

# CREDIT UNION JOURNAL

## What's Working in Marketing

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By Ray Birch

LONGVIEW, Wash. -Target. Target. Target. [Credit union](#) marketers can't say it enough. What's working best today - and is most cost effective, remind many, is using the MCIF to make sure promotions reach the right members.

It's pretty straightforward, assessed [Lesley Carrell](#), SVP-marketing for the \$680-million Fibre FCU. "Concentrating on getting your existing members to participate more is less expensive than trying to attract new members. The more you can segment your market based on demographics and behaviors, the more highly targeted your offers can be and will be more effective and cost less in the long run."

Marketing efforts simply have to go more toward individuals who have the best opportunity to take the offer, explained [Nicolette Lemmon](#), president of [LemmonTree Marketing Group](#) in Tempe, Ariz. "To me using data-mining tools keeps the budget working as hard as possible, especially to drive lending."

According to [Paul Lucas](#), the economy should not be forcing the move to focused promotions. "In every type of market, in all economic conditions, what works is a focused, targeted, consistent approach to marketing," said the national branding and marketing consultant based in Fairfax, Va. "Stick to quarterly marketing and keep messages straightforward and benefit-oriented. Marketing efforts against current members tend to have a faster and stronger return on investment."

### Other Strategies Working Well:

- Don't under-spend: A cost-effective strategy, stressed [Lucas](#), is to not under-spend, especially during a down economy when advertising costs are actually reduced. Increasing the marketing budget today allows credit unions to buy market share cheaply, Lucas contended.

"If a credit union cannot support media buys that allow a message to be seen and heard repeatedly by their target groups, they should not fund the programs. We are seeing some smart credit unions cut some ads and programs so they can afford to fund core marketing efforts that promote loans and other profitable products and services."

- [Social Media](#): It's relevant, it's green, and if you do it right it allows your members to tell you what they want to hear from you, explained [Kathryn Davis](#), SVP-marketing and HR at the \$780-million Xceed Financial CU in El Segundo, Calif. "We did way more online marketing in the last nine to 12 months than we ever have. We push out offers via [LinkedIn](#), [Facebook](#), and Twitter. Last week we launched a campaign to invite more people to follow us on Facebook, and within 24 hours we had 350 members sign up, and all left comments."

- Pay-per-click: It's cost effective, explained Renee' McKee, VP-marketing and community relations for the \$1.7-billion California Coast CU in San Diego. "The budget is pretty low and you can target. We advertise on streaming radio and we get lots of click-throughs to our website. [Anne Legg](#), VP-marketing for the \$162-million Cabrillo CU in San Diego, said CCU's recent pay-per-click effort that cost \$700 and returned \$50,000 in loans.

- Target competitors: Stealing business from competitors is better than sitting back and waiting for the economy to improve, stressed [Lemmon](#). "For example, offering a 1% rebate on auto loans refinanced from other financial institutions brought in over \$6 million dollars in loans for one client. And that same client is looking at offering incredibly low rates for short terms to attract attention and make more than the low overnight investment rate for excess funds of 0.25%."

- Make members marketers: The \$616-million [Credit Union of Southern California](#) leverages its "raving fan" members. Backed by a strong Net Promoter score, the CU has run checking referral campaigns to engage nearly 50,000 members and make them "word-of-mouth marketers," shared [Michelle Hunter](#), SVP-marketing and development. "More than ever before consumers are turning to friends and family for referrals to trusted financial partners. The results of our referral campaigns have been very positive. In the fourth quarter last year we experienced a 13% lift in the number of checking accounts opened over the same period in 2008. And 24% of these new checking accounts were opened as a direct result of a member referral."

Dupaco Community CU in Dubuque, Iowa, believes in the approach, and that has allowed the \$800-million CU to more than triple its assets in the last eight years. COO [Joe Hearn](#) explained that Dupaco drives word-of-mouth marketing by making sure it delivers great service and education to improve the financial lives of its members. "When members walk out of our branches they are our sales force."

- Community tie-in: "When we spend a dollar on advertising, whatever the medium, we also try to tie in a community partnership," said Dupaco's [Hearn](#). "We do crazy things like (citywide) garage sales or Coats for Kids, or discounted tickets to area attractions. It's the value-added approach and you get a one-two punch that helps heighten your name awareness."





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