

CREDIT UNION JOURNAL

The New CU Media

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By Ray Birch

FAIRFAX, Va.-Credit unions and their marketing firms are split on the effectiveness of social media, either jumping on the bandwagon or casting a cautious eye toward the trendy marketing that experts say that despite its perceived low costs requires a careful plan to execute and resources to back it up.

One of the biggest misconceptions with social media, contended national branding and marketing consultant [Paul Lucas](#), is the expenses involved. "Some boards think their credit union can cut marketing budgets by using 'free' social media. Effective use of social media is extremely time consuming, and it takes a long time to build a strong enough presence for those efforts to pay off. It's a good strategy to add to the marketing plan, but it's not an immediate replacement for more traditional marketing efforts."

[Social media](#) requires resources, reminded [Nicolette Lemmon](#), president of [LemmonTree Marketing Group](#) in Tempe, Ariz. "You have to have the writing skills and a real strategy behind your social media efforts, and I think a lot of that is lacking. Too many like to cut the budget, jump in and see what they can do. A growing number of people look at social media as the next panacea, and it is not."

[Lemmon](#) pointed out the actual costs are hidden in human resources. "It's not cheap. According to 'The Naked Truth: Insights from the State of [Social Media Marketing](#),' a webinar from [MarketingProfs.com](#), the time spent working on social media is one to three hours per day, five days a week. Adding social media is another layer that requires time and money to be successful. And for ROI, the ability to track actual loan or deposit dollars is incredibly difficult."

[Carla Bailey](#), VP-marketing strategist for the Plano, Texas-based [Marquis](#), suggested much of the decision to use social media should be based on what percentage of the credit union's membership uses social media.

But in Bristol, Penn., [Hilary Reed](#) VP-marketing at the \$88-million Bucks First FCU, has had great results using social media to boost name awareness. "Social media and viral marketing are the most important elements of our 2010 marketing plan. And they're one of cheapest forms of advertising. As long as we can ride this wave and continue the success we have had, social media will remain a priority for us."

Bucks First has created edgy "commercials" that have gone viral and helped build awareness.

[Kathryn Davis](#), SVP-marketing and HR, at the \$780-million Xceed Financial CU in El Segundo, Calif., said results with social media are driving great one-to-one relationships with members and feedback that's helping Xceed shape more effective marketing. "The comments we are getting on [Facebook](#) are fascinating and insightful. We will start to push out more events and promotions- some that are only available on these online channels-through social media."

In Longview, Wash., [Amy Davis](#), VP-marketing at the \$540-million Red Canoe CU, acknowledged that her credit union is on the fence. "It's not something we have decided to do. I believe you have to have a solid strategic plan for social media. It should not be about just having a Facebook page. It should be about why does the CU have a Facebook page? For our credit union right now, we don't have a good answer to that question."

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