

# The true cost of growing member relationships

Learn what it costs for credit unions to acquire new members — whether through opening and operating a new branch or investing in best-in-class digital tools.

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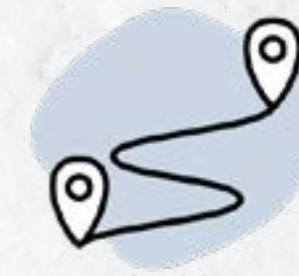


How much does it cost to acquire new members? This is one of the most important questions for any credit union, yet the answer can vary widely depending on the channel.

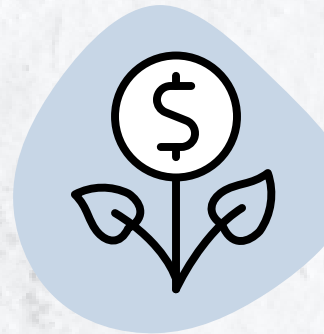
Member acquisition cost (MAC) is a complex metric, including all steps from building awareness to nurturing leads to converting prospects. In this guide, we'll examine the relative efficiency of digital and physical channels so you can make the best choice according to your institution's goals.

Here's the bottom line: brick-and-mortar branches are expensive to open and operate. Even once they're up and running, it can take years to break even. Credit unions typically invest from \$2 million to \$4 million on average to open a new branch. Branches then cost an average of \$400,000 per year to operate, though costs can go significantly higher in urban areas.<sup>1</sup>

## Key insights



**Member acquisition cost is a complex metric, including all steps from building awareness to converting prospects.**



**Digital channels offer efficiency and growth potential, improving individual branch value and reducing the need for additional branches.**



**Compared to building a branch, online deposit origination is a less costly and more effective way to acquire new members.**

## What is the MAC of brick-and-mortar branches?

Brick-and-mortar branches are also slow to turn a profit. They often take years to break even, all while requiring four to five FTEs to manage day-to-day operations.

How can credit unions continue to grow even as physical branch numbers shrink? One strategy is to supplement existing branch networks with high-performing digital solutions. This omnichannel approach, in which digital and brick-and-mortar resources work together to serve members, has the potential to expand the footprint of each branch, grow accountholders, and improve employee efficiency.

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# Here's why digital solutions work

Consumers today consult an average of nine different sources of information over a 60- to 90-day period when shopping for a financial product.<sup>2</sup> Most of this research occurs digitally. Therefore, it's vital for your credit union to have a user-friendly and brand-consistent online presence. In particular, members should be able to easily open an account online.

Omnichannel deposit origination enables credit unions to acquire a much higher volume of new accounts from a wider geographic range than they could through branches alone. With a high-performing omnichannel solution, your institution should expect to open 20% or more of all new accounts online. For many credit unions, that's better than their best-performing brick-and-mortar branches. Plus, since a physical branch costs millions of dollars to set up and run, it makes strategic sense to grow your brand by implementing more efficient digital tools.



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<sup>2</sup> Digital Growth Institute

# How to tell a low-performing solution from a high-performing one

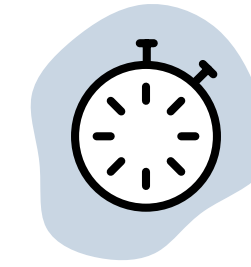
Your digital front door is often the first interaction a consumer will have with your credit union, so it's important to make it count. In particular, it's key for your deposit origination platform to be fast and easy to navigate.

A high-performing solution will minimize the time and number of steps it takes to open an account digitally. To accomplish this, the best platforms offer:

- A sub-3 minute application experience
- Automated KYC and ID verification capabilities to minimize delays due to manual application review
- Instant account verification (IAV) to speed up the funding processes while reducing the risk of fraud
- The ability to save and resume an application at the applicant's convenience

These measures can help your institution reduce member churn and lower MAC in the long term. In fact, with the ability to onboard more members in less time, the right digital tools can reduce branch density with no drop-off in member satisfaction.

## 4 signs of a high-performing solution



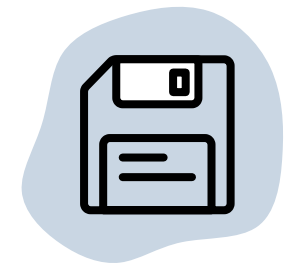
**Sub-3 minute**  
application experience



**Automated KYC and**  
ID verification



**100% of accounts**  
funded on approval



The ability to **save and**  
**resume** an application

# Discover the most cost-effective way to acquire new members

If you compare the expense of opening a new branch to that of implementing digital account opening, it's clear which one is more cost-effective. Not only is onboarding new members with digital tools more affordable, it also helps credit unions meet consumers where they are, thus improving member satisfaction.

Ultimately, high-performing tools offer credit unions a shortcut to reduce MAC, boost digital presence, and make the most of every marketing dollar.



Looking to grow more relationships?

Schedule a demo at [mantl.com](https://mantl.com) or send us an email at [sales@mantl.com](mailto:sales@mantl.com).

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