## ► Digitally engaged users are the most profitable

**Own 14% more** deposit & loan accounts than offline users  
And they are **53% more likely** to have an open loan



### PRO TIP

With 30+ logins per month, offer active users tailored tips on how to grow their wealth and plan for the future.

## ► All generations are using digital



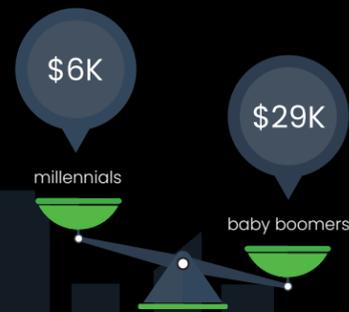
17% of consumers **age 70+** only use digital banking to interact with their primary FI

### PRO TIP

Don't just focus on Gen Z and millennials – promote personalized experiences for unique user needs.

## ► Financial wellness matters

The average deposit balance for a millennial\* is **\$23K less** than that of a baby boomer



### PRO TIP

Financial wellness solutions are critical for younger consumers to realize financial stability.

A free **Profitability Analysis** from NCR can help you assess your data, gain actionable insights and benchmark your performance.



## Data & AI

# Banking on Artificial Intelligence: How To Level Up Your Strategy

By Eric Brandt, Senior Market Analyst, NCR Digital Banking | May 2023

Interest in artificial intelligence (AI) technology has surged in recent years. And the reasons are not surprising.

AI is designed to make our lives easier, improve our experiences and even predict what we need before we know we need it. And machine learning (ML) helps make these interactions even more personalized and unique to our individual circumstances.

### Whether we realize it or not, AI is everywhere.

Various industries, from healthcare and manufacturing to retail and financial services, have adopted AI. Tech Giants like Amazon have integrated AI into every facet of their organization, enabling them to dominate the ecommerce space. Healthcare providers use AI to improve data collection and analysis and make more informed treatment decisions. And companies everywhere are increasingly utilizing conversational AI to enhance their customer service and communicate with their customers in a human-like way via voice and text — but without the actual human.

Recently, generative AI and its advanced conversational abilities have drawn substantial attention with the launch of OpenAI's ChatGPT in late 2022 and Google Bard earlier this year. These solutions use large language models (LLMs), a type of generative AI, to create new and original content based on large datasets they've been trained on. Generative AI has the unique ability to do more than traditional conversational AI in that it's not limited to generating responses to specific questions or prompts. The more it's used and the more inputs it receives, the smarter and better it gets. But it also can't provide a solution to every problem.

[Kasisto](#), a leading digital experience platform provider for the financial services industry, has been using LLMs for several years to continuously improve its intelligent digital assistants to produce highly personalized support and insights.

### Level up on AI

AI will only continue to grow in its capabilities and use cases — beyond conversation- and text-based applications. But there are many things that banks and credit unions can do now to employ AI throughout their organizations. And with a flexible plan in place, they'll be well-positioned to elevate their AI strategies now and into the future as AI continues to evolve.

### Customer support and financial guidance

Many institutions use digital assistants powered by conversational AI to improve their customer service and provide proactive financial guidance and support. Many treat them as an extension

of their customer service teams and even use them to help guide consumers through the buying process. They can help quickly analyze a consumer's previous behaviors to make customized recommendations, provide proactive education and even improve the chance they'll "add to cart."

Digital assistants improve productivity by augmenting customer service and reducing calls to call centers and branches. But they're also enabling institutions to service consumers after hours and on the weekends.

**"Conversational AI and digital assistants can help financial institutions and their customers by responding to a broad range of inbound chat and email requests in a consistent, branded voice," said Amanda Hill, marketing director at Kasisto.**

Consumers can ask a digital assistant, "How much did I spend dining out last month?" And the response can be far more valuable than just a text reply with a basic answer. For example, an intelligent digital assistant like [Kasisto's KAI](#) can send back a response with a pie chart of their spending, including a callout of how much they've spent on dining out.

Consumers can also ask for help applying for a loan and be guided through workflows, increasing their likelihood of completing the application. Digital assistants can even route users to other applications, such as bill pay to complete transactions.

**"Digital assistants can also provide personalized information and educational resources on topics ranging from budgeting to saving for a home to retirement planning," said Hill.**

## Process automation and operational efficiencies

AI can also automate historically manual processes and carry out tasks that once required human intervention. Things like back-office data entry and reconciliation can be managed using AI, helping financial institutions save time and money and free up staff to focus on more critical matters.

Likewise, as hiring continues to be challenging across industries, financial institutions can lean into AI to create staffing efficiencies. Much like Amazon uses AI and ML to predict consumer demand to optimize its warehouses and inventories, these technologies can assist financial institutions in predicting in-person staffing needs. They can help analyze branch visits to determine the days and times with the highest traffic and for what services people come to the branch. Then, in turn, institutions can adjust their branch hours and resources to improve operational efficiencies and reduce overhead.

**“The output of AI, based on relatively limited input, is transformative,” said Christopher Miller, Ph.D., lead analyst of emerging payments at Javelin Strategy & Research. “That doesn’t mean all the jobs are going away. But I do think it will fundamentally change the way people work.”**

## Highly personalized experiences

It’s common knowledge that consumers are demanding more when it comes to personalization. They want their financial institutions to know them and wow them. And they’re willing to share their data to get the hyper-personalized experiences they want.

**Eighty-six percent of U.S. banking consumers say they would be more comfortable with their financial institution having access to their personal data than a big tech company, such as Amazon, Apple or Google, according to an NCR study conducted by The Harris Poll.**

AI and ML can help financial institutions understand a consumer’s previous behaviors to predict future needs. They can track and examine contextual data, such as spending activities or individual financial goals, to deliver highly personalized content and recommendations. And they can help financial institutions suggest a new product, service or investment opportunity before the consumer asks for it.

Imagine the customer who frequents the home improvement store. With AI, his bank can glean this insight and recommend financial products and services he’s likely to “buy.” In this scenario, that might be a home equity loan or line of credit or a cash-back or rewards credit card. His bank could even prequalify him and use AI to step him through the application process.

Then there’s the consumer who logs in to her mobile app twice a month to see if her paycheck has been deposited. AI and predictive analytics can enable her bank to save her a step by alerting her when it’s available and even offer to set up an automatic transfer to her savings account.

By analyzing behaviors, account and transactional data, AI can surface situations where consumers might need assistance to improve their financial health.

Take the consumer who frequently overdraws his account and is late paying his monthly credit card bill. He’s getting dinged with late fees and is paying interest each month. AI can help collect insights into why that’s happening (like how he’s spending over \$5 per day on coffee) and offer personalized guidance on how to fix it.

The next time he logs in to his mobile app, he could see a valuable insight letting him know that cutting back to one coffee purchase per week would save \$130 per month. And by doing so, he could pay his credit card bill on time, prevent a late fee and avoid paying interest. His credit union could even remind him when he’s approaching his statement due date and help him pay it in real time.

## Risk management and fraud detection

Fraud is a major concern for financial institutions. And in 2022, fraud losses reported by consumers increased more than 30% from the previous year, according to newly released [Federal Trade Commission data](#).

Fraud and risk departments deal with enormous amounts of data that require quick analysis to assess risks and prevent fraud. AI can help banks and credit unions speed decision-making while lowering the risk of human error. It can help automate credit checks, determine creditworthiness and prequalify a person for a loan.

AI algorithms can analyze patterns and identify anomalies to detect fraudulent transactions and prevent payment fraud before it occurs. Generative AI can help detect fraud in real time by creating scenarios and predicting outcomes, enabling banks and credit unions to assess and mitigate risk. For example, financial institutions might use generative AI to develop credit risk scenarios to help them make more accurate lending decisions.

## Ready or not, AI is here to stay

AI is moving rapidly, and it’s changing daily. By embracing AI now, banks and credit unions can still gain a competitive advantage. But just as financial institutions learned to do so with their digital transformations, they need to have an AI plan that’s flexible. And ensure AI is a strategic priority at every level of the organization. They also need to prioritize their data strategy. These two things need to happen simultaneously, not in silos. ■

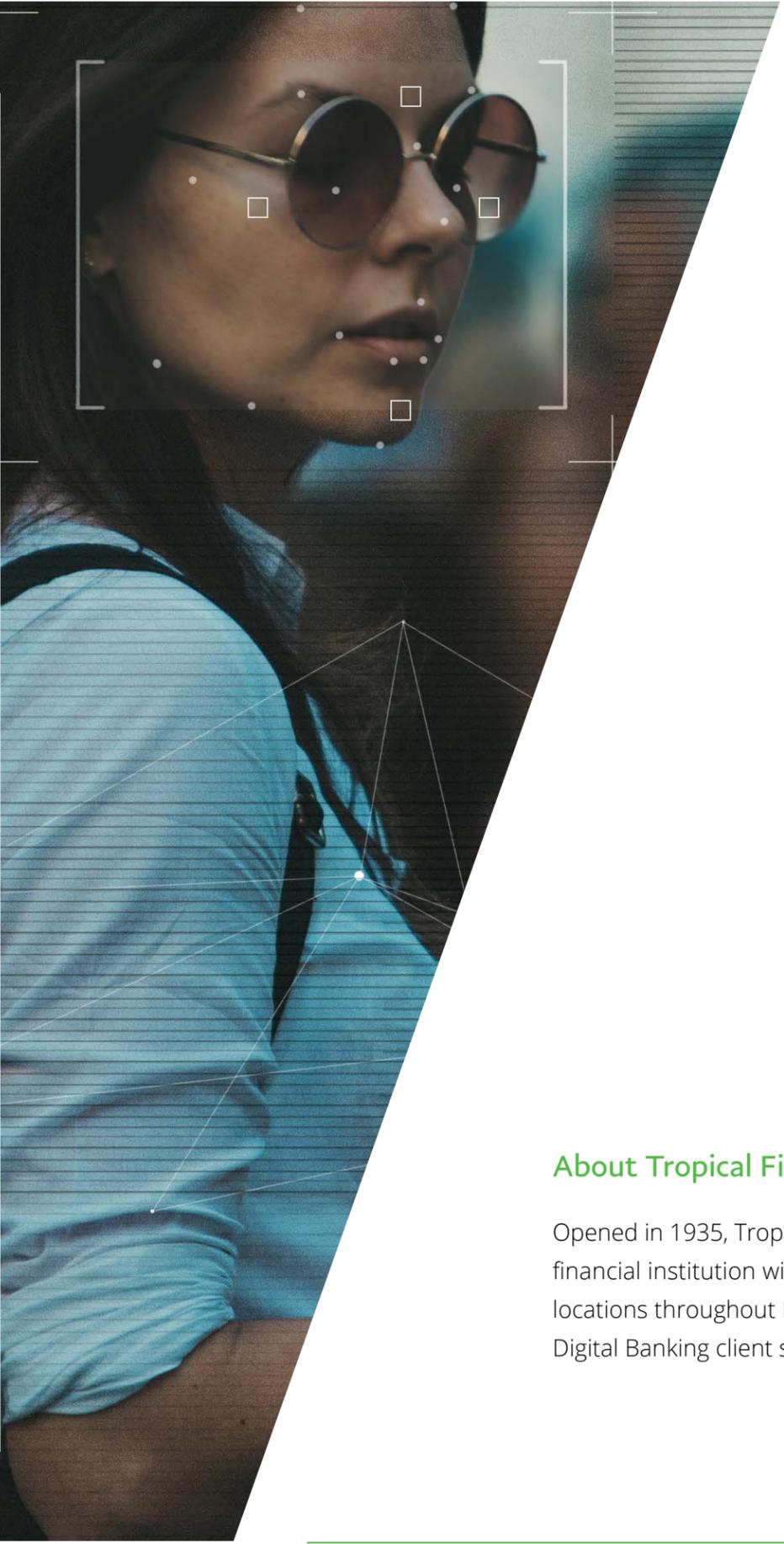


Kasisto

**Extend your team without adding humans.**

With conversational AI, you can service your users digitally through human-like conversations.

[Learn More](#)



ChannelNet & Tropical Financial Credit Union

# How Data Is Driving Hyper-Personalized Communication

■ By Amanda Burk, Executive Director, NCR Digital Banking | May 2023

Consumer expectations for personalized interactions are largely influenced by their daily experiences. Personalization is embedded into every aspect of our lives, from listening to music and watching TV to shopping online and tracking habits for a healthier lifestyle.

According to Salesforce [research](#), 66% of consumers expect companies to understand their unique needs and expectations. They don't want to be treated like a number. But the fact is, most feel they are.

This attitude demonstrates that banks and credit unions can no longer employ a one-size-fits-all approach to banking. The days of delivering the same message, product and service to every person and expecting them to stick around are long gone. The same goes for including a name at the top of an email and calling that a personalized experience.

In a world where financial institutions have access to abundant data on their account holders' behaviors and habits — and where technological advancements enable access to consumer data like never before — there are better ways to deliver highly personalized experiences.

## About Tropical Financial Credit Union

Opened in 1935, Tropical Financial Credit Union is a not-for-profit financial institution with over 77,000 members and seven banking locations throughout Florida. The credit union has been an NCR Digital Banking client since 2001.

## Understanding personalization

Tropical Financial Credit Union (TFCU) takes pride in genuinely understanding what it takes to deliver the personalized experiences consumers demand. For the past decade, Amy McGraw, the credit union's chief experience officer and vice president of marketing, has been looking for solutions to help humanize digital and keep TFCU's "foundation of 'people helping people' alive and well in the digital space."

A vital component of that goal involves delivering personalized experiences digitally to its members to help promote loyalty, elevate financial literacy and increase share of wallet. And communicating across all channels, including the credit union's website, digital banking solution, email, text and direct mail, is essential.

## Strategic partnerships advance personalization efforts

Several years ago, McGraw met Paula Tompkins, CEO and founder of ChannelNet. McGraw shared her challenges and goals of better utilizing TFCU's abundance of data and analytics to create a two-way digital dialog with members to understand and help address their needs and life events. And those efforts had to align with the credit union's approach to "educate first, sell second" and its mentality of "people helping people" to drive financial literacy and well-being among its members and community.

**"Our whole institution is based on the foundation of educate first, sell second. We take financial health seriously," said McGraw.**

In partnership with ChannelNet and NCR, the credit union has taken its personalization and member engagement to a superior level. ChannelNet's

[OneClick Financial platform](#) is providing TFCU the ability to deliver members contextually relevant information, education and insights, as well as tools and functionality like calculators, rate comparisons and credit applications, all based on the individual's life stage, behaviors and persona. With its integration into NCR Digital Banking, the credit union is reaching and proactively assisting more members than ever before.

The platform consumes data about each member from the financial institution's core and third parties, including the products and services they have and their propensity for others, as well as segmentation and persona insights. And it tracks each person's behavior to predict future actions and needs.

## Multi-channel personalization strategy

### Introduction via email, text and direct mail

In partnership with ChannelNet, TFCU embedded personal web pages for each member into the login page of its brand website. Whenever members return to the login page, their personal web page displays an individualized experience with contextually relevant information based on insights from its core and third-party data. The platform also tracks each person's interaction with their page, helping determine their next personal experience. Then the next time they visit, the information presented proactively addresses their unique needs, providing appropriate educational resources and relevant products, services and offers.

In early 2021, TFCU began driving access to members' personal web pages via email. A few months later, the credit union introduced text messaging and direct mail delivery (with a QR code) for members without an email address or who have opted out of email delivery. At that same time, TFCU added a warm welcome video to each personal web page, which called each new member by name.

TFCU further humanizes the experience by allowing members to reply directly to its emails and connect with a person, empowering them to get quick responses to their questions. And it enables the credit union to learn from its members, make improvements where needed and follow up with leads.

**Results:** Within the first eight months of email delivery, 10,000 people visited their personal web page for the first time. With the introduction of welcome videos, along with text and direct mail, adoption came much quicker, with another 10,000 people visiting their page in just three months.

### Digital banking integration rapidly elevates engagement

With most of its existing members regularly using its online banking and mobile app, the next phase of TFCU's journey to humanize digital involved integrating ChannelNet's data-driven solution into the NCR Digital Banking platform.

In late 2022, TFCU's members also began being able to access their personal web pages following their login to online and mobile banking. As a result, the credit union has experienced tremendous success.

**Results:** Within 90 days of integrating the personal web pages into NCR Digital Banking, TFCU experienced the following:

- 405% increase in member engagement
- Over 1,356% increase in qualified leads
- 34% increase in unique visitors, with 74% of unique engagement occurring via digital

## Personal web page use cases

### Support in times of devastation

Following the devastation of Hurricane Ian in 2022, TFCU quickly provided support to those in need by utilizing their personal web pages. The credit union segmented members based on their ZIP code and surveyed them to gauge how severely they'd been impacted.

**"ChannelNet reached out to us literally as the storm passed and suggested we address the needs of members in hard-hit areas," said McGraw. "Speed to market was critical to get assistance for our members. Together we created a highly targeted campaign to reach members with a highly personalized response based on ZIP codes available from FEMA."**

Member response to TFCU's outreach efforts had astonishing results, including a 91% open rate and 85% engagement with the survey. The credit union made phone calls to those most severely impacted to discuss options and provide them with immediate access to resources. The goal was to demonstrate to members what TFCU relief programs were in place, like quick access to cash and other loan assistance programs.

**"This use case demonstrates the power of data-driven personal communication and how in a time of need, we can demonstrate that we care and are here to help," said McGraw.**

The credit union closed \$65,000 in short-term loans during the month following the storm and set up payment deferrals for loans, including mortgage, auto and consumer loans.

## Improved targeting efforts and financial education

Additionally, TFCU has improved its targeting efforts for consumer loans by setting a business rule to only present the offer to members with a credit score of 650 and above. And not only that, but in line with its focus on educating first and selling second, TFCU is committed to educating members and improving financial literacy, which is a key element of every personal web page.

**“If a member is interested in a car loan, TFCU provides educational material on how to buy a vehicle, how vehicle shopping has changed in the digital age, whether you should lease versus buy — and even how to negotiate with a dealer,” said McGraw.**

And for those whose credit scores have fallen and might not be eligible for an auto loan, the credit union focuses on the basics of financial literacy and helps educate them on how to raise their credit scores.

As part of its targeting and education efforts, TFCU also utilizes personal web pages to let members know when they're approaching a maturity date on a loan. The credit union sees these as prime opportunities to reach out to members to better understand what they plan to do next and how TFCU can help them.

## Bringing it all together through data and technology

ChannelNet's OneClick Financial platform assigns each member a unique identifier that lives with them for the lifetime of their membership. This unique identifier enables the platform to track them across all digital channels individually and learn about them over time, so the personal web pages are always

relevant. Rules and criteria are also configured in the system to ensure TFCU can identify what support, product or service the member needs and greet them with an entirely personal experience — at the right time.

**“We assign a unique identifier to each member, allowing us to understand everything they do, where they go, what button they click, how long they sat and looked at educational content or whether they looked at rates. It allows us to track their behavioral data,” said Tompkins.**

The system leverages the business rules set by the financial institution and artificial intelligence and machine learning to dynamically present the most relevant content based on the individual or segment. The more each user engages, the more the system learns about their interests and needs to dynamically present the most relevant content.

Much like in the Hurricane Ian outreach, TFCU also frequently uses surveys to understand its members better, such as their likes and dislikes or whether they might be in the market for a new car or preparing to send a child to college. And based on their reply, the system further personalizes the experience down to the graphics presented.

**“It's very important to add persona, financial household profile and other third-party data into the overall product data,” added Tompkins. “Consumers will tell you if they're planning to buy a home in nine months, that they're getting ready to have a baby or they're considering retirement. That's what the two-way digital dialogue is. It's not just presenting them content and telling you whether they clicked.”**

## Don't just set it and forget it

TFCU has seen tremendous success with this program. It has not only allowed the credit union to proactively capture the attention of its members and offer financial education and timely resources but foster trust and generate qualified leads.

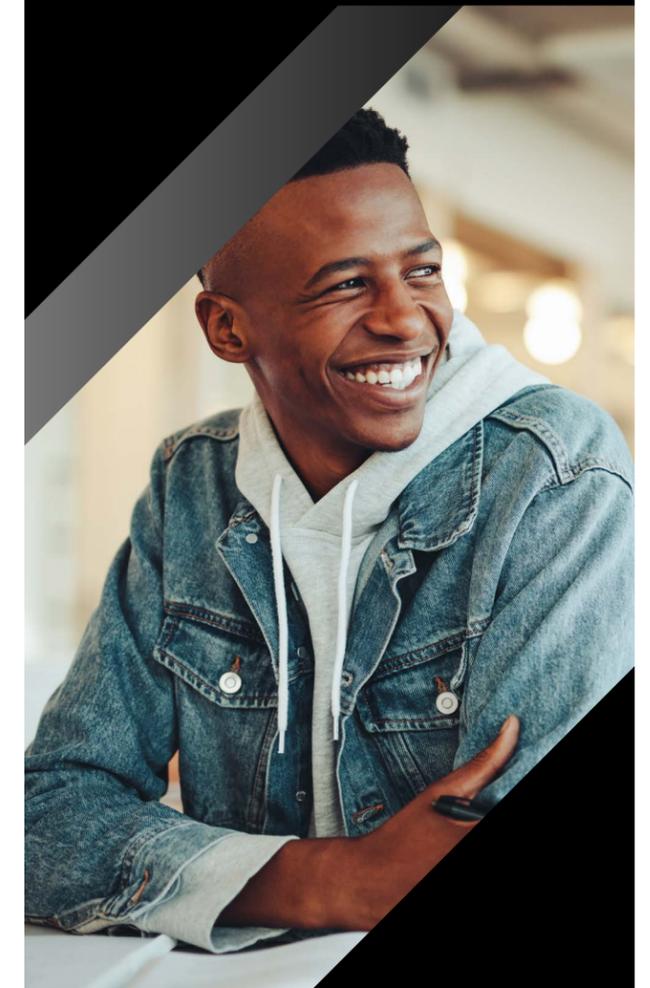
The credit union constantly monitors the program and improves the experience. It also has several enhancements planned, including pre-filling credit applications that will be pushed to its loan origination system and integration with a provider that enables automated direct deposit of payroll. Further, TFCU plans to dramatically augment its use of surveys to dig deeper into identifying its members' needs.

**“I think it's important to understand that with this program, just like any good personalization effort or use of AI, it's not 'set it and forget it.' You do have to listen to your members,” said McGraw. ■**



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## Data & Personalization

# Credit Union Data Helps Millennials Improve Financial Health, Attain Wealth

By [PYMNTS](#) | January 2023

Many of us have set new financial goals as inflation injects uncertainty into daily life. The trick, of course, is how to get there, and many of us can use a helping hand.

Doug Brown, president of NCR, told PYMNTS' Karen Webster that now's the time for credit unions and banks to help younger consumers improve their financial health over the short term and build wealth over the long term.

After all, the oldest millennials are in their 40s and need to think about the future, family, kids and retirement. And a significant number of Gen Z and millennial (and bridge millennial) individuals are still living at home with their parents and need to cross the Rubicon toward living on their own — and retire at their targeted age of 59.

The financial institutions (FIs) are sitting on the data that they need to create meaningful relationships with younger users — particularly Gen Z, millennial and bridge millennial consumers, as PYMNTS and NCR have found. Most immediately, these same consumers, many of whom are living paycheck to paycheck, need to consider new ways to save money and fine-tune what they spend and when. Increasingly, we all must decide whether we have the money to spend — or we don't.

The traditional providers, he said, have established themselves as the trusted entities where customers hold their funds — and where those same clients know their funds are safely held.

**“This is the time for us to step up at the moment of need,” he said, “and to offer assistance to households.”**

## A nudge here and there

A few well-placed nudges can mean a lot, away from the meme stocks and the momentum names and the cryptos that were darlings coming into 2022 but which ultimately crashed and burned.

Call it a back-to-basics approach, where feedback helps individuals establish goals and track how they're progressing using time-honored techniques.

**“Long-term wealth,” said Brown, “is generated from sustained investment, and compounding growth — and that's where education comes in.”**

By leveraging digital channels and helping these younger cohorts take control of their financial situations now and forever, the positive ripple effects will reverberate for years as FIs engage members and broaden wallet share.

## Some urgency for FIs, too

The urgency is there for the financial services firms, said Brown. As we face what might be a mild recession, or something more, Brown noted that his own recent conversations with C-level executives at banks and credit unions had been focused on expanding profitable relationships

and the all-important feelings of trust and empowerment that have long been a mainstay of smaller FIs' business models.

While it's still important for those FIs to gain new members and expand their customer rosters, it's equally important to generate the highest economic return on relationships that are already in place.

**The FIs, he said, “are more aggressive about this — more than ever.”**

The data, he said, remains a meaningful way to engage members and broaden wallet share. And while PYMNTS and NCR have found that consumers are willing to offer up their data in exchange for something of value, that value must be relevant. Banks are creating that value by using that data to “look forward,” said Brown, in a personalized way.

**“They're being a lot more proactive in an effort to help inform someone about things they might not know, or which might not be obvious,” said Brown.**

By way of example, he said, the digital-first FI might conceivably approach a member and nudge them away from buy now, pay later (BNPL) — perhaps it's not the right payment and debt choice, at least for the moment.

He added that these forward-thinking FIs use transaction and account-level data to analyze patterns of behavior at the individual level to make recommendations and insights that might not be readily apparent. FIs have to engage their members to understand what Brown called the “full picture” of their finances — and must make sure to engage them in context. If they don't, these younger consumers will lose interest altogether.

Do it right, however, and these members may gain some recognition of their “true” spending patterns and where cash flow “bleeding” can be stanchied — maybe they’re carrying too many subscriptions or the interest rate on their credit card balances is set to go up as the Fed continues to boost interest rates. At the same time, the CU can propose a financial product or service that can be enlisted to manage their money better and improve the user’s financial health.

Social media represents a key channel through which the FI can engage with a member. As he told Webster, “banks and credit unions are more likely to be treated as a respected source,” across those channels, “and thus can really help inform people. Social media’s essential to this and you’ve got to be there.”

Looking ahead, Brown said, good financial habits will outlast any macro-level headwinds.

**“It’s a matter of finding that practical balance,” he said, “and leveraging those data points to help or create constructive behaviors that can remind people of their goals on a daily basis — and make it all achievable.” ■**

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