



WOCCU E-Payments Module: Member Pricing Analysis

How much does it cost your members to access and use the services you provide? How does this cost compare to other credit unions and other finance providers in your region? What services do others provide that facilitate access and usage for their members? Do these services reduce the cost to access their institution or are the costs of these services passed onto the customer?



WOCCU's **WOCCU E-Payments Module: Member Pricing Analysis** seeks to go beyond the fees or costs that a member may incur while completing day-to-day financial transactions. WOCCU seeks to go beyond the surface level costs and understand:



All costs credit union members have to pay to access services;



Credit union member experiences with technology and digital channels;



The current usage of different financial products offered through their credit union;



Their own motivation for using credit union services; and



Any challenges they experience related to conducting financial services



The Assessment Methodology



This tool helps credit unions understand member pain points and motivations – discovering the nature and frequency of member services and major cost drivers:

- What are members willing to pay for vs what is expected but not provided?
- Do members have to travel long distances to complete financial transactions?
- Do members have to close their businesses to complete financial transactions?
- What motivates them to use a credit union, and are there benefits that other institutions provide but are not provided by their credit union?

WHAT WE LEARN:

1 Cost Drivers



- Where is the CU located and what is the primary form of transportation? What costs are associated with travel to and from CU?
- What financial costs are associated/required for specific financial products (e.g. loans, savings, remittances, etc.)
- What time costs are associated with using services through a CU?
- What digital channels are available and which services require in-person visits? What costs are associated with these services?

2 Candidates for Digitization



- What current digital channels are offered? What is their current state of usage? How do members perceive these channels?
- What services are offered through CU? What costs are associated with these services? Are similar digital services provided in country for this service/product?
- What are the main drivers for the adoption of DFS among the member base (e.g. cost, speed, security, etc.)
- What pain points can be addressed through digitization?

3 Member Pain Points



- Are there services offered through other (D)FSPs that are not available through your CU?
- What are the dreams and aspirations of the member?
- Are there services that offer reward/loyalty points through other providers?

When completed in conjunction with our [Credit Union Pricing Analysis](#), we can develop an analysis of how credit unions can target their investments to improve their services offerings and decrease the related costs of serving their members.

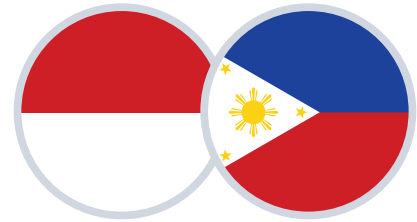


The World Council of Credit Unions combines our technical expertise and intimate knowledge of the credit union movement to provide such a tool and are constantly looking for opportunities to support our network of credit unions expand their digital capacities and reach their desired level of digital transformation.

Snapshot: Indonesia and the Philippines

In Indonesia and the Philippines, WOCCU conducted 55 in-depth interviews with CU members to understand:

- Nature and frequency of their interactions with their CUs
- Costs incurred to access CU services in terms of time and money



Through this engagement, we were able to determine:



CU members interviewed in Indonesia and the Philippines live **an average distance of 9km and 4km**, respectively, from the closest CU locations



Average transportation cost (roundtrip) is slightly less than USD 1 (USD 0.88 in Indonesia and USD 0.96 in the Philippines)



CU members spend a substantial time away from their businesses to visit the branch locations – an average of 88 minutes (Indonesia) and 69 minutes (Philippines), including travel time and time at the branch



That said, members do not have to travel to the branch often. CUs have well-developed teams of field collectors for loan repayments and deposits. While most members must visit the branches for loan disbursements, only approx. 40% travel to the branch 1-2 times per month (in both Indonesia and the Philippines); the rest visit the branches less frequently (quarterly, semi-annually)



Bill payments, on the other hand, presents a large pain point for members – 74% of members in Indonesia and 68% of members in the Philippines travel in-person to the biller's location to pay bills