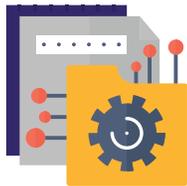


Member Access Pacific

# Portfolio INSIGHTS

Using Data Analytics to Enhance Member Service and Support Decisions Making

## Relevance of Data Analytics



**Data Analytics** – One of the many buzzwords that have been floating around for a number of years now, championed by consulting companies and technology companies both large and small. While it may seem like the industry has moved on to sexier topics like Artificial Intelligence, The Internet of Things, and Blockchain Technology, Data Analytics is still incredibly relevant. Many of the largest companies in the world rely heavily on Data Analytics (and the disciplines derived from it) to serve customers in ways that have never before been possible. This point is especially relevant for credit unions. As member-owned financial cooperatives, credit unions have a unique opportunity to utilize Data Analytics to support strategic decision making and elevate service to member-owners.

## The Importance of Data as a Foundation

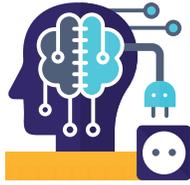


Data can be thought of as records of events. Data can tell us *what* happened, *when* it happened, *where* it happened, and *who* it happened to or for. Cardholder transactional data is a great example of an incredibly robust data set. This set includes:

- ✓ Cardholder Information (Card number, email address, home address, etc.)
- ✓ Transactional Information (Date, time, count, amount, interchange, in-person vs. e-commerce, mobile wallet payments, etc.)
- ✓ Merchant Information (Name, location, etc.)
- ✓ ATM Information (Transaction count, amount, type, terminal ID, etc.)
- ✓ Fraud Information (Common point of purchase, fraud type, transaction count, amount, etc.)

See "Data as a Foundation", continued on next page

## The Power of Analytics in Decision-Making



Analytics encompasses the thought, processes, and computations that turn data into actionable insights. Analytics tells us *why* an event took place. It provides clarity, supports strategic decision making, and can help us anticipate future events. Analytics helps answer questions such as:

- ✓ “We have a partnership with a local merchant and want to run a marketing campaign to encourage our members to shop there. Which of our members should we target for this campaign?”
- ✓ “What is the best time of year to run a campaign to increase usage?”
- ✓ “Who are our most profitable cardholders? How can we build on our relationship with them?”
- ✓ “How do we evaluate placement considerations for a new standalone ATM?”
- ✓ “How effective is our current Early-Month-On-Books (EMOB) strategy?”

While the above questions are not incredibly straight forward, answers to these kinds of questions are attainable with the help of smart Analytics. The power of Analytics lies in its ability to help businesses answer complex questions, questions that are often open ended and born out of strategic planning demands.

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## Data as a Foundation

When examined over a period of time, the type of data described previously can be used to help credit unions attain a deeper understanding of members' spending behavior. It can be used to help solve problems, combat fraud, and answer questions such as “How much interchange revenue did we generate last year?”, “What merchants do our cardholders shop at most?”, “Which of our ATMs experience the most foot traffic?”, and “How much fraud did we experience last year?”

While data provides us with information that helps us understand **where we've been**, Analytics provides us with direction that helps us understand how to get to **where we want to be**.

## Strategic Considerations



In order to take full advantage of Data Analytics to help your credit union achieve its goals, it is key that requirements and expectations be clearly defined. Data Analytics is a very powerful tool that should have a place in your credit union's overall business strategy. Solidifying your institution's Data Analytics strategy and overall short and long-term goals before heavily investing in Data Analytics is a worthwhile endeavor. This will help ensure that your Data Analytics program is intentional and drives your institution forward.

## The Importance of Data at MAP's Fraud Forum

Learn more about this topic at MAP's Fraud Forum on August 23-24, 2018 at the Hyatt Regency Lake Washington. Terrance Phillips, MAP's Portfolio Analyst, will be speaking about the importance of data for developing deep and actionable insights at your credit union.

Learn more and register online at [uConference18.com](http://uConference18.com).

