

On the Mark

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



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Who Cares What Your Branches Look Like? *You Should*

There's a reason why successful companies spend hundreds of thousands of dollars on retail marketing. Plain and simple, image sells. Why? Because your retail environment -- the way a facility looks and feels -- is directly related to the total member experience.

Think about Starbucks. Ten years ago, did any coffee drinkers in their right minds think they would ever pay \$5 for a grande cinnamon non-fat latte? Probably not, but Starbucks isn't just selling coffee. It's selling an experience. Each cup of java is brewed to customer specifications while they socialize with friends or read the newspaper on comfy living room furniture. It's the same scenario whether the shop is in San Diego, Miami or anywhere in between.

If busy people will pass by three or four drive-thru windows, get out of their cars and wait in line sometimes five minutes or more on their way to work just for a cup of coffee, is it possible that they would pass the same number of financial institutions to get to yours? Sure -- if the experience fits.

Retail marketing and brand strategy go hand in hand. Your brand strategy should touch every part of your operation, from the way your branches look and feel, to the message you're promoting, to the level of service you provide your members with every transaction. Just like your marketing message should differentiate you from the competition, so should your visual impression.

"Retail branches deliberately convey the message that members are welcome to come inside and explore credit union services. If members are in a hurry, they can be steered to self-service technology. If they're willing to talk, retail branch employees are eager to engage them in a discussion about what the credit union can offer," said Mark Weber, president of Weber Marketing Group, in Darla Dernovsek's [white paper](#) entitled *Retail Branch Design*. Weber Marketing Group is a national leader in the fields of financial branding and retail branch environments.

In the past three to five years, credit unions have done some innovative branding to make their branches more retail-oriented. Some have started small with play areas and related branding that occupy children while their parents conduct business. Others are adding juice bars and internet kiosks to attract college-age members. Some credit unions have classic cars emerging from walls and meeting areas dressed up like 1950s-type kitchens.

A branding expert was recently working with the CEO of Toys R Us. One of the first things he did was take the CEO to a Toys R Us location and into the bathroom. He turned to the CEO and said, "Would your wife feel comfortable going to the bathroom in here?" and walked out. Even the way your bathrooms look and smell affects your brand and your members' experience. Try giving your branches the bathroom test.

“Every aspect of branch design can influence interaction with members. Issues to consider include creating a “look and feel” that can be carried through multiple branches; the flow of members through a branch facility; the placement of the teller counter; and the use of self-service technology. Design also plays a valuable role in creating and reinforcing a consistent brand that builds awareness of the credit union and its services,” writes Dernovsek in her white paper.

Many credit unions are now adopting a branch layout patented by Washington Mutual in 2004. The Occasio design abandons the traditional teller windows in favor of concierge stations – thus removing the physical barriers between the members and credit union employees. As a result, the environment becomes more relationship oriented instead of transaction oriented.

Credit unions have evolved significantly in the past decade, and the competitive arena has changed. The good news is you don’t have to be a retail giant to compete with one. You do, however, have to ask yourself some pertinent questions and be honest with your answers. What type of experience are your members getting from your branches? How do your branches look and feel? Do they match your brand? What about the bathroom test? Would you send your family members to your branch restrooms? Look at your branches from your members’ perspective. You might be surprised at what you see.

Tips from the Top

Constance Anderson is a nationally recognized credit union marketing expert and founding partner of Credit Union Brand Point (www.cubrandpoint.com). She is an instructor of marketing for the CUNA Marketing Management School. She is co-creator and presenter for the CUES School of Sales and Service. She has also spoken about credit union marketing to the national conferences of NACUSO, NASCUS, the CUES Center for Applied Management, and the National Youth Involvement Board. Constance is the author of four marketing books including *The Credit Union Marketing Handbook* published by CUNA & Affiliates and *A Fresh Perspective on CRM*. She works with credit unions of all asset sizes to create strong brands in a crowded market - including linking the brand to sales and service culture development - which she provides in partnership with MNA. Constance holds an M.A. in marketing communications.

Q. You literally wrote the book on credit union marketing (*Credit Union Marketing Handbook*). What are the two most important things credit union marketers should know?

A. Intuition and analysis. On the intuitive side, marketers have to have a “feel” for their membership and for market trends. Great marketers are always looking out for the latest consumer trend. Intuitive marketers will recognize those trends early and build great products around emerging consumer needs.

On the analytical side, marketers need to continue making a case for more marketing dollars. Retailers invest eight to 10 percent of gross sales into marketing. Most credit unions are still investing one to 2 percent. If credit unions want to move to a retail model—and I think we should—we’ll need to think and act more like retailers.

Q. What are two new issues or points you would add to your credit union marketing handbook today?

A. Branding and the integration of marketing and sales. When I wrote the book, credit unions were still trying to cover the basics - product development, pricing, targeting and budgeting. Today, they are more sophisticated and recognize the long-term return on investment in brand development.

In terms of sales and marketing, affordable CRM (customer relationship management) systems provide the technology we need to integrate these functions much more effectively. They need to exchange information in a way that creates a loop for relationship building.

Q. Besides your book, what is your all time favorite marketing or business book and why?

A. *Focus* by Trout and Ries. I think they were ahead of the curve with that book. In an era of narrow niches, concentrating on what you do best is critical—especially for small players who have to go up against much larger players. Think of Jet Blue's success. They have a tremendous amount of focus. In the 1990s, credit unions achieved a great amount of growth by expanding product lines and building delivery channels. Now we have to find a way to parlay all of that into a brand that clearly differentiates us from our competitors.

Q. You've successfully helped credit union marketers for years. What trends on the marketing horizon do you see that we should all be aware of?

A. I think you'll see a lot of innovation in terms of financial products and delivery of those products. Price is quickly becoming a non-issue, so the race is on to create a true value-added product or service. We haven't had to do much of that in the past, but our big competitors—Capital One, for instance—are doing it already. The great news for credit unions is that we can bring products to market much faster than the industry giants.

Q. You are now doing a great deal of sales and service training. How do marketing and sales and service go together?

A. We really need to work together on real relationship building strategies. If business development signs up 30 new employees at an orientation, we need to have a sales strategy for getting these people into more accounts. Credit unions are doing a lot more outbound calling than they did in the past.

Q. Some experts are saying financial institutions are now competing as retail organizations. If that is the case, what can credit unions do to look more like retail organizations?

A. We have to build a sales and service culture and hire people whose primary task is to build relationships with members. Then, we should add more support staff to do the administrative tasks. Instead of trying to find people who can both sell and take care of the details, we need good retail people who are supported with technological and human resources.

Along with that, we will see the evolution of branch managers into business developers. That is already beginning to happen in some credit unions. Branch managers should be developing relationships with small businesses, SEGs, and loyal members.

Q. What is the greatest challenge facing marketers and credit unions today and how can we overcome that challenge?

A. Differentiating the credit union in a world where consumers have a choice of over 5,000 financial service providers. We can overcome it through branding and product innovation.

Q. What is the difference between sales and service or are they the same?

A. It depends on the model you are using. If sales means pushing the product of the month, then I think most consumers would say that is something different than service. On the other hand, if selling means identifying a member's need and recommending a solution, then I think

most consumers would say that is services. That's why I teach needs-based selling.

Q. This is the time of year when many credit unions are beginning to think about their long-range plan and planning session. What practical tips would you give credit unions to improve their planning process?

A. Add more external and internal feedback loops. The more data we have—whether it's the latest member survey or an employee satisfaction survey -- the greater our ability to craft a good plan.

We also need to monitor the competitive environment very closely. Too often, the Board of Directors gets together in a weekend retreat and tries to plan in a vacuum. The most important role the marketer can play is to bring a lot of information about the external market into the meeting room.

Resource Review

Marketingprofs.com - Marketing know-how from professionals and professors

It only takes a few clicks on your first visit to www.marketing.profs.com to wish you had known about this site sooner. It is packed to the brim with all kinds of information that is updated regularly. The only thing you might not find is enough time to peruse this site the first time around. There are blogs written by the experts, forums where you can interact with other marketers, a section advertising marketing jobs and what seems to be endless information divided into 15 key topic areas.

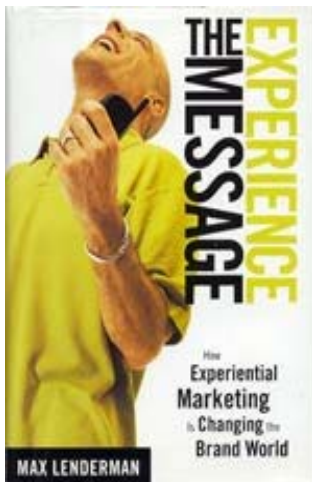
There are plenty of free articles that you can access with a simple username and password, but the true value of marketingprofs.com is having access to anything on the site (except seminars) for just \$49.95 a year. This site has hundreds, and maybe even thousands of articles on just about any marketing topic you may be looking for, as well as topics you might not even think to address. For example, has your credit union ever thought about blog advertising? According to one article on this site, "blogs provide advertisers an excellent opportunity to reach a devoted audience niche" at "obscenely cheap" prices. It may or may not be the right choice for you, but the topic is one that many other marketing sites don't even speak to. Find information on branding, e-mail marketing, selling, web site usability, and so much more, including one we can't get enough of - marketing metrics.

“Drawing on both the cutting edge marketing know-how of a broad array of analysts, marketing professionals, and professors who create marketing know-how and can bridge the gap between cutting-edge theory and business practice, we cut through the marketing hype and puffery that has become so prevalent in the Internet age.”

As if that's not enough, there are several places on marketingprofs.com where you can view the top 10 marketing how-to's (including a seven-step, one-day marketing plan) and the top 10 hottest articles. The site also offers countless webinars for as many people as you can gather around the computer, for as low as \$99.

Even the seasoned marketer has something to gain at marketingprofs.com. Sign up for your free or paid membership for access to some of the best marketing know-how around from both professionals and professors.

Remarkable Reads



One of the topics we explored in the last issue of the *On the Mark* was experiential marketing. Also known as XM, experiential marketing is defined as a “marketing strategy that seeks to intentionally bring to life and animate the brand promise.” For those wanting to delve deeper into this latest “hot topic,” I recommend reading *Experience the Message: How Experiential Marketing is Changing the Brand World*.

Author Max Lenderman provides some extremely thought-provoking material. He will question just about every traditional marketing tactic you may employ now (radio, newspaper, direct mail, TV, etc.) as “old school.” He will also give great examples of “new school” marketing (buzz, subviral, roach, text, flash mobs, pop-up retail, advergaming, retailment, and casual marketing).

You may not agree with everything he says (I sure didn't), but he will make you think (one of the signs of a great book). The book also helps explore how you can make your business (in our cases, credit unions) more of an experience for consumers. He specifically notes that technology cannot replace the personal interaction. One of the thought-provoking quotes he makes on that subject is:

“...not unlike ATM machines, which were originally marketed by banks in terms of the cost savings that would be passed on to customers. Now they're charging for ATM withdrawals—and deposits. No matter how cool this system is, it will never replace a great cashier who knows how to say hi and make you really enjoy your experience.”

This is a challenging book for any executive wanting to understand one of the latest trends in marketing.

If your credit union wants to strategically focus on “wowing” your members and giving them a great experience, then read *Experience the Message: How Experiential Marketing is Changing the Brand World*.

training • speaking • brand consultant • planning • facilitator

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