



# OCCU Millennials Campaign Strategic Framework

May 31, 2016

# 2016 Campaign Research

# Technology Usage



# Millennials have greater access to technology than any previous generation

## 3.0

Average number of financial apps Millennials have on their phones

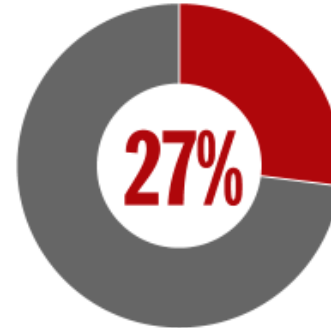
## 2.6x

Millennials are 2.6 times more likely than other generations to have used a mobile banking app

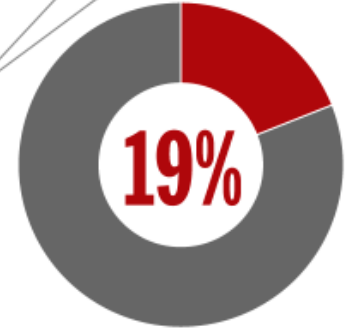
A fifth of all Millennials have never even written a physical check to pay a bill



Millennials envision a digital future for the banking industry



Millennials who would consider a branchless digital bank



Millennials who think we will live in a cashless society

<http://thefinancialbrand.com/56818/inside-the-mind-of-millennials-what-financial-marketers-need-to-know/>

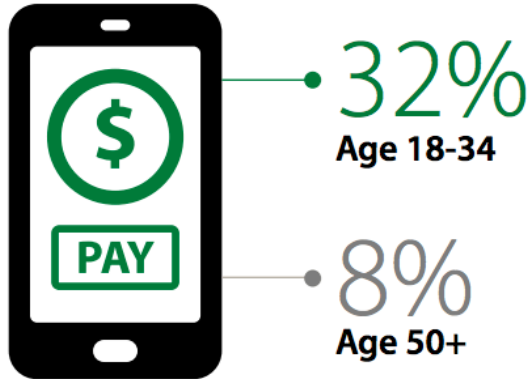


## Online and mobile banking activities

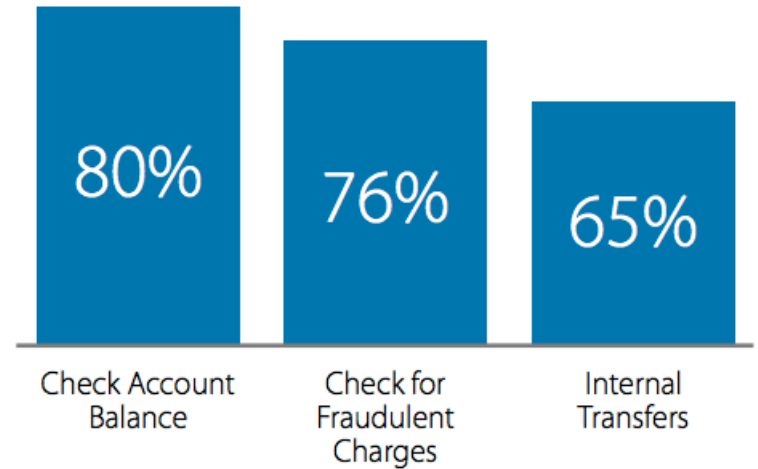
88% of millennials do their banking online, and 73% are more likely to be excited about a new offering in financial services from Google, Amazon, Apple, PayPal or Square than a traditional financial institution

### Young and Mobile

Already Using or Very Likely to Use Mobile Payment Providers in the Next 12 months.



## Top Digital Banking Activities



<http://www.fico.com/millennial-quiz/pdf/fico-millennial-insight-report.pdf>



# Preferred communication channels

According to a 2015 FICO study, millennials reported the top four ways in which they'd prefer to receive information from a financial institution (not just their primary bank). All of these methods of communication involve technology.



Email



Text Message



Bank Website



Mobile App

Millennials are also increasingly willing to change banks based on the strength of a bank's digital offerings

- o Branch location convenience is no longer a major deciding factor

<http://www.fico.com/millennial-quiz/pdf/fico-millennial-insight-report.pdf>

# Social Good / Community Outreach



# Millennials want to feel like they're making a difference

Millennials are socially conscious investors who are attracted to more than just a big bottom line; they also want investments that reflect their held values and beliefs in certain brands or ideas.

- 70% have purchased a product that supported a good cause
- 86% of millennials agree that it's "important to have a career that does some good in the world."
- 70% of college freshmen believe that it's "essential or very important to help people in need," the highest rating since 1970.

[https://filene.org/assets/pdf-reports/368\\_Youngest\\_Millennials.pdf](https://filene.org/assets/pdf-reports/368_Youngest_Millennials.pdf)





## Millennials support brands that give back

Millennials are willing to spend more on goods and services, pay more for a comparable product and do business with brands at a higher price point if they can say with confidence that at least a portion of their purchase is going to be put towards funding a program or initiative proven to give back to a community, or if a brand's overall social impact has considerable measurable reach.

- 24% of Millennials believe they can make a difference in their community by buying products that support social causes
- 68% of Millennials state a company's social/environmental commitment as either being important or extremely important when deciding which products to buy

[https://www.cunamutual.com/~media/cunamutual/trustage/program/public/wmn-millennials\\_report.pdf](https://www.cunamutual.com/~media/cunamutual/trustage/program/public/wmn-millennials_report.pdf)



## Case Study: Warren Federal Credit Union

WFCU launched [Do Gooders Unite](#) initiative at the University of Wyoming to drive new awareness toward the brand, position itself as an investor in the Laramie community, and empower new and existing members to live the pay-it-forward spirit.

If 200 new members signed up for checking accounts, WFCU promised to donate \$10,000 to invest in downtown Laramie and deposit \$100 into each new account. WFCU created a website, hashtag and YouTube videos to spread the word, as well as on-campus presence. The goal was met in two months.

“When this generation thinks of any business, especially financial services, they need to see more than just an institution. They need to see someone who has the same interests they do.”

“Millennials need full transparency to gain their trust, especially when it comes to a brand. In the past it was all about saving money, but now when we have extra money, we want to do things that are good and make a difference.”

<http://www.creditunions.com/assets/1/7/CC2015-3GenYPrep.pdf>

# Current Financial Habits



# Payment methods used by millennials

College students use a wide array of payment methods:

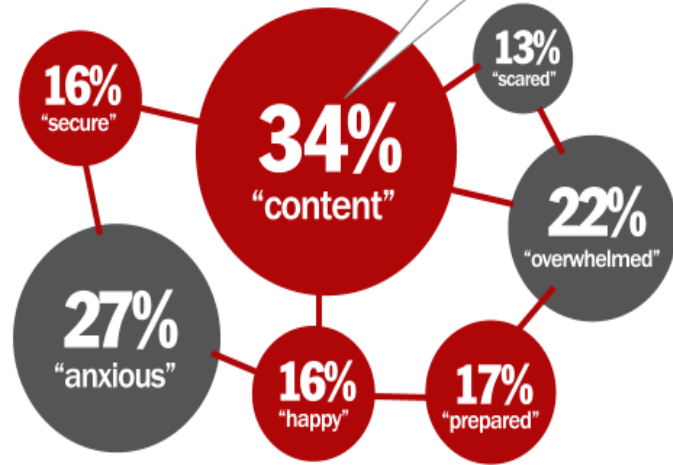
- 86% carry cash
- 85% possess debit cards
- 77% use mobile payment methods such as Venmo and PayPal
- 56% have credit cards
- ...but only 14% write checks

[http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc\\_library/file/SallieMae\\_MajoringinMoney\\_2016.pdf](http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc_library/file/SallieMae_MajoringinMoney_2016.pdf)



# Money talk stresses millennials out

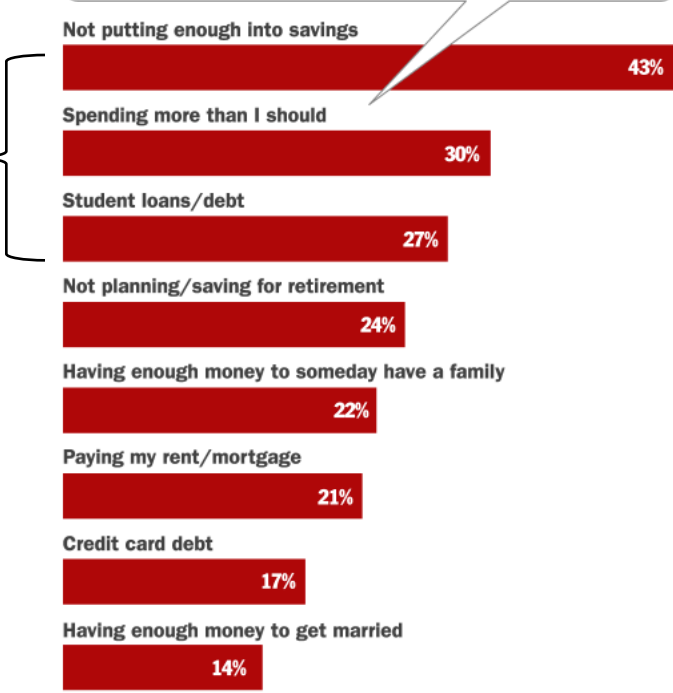
How Millennials feel about managing their money



Source: Bank of America © January 2016 The Financial Brand

What about money stresses Millennials out most?

Most relevant to college students



Source: Bank of America © January 2016 The Financial Brand



# Most millennials incur some type of debt during college

66% of millennials have at least one source of outstanding long-term debt (student loan, car loan, mortgage) and 30% have more than one source of long-term debt.

- o 42% claim that debt is their biggest concern in life

Student loan debt is widespread - millennials have record levels of student debt, more so than any previous generation. As of 2015, the average debt load upon graduation is about \$27,000.

This has made them more value-conscious, and they will gladly spend the extra time to ensure they are getting the best deal possible. Coincidentally, they are fearful of becoming even more indebted, and may be hesitant to open a first-or additional-checking account because they'll be tempted to buy things they don't necessarily need.

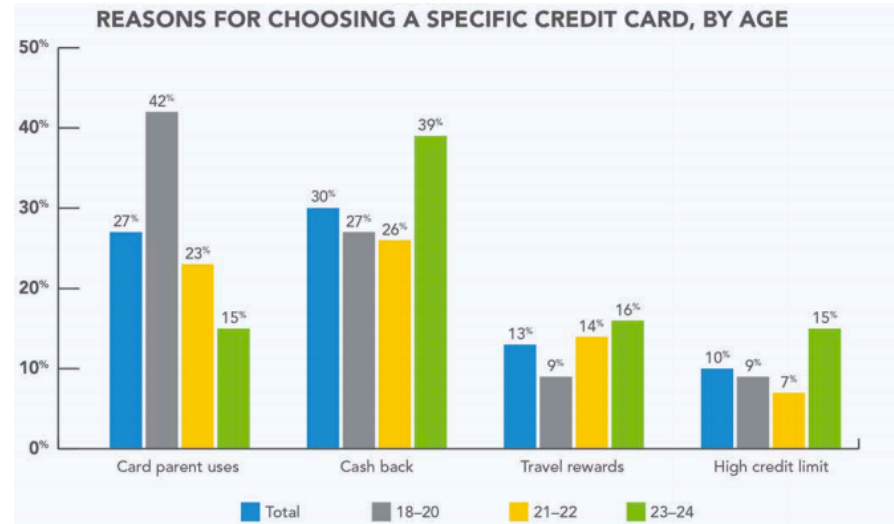
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# Considerations when choosing credit cards

The majority of millennials care more about immediate rewards and benefits vs. longer-term implications when selecting credit cards. Top reasons cited in a 2015 study were:

1. Their parents use the same card
2. Easy way to shop online
3. Don't want to carry cash
4. Need a way to access emergency funds
5. Interested in earning rewards (discounts, cash back, travel rewards, airline miles, etc.)
6. High spending limit



[http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc\\_library/file/SallieMae\\_MajoringinMoney\\_2016.pdf](http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc_library/file/SallieMae_MajoringinMoney_2016.pdf)



# College students are an untapped market

Most college students arrive at college without their own bank account, or they are still on their parents' line of credit

- 25% are actively searching for their first checking account
- Only 56% of college students own any type of banking product, but this figure jumps to 70% among those aged 25-29, making college the prime window for credit unions to start seeking out this generation before they become committed to a particular institution

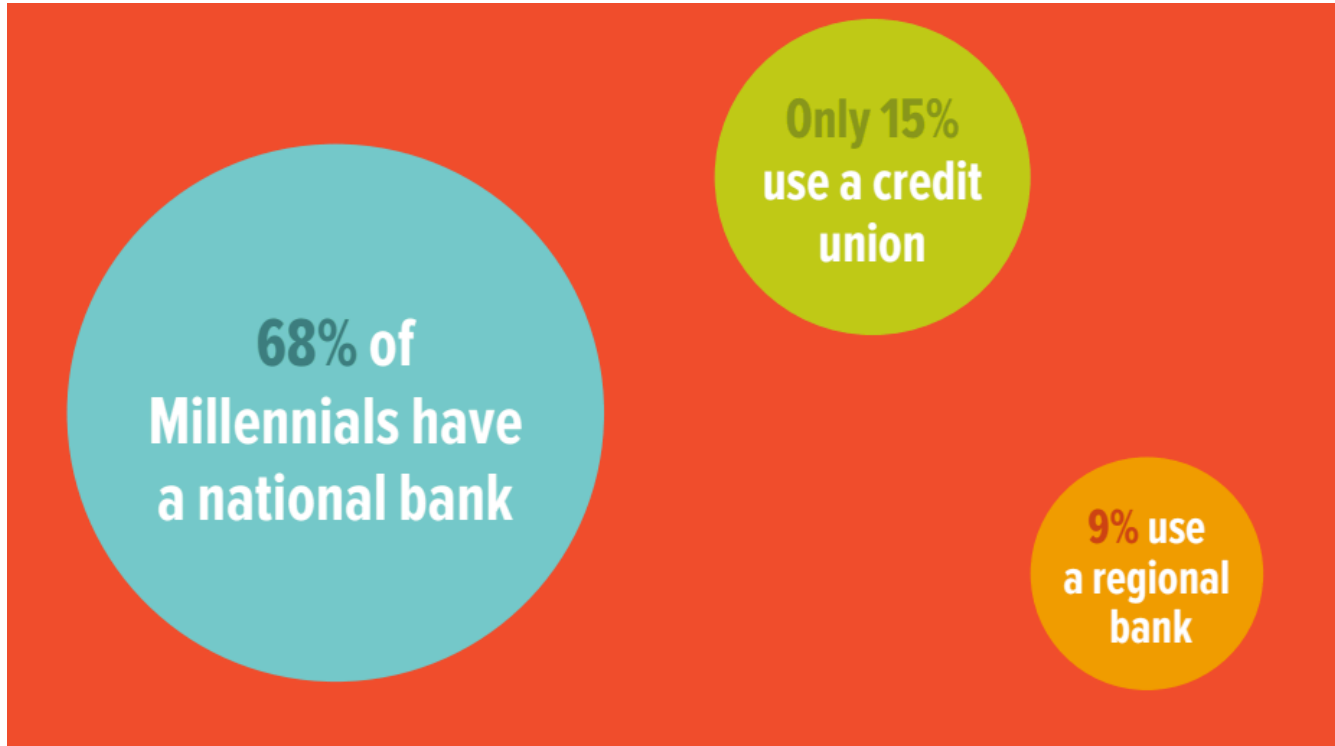
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# Banks vs. Credit Unions



## The current landscape



<http://www.cutoday.info/content/download/12930/95656/version/1/file/Coming+of+Age+Young+Adults+in+2015.pdf>

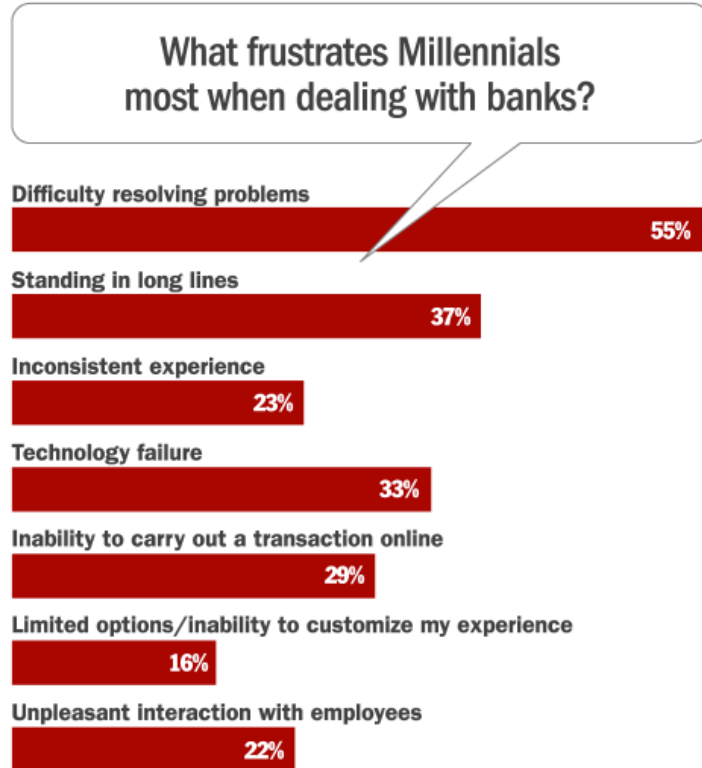


# Skepticism of traditional banks is at an all-time high

A poll of 10,000 millennials found that banks make up four of millennials' least loved brands. 71% would rather go to the dentist than listen to what banks are saying.

The reasons quoted include unexpected fees, a sense of being manipulated, and the perception that big banks were major contributors to the economic recession.

[https://filene.org/assets/pdf-reports/368\\_Youngest\\_Millennials.pdf](https://filene.org/assets/pdf-reports/368_Youngest_Millennials.pdf)



Source: Medallia Institute © January 2016 The Financial Brand



# Millennials are financial institution agnostic

Millennials are extremely sensitive to price marketing because they are so debt conscious. It doesn't matter where they bank, as long as they feel they are getting the best deal.

Millennials cited immediate, tangible self-interest as the main reason for switching financial institutions.

- Lower fees
- More competitive interest rates
- More rewards

**One third of Millennials are open to switching banks in the next 90 days**

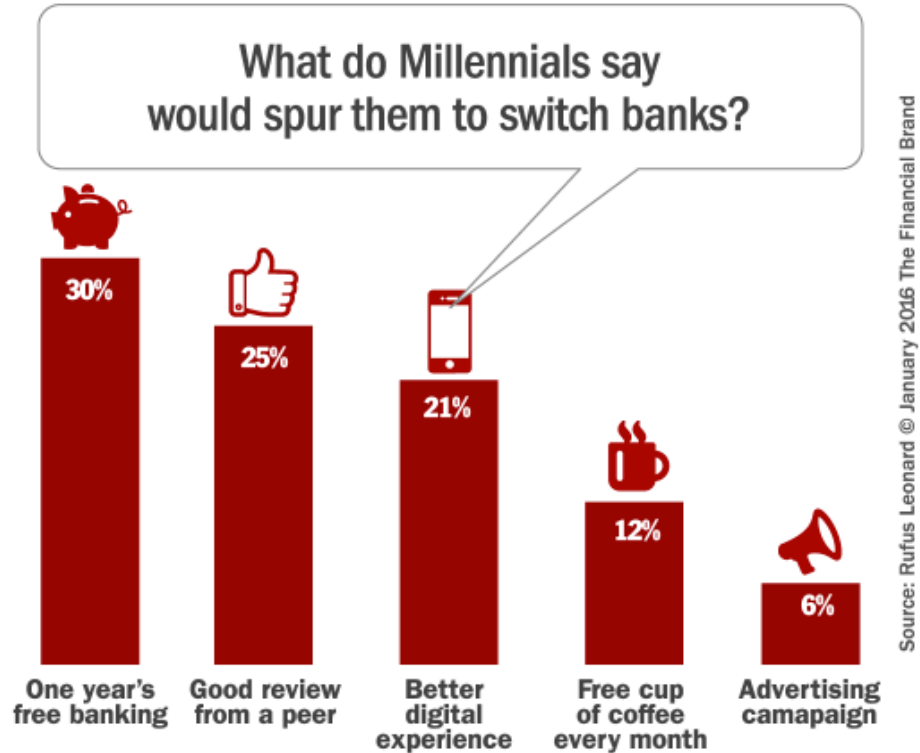


Source: First Data © January 2016 The Financial Brand

<http://thefinancialbrand.com/56818/inside-the-mind-of-millennials-what-financial-marketers-need-to-know/>



# Millennials are financial institution agnostic



Source: Rufus Leonard © January 2016 The Financial Brand

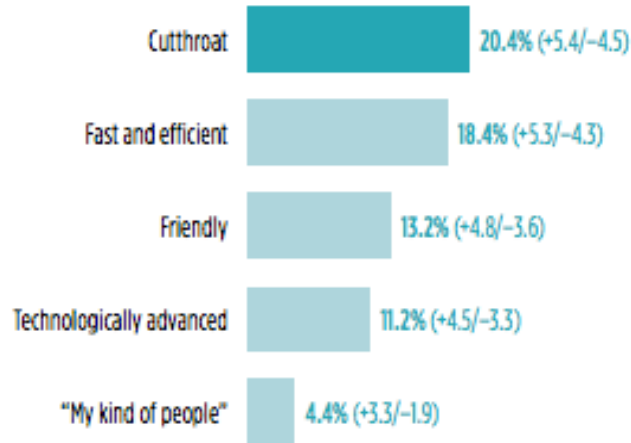
Those who said they likely wouldn't switch banks cited inconvenience and lack of knowledge of better options as reasons.

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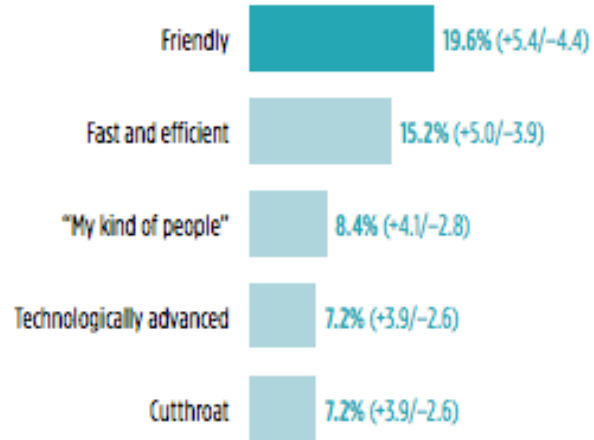


# Credit unions are generally perceived more positively than banks...

**WHICH OF THE FOLLOWING DESCRIBES LARGE NATIONAL BANKS LIKE CITIBANK OR WELLS FARGO?**



**WHICH OF THE FOLLOWING DESCRIBES CREDIT UNIONS?**

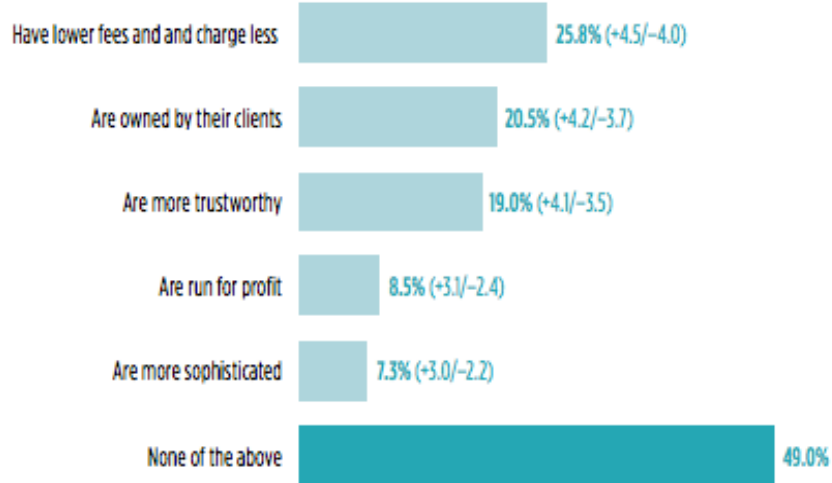


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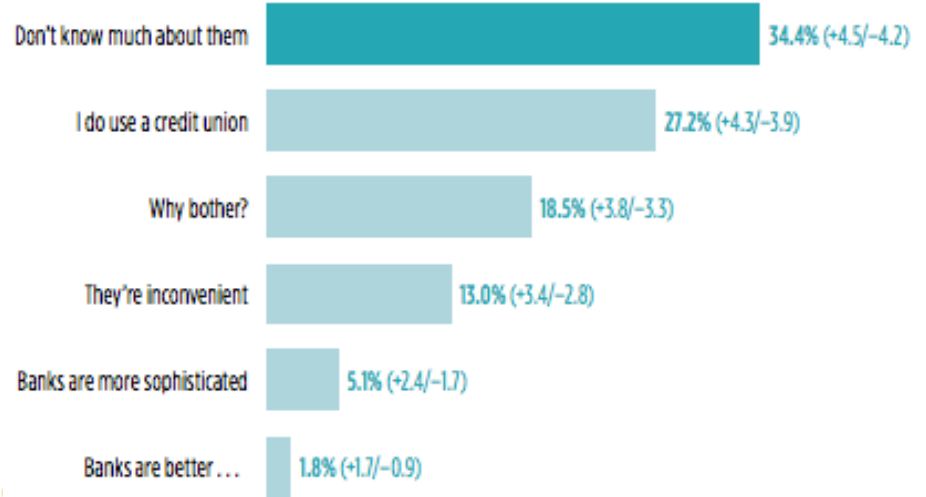


# ...but most millennials don't know much about them

## CREDIT UNIONS ARE DIFFERENT FROM BANKS BECAUSE CREDIT UNIONS...



## WHY DON'T YOU USE A CREDIT UNION INSTEAD OF A BANK?



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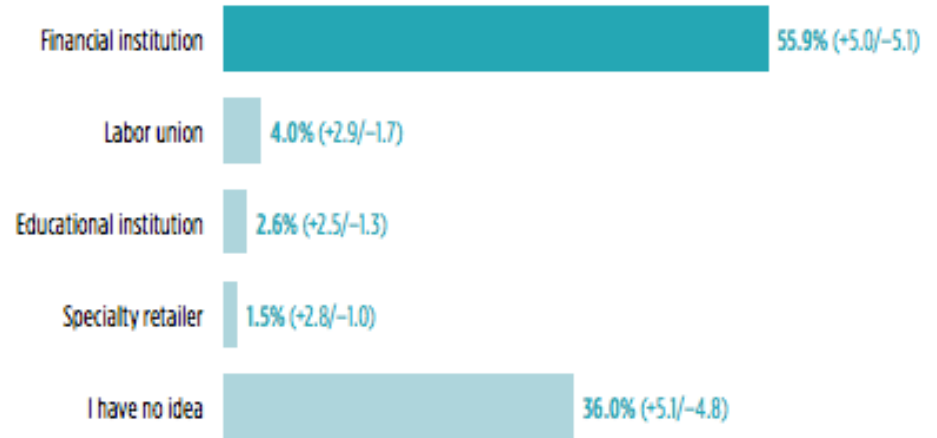


# Misconceptions about credit unions

While 69% of millennials are open to joining a credit union, the reality is that few have. Only 1 in 4 have any product or service through a credit union and only 14% view their credit union as their primary account.

Why? The barrier to entry for most millennials is simply a lack of knowledge about credit unions – what they are and what products and services they provide.

## A CREDIT UNION IS A TYPE OF . . .



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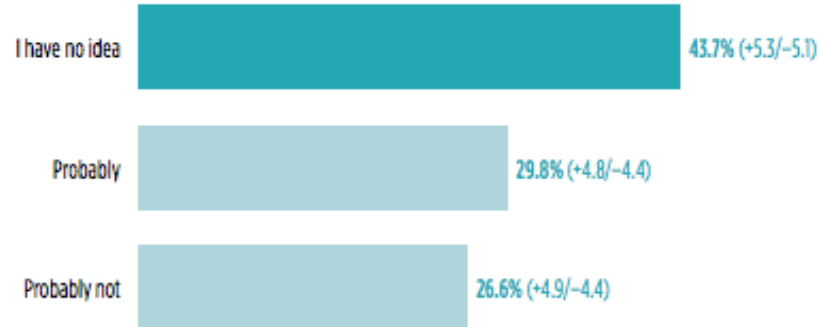




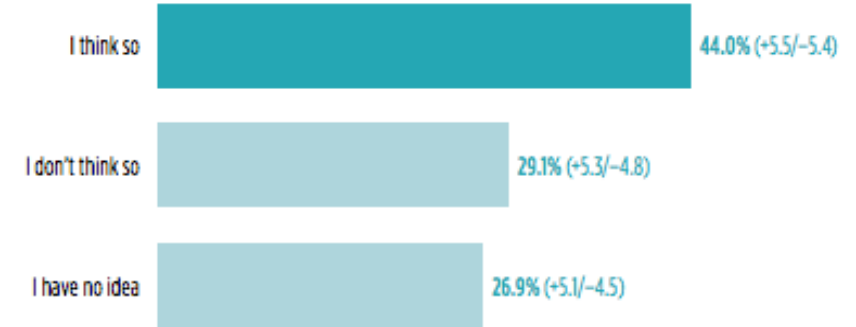
# Misconceptions about credit unions

Nearly half of millennials don't even think they can qualify or become a member of a credit union, so they likely ignore any current marketing tactics and advertising campaigns that are being used by credit unions.

## DO YOU QUALIFY TO BE A MEMBER OF AT LEAST ONE CREDIT UNION?



## ARE YOU ELIGIBLE TO OPEN A CHECKING ACCOUNT AT A CREDIT UNION?



[https://filene.org/assets/pdf-reports/368\\_Youngest\\_Millennials.pdf](https://filene.org/assets/pdf-reports/368_Youngest_Millennials.pdf)

# The Influence of Parents



# Millennials turn to their parents for financial advice and guidance

- Younger college students (ages 18-20) are 35% more likely than older students to obtain a credit card because their parents suggested it
  - 42% of the same students chose the actual card type or brand their parents use
- 68% of college students said their parents influenced their first credit card choice, including 18% whose parents added them to a parent card
  - 21% said parents took all of the responsibility by choosing the card for them

[http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc\\_library/file/SallieMae\\_MajoringinMoney\\_2016.pdf](http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc_library/file/SallieMae_MajoringinMoney_2016.pdf)



# Millennials turn to their parents for financial advice and guidance

- Parents are cited as the most common resource college students rely on to learn about managing money
  - 71% report having learned money management from their parents
  - Other resources include other family members and friends
  - Very few cite actual professional resources, such as speaking with a financial advisor

[http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc\\_library/file/SallieMae\\_MajoringinMoney\\_2016.pdf](http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc_library/file/SallieMae_MajoringinMoney_2016.pdf)

# Millennials' Expectations



# Millennials are looking for financial guidance, but don't know where to start

4 out of 5 college students express interest in learning more about specific aspects of managing money, specifically:

- Saving strategies (37%)
- Paying for college (32%)
- Budgeting (32%)

Millennials will be more likely to engage with financial institutions who can help them improve and stabilize their finances. They've explicitly shown interest learning more about:

- Free debt management tools
- Targeted and personalized financial literacy support

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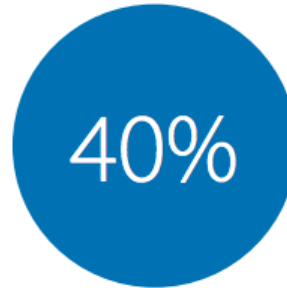


# Millennials are open to hearing more from financial institutions

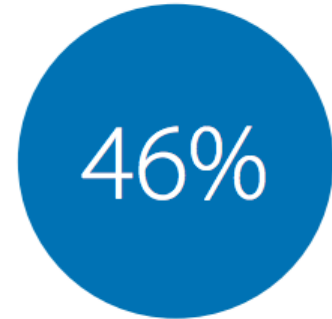
75% of millennials don't think they receive too many offers from their bank, or other financial institutions, are are open to receiving more communication.

Millennials expect communications from financial brands to be personalized, i.e. don't send a college freshman information about home mortgages

## Banking Communications Lack Relevancy



Primary bank does not send personalized offers



Primary bank does not send marketing materials relevant to my future purchase plans

<http://www.fico.com/millennial-quiz/pdf/fico-millennial-insight-report.pdf>



## Credit unions should use social media...wisely

Millennials are more likely to view companies that use social media as more trustworthy than those using traditional advertising. 66% follow brands on social media and 5 out of 6 have connected with a brand via social media to learn more about deals or get coupons.

### **BUT...**

Credit unions have less success using social media solely for advertising, but more success using it as an active forum or community where millennials can engage with questions and feedback. It should be a natural extension of the brand, not solely a marketing tactic.

Millennials just want easy access to straightforward, clear information. Financial institutions will never be 'cool,' and that shouldn't be the goal.

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# 2016 Campaign Framework



# 2016 Campaign Overview

## 2015 Learnings

- Parents are highly involved during IntroDUCKtion and Week of Welcome, so we need to find a way to engage them more
- Students will always be excited about getting free stuff, but they want to understand the “why” behind it
- The pay-it-forward mentality is strong among college students, but they need to be equipped with the tools to do so
  - Last year’s giveaway recipients can be activated as OCCU brand ambassadors for the 2016 campaign
- Experiential campaigns are a win among millennials, and can be among parents too

## New Research Findings

- Most millennials and college students look to their parents for financial guidance and advice
- Millennials care about doing good deeds and value brands who give back to the community
- Over half of millennials don’t know what a credit union is or what it offers, and are more familiar with the traditional “big banks” even if they don’t like them
- When it comes to selecting a financial institution, millennials care more about digital offerings than traditional features like ATMs and branch locations

# College Students & Millennials Initiative

Key Insight

Because we know...

Millennials don't know what a credit union is

Strategy

We need to...

Educate them about credit unions

Tactic

By...

Demonstrating why a credit union is better than other financial institutions

Audience

- College students
- Millennials living in and around Eugene

Key Messages

1. Joining a credit union is easy for UO students
2. Credit unions are local/not a big bank
3. OCCU gives back to the community
4. OCCU has a strong digital banking presence

Goals

- 500 new millennial members
- Brand awareness among UO students