

On the Mark

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



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4S Formula - Recipe for Successful Growth

There was a time when credit unions could grow significantly without a lot of effort or marketing dollars. That time has ended, and some credit unions are now struggling to grow. How can your credit union succeed in what has become an extremely competitive marketplace? Some credit unions have used my “4S” formula to achieve their growth:

Brand **S**trategy + Exceptional **S**ervice + Member **S**taff + Consistent **S**eries = Growth **S**uccess

Brand Strategy

Strong brand goes hand in hand with your organization’s success. Why? Because your brand tells your members and potential members what your credit union is all about. A strong brand tells them in six words or less.

Branding is not a one time thing that you mark off your marketing to do list. You should constantly brand your credit union. When a consumer sees an ad for Volvo, they associate the automobile with luxury, safety and security. What do they associate with your credit union?

One way to test the effectiveness of your brand strategy is to ask four separate groups in separate meetings the same question - “What is your credit union about?” Those four groups are: 1) board of directors, 2) senior management or management staff, 3) front-line staff and 4) members. If all four groups consistently provide the same answer, your credit union has a strong brand. If all four groups come back with completely different answers, your credit union has a weak brand. For example, if your staff says your credit union is about service and your members say your credit union never provides great service, there is a disconnect with your brand.

Alexandria USDA Federal Credit Union went through this exercise with me recently. It not only helped them define who they are now, but it gave them direction on how they want to grow in the future.

“Our branding session helped our credit union to understand the importance of knowing who we are and to define who we want to serve,” said CEO Cindy Beauregard. “We transformed a daunting task into a creative exchange of ideas between the executive staff and board.”

Exceptional Service

You cannot play in the branding and growth sandbox unless you have exceptional member service. Why should a member join your credit union? You have to be able to answer that question in 30 seconds or less (that is all the time you have with a potential member).

Like it or not, credit unions are now retail organizations. That is a different mindset, but one we must grasp: we are competing in a retail environment. As a result, your credit union should have a sales and service culture (also a different subject!) in place. If you don’t, you are already behind the competition by a few years. Focusing on exceptional service means training your staff early and often. It also means coaching your managers to lead their employees through exceptional service.

A recent *Wall Street Journal* article noted, "Executives who sincerely want to satisfy consumers should analyze how they rate service reps' performance—and make sure they are actually rewarding good service. They should also train their employees well."

If your credit union adopts a service culture mentality (which it must to effectively reach your members and potential members), it also must adopt a continuous learning environment. Your credit union should have a resource library where employees can check out books, audio CDs of presentations, white papers, etc. to improve their skills. The more your employees learn, the more your credit union will earn.

Member Stories

Why do members love you (or better yet, do they)? It is much better for your members to brag on you than for you to brag on yourself. Let others tell your story for you. Some credit unions collect stories from their members on how the credit union helped them and publish them in the member newsletter. This demonstrates what a difference the credit unions are making in the lives of their members.

For example, instead of listing all the features and benefits (rates, terms, etc.) of our home equity loan in a recent newsletter, we told a story about how one of our members used the equity in their existing home to finance the purchase of the land for their "dream" retirement home in Colorado. The article told their "story" instead of selling the product, making the piece much more compelling to readers.

Your credit union can also use member testimonials in its advertising and direct mail pieces to non-members. It sends a much stronger message when your members are commutating your message for you.

Some credit unions are also having members talk to their staff in training sessions about their member service experience. For example, in a staff training seminar, a credit union can bring in an outside trainer to facilitate a session in which members tell staff what they are looking for in a service type transaction. These sessions provide a powerful method to communicate why credit unions are in business: for our members.

Consistent Series

Marketing your brand is not something you will scratch off your marketing "to do" list. It's something you should do constantly with a consistent series of marketing efforts.

Brand marketing takes place *all* the time - 24/7 marketing. In the past we had marketing calendars; in the future there may not be a marketing calendar because your credit union is marketing all the time.

Marketing to anyone takes frequency. It is not enough to do a one-time direct mail piece or a one-time billboard or a one-time newspaper advertisement. These marketing efforts must be done frequently and consistently.

It also takes a village to market effectively. Everyone in the credit union must make an effort for the organization to succeed. The marketing department's direct mail piece may get potential members through the door, but your products have to be competitive, and the employees in the branch have to provide consistent service with your brand and make the sale.

Credit unions operate in a very competitive environment. This is good, because it gives you the flexibility to grow, when you follow the right formula. One way credit unions can successfully reach their business goals is to follow the 4S formula.

Kenny Kent is the president and owner of Kent Design, an experienced design shop which works primarily with credit unions. Kenny has been a designer for nearly 20 years and has been working with credit unions for 18 years. His work has been recognized with countless awards, including the Texas Credit Union League Marketing Conference Peoples Choice Award for two consecutive years. Kent Design is based in Buda, Texas, just outside of Austin.

Q. You are a design “guru” and genius. How do you know if a design will work or not and how do you know if a design will be effective?

A. Thank you for the compliment. But, honestly, there is no way to know if the design will be effective until after the project is completed and you can track its results. There are so many variables that can go into an effective design campaign.

One thing I have learned over the years is that it's not good enough *just* to have great design. Yes, a successful campaign should start with

great design but it goes hand-in-hand with the marketing and the product being offered. I have often said that a great design cannot sell a 15% auto loan..... no matter who designs it! The truth is, everyone offers the same basic products. It is our job as a design team to create unique imagery for that product to entice someone to look further into it. From there, it is up to the quality of the product and the follow up marketing.

Q. If someone is stuck on a project and needs fresh ideas, what should they do to get their creative juices flowing?

A. Seek inspiration. Team brainstorming is a great solution, but you also have to be open minded. Sometimes listening to other directions and combining the team's thoughts can take you down the road of creative solutions you may not have gone otherwise. Around here we understand that one person can only do the work of one person. When two or three work together it goes up exponentially.

Q. Kent Design routinely publishes award winning credit union newsletters. What makes a great credit union newsletter?

A. Style. If you produce a newsletter that anyone else could do, the client doesn't need you to do it - they can do it themselves. It is a project that comes up at least four times a year. To us, it is not just a newsletter but a work of art. It needs to be informative but it must also be visually stimulating to the reader. It needs to challenge the designer to better himself each and every issue. And, it goes without saying that the design, layout, the art/illustrations, etc., for each newsletter must be non-repetitive, unique and different for newsletters to be successful.

Q. Some of the best promotions and campaigns I've seen in recent memory have originated from your shop. What are the keys to a successful marketing promotion?

A. It has to be clever. Members receive “junk” mail every day from every type of business. The marketplace is saturated with it. That's why our job is to catch the reader's attention. Show them something that makes them think, smile, or interact with the piece. We set the hook of interest and the credit union needs to offer a product that reels them in.

Q. Which components do you recommend the most: newsletters, direct mail, billboards, newspaper, etc.?

A. Every project has different requirements on the amount of collateral material required to propel the promotion. A marketer needs to consider the most important ingredient - budget. Ask any designer. They love to get their hands on any project, but we're different. We understand that one component does not supersede the other. It requires a combination of components that best suits the product.

Q. In your history of working in credit union marketing, what was the best promotion you've ever seen and why was it so effective?

A. Once again it is so subjective. The best promotion is not always the most effective and vice versa. There are hidden elements that are rarely considered when you look at credit union work across the country.

How big was the budget? Did it go over budget? Did it miss deadline? Was it like pulling teeth working with the designer? On the outside, what appears to have been a great promotion may in fact have been a total nightmare for the marketing director and their entire staff. Around here, it is not the end result that we consider the most important aspect of any project, but the entire journey it takes to arrive at its completion.

Q. Design is so subjective—what looks great to one person may look ridiculous to someone else. What makes good design?

A. Many times I have repeated the phrase, "there's no such thing as good design, only higher opinion." What I like might be different from what someone else prefers. So, when we submit our ideas, we only show what we believe in. How many times have you shown something you don't like and it gets chosen? Never pass along work that you wouldn't stand by or don't believe in. Every job you do is a reflection of who you are.

That's why when we work on a project we like to show you what you asked for, what we think you asked

Q. Does good design have to cost the credit union a lot of money and how can credit unions get great design cheaply?

A. What may sound like a lot of money to some credit unions may not be to other credit unions. The real issue is what are you buying exactly?

When we work with our clients, we become an extension of their marketing department. At that point, we are no longer on a client basis but part of their team. When we do a good job, it makes their job easier. If they tell us on a Friday they need to see it Monday morning, they know they will see it Monday morning. What that provides them is confidence and peace of mind, and that is something you can't put a price tag on at all.

Q. If a marketing department is searching for an agency or designer, what should factor into their decision?

A. That is the most important question of the day. I have been doing design and marketing work for credit unions for almost 19 years, and I have seen agencies come and go. Awards do give you that warm fuzzy feeling but it is fleeting. And, an agency would not be in business if it did not have a certain amount of talent. So, find an agency that understands its place in the food chain.

There is the chairman of the board, president, marketing department and then agency. It's that simple. Look for a group that serves your needs... not the other way around. Don't settle on working with a group when it becomes work for you. If you don't look forward to chatting on the phone or getting e-mail from them, the necessary relationship is lacking and work becomes work. We all have enough work on our plates and don't need something like that to add to it.

Resource Review

EverythingCU.com -

A site that lives up to its name

EverythingCU.com is everything its name promises. All content on the site is geared to credit union professionals, and all disciplines within the credit union industry will find something pertinent to their jobs. You can even receive daily, weekly or periodic e-mails with information on:

- Marketing
- HR/Training
- Technology
- Finance
- CEO/Strategy
- Operations/Admin
- Compliance
- MSR/Contact Center
- Lending
- And more

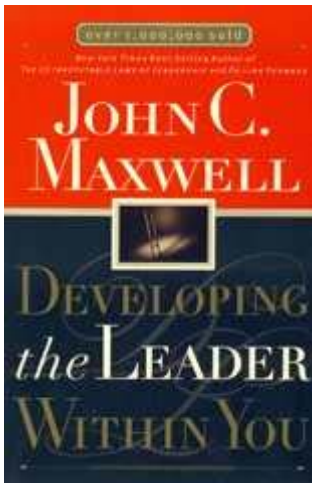
Any credit union professional can learn something during a visit to EverythingCU.com. There are blogs, discussion groups, webinars (available for a fee) and a lot of web landscape dedicated to branding. They call it their branding playground, and it's definitely worth a look.

One of the best features of this site is the EverythingCU community which enables you to blog or otherwise interact with credit union professionals across the country. You can even upload your picture. This feature is particularly valuable for other professionals who may have met you at a conference or other credit union function and can't remember your name, but they do remember your face.

Finally, EverythingCU.com also offers some of its own products and services to help credit unions grow and serve their members. Click on the Gadgets tab to see a switch kit that you can customize for your credit union and a marketing budget report which compares you to your peers using various metrics. There's also a bookstore and information about others services available for a fee. The price is generally determined by your loan assets.

You'll have to register for some features, but registration is free, and that's true value on a site worth paying for.

Remarkable Reads



"Everything rises and falls on leadership," says John Maxwell in his book *Developing the Leader Within You*, a great read for improving your leadership skills. For anyone wanting to enhance not their management abilities but their leadership expertise, this book is a must read. Maxwell has authored numerous books regarding leadership (see *21 Irrefutable Laws of Leadership*), but this is his classic.

Maxwell defines leadership as influence - a simple yet powerful definition. He argues that no one is excluded from being a leader or a follower and that in any given situation, with any group, there is a prominent influencer. Leadership is not about titles—it is about influence.

Developing the Leader Within You devotes chapters to such key issues as priorities, integrity, creating positive change, problem solving, attitude, people, vision, self discipline and staff development. My copy is full of underlines, notes and markings because there is thought-provoking advice on every page. Two quotes especially stand out:

"The first objective of the leader is to develop people, not dismiss them," and *"Love everyone, but give yourself to the top 20 percent in your organization. Encourage the many; mentor the few."* Those points challenge us to be more people oriented and less task focused and to make sure we take time not just to manage the people who work for us but to mentor and teach them.

No one task is more important at our credit unions than developing those who work for us. If our employees succeed, our credit unions succeed as well.

This book resonated with me so much that I had each of my direct reports (who all manage their own staff) read it. We met as a group on a regular basis to discuss the material chapter by chapter. I would encourage you to do the same at your credit union, especially with your management staff.

If you want to improve your own leadership skills, read *Developing the Leader Within You*.

training • speaking • brand consultant • planning • facilitator

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