

# On the Mark

Helping you **mark** your credit union for success



Marketing Matters

Tips from the Top

Resource Review

Remarkable Reads

Website

## Marketing Matters

# Technology Strategies and Trends

*An excerpt from a recently published white paper*

**“eEmerging Technologies and Mobile Marketing” by Mark Arnold identifies the latest trends in technology, analyzes eight of the most cutting edge emerging technologies and identifies best practices for each one. Plus, you’ll find implementation tactics and other practical information to improve technology at your organization. Purchase before January 15th for just \$20 (a 30% savings on the regular price). Ordering instructions are below.**

**W**e live in a mobile society driven by technology. People are constantly on the move and using new technology every day. Almost everywhere we go, we see people with some type of electronic “leash” - blackberries in their hands, wireless earpieces for cell phones on their ears or computers on their laps. Go to a big city like Washington, D.C. and there’s more people walking around with MP3 players than without them. Even Wrigley field in Chicago – home of the Chicago Cubs - has a skybox complete with a business center so people can stay connected during a game.

As we continue to have information more readily available, consumers are expecting their financial services to fall in line with emerging technologies. A recent survey revealed that 92% of consumers want mobile devices to combine with the Internet, kiosks and ATMs to improve overall service experience. That makes it more important than ever for financial institutions to employ a strategy which is flexible to the adoption of new technologies.

## Statistics

In a recent *Credit Union Times* online poll, 45 percent of participants ranked “keeping up with e-commerce and emerging technologies” as the biggest challenge facing credit unions. Industry-wide, it’s a safe bet that almost everybody has emerging technology on their radar. If they don’t, they should, because it isn’t going away. Consider these statistics:

- The anticipated annual growth rate for IT spending is 5.8% for financial institutions.
- 50 percent of credit unions with web sites believe their site has helped them attract or retain members, while 30 percent to 40 percent said their site has increased sales penetration of existing products and enhanced sales of new products.

- Online traffic at financial service sites has increased roughly 150 percent since 1999. This is more than twice as fast as the rate of overall Net usage.
- 50 percent of U.S. Households use online banking and bill pay.
- 58 percent of adults conduct online research before making a purchase.
- There are 240 million cell phone subscribers – 80 percent of the population.
- 84 percent of 18-24 year olds use their phone for something other than calls.
- 44 percent of the active Web population visits financial web sites and surfers spend more than 21 minutes browsing financial and investment sites.
- If MySpace was a country, it would be the ninth largest country in the world. There are more than 25 million unique MySpace users and on average, and MySpace has 11.6 billion pages viewed per month (displacing eBay as the fourth-busiest site on the net).

The statistics go on and on, but it's not just about statistics. Understanding trends associated with technology is key to creating a technology strategy that is win-win for both credit unions and their members.

### **eMerging Technologies and Mobile Marketing**

"eMerging Technologies and Mobile Marketing" examines:

- Technology Strategies and Trends
- Emerging Technologies
- Benefits and Best Practices
- Implementation Tactics

The information contained in this white paper is valuable whether you're developing a technology strategy or refining one. It analyzes eight of the most cutting edge emerging technologies - such as live chat support, social networking and search engine optimization - and identifies best practices for each one. Plus, you'll find implementation tactics and other practical information to improve technology at your organization.

**Order the entire white paper here by e-mail.** In addition to the name of the white paper, **eMerging Technologies and Mobile Marketing**, please provide your name and mailing address. An invoice will be enclosed with your order. The practical information contained in this paper can truly change the way you think about technology at your organization.

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Notes:

[http://www.pewinternet.org/trends/Internet\\_Activities\\_2.15.08.htm](http://www.pewinternet.org/trends/Internet_Activities_2.15.08.htm)

Online Banking Report

[http://www.pewinternet.org/pdfs/PIP\\_Users.and.Cloud.pdf](http://www.pewinternet.org/pdfs/PIP_Users.and.Cloud.pdf)

## Tips from the Top

**T**erry Young directs the marketing, public relations and communication efforts of Southwest Corporate Federal Credit Union. He is responsible for promoting Southwest Corporate's image as well as its products and services. Terry is active in the credit union marketing community and serves on the Public Relations Advisory Committee for the Association of Corporate Credit Unions. Prior to joining Southwest Corporate in 1999, Terry spent more than a decade with the Texas Credit Union League, where he led communications and award-winning public relations efforts. A 1976 graduate of Ohio University, Terry has also been a reporter and feature writer for the Cincinnati Post, the Dallas Times Herald, and the Los Angeles Daily News.

**Q. You are a public relations guru. Many people aren't clear on what public relations actually is. How do you define P.R.**

**A.** I wouldn't say guru. I'd say survivor. After some years in this business, I've come to believe the goal of excellent public relations goes beyond communicating a positive message; it should also create an aura of expertise, build confidence and convey a feeling that inspires customers to want to experience more of what your organization is offering.

PR is one part intuition and one part process—part art and part science. The art part is recognizing nuances and understanding society trends. The science part is knowing the inner workings of the media and understanding the communication process. All of this, of course, is continually evolving.

A simpler and more concise definition of PR was given to me years ago by Dick Williamson, who I consider my mentor. "PR," he said, "is doing good and telling people about it." Incidentally, he also said that PR stands for Purchase Refreshments, but that's another story.

**Q. You spent years as a reporter. What tips can you give credit unions looking for "newsworthy" items within their organizations?**

**Q. What can credit unions do to get their message in the press more?**

**A.** Credit unions can get more news by paying more attention to the news. Use the events of the day, or the trends that shape the week to help position the credit union's people-helping-people mission. Are you helping soldiers? Are you helping people who are losing their homes? Are you helping students get through college? All these people are being affected by what is happening in the news.

Getting your message into the press more also requires knowing your core message up front and being ready to "package" it for the media. Get your core message pre-approved so that you can act quickly when a news hook comes around. Then know who to pitch it to.

This all requires advance work. Getting news should be planned. If it is spontaneous, that likely that means the media is showing up at your door, and that might mean it is a crisis communication event.

**Q. You recently did a presentation on "Frankenstein Marketing." In a nutshell, what do you mean by Frankenstein Marketing.**

- A.** I had the opportunity to work as a reporter in Cincinnati, Dallas and Los Angeles. It was a fun and interesting job. But at the end of the day, it was still a job. I needed to gather information, write it clearly and cleverly if possible...and I had to meet deadline after deadline.

Some PR people were helpful as I tended to my job. They were ready to provide understandable background information, a contextual overview and access to sources who had interesting things to say. I remember those who were helpful to me when I was a reporter and feature writer. And I remember **how** they were helpful. I try to emulate that now.

What I often suggest now is to find human interest stories, stories of help and changing lives. It is also useful to provide experts to help your members or potential members—or consumers in general—understand finances, the economy, budgeting, buying a new or used car, financing education, teaching kids how to use debit cards, etc.

Do you have anyone who can offer expertise on these subjects? If so, you've found newsworthiness in your office.

- Q.** **What tips would you give credit unions working on their messaging or branding?**

- A.** First and foremost: keep it simple. There is so much clutter in the world. People generally screen out complex messages. In the credit union business, we often get caught up in our industry's jargon. Don't use it in your communications. Members could care less about HELOC...but they are interested in HELP. They need HELP. They understand HELP. HELOC sounds like a disease.

- A.** It's all about making something out of nothing. Dr. Frankenstein intended to create life, but his plan went awry. In a sense, marketers are charged with making something out of nothing... creating awareness or success where there was none before.

The point of the presentation is to help attendees bring marketing alive, without creating a monster. The best part of my presentation is that no chemicals or electrical storms are required.

- Q.** **How do you sell the CEO that marketing is important.**

- A.** Marketing is about putting your company and your products into the minds of customers. If they don't think about you, they are not likely to use you.

Without marketing, I can't see how a company can succeed in today's competitive environment. If your CEO wants the credit union to grow and succeed, marketing can help.

Once you've settled in on a message, use it over and over in all your communication channels. Be consistent. You will get sick of the same old message. Others in your office will get sick of it too. But you see and hear and feel it far more often than your members. Don't get me wrong. You do need to change the message and refresh it, but do so at a slow pace.

What you communicate often becomes part of your brand, whether you like it or not. If you communicate too many messages, your customers will be confused and won't know what to think about you.

Be simple. Be consistent.

**Q. Story telling is becoming more important in communicating messages. How can credit unions best tell their story?**

**A.** First, know what your story is. Write it down. Does it have the components of storytelling we all learned in grade school? A beginning? Characters that change? An interesting twist? A climax? An end? If what you've written down does not have most of these components, try again. Telling people you offer loans is less interesting than hearing about how several people were to borrow money to solve problems, put kids through college, or go on a vacation.

As you compose your story, ask questions. Is our new building eco-friendly? If so, that might be an angle to explore. Did one of your staff members volunteer to help a grade school? What did they do? Does your new deposit service save time? And if a customer uses it a couple times a week, how much time can they save

Most of us share the challenge of encouraging our CEOs to value marketing and allow it support the credit union's growth. The simplest way to foster that encouragement is to produce one successful marketing campaign, followed by another.

Most kids, when trying a strange and different food, will nibble on it first. If they like it, they will eat the whole thing. If it is really good, they may even ask for more. The lessons of our youth often still apply. Look for opportunities to create small successes. Showcase them, and ask the CEO if he or she wants more successes. Deliver success, not marketing.

**Q. You've visited with Joseph Pine (strategic thinker and author of *The Experience Economy*) and read his books. How can credit unions make a better experience for their members.**

**A.** If you haven't read the *Experience Economy*, I recommend it to your attention. It does a good job of explaining what consumers (i.e. your members and potential members) are seeking. In a world where low price is commonplace and expected, delivering an unexpected but engaging experience stands out. As Joe Pine and his writing partner James Gilmore point out, people will pay extra for that kind of an experience.

When people are making choices about where they want to do their financial business, things like real service and real information create an engaging exchange that can lead to trust, which is something people like when dealing with money issues. You can't get trust from a brochure. People create it, so the experience is

in a week? Keep digging for more information to make your story richer, more compelling.

When a person comes to you and says they went on vacation, you usually respond, "where?" You want details if you are going to continue listening. So, as you facilitate storytelling about your credit union, provide details. If it is an interesting enough story, other people will repeat it. Then you've got that word-of-mouth thing going.

And one final thought on this subject credit union members are far more interested about hearing about themselves than you. So if you can frame your stories around them, all the better. Fill your lobby with easel boards of testimonials with pictures of your members.

people-centric.

I think of the big box hardware store. It is filled with low price hammers and screwdrivers. But not only is it tough to find help in the store, few if any, can give you advice about how to fix something. I prefer a small hardware store where someone can take a few minutes, listen to your challenge and then wisely counsel the right tool for the right job.

It does take time. But aren't we in the people-helping-people business? Advocate the thoughtful creation of a positive experience. It will get noticed.

## Resource Review

# swcorp.org/Resources

**M**arketers rejoice! If you're still looking for an answer to that age old question – how do you measure return on investment on a marketing campaign? – Southwest Corporate Federal Credit Union has it mapped out for you - **FREE**. Go to [www.swcorp.org/Resources](http://www.swcorp.org/Resources) and scroll down to Cost Analysis Worksheets.

There are several spreadsheets available for download which are pre-formulated to do the math for you. Simply fill in the numbers for each line item based on the promotion's goals and objectives. You can analyze your campaign in three ways:

[Promotions analyzed by dollars](#)

[Promotions analyzed by numbers](#)

[Promotions analyzed by dollars, with previous negative growth](#)

These cost analysis worksheets are so comprehensive, they leave nothing to chance. Some calculations will plug automatically based on numbers you input elsewhere, and there are even notes for each

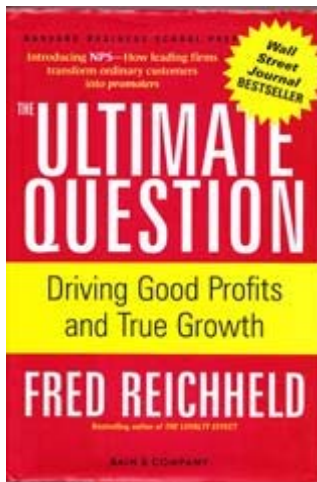
**“For many, marketing is to math like oil is to water. Marketers often struggle with campaign measurement. But as the economy continues to slump, measuring your success is more important than ever.”**

category which explain where to find the numbers to plug in. For example, a cell on the spreadsheet for “promotions analyzed by numbers” suggests checking with your accounting manager or even on your credit union’s call report. It then tells you where to find that report online.

The worksheets were designed using information from CUNA’s “Credit Union Marketing Handbook” written by Constance Anderson. Additional assistance was provided by myself and Pam Hensley, A/LM & Lending Manager for Southwest Corporate Federal Credit Union.

For many, marketing is to math like oil is to water. Marketers often struggle with campaign measurement. But as the economy continues to slump, measuring your success is more important than ever. You now have the tools to do that, compliments of Southwest Corporate Federal Credit Union.

### Remarkable Reads



**W**hat is the most important question you can ask your members? If you remember our last *On the Mark* edition, you know it’s, “How likely are you to refer a friend or family member?” We also gave an analysis about the net promoter score. This key concept deserves more examination, and you can do that by reading *The Ultimate Question: Driving Good Profits and True Growth*.

Author Fred Reichheld offers principles for why the ultimate question works, how to measure responses and how to use the ultimate question to grow your business. This *Wall Street Journal* bestseller provides great ideas on distinguishing good profits from bad profits, moving customers (members) from just being “satisfied” to being “promoters” and using the net promoter score for both strategic and tactical decisions.

The book emphasizes that earning growth through loyalty is a better way to grow, than earning growth through buying it. In other words, it’s better to grow through your existing member referrals than paying a killer CD rate and buying “hot” money. We also must not just talk about and emphasize service but truly provide it to our members. One of the book’s best quotes is:

*“Ninety-six percent (of companies in a recent survey) said they were ‘focused’ on the customer. Eighty percent believed they delivered a ‘superior experience.’ But when we asked customers in another survey to rate the providers of goods and services that they bought from, they only gave 8 percent of companies a superior rating. This ten to one ratio suggests a startling gap between those who think they’re doing right by the customer and those who truly are. It’s just this gap that the Net Promoter Score can help close.”*

That sums things up pretty well. Many of us in credit union land are trying to compete on service. But are we really succeeding at

doing so? Reading *The Ultimate Question* will truly help you re-think how you do things at your credit union (hours of operation, tons of fees, etc.). There were many parts of the book that challenged some of our credit union's strategic and tactical decisions (which is a good thing).

I can't say enough about how good the ideas in this book are. There are many pages in my copy that are underlined, check-marked and circled. Grasping and implementing the net promoter score will help your credit union succeed.

This is an easy read. The book is not too long and the concepts are easy to grasp. You should walk away from reading it with some great strategic ideas for the upcoming year.

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