



## Marketing Strategy – Innovation - Transformation



# Where Are You Going?

By Tony Streeter



### About the Author

Tony Streeter is the former SVP of Marketing for the SWBC Financial Institution Group due to a recent layoff. With 10+ years of working directly with mid-size (\$500M) and large (\$5B+) credit unions at SWBC, Deluxe and Harland Clarke, he has a national market perspective as well as proven success of marketing products/services to members and small businesses. Mr. Streeter can be reached at [tonystreeter1@gmail.com](mailto:tonystreeter1@gmail.com) or (210) 317-9060.

What are your credit union's long and short-term strategies? Forget that. Let's be agile and just concern ourselves with the current economic environment and a 2–3-year short-term strategy. Is there a strategy in place or just a series of knee-jerk reactions to the market economy? "We have to win the war on deposits!" "We have to prepare for mass delinquencies!" "What's the Fed going to do?" "Is the sky falling?"

You must be nimble and quickly adapt to environmental changes that immediately impact your credit union, but you also must look down the road and innovate for the future.

### The Lead Dog has the Best View

I once heard a banking executive refer to credit unions as "oxygen thieves". Ouch. The bottom rung of the financial services barrel. Lemmings that would follow each

other off a cliff.

Why did he feel this way? Because in his boastful pride he believed most credit unions were risk averse and posed no threat.

What he didn't take stock of was the familial relationship credit unions have with their members. They joined your credit union because it represented something they are a part of, associate with, appreciate or are otherwise drawn to beyond mere financial transactions. If cultivated and treated well, these members reward you with loyalty – something that can be leveraged (not a bad word) and provide you with a competitive advantage. In addition, loyal members trust you have their best interests at heart and will allow you more leeway in terms of introducing new products/services and digital processes than "customers" at non-credit unions.

### Evolution not Revolution

Don't upset the apple cart! Okay. But what about creating a digital apple cart? What about presenting the apples in a pretty box and delivering them within 2-3 days with a personalized card? Ever heard of Harry & David? \$1.7 billion in annual sales. You don't have to take major risks to enable major moves forward.

#### Example A: Risk Reduction.

Recession is hitting. Layoffs are occurring. Members used up any remaining stimulus money last year and are hitting their credit cards again. Choices must be made, and, for some, it could be skipping a car payment.

Get ahead of delinquencies by working with someone like FICO and their proven omnichannel approach toward collections. Enable text, email and IVR communications with payments link to make it easy for a member to make a payment or a promise-to-pay arrangement.

#### Example B: Member Profiling (Analytics).

Who are the members with the most savings? What do they look like? (age, household income, demographics, location). Which have auto loans approaching the five-year mark and probably going off their manufacturer's warranty? Which new members just moved into the neighborhood? What do you know about your members who utilize their debit and credit cards the most? Good candidates for Buy Now Pay Later?

The golden nuggets of opportunity are sitting in your database. You need to mine it, augment it with external information (i.e. Claritas), and test various marketing approaches (in-branch, direct mail, email, IVR on-hold messaging, differing content, differing creative, incentive vs. no-incentive, etc.). Finding opportunity in your data is only the first part of the effort toward success. But, as they say, it's easier to sell (again, not a bad word) to an existing member than to bring a new one onboard.

### We Don't "Leverage" or "Sell"

"Leverage" in this article means taking stock of what you have and using that knowledge to put yourself in a stronger position. The viability of your credit union may depend on it. If you stop growing, you die (or get acquired) and that's not of benefit to your existing members.

"Sell" is simply presenting products and services to members so they are aware of what is available to them. How many times have we heard or even said ourselves "Wow, I didn't know you offered that!" You can't just be order-takers waiting for a member to come in, ask you for something specific and then leave. What are their other needs?

Let's say a member comes in for a new car loan and you find out they're giving their older vehicle to their daughter to take to college. Do you say "ah" and finish the loan process or do you ask them if they still have major mechanical protection on the older vehicle? What if Sally gets stranded in the middle of nowhere, at midnight, three states away with a transmission issue and you failed to offer her parents a warranty product for older vehicles (like healthCAR from Marathon Group)? Credit Unions have always demonstrated an obsession with serving their members. Are you "selling" a product to her parents, or are you serving their needs and providing them with peace-of-mind?

In today's market credit unions need to execute creative strategies to attract new members and grow existing relationships. The key to success is effective, localized, product-targeted marketing delivered through various mediums combined with inquisitive branch associates with deep product knowledge.

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