

the cutting edge

NEWS FROM THE CUNA MARKETING COUNCIL

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ONLINE EDITION NO. 2.2002

The Cutting Edge is the official newsletter of the CUNA Marketing Council, P.O. Box 431, Madison, WI 53701. It is published online quarterly for the membership.

CMC Conference Exceeds Expectations

ONCE AGAIN, the annual CUNA Marketing Council International Conference was a success. Close to 300 members gathered to “Strategize, Capitalize, Revolutionize.” Together we explored the challenges of our profession, learned a great deal from the experts and shared a lot of ideas. There is no doubt that a good time was had by all!

The event began with pre-conference workshops focusing on Marketing 101, Customer Relationship Management and Business Development. Participants explored a variety of topics addressing budgets, strategies, philosophy and community relations.

Dan Mica, President/CEO of CUNA & Affiliates, officially opened the conference with his presentation on “Capitalize on Marketing.” An exciting selection of breakout sessions followed—two full days covering technology, communication, member profitability, market-

ing credit unions to the next generation, guerilla marketing, financial aggregation, the boomer generation, SEGs and more.

Networking lunches, awards presentations and a hilarious performance by the Capitol Steps kept the conference momentum running high.

Conference Chair Cindy Morgan would like to thank all the Partners in Marketing for their generous support and enthusiastic participation: Nationwide Inserts, Clarke American, CUNA & Affiliates, CUNA Mutual, PSB, Financial Marketing Group, Raddon Financial Group, Kearley & Company, Centrax—the Marquis Group,



Harland, Englehart Dicken, The Designers Desk, Liberty and Equifax. **Special thanks are in order** to the conference staff as well.

“Without their help, this conference simply wouldn’t have been the success it was,” said Cindy. “A thousand details—hotel arrangements, meals, audio/visual, promotional mailings, faxes, speakers, entertainment, conference registration—were handled with efficiency and competence by this terrific team.”

In the Winners' Circle

Hearty congratulations to this year's CMC Award Winners. Our winners' circle proudly puts the spotlight on those honored for their outstanding achievements in the field:

2002 BEST PRACTICES AWARDS

BUSINESS DEVELOPMENT

■ *Margaret Delmonico*, Administrator, Business Development and PR
 Pennsylvania State Employees Credit Union
 Harrisburg, PA

NAME CHANGE/IDENTITY/BRANDING

■ *Teresa Freeborn*, SVP, Marketing and Communications
 Kinecta Federal Credit Union
 Manhattan Beach, CA

SALES CULTURE/ INCENTIVES

■ *Jody Walls*, VP, Communications and Business Development
 Bell-Tel Credit Union
 Orlando, FL

For more information about these winners and their accomplishments, visit the following web page: www.cuna.org/data/cu/councils/cmc/diamond2002

2002 MARKETING PROFESSIONAL OF THE YEAR

■ *Lesley Carrell*, VP, Marketing & Sales
 Electra Central Credit Union
 Portland, OR

2002 HALL OF FAME WINNER

■ *Robert Schumacher*, VP, Marketing
 Snohomish County PUD Credit Union
 Everett, WA

2002 BUSINESS DEVELOPMENT PROFESSIONAL OF THE YEAR

■ *Susan Miller*, Business Development Manager
 Georgia Federal Credit Union
 Atlanta, GA

*Jody Walls,
 Best Practices,
 Sales Culture*



*Teresa Freeborn,
 Best Practices,
 Name Change*



*Leslie Carrell,
 Best Practices,
 Marketing
 Professional of
 the Year*



*Robert
 Schumacher,
 Best Practices,
 Hall of Fame
 Winner*



Member Involvement: Building Relationships

Since our members are our owners, it is their needs that we answer to. Providing low cost financial services in addition to providing the materials, information, and educational opportunities necessary to help them with their financial goals is our commitment and a responsibility we strive to meet daily.

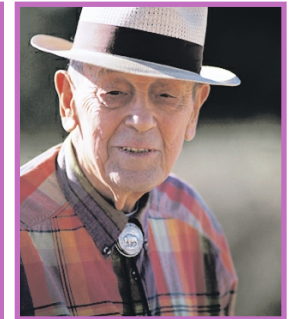
— Barbara Takacs, Georgia Telco CU

LOUISE HERRING AWARD winner, Georgia Telco Credit Union, has again been recognized for their ongoing commitment to fostering their credit union’s philosophy. From financial seminars to special partnering relationships, Georgia Telco CU has put their philosophy of “People Helping People” into action many ways.

With the dual goal of educating members and potential members about credit unions, and meeting the financial needs of their membership, Georgia Telco CU has developed several programs that serve as a blueprint for successful interaction with their community, says Barbara Takacs, Vice President of Marketing. And she emphasizes that it takes the

support and commitment of management and all employees (and a lot of excess man hours) to provide these valuable services to members.

SEMINARS. Georgia Telco offers seminars on topics such as Home Buying and Credit & Budgeting. “At our seminars, each participant gets notebooks with supporting information and additional information about the topic to take home with them. We have publications for our entire membership and special publications designed for our youngest members, teens, seniors and sponsor company personnel,” explains Barbara. “In addition, we maintain a high level of visibility with our sponsor companies through company visits and educational forums.



Targeting young members, the *Real World Finances Seminar for Teens* provides young adults with the fundamentals of finance. Participating teens enjoy lunch, games and giveaways while they learn the basics of money management.

CLUB PROGRAMS. The Cub Club for members 12 years old and under promotes the value of savings to the credit union’s youngest members. Participants receive a color and story book, membership card, savings record and holiday newsletter. When a Cub Club member’s account reaches \$250, he or she receives a bear puppet.

Building Relationships *continued*

Club T is for young adults, ages 13-22. Its objective is to start teens out on the right foot by giving them the basics in financial services. Georgia Telco CU does this with 50 free checks, a special section on the website, scholarships, free traveler's checks and postpaid envelopes (for students away at school), a quarterly newsletter and more.

Senior members of Georgia Telco CU, 60 years and over, are rewarded with many free services—checking, cashier's checks, copy service, notary service and more. Golden Bell program members also have a new online newsletter called *Prime Time News*.

PARTNERING RELATIONSHIPS. Describing Georgia Telco's partnership endeavors, Barbara reports, "Depending on the needs of our members, educational forums take on many shapes and forms, including open enrollments, seminars, appreciation breakfasts and luncheons, participation in Pioneers conventions, setting up booths and participating in trade shows."

Company visits are essential.

Special company functions include appreciation breakfasts and luncheons, free seminars and participation in events such as Take Your Kids to Work Day. Lively events for retiree groups and visits to college campuses also help develop partnering relationships.

"We have found that by partnering with our sponsor companies through company visits and special functions, we have made our sponsor company contacts and their employees feel more secure about the relationship we have with them. In addition, we have made them better aware of what credit unions stand for and the advantages of credit union membership," says Barbara. "Through booths, trade shows and Pioneers conventions, we have worked to provide a one-on-one forum to help members with their individual needs and have actually gotten to know our members better. Through member education, we would like to continue to foster these relationships with our sponsor companies, retirees and members in the future."

Executive Committee Welcomes Two New Members

Two new members have joined the CUNA Marketing Council's Executive Committee. Welcome aboard to Becky Hart and Bradley Loebakka!

Becky Hart, Director of Communications for the Ohio Credit Union League, is a Certified Credit Union Development Educator. She is a member of the AACUL Public Relations Advocacy Committee and two-time Best League Newsletter winner. Among her many accomplishments, Becky developed the Brand Blitz—the largest cooperative advertising promotion in Ohio credit union history.

Bradley Loebakka, Senior Director of Marketing and Business Development for Desert Schools Federal Credit Union, holds a Masters Degree in Marketing from Webster University. Bradley is a member of the Credit Union Executives Society and Arizona Saves marketing committee. Last year, Bradley won the CMC Best Practices Award for Business Development and has received other awards from the Direct Marketing Association, the Public Relations Society of America and the International Association of Business Communicators.

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Business Development Institutes: Part I & II

*September 15-20, 2002
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Business Development is the key to building your credit union's future—are you making the right strategic choices?

Sales & Service Culture

*November 10-13, 2002
Palm Springs, CA*

Learn how to integrate key elements in your credit union and turn employee service into sales!

For more information about training visit www.cuna.org/training.html or call (800) 356-9655 ext. 4249.

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Profiling & Segmenting Members

Credit unions spend a considerable amount of time—and money—marketing products and services to their members. But are those efforts achieving the results they should?

—Doreen Burton, CUNA Mutual Group

Maybe not, if credit unions haven't taken the first step of defining their members. Credit unions that want to effectively market their products and services should conduct an extensive demographic profiling of their members. For instance:

- Are your credit union members first-time home buyers?
- Do they need long-term savings plans for their children?
- Are they at the beginning of their professional career or nearing retirement?
- Do they have adequate plans for retirement?

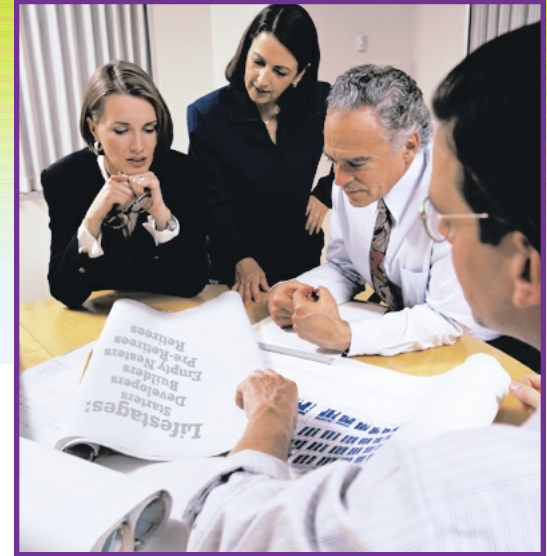
Credit unions that know the answers to those questions, and others like them, will insure that

their marketing efforts pay off.

“We have recognized the importance of segmenting our members, especially into ‘life-stage’ segments,” said Ron Davis, Vice President of Member Services for University & Community Federal Credit Union in Stillwater, OK. “I anticipate it to bring great results as we develop financial products and market them based on members’ needs and lifestyles.”

What steps should credit unions take to segment their members? For starters, credit unions should sort their members into what’s known as “life-stage” categories. Typical categories include:

- *Getting started*, such as members who are taking their first steps in using financial services.



- *Developers*, such as members who are taking out mortgages for the first time.
- *Builders*, such as members interested in long-term financial needs for themselves and their family members.
- *Empty nesters*, such as members whose children have gone off to college and have disposable income.
- *Retirees*, such as members who have left the workforce and no longer have job-based income.

In addition, credit unions should define their members on factors such as age, household income, home ownership, home market values and available home

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equity. Those factors can be intertwined with how members fit into the life-stage categories to provide credit unions with a richer mix of information for their marketing efforts.

Individual credit unions, obviously, will find that their membership includes a broad mix of each of the life-stage categories. And the range of membership in those categories will vary, as well. Credit unions centered on a university, for example, could find a large share of their members in the “getting started” and “developers” categories. Credit unions tied to large corporations with a stable workforce, on the other hand, may find membership skewed toward builders, empty nesters, and those at or near retirement.

The key to defining your membership is using the information that credit unions already have in a more effective manner. Credit unions receive a wealth of information about their members through the use of their products and services, and that information is often updated annually.

“United Teletech Federal Credit

Union has as its mission to be our members’ most valuable financial services provider,” said Leo Ardine, United Teletech’s CEO/President in Tinton Falls, New Jersey. “We view member segmentation or identifying the membership (both according to lifestage and profit contribution to the business) as the most effective way for us to accomplish this mission.”

Consider members who are in the “getting started” life-stage category. They are typically young, single, recent college graduates, earning entry-level wages, and do not yet own homes. Members such as these are typically interested in obtaining credit cards, automobile loans and financial products that will start them on their way toward self-sufficiency. A marketing message to this group would focus on fast, convenient service and products tailored to their need for credit cards and auto loans.

Contrast those members to those considered “builders.” These are typically mid-career members, often married and with children, in stable jobs with a growing household income. Mortgages, obviously, are

important to this group, but so are long-term, secure investments, both for the members themselves and their children. They usually need a full range of financial services—ranging from health insurance to home equity loans for home improvements to long-term college savings plans.

Segmentation strategy is a critical success factor to maintaining and increasing relationships with members at every stage of their life. This lets a credit union focus on expanding the relationship with existing members to increase share of wallet over time. “Lifestage segmentation recognizes the evolving financial needs of credit union members and provides a more sophisticated, cost-effective approach to marketing,” said Wendy Seibert, Senior Marketing Consultant, CUNA Mutual Group.

Remember, the key is knowing your credit union membership and applying that knowledge through targeted marketing efforts. The result—long-term financial success for your credit union. But the first step starts with segmenting your membership.

SEG Stuff

What to give them and when

—MaryLou Metevia

Many credit unions have one main sponsor company and obtain their membership growth from new employees, family members, etc. In the past decade, credit unions have begun to diversify their membership base by seeking SEGs (Select Employee Groups).

The question is... What type of information do you give a prospective SEG and at what period of the initial meeting do you give this information out? My successful experiences have lead me to continue the following practice.

Begin with preparing “SEG” Booklets. In this booklet, enclose the following information:

- **Vision Statement**
- **Two to three paragraphs about membership requirements**
- **Brief history about the credit union**
- **Brief history about Board of Directors**
- **List of all products & services**
- **Company profile sheet**
- **Sample letter for NCUA**
- **Copy of current Annual Report**
- **Copy of current membership newsletter**
- **Copy of video or tape that was created**

After researching the company for potential membership, (make sure that you do your homework on the company– use the Internet, library, etc.) a personalized letter is written to the HR manager or CEO offering him or her the opportunity to offer credit union services to company employees as a **“No Cost” benefit.**

Stress this and the conveniences strongly in your letter. End your letter by stating that you will be bringing them a token gift for taking the time to hear about the benefits that your credit union can offer.

(People love receiving free things.)

After sending the packet out, follow-up with a telephone call within a week, asking for an appointment to discuss the packet further. Schedule the appointment on a date and time that is most convenient for the business. Prepare the gift that you will take (ideas include a set of monogrammed drinking glasses, calculators, pen and pencil sets, golf balls, etc).

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SEG Stuff *continued*

More importantly, make sure that you have additional items prepared for when you attend your meeting:

- **Information** about how you can set up and encourage Direct Deposit for the company.
- **What you can offer** the company as additional benefits to their employees.
- **A flyer** that specifically states the company's name– exclusively for ABC Company employees. This could be used as a payroll stuffer or a company bulletin board poster.
- **Detailed breakdown** of all products and services that would be offered to the company's employees based on the size of the company.
- **List all products** and services available along with ATM/Cash dispenser/PC workstation availability.
- **Letter typed** on plain paper with company information (name, address,

number of employees, distance– the same as the NCUA sample letter, with all the company information already completed on plain typing paper.) This enables them to easily copy the letter on their letterhead following the NCUA requirement.

When the documents are signed– immediately get approval from NCUA – via the Internet or mail. (Under 500 employees, you will have immediate approval via the Internet.)

Send a welcome letter to new Select Employee Group stating that they have been approved and you will be calling within the next week to set up a membership drive. That's all there is to it!

Copies of any of the listed documents can be obtained by e-mailing Mary Lou Metevia at Marylou.metevia@parda.com

Many Thanks to Matt Stratton



Matt Stratton is retiring from the Executive Committee after three years of

diligent, dedicated service.

Matt served as Chair of both the Political Action Committee and the Diamond Awards Committee. We would like to extend our thanks to Matt and wish him all the best.