Building the Factory

I WANT ALL MY MEMBERS' BUSINESS

Find out how to

GENERATE REFINANCE OPPORTUNITIES!

Data Bootcamp Edition:

Featuring Rick Burden, Notre Dame FCU

Simple DIY Instructions Inside!

CU*ANSWERS Management Services

Vol. 8: I Want All My Members' Business

This document and the following volumes are intended to give a you and your credit union a complete road map to execute a marketing campaign. Using the tools available, this road map will allow you to lay the groundwork to potentially partner with local businesses, organizations, and the member to offer discounted goods and services. This road map will take you from the very beginning of developing the campaign and targeting data, all the way through to the end of the process and the evaluation of the campaign. You will discover within, all the steps necessary to create the campaign, the steps to follow through to the end using the referenced CU*BASE options to mine the data and track the sales success.

What is the Campaign?

You know your members are not giving you all their business but where do you start?

To whom are your members paying their mortgage payments? Who is getting your member's insurance premiums? With whom are your members investing? Isn't it frustrating not knowing who to target for additional business because you don't know where they are spending their money? Need some more focused information on opportunities to feed your Retail Sales Team in your branches or call center?

Do you have business partners that could be more efficient at getting your member's attention if they only knew where the members spent their money? Do you want more:

- Car loans
- Mortgages
- Credit cards
- Private Student loans
- Insurance referrals
- Investment referrals

Have you found that **Where Your Members Borrow** limits you to just data on your Loan Applicants/Borrowers which often only represents a small portion of your adult membership? This uses Where Your Members Shop to identify many businesses that are sucking your member's funds out via ACH. Note the labels that identify mortgage payments, credit card payments, student loans, insurance payments, investment companies. Combine that information with queries to obtain a payment pattern over time along with demographic information your Marketing and Retail departments will use.

How Do I Find the Target Group?

For this Factory, let's search for 1st Mortgage Opportunities.

Start here:

1. In CU*BASE, navigate to the "Know Your Member" Analysis Tool menu
   a. From the Main Menu, #23 "Know the Member" Analysis Tool, or
   b. From MNMGMA
2. Select the *Where Your Members Shop* menu option, #5

This tool allows you to analyze where your members spend their money and will assist you in gathering Merchant Names to use in gathering more information to better target market to these members.

Your goal is to gather the exact names of the Mortgage Companies handling the ACH transaction so you can run a single query.

Enter the Selection Criteria - In this case, *you will want to target only ACH transactions*. You can use the follow ways of identifying where your members are sending their funds:

Use the "**Search for: Name containing**" to get companies who use words like:

- MORTGAGE
- MORT
- MTG

When you decide to use this Factory for car loans, credit cards, etc. search for these terms:

- CAR
- INVESTMENT or INVEST
- INSURANCE or INSUR
- STUDENT

Here's what the "MORT" search inside the **ACH company name** looks like:

Session 0 CU*BASE GOLD - NOTRE DAME FEDERAL CREDIT UNION

File   Edit   Tools   Help

Where Your Members Shop   Withdrawals

Data selection: ☐ Credit card ☐ Debit card ☐ ATM ☑ ACH   Merchants 234
Jump to name starting with [   ]   The average transaction amount is $836.
Search for: Name containing [MORT] [   ] [   ]
             City containing [   ]

Merchant/Company	Type	City/Extended Desc	State	409 Members	440 Transactions	$368,098 Total Amount	Average Amt/Trx	Average Trx/Mbr
CITIMORTGAGE INC	ACH	PAYMENT		65	71	54,814	772	1.0
MORTGAGE SERV CT	ACH	MTG PAYMT		17	17	13,727	807	1.0
TCU MORTGAGE	ACH	ACH PMT		15	15	14,674	978	1.0
M & T MORTGAGE	ACH	MTG PYT		11	11	9,782	889	1.0
PNC MORTGAGE	ACH	PNC PYMT		10	10	10,048	1,004	1.0
EVERHOME MORTG	ACH	MTG PMT		9	9	11,469	1,274	1.0
5/3 MORTGAGE LN	ACH	PAYMENT		9	11	8,496	772	1.2
PNC MORTGAGE 2	ACH	MORTGAGE		8	9	8,720	968	1.1
21ST MORTGAGE CO	ACH	MORTG PMT		8	8	2,353	294	1.0
SUNTRUST MORTG	ACH	MTG PMTS		7	8	11,300	1,412	1.1
CU MEMBERS MORTG	ACH	CU MEMBERS		5	5	4,619	923	1.0
OCWEN MORTGAGE	ACH	MTG PAYMNT		5	12	4,593	382	2.4
CENTRAL MORTGAGE	ACH	ACH PMTS		4	4	6,047	1,511	1.0
MORTGAGE SVC CTR	ACH	MORTGAGE		4	4	4,753	1,188	1.0
BIWEEKLY MORTGAG	ACH	8003611205		3	8	3,342	417	2.6
CENTRAL MORTGAGE	ACH	LOANPMTS		3	3	3,991	1,330	1.0
CITIMORTGAGE	ACH	MTG PAYMT		3	6	1,498	249	2.0
MORTGAGE PAYMENT	ACH	MTG PAYMT		3	4	3,323	830	1.3

■ Select   ■ Export   ■ Compare   ■ Common Bonds   ■ Exclude Merchant

Member Connect
Summary
Show Exclusions

ND (5006) 5/09/16

Also, search by using the "**Search for: City containing**" which often has an extended description such as:

- MORTGAGE
- MORT
- MTG

It's not uncommon for the column for **City/Extended Desc** to hold the subject of the ACH so don't pass up the opportunity to "mine" that data.

Again, your goal is to gather the exact names of the financial institutions handling the ACH transactions so you can run a single query.

Here's what the "MORT" search inside the **City/Extended Desc** looks like:

File   Edit   Tools   Help

Where Your Members Shop   Withdrawals

Data selection: ☐ Credit card ☐ Debit card ☐ ATM ☑ ACH   Merchants 19

Jump to name starting with [   ]   The average transaction amount is $724.

Search for: Name containing [   ] [   ] [   ]

City containing [MORT   ]

Merchant/Company	Type	City/Extended Desc	State	219 Members	260 Transactions	$188,439 Total Amount	Average Amt/Trx	Average Trx/Mbr
BANK OF AMERICA	ACH	MORTGAGE		72	107	67,378	629	1.4
1ST SOURCE BANK	ACH	MORTGAGE		37	38	33,313	876	1.0
CARRINGTON	ACH	MORTGAGE		31	33	21,587	654	1.0
DITECH-FINANCIAL	ACH	MORTGAGE		30	31	26,517	855	1.0
PNC MORTGAGE 2	ACH	MORTGAGE		8	9	8,720	968	1.1
21ST MORTGAGE CO	ACH	MORTG PMT		8	8	2,353	294	1.0
EVERBANK	ACH	MORTGAGE		7	7	6,176	882	1.0
SETERUS, INC.	ACH	MORT PMNT		5	5	3,488	697	1.0
M&T BANK	ACH	MORT PYMT		4	4	3,084	771	1.0
MORTGAGE SVC CTR	ACH	MORTGAGE		4	4	4,753	1,188	1.0
ASC	ACH	MORTG PYMT		2	3	1,547	515	1.5
NFCU	ACH	MORT DEBIT		2	2	871	435	1.0
PACIFIC UNION	ACH	MORT PMT		2	2	3,661	1,830	1.0
REGIONS MORTGAGE	ACH	MORT PMT		2	2	2,212	1,106	1.0
HOMEBRIDGE FIN	ACH	MORT PYMT		1	1	691	691	1.0
MMS MORTGAGE SER	ACH	MORTGAGE		1	1	1,443	1,443	1.0
TOWNE MORTGAGE C	ACH	TOWNE MORT		1	1	335	334	1.0
VISTANA	ACH	MORT PMT		1	1	192	191	1.0

■ Select   ■ Export   ■ Compare   ■ Common Bonds   ■ Exclude Merchant

Member Connect
Summary
Show Exclusions

ND (5006) 5/09/16

Once you pull up each of these searches, click the column for "Members" to sort the results showing the largest group of members so you can see company names and the impact on your members. For example, if you search either for a "Name containing" or "City containing (description column)" and see CITIMORTGAGE INC listed, it will show how many of your members are paying them, the dollar amount leaving your institution for the last month, and the average transaction amount. Generally a mortgage payment will be significantly higher than, say, a student loan payment so it will be easy to identify.

You are searching for all merchant/company names listed using the ACH system under your specific search criteria.

Generally you will get quite a few names for mortgage companies based on your membership counts since many merchants include the word "mortgage" inside their company name. You'll also get a lot of hits inputting those key words in the "City containing" field which also will shows them in the extended description field.

Capture these company names exactly as shown in **Where Your Members Shop** for each of the topic you chose. Often a screen print program such as the Snipping Tool in Windows will help you capture the information to be used later. You will be performing a query with these company names to obtain more information that is available using Member Connect for a mailing label or email message. Retain the snapshot of the visible data inside Where Your Members Shop for ACH transactions as a baseline for the "Before" activity.

Don't rely on just searching for key words. Review the larger volume merchants to identify common companies that are taking payments for your members. Your Call Center staff or other front line employees might have some ideas of larger companies that are not easily identified in the **Where Your Members Shop** program. Talk to your fellow employees that handle ACH transactions for names. An example of something that won't reveal itself by searching using only keywords is "WFHM" which is an acronym representing *Wells Fargo Home Mortgage*. Another is *Carrington* which is a large mortgage servicer.

You now have a list of merchants who are receiving electronic payments for mortgage loans from your members.

Now comes the "mining" part.

You will need to perform a query using the tables **TRANS1**, **MASTER**, and the **MASTRL**.

- ➢ **TRANS1 –** This table holds the transactional data share and share draft history where the ACH transaction from the mortgagor took the payment during the current month
- ➢ **MASTER –** This table holds all the member data such as name, address, telephone number, etc. so you have a single, complete sheet for your sales force to use when they want to contact the member
- ➢ **MASTRL –** This table holds the opt-out information for the members so you don't make the mistake of contacting people who have asked you NOT to contact them for marketing purposes

You don't want to contact members who have gone on record they don't want to be bothered!

The **TRANS1** table will only show the current month-to-date transactions. Once you feel comfortable with this information and want to pull even more data out from the past history, you can move to **HTRANS1** which is a much larger database showing ACH data for the current year. Using the **HTRANS1** table will give you a history of payments over time but we recommend that you only search for member payments in this table for one mortgage company at a time. Seeking several financial institution ACH transactions from your member's accounts going back more than a month could drain CU Answers resources.

Here are screen prints of the three tables inside the query:

Here's the best way to link or "join" the files:

So you've joined three tables, linked them, but what data do you want on the report? This is where you input the names of the Mortgage Companies you gathered earlier. In this step, input as many company names as possible to see all the mortgage payments being sent out by your members via ACH. In the Choose Records section, use the field in **TRANS1** for Transaction Description (TRDESC) as your field designator. Enter the names of the financial institutions you gleaned from Where Your Members Shop in the Criteria category following text protocol for that field and combine them with the variable "OR". Note that since you are seeking a transaction description, all ACH descriptions start with ACH/ and then the name. Here is an example from the query:

List as many mortgage companies as you want shown on the report.

Next, what data columns (fields) do you want to display in your query? Here is a chart of fields we recommend for your first query:

TRANS1	MASTER	MASTRL
Account Base	Last Name	3rd Party Marketing Opt Out (Y/N)
Account Type	First Name	CU Contact Opt Out (Y/N)
Activity Date	Address Line 1	
Business Date	Address Line 2	
Transaction Description	City	
Tran Amount	State	
Resulting Balance	ZIP Code	
	Wrong Address 0=No 1=Yes	
	Phone Area Code	
	Phone Number	

This will give you options for a Marketing initiative including mailings and direct sales calls. You can add data columns down the road including adding in the **PCMBRCFG** table to obtain the email address. The Transaction Amount will display the monthly payment so you can sort to find high-dollar monthly payments which tend to represent high-dollar mortgage amounts as a start.

If you are only interested in coming up with a list of members, their membership numbers, and their telephone numbers for a single company, you will be better off using the ***Where Your Members Shop*** features for Member Connect via email messages, online banking statement inserts, or mailing labels. This will tell you which members used a merchant in the previous month. You will have limitation on the data:

- o You won't know if they have made one payment or a dozen payments
- o You won't be able to tell if the transactions are monthly, quarterly, annually or even a one-time event.
- o You won't be able to customize marketing pieces – more on that later
- o Your external business partners might not be able to use the limited data

This **Building the Factory** using a query will give you a higher level of sophistication than Member Connect, including multiple dates, formatting the data in a comma-delimited file used by marketing companies, etc. However, if you are interested in which members have sent monthly payments to a specific financial institution at the same time over the last 6 months, this new *Building the Factory* is for you.

What Do I Do with the List?

Once you have created the query, transfer the file into an HTML format using File Download, and open it in Excel. Review the data for errors. Seek out members who have made monthly transactions over time. Pool those members into categories for solicitation:

- Direct mail – letters, postcards
- Email messages
- Outbound calls
- Sales trackers for branch visits

For internal use

Create Letters: Direct Mail pieces can be created using the member list for the specific product. For example, after getting a list of all the member data who are making mortgage payments to "CITIMORTGAGE INC" you can design a personalized letter including solicitation language establishing a relationship. Often this can be personalized by including Marketing language similar to "We have great mortgage rates and many members say we are very competitive with CitiMortgage. Call or stop in today." When you use this Building the Factory for other loans, you can send letters on student loan consolidation, balance transfers for credit cards, or even auto loan refinance.
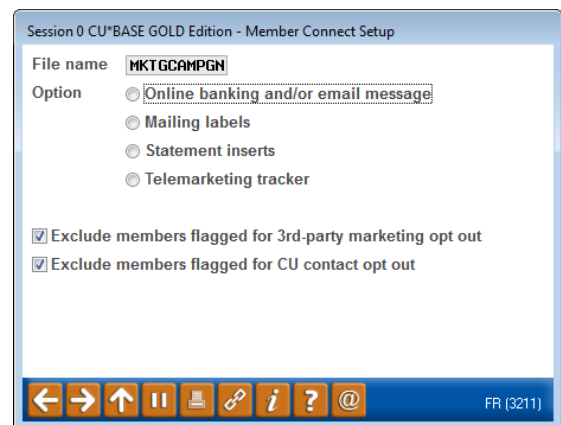
Email message text: Similar language

Outbound call: "Have you considered that refinancing your mortgage will lower your payments? We have been refinancing member loans with CitiMortgage and Bank of America and the resulting savings have significantly reduced monthly payments."

<u>For external use</u>

If you don't offer mortgages, you can create referral lists for your external vendors to solicit. Have a relationship with outside insurance companies for homeowners insurance, car insurance, or life insurance? Your list is an outstanding referral source for these companies to run personal, targeted marketing campaigns.

Once you've created your database file, select the **Member Connect** button on the screen. From here, you will have a variety of options depending on the resources available to you, and the method you choose to use to market to these individuals. Start by entering your newly created file in the *File name* field.

Sending an Electronic Communication

1. Enter the name of the database file created in the previous step. (This must have been stored in your credit union's QUERYxx library.)
2. Click the "Online banking and/or email message" button and press enter to continue.
3. Here you have several creation/selection options:
   - If you have performed this campaign before and have already saved a message for this campaign, select the message and select the *Send* button. Go to Step 8.
     OR
   - If this is the first time you are performing this particular campaign, select *Create* (F6).
4. If this is the first time you are performing this particular campaign, select *Create* (F6).Enter a two-digit *Message type*; this must be a letter and a number or two numbers—two letters are reserved for messages from the Master Message Library.
5. As an example, enter the *Message subject* "**Psst… Sam's Club discount enclosed!**" This text will appear in the subject line when the message is sent as an email message. Enter to continue.
6. Now you are on Member Connect Message Maintenance screen. Here you can enter or edit the text of the message. Here is an example for this campaign:
   We have great mortgage rates and many members say we are very competitive with CitiMortgage. Call or stop in today.
7. Select Save Changes.

8. Now you are ready to send the email or **It's Me 247** online banking message. Select the message and click the Send option.
   - **IMPORTANT:** All email messages will have the Signature Line message (SL message) text automatically appended to them. Editing the Signature Line or (SL message) is similar to editing a message. *SEE ALSO:* Editing the Signature Line (or SL Message).
   - **TIP**: In your Signature Line, you may want to include text explaining how a member can "opt out" of receiving future marketing email messages. This can be done by having them "opt out" using the two options on the Info Center|Contact Preferences page in **It's Me 247**.
9. Select to send the message via *Priority*. This will send the message to members with email addresses first, and then to members with online banking accounts without email addresses. Set a comment purge date one month out from the current date.
10. Click *Send* (F5).
    - NOTE: Online banking messages will only be sent to members who have already logged into online banking.
11. Press Enter to confirm your sending.

Creating a Call Campaign

Prior to initiating a call campaign, you will need to ensure that the proper cross sales configurations have been set up.

Configuring Cross Sales

In order to use the Member Connect tool to create a sales tracker for a telemarketing campaign, you must first complete the following steps:

1. Create a Cross Sales Tracking Need Group for the campaign
2. Set up the tasks associated with the Need Group

These can be configured in **Configure Cross Selling Tools** on the Member Tracker Tools (MNTRAK) menu. Check out the *Cross-Selling Credit Union Services & Next Suggested Product* booklet for more information.
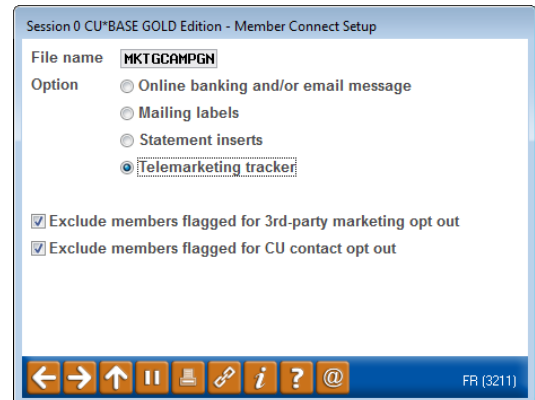
Using Member Connect to Create a Telemarketing Tracker

Once the cross sales need group and tasks have been set up, you can use Member Connect to create a telemarketing tracker for the purposes of a call campaign.

You can get to the Member Connect tools via the Member Communication (MNPRTC) menu as well as through the Credit Report Data Mining tool.

Enter the file name created, select *Telemarketing tracker* and press Enter to continue.

This will bring you to the "Generate Trackers from Database File" screen. From this screen, you'll be able to set the details for the sales tracker that will be created on the member record.

Create as tracker type: ST – Sales Tracker

Create as memo type: IN – Initiate

Tracker key word: "Sales Tracker"

> **Warning!** If you enter a Tracker Key word that is different from an existing Tracker Type, you will create a new Tracker. This will not, for example, be appended to the member's Sales Tracker. It is recommended that you enter Sales Tracker here.

Tracker follow-up date: Enter the date by which the first round of calls should be made.

Tracker text: Member was sent Sam's Club discount coupon, ask if they received it.

> **Tip:** Cross sales tasks can be configured with tips, which could include the call script.

Assign telemarketer ID: Enter the ID of the individual who will be making the calls.

> **Tip:** Too many records for one person? Assign the follow-ups to a generic employee ID that multiple people can work off.

Assign cross sales need group: _____

Assign cross sales task #: _____

Once the information has been entered on this screen, you will go to a final confirmation screen that will also print a report of the members for which a new tracker was created. They are now ready to be worked!

Working the Cross Sales and Completing the Call

Once the trackers have been created, calls can be initiated either from Work Follow-ups or from the Cross Sales screen for that member. (You can use the report that was generated when creating the trackers to go through the list.)

In "Work With Follow-ups" select a record and click on *Cross Sales*. Here you will see the Cross Sales task that was set-up and that can be worked.

Once the call has been made, record the conversation based on the results of the call.

Call Script

Good afternoon! I'm calling from your credit union, _____ Credit Union, with a special offer from _____. We noticed that you've shopped there recently, and we're excited to tell you that in the month of August, mentioning that you're a preferred member at _____ Credit Union will get you 10% off of your total bill! You can do this each time you shop at _____ in August, and watch the savings pile up just in time for back to school shopping. Thanks for being a valued member of _____ Credit Union!

Sending a Mailing or Selective Statement Insert

To market to the member via a mailing, you have the option of either creating mailing labels or to create a file for selective statement inserts.

Creating Mailing Labels

From the Member Connect Setup screen, enter the File name that was created in the Credit Report Data Mining menu option and select *Mailing Labels*. This will take you to the Member List Generator to include further exclusions as desired. Since you have already generated the list you want, you can enter through the List Generator screens to choose your label size and print them.

Selective Statement Inserts

If you would prefer to add a statement insert, selecting the *Statement inserts* option will take you to a window that will let you designate which selective insert you will be setting up. This step simply copies the database file from your QUERYxx library to your FILExx

library, giving the file the appropriate STMT## file name so that it will work with the selective inserts system. Select *Process* (F5) to continue to the statement setup screens.

Refer to the *Selective Marketing through Printed Statements* booklet for more information.

How Do I Follow Up and See My Results?

Run Where My Members Shop after you have addressed each campaign, whether it be internal or data submitted to your external business partners to see how many member have switched over to your credit union. A good snapshot of this effect can be seen by inputting the same filters originally used and then clicking on the "Summary" button. Compare this information after the campaign has run to the data before.

Rerun your queries to see if the names on your list still show for the specific company or financial institution. Review your loan volume to see if more mortgages or car loans or credit cards are being booked. Request campaign results from your external partners who solicit your members for outside investment business, insurance sales, or other products. Another option is to continue to run the same query just before month-end and compare that information to original list.