

This is the Beginning of a Beautiful Relationship or Increasing Engagement with a Reciprocal Contract



BE Solution: When members enroll, ask them to sign a reciprocal contract that outlines the benefits you offer to participants and your expectations for how they should behave as members of your credit union.

Background

Reciprocity is a powerful motivating force. A reciprocal contract aims to leverage feelings of reciprocity by highlighting an exchange of value between the member and the credit union. At the same time, a reciprocal contract clearly articulates what is expected of the member and communicates how “normal” member act, signaling to new members that lower engagement is not the norm. The Common Cents Lab tested the reciprocal contract in the context of increasing transactions at a credit union and saw transactions increase about 70% for members that signed a reciprocal contract. Additional suggested uses include adoption of online banking or uptake of electronic statements. This project is for any credit union that wants stronger engagement with their new members.

Project

Understood Productions will assist you with developing materials specific to your credit union, implementing the project, and helping at key points throughout the process, including:

1. Identifying the key behavior(s) you want your clients to improve.
2. Developing your reciprocal contract.
3. Designating which branches or locations will participate in the project.
4. Determining the right sample size and randomly assigning new members at these branches into a treatment group or a control group. The “treatment” group will be asked to sign the reciprocal contract. The “control” group will experience business as usual.

Outcome

Track the occurrences of the key behavior(s) for 2-4 months, depending on your project. After that time, calculate what percentage of people that signed the contract engaged in the key behavior. Then, compare that with the percentage of the people who did not sign the contract engaged in the key behavior(s). Understood Productions will help you conduct the analysis.