

the cutting edge

NEWS FROM THE CUNA MARKETING COUNCIL

FALL 2002

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NYIB [The National Youth Involvement Board] and marketing to our youth

WE'VE ALL READ THE NUMBERS. . . Generation Y is spending \$150 billion a year, they are influencing another \$50 billion in family purchases, and, don't forget, there are 78.1 million of them (the largest generation we've ever seen). So what does all that mean to the credit union movement?

– By LeAnn Achtenberg

IT TELLS US THAT GENERATION Y (born between 1980 and 2000) has needs and wants just like our older members. Young people want their own debit cards, they want to be treated like a responsible adults, and we certainly don't want to leave out the fact that body piercings are at the top of the "In" list.

Recognizing the differences of this generation from any other generation and catering to those differences is vital to the future of the credit union movement. No, I'm not saying you should go get something pierced; instead, recognize that if credit unions don't get this generation today, they won't connect with us in

the future. The National Youth Involvement Board (NYIB) is here to help with that connection.

NYIB EXISTS TO GENERATE ENTHUSIASM and excitement for credit union youth marketing and education, and to develop leaders for the credit union movement.

What we're saying is, the first step is for credit unions to see and understand the need to reach young people by offering financial services specifically tailored to them. Doing so at an early age gets them in your door and keeps them. It is essential to grasp kids' attention while they are still in the brand development stage.



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NYIB

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NEXT, NYIB IS HERE TO INCREASE AWARENESS of the issue of financial illiteracy. While offering services to young people, credit unions also should be teaching them how to be responsible with their money. What does that do for credit unions? It creates wise consumers and great credit union members!

FINALLY, NYIB IS HERE TO CREATE LEADERS for the future of the credit union movement. The key to success for credit unions not only lies in our ability to reach out to younger members and diversify our membership, but to also develop leaders amongst ourselves. We want to leave a legacy of success for future generations.

NYIB's primary function is to provide a forum for the exchange of youth-related resources and experience. We're here to help credit unions find what they need in order to reach, teach and develop young people. In other words, if you need

assistance in implementing a teen club, we'll connect you with the information. Or, if you are going into a school to conduct a presentation on money management, we'll help you get the materials.

NYIB also hosts an annual conference in August totally devoted to helping credit unions learn how to market to and educate young people, as well as develop our own leadership skills. The conference is famous for attendees leaving feeling re-energized and excited about involving young people in their credit unions. They are motivated by the speakers and each other to make a difference on the future success of their credit unions. It's no ordinary conference.

ANOTHER MAJOR-AND VERY IMPORTANT-FUNCTION of NYIB is that it serves as the collection point for credit unions that conduct classroom presentations. Through our web site, www.nyib.org, credit union employees or volunteers can report



their efforts in teaching young people about money. NYIB uses this information to recognize you and your state for taking the time to fight the battle of financial illiteracy. The information also is used to prove that credit unions are making a difference in peoples' lives every single day.

The needs are there, the wants are definitely there, and now, through NYIB, the resources to meet those needs and wants are available to you. To contact someone on the NYIB Executive Committee and to learn more about NYIB, go to www.nyib.org. – *LeAnn Achtenberg*

Communicating the Credit Union Difference

In recent years there has been much discussion of the importance of Generational Marketing. Much of this discussion was initiated with the publishing of the book "ROCKING THE AGES." – By Michael Neill

THIS GROUNDBREAKING BOOK

provided marketers with conclusive evidence that consumers tend to act in certain patterns of behavior based on three key components:

1. Cohort Experiences –

The similar experiences we went through in our developmental ages

2. Life Stage – The tendency to buy more when we are younger and save more as we mature

3. Current Economic Conditions –

Buying with more confidence when the economy is strong

THESE KEY COMPONENTS combine to ultimately develop buying behaviors. If one examines the three key factors listed, one can see that people of a particular generation exhibit similar market buying behaviors.

Unfortunately, for many credit unions, we discovered the power of segmented marketing to those called Generation X (individuals born from approximately 1965-1980) a little later than others. For example, Volkswagen found out early that X'ers found things to be desirable because they were cool and capitalized by creating marketing that addressed the attitude of their cars as opposed to the functionality. As a result, Volkswagen became the car of choice for the X'er. As a former VP of Marketing for a Credit Union, I'll tell you that by the time I found out what Volkswagen had already known, Generation X had grown into their 30's and were still interested in cool but had found love, got married, had babies and wanted to drive SUVs rather than Jettas.



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Communicating the difference

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We Credit Union Marketers have another great opportunity that we can't let slip by. The latest generation, Generation Y, is here and they are substantial. We will define Generation Y as individuals under the age of 18. How important is this group? Census figures let us know that there are approximately 78 million folks in this group. Don't believe me? Have you been caught in the traffic jam at the soccer field lately? There are more Gen Y'ers than Baby Boomers (those born from 1946-1964). As our credit union memberships begin to age and loan demand continues to be a major issue, it will be important to communicate the "Credit Union Advantage" to this important group. The great news for Credit Union Marketers is that Gen Y seems to be inclined to develop affinities for certain brands e.g. Abercrombie & Fitch, Nickelodeon.

So what do we need to know about Generation Y that will help us to develop the Credit Union as a brand name?

- **They have a focus on family.**
- **Many are sedentary.**
- **Parents desire these kids to be more financially responsible.**
- **They may be the children of X'ers or Boomers.**
- **They are the children of a generation of entrepreneurs.**
- **A large portion will be functionally illiterate.**
- **Caucasians will be the minority.**
- **They are organized because they have so many activities.**
- **Many were raised in very non-traditional families.**
- **82% define single parent home as normal.**
- **They have technological expertise.**
- **65% say they use computers daily.**
- **They are socially conscious.**



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Communicating the difference

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With these factors in mind, what will be the best methods to reach this group?

- **Use the internet to reach them.**
- **Appeal to their social passion.**
- **Vary method of Communication according to education and ethnicity.**
- **Appeal to their individuality.**
- **Be accurate in your claims! If not, they will find out in seconds on the internet.**
- **Segment your youth clubs into three distinct accounts:**
 - 1. Kid's -Age 0 to 10**
 - 2. Youth -Age 11- 13**
 - 3. Teen -Age 14-18**

We have a great opportunity to develop the credit union as an affinity for Generation Y and grow with them. As they age and become more financially profitable, your Credit Union will have been serving and helping them for years. As Volkswagen has found out, there is great benefit in discovering what consumers want and delivering to them today and tomorrow.



Introducing Michael Neill

Mike is one of the most sought after presenters in the credit union movement and author of the book *Creating and Maintaining a Credit Union Sales and Service Culture*. Mike was the Vice President of The Southern Federal Credit Union and held responsibilities of Marketing/ Training/Business Development and Branch Operations during his tenure. While with SFCU, Callahan and Associates ranked the Credit Union second, nationally, in its peer group with regard to member product penetration and in the top twenty-five in "value to member." A frequent speaker for CUNA, Mike can be counted on for fast-paced, humorous, and results-oriented presentations.

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The Envelopes Please...

It's never too early to start thinking about the CUNA Marketing Council's **Diamond Awards!**

NOTE: Entry forms for Diamonds and Best Practices will be available on the website mid-October.

EACH YEAR, THE DIAMOND AWARDS PRESENTATION is a highlight of our national conference. Diamond Awards recognize creativity, innovation, smart thinking and super marketing savvy. They are our opportunity to honor colleagues whose work deserves special applause.

Surely you've launched a campaign or developed a program that would put you in the winners' circle. Entry forms will arrive in your mailbox soon, so now is the perfect time to start compiling your entry ideas. The deadline for entries will be: *Early Bird:* January 10, 2003, and *Final Deadline:* January 24, 2003. For more information contact Renee Dickson, (760) 371-7039, rldickson@altaone.net.

AND DON'T FORGET THE BEST PRACTICES AWARDS. One of the most prestigious CMC awards, Best Practices pays tribute to marketing excellence in four categories:

1. **Business Development**
2. **Name Change/Identity/Branding**
3. **MCIF Strategies**
4. **Sales Culture Development**

There's no entry fee for Best Practices, just a chance to take the spotlight for well-deserved praise. The deadline for entries is January 3, 2003. For more information, contact Cindy Morgan, (802) 879-8752, morgan@nefcu.com.



And the Winner is...

It is time once again to submit your nominations for **Marketing Professional of the Year** and **Business Development Professional of the Year**, both to be announced at the upcoming CUNA Marketing Council conference. While the deadline for nominations isn't until the end of January, now is

the perfect time to put some thought to those who have earned recognition by their peers.

These two prestigious awards recognize credit union industry leaders—individuals who combine talent, experience and initiative to set new standards. The marketers whose names are submitted for nomination

clearly define excellence in their fields. We encourage you to nominate your deserving colleagues.

The deadline for **Marketing Professional of the Year** nominations is January 31, 2003. Please contact Barb Takacs at (404)-881-2945, or btakacs@mindspring.com to

submit a name. The deadline for **Business Development Professional of the Year** is also January 31, 2003, and your nomination contact is Kristine Kowalski: (847) 289-3289 or kkowalski@kctcu.org.

Don't let this opportunity to honor a winner pass by—your turn could be next!