



# The Value of the Member Statement

**By: David Smith**, Director, Statement Services, OSG Billing Services  
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A common theme I often hear is that credit unions don't think their members open their mailed statements. As an expert in transactional printing, OSG has been in business over 20 years and I can tell you with confidence that members not only open their statement, they read it too. If you can understand the value of your member statement, you can take advantage of this powerful and cost-effective way to communicate with your customers to the fullest extent.

OSG encountered several credit unions that were not sold on the notion that the member statement held any apparent marketing or communications value. Credit unions did not seem to have a clear understanding of the marketing potential and profitability their monthly statement could generate. It was seen by some as just a regulatory-required document with limited interest and relevance to its members. Since member statements lack an urgency that is inherent in an invoice, it was seen to have a different audience and therefore did not have marketing potential. Although some credit unions occasionally sprinkled in some membership and promotional information, it was typically not viewed as a dedicated marketing or communications tool that could drum up new business or offer membership news.

This general indifference to the member statement prompted OSG, in conjunction with Sales Engine International (SEI), to conduct a survey to uncover the attitudes and beliefs held by members regarding their member statements. OSG was specifically interested in determining open rates, read rates, and if the statement

encouraged additional purchases and added increased revenue potential.

Respondents to the survey revealed higher than expected open rates for electronic and paper statements indicating that credit union members are, unquestionably, interested in the information it contains. The survey revealed that 32 percent of credit union members open their electronic statements and 75 percent of members open their paper statements. Those members who indicated they did not open their statements confirmed that they were still interested in the statement information – they just obtained it through other channels such as the ATM machine, the credit union website or their smart phone.

What was equally encouraging as high open rates was the time spent reviewing the statement information. An impressive 73 percent of respondents answered that they spent one minute or more reviewing their account information. In addition, 25 percent of members responded that they purchased an additional financial

product such as a loan, or opened a new account or credit card based on the promotions contained within their statement. So imagine how much of an impact credit unions could make if they actually made a deliberate attempt to consistently market and share information with their members?

If one of the biggest challenges financial institutions face is how to consistently and effectively communicate with its members, then I think credit unions are missing the boat. The survey conducted by OSG and SEI proves that credit unions have not been taking advantage of the potential of the member statement. Credit unions would greatly benefit from redirecting marketing efforts and resources by utilizing the valuable "real estate" space on their member statement. I believe credit unions should take advantage of this captive audience and use it as an opportunity to not only convey member news and information but to cross-sell and up-sell products and services to their members to grow their business.

But wait, there is more. Credit unions would experience other benefits if they transform their member statement into a transpromo document. Transpromo documents are easier to read and understand which is proven to reduce customer inquiries to call centers. Combining transactional information with relevant marketing messages also saves on printing, mailing, and administrative expenses by eliminating the need for separately mailed out



promotions. Credit unions would also be able to accomplish the following goals using a transpromo document:

- Promote new financial products and services
- Encourage buying and other desired behaviors
- Better communicate transactional information
- Create on-going sustainable customer dialogues
- Inform customers of important branch information
- Save money on printing costs for separate promotions
- Promote member loyalty and retention
- Decrease customer service calls and member questions

Survey results confirm that credit union members are not just opening their statements but taking the time to read them every month. I think now is the time for credit unions to take advantage of the valuable insight from this survey and reach out and communicate and target members using their member statements. I believe that making the most of transpromo opportunities would help credit unions better convey important member information, generate incremental revenue to grow their business, and improve the overall member experience.

