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 **EARLY CONCEPT DOCUMENT**

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## **CONCEPT DOCUMENT**

# **[Social Cowboy]**

### **TEAM MEMBERS**

**Adam Marlowe, Georgia's Own Credit Union**

**Jim Simon, TCM Bank, N.A.**

**Steve Webb, Neighbors Federal Credit Union**

**Angi Harben, Georgia Credit Union Affiliates**

## PROBLEM DEFINITION

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How does my organization distinguish itself within the social media frontier?

Social media (i.e. Facebook, Twitter, Tumblr, Blogs, etc.) has become an increasingly important window into trends, risks, and opportunities within the financial services marketplace. However, until now, it has been difficult to filter the cacophony of data associated with social media into actionable information that will benefit current and prospective members.

To validate the problem exists, ask a typical Credit Union whether or not they have a social media strategy. Most will answer that their organization has a Facebook or Twitter Account. Next ask them to quantify the benefits that they have derived from the use of Facebook or Twitter. Most are unable to provide tangible proof that their social media strategy has been a success.

## INNOVATIVE SOLUTION

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Leveraging the technology of Crimson Hexagon, Social Cowboy goes out into the social media frontier, rounds up the data you request, corrals that data, and then allows you to brand it before releasing it back into the frontier. Think about the competitive advantage you could gain if you knew what was being said about your organization, group, or your competition within the social media world. Not only would you know what topics were the current "hot buttons", but you would also know the "buzzwords" being used to discuss this topic. With this information in hand, you could tailor your outbound communications/responses in the social media realm to speak the "native language". This dramatically increases the chances your message will be viewed as authentic and more readily resonant with your intended audience.

## PROTOTYPE

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As part of our research into this solution, we created three monitors (a.k.a. Cowboys that went into the frontier to corral the data). These monitors covered "Understanding the mortgage lender decision", "Taxation of Credit Unions" and specific feedback for Georgia's Own Credit Union (one of our pilot credit unions).

## TEST

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The monitors provided us with the following insights:

### Understanding the mortgage lender decision

Our first monitor asked what drove applicants to a particular mortgage lender. What did they like and dislike about the process? What information was needed to help them make a decision? The results highlighted several items as follows:

- Perception that the settlement process was long and drawn out
- Underwriting for those whose credit was impacted by the Great Recession was still an issue
- Lack of clear communication from the lender throughout the process

However, the most telling result was that most folks were using social media to gain information about mortgages and the whole mortgage lending process. Knowing these questions as well as the handles of the individuals asking the questions would give a credit union a unique opportunity to begin a dialogue of education with this individual. Once a level of trust has been established with this individual, there is a high likelihood that when the time comes to actually apply for their mortgage, your organization will be their first choice.

### Taxation of Credit Unions

Another monitor was established to understand the conversations taking place in social media around the potential taxation of credit unions. What became clear from this monitor was that the cooperative movement had done a great job of virtually monopolizing the social media conversation in its favor (Don't tax my credit union). However, had the opposite been true, the industry would have gained insight into the pro-tax group's strategy and revised our message on the fly to counter their points.

### Social Media Experience for a Specific Credit Union

Our final monitor focused on Georgia's Own Credit Union, one of our pilot institutions. Georgia's Own has a good amount of volume in the social world. Reviewing the data gathered by the monitor, we discovered a 3% negative sentiment rate existed for this credit union for the time period reviewed. Using the tools within Social Cowboy, the team was able to ascertain and identify the one member (who made the post) that had received poor member service at a branch on a specific date. Moreover, this member shared his concerns with 74 other people in a matter of seconds. Without Social Cowboy, this data would not have been readily converted to actionable information. In fact, this data would have been unknown to Georgia's Own.

## RESULTS, COMMENTS, AND NEXT STEPS

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During the testing of our prototype, we introduced the concept to a member of a Credit Union League. As it turns out, they had been looking for an answer to the social media puzzle for their membership base. After review of our work to date, they have expressed in interest in testing our prototype on a broader scale. Not only will this provide a valuable service to the Leagues existing members, it will provide a strong incentive for non-League members to join the League.

As the pro forma associated with this project indicates, this business model begins to break even on a monthly basis in month six of operation, and becomes cumulatively profitable in month eight. Most importantly, however, is that while this service is initially projected to be offered to organizations that belong to credit union leagues, it will not take much effort to begin offering this service to actual business members of individual credit unions. The ability to offer a subscription based newsletter will also help educate organizations about the trends in social media while also tacitly marketing them to increase their involvement in the League or offering this service to their members.

## ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We support research, innovation, and impact that enhance the well-being of consumers and assist credit unions and other financial cooperatives in adapting to rapidly changing economic, legal, and social environments.

We're governed by an administrative board made up of credit union CEOs, the CEOs of CUNA & Affiliates and CUNA Mutual Group, and the Chairman of the American Association of Credit Union Leagues (AACUL). Our research priorities are determined by a national Research Council comprised of credit union CEOs and the President/CEO of the Credit Union Executives Society.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: "Progress is the constant replacing of the best there is with something still better." Together, Filene and our thousands of supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) not-for-profit organization. Nearly 1,000 members make our research, innovation, and impact programs possible. Learn more at [filene.org](http://filene.org).

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