Opinion

RESEARCH

Look At What Members ay It Is That They Want

/ Neil Goldman

hat do members want? The answer is
ar-convenient access. Whether it is
ysical access in the form of more
anches or ATMs, or remote access like
me/Internet banking and electronic bill
yment, credit union members consis-
ntly choose convenience services that
lp to make their lives easier.
Based on the results of thousands of
ember surveys conducted by Member
search throughout the country, the top
list of new products/services that
embers want have just been released.
nese top 10 show that convenience is
y when it comes to addressing member
eds. Leading the list, electronic bill
yment was the top new service choice,
lowed by ATMs (additional locations),
tomated 24/7 loan applications/credit
cisions (via telephone or Internet), and
bit/check cards.
How are members' choices of new ser-
ces reflected in their perceptions con-
rning convenience and access? In previ-
s years, members viewed a credit
ion's Internet banking service as an
nnovative" and "cutting edge" tool.
ow, members expect not only Internet
nking but also electronic bill payment

Goals Should Determine Your Marketing Budget

By Gary Zenker

To credit union marketing executives, the budgeting season is fraught with special challenges. Sure, we're accustomed to changing base metals into gold on a daily basis. But budgeting requires something even harder: convincing everyone of the true value of marketing.

Marketing's value goes well beyond the response rates to the mailing you did last month and is often hidden in your credit union's greatest accomplishments. It's embedded in the higher ROA you achieve, which is due in turn to your branding which allows you to sell a 9.9% fixed VISA when Capital One is offering a 0% VISA for six months.

It's in the minds of the people who call for a Home Equity loan, because they just received a solicitation for your car loans. And it's even in the satisfaction results of our member surveys.

And then there's the way we go about determining the marketing budget. Sometimes we back into the numbers and other times we use industry averages, plus or minus.

In the end, neither method serves the marketing function well, because they aren't derived from what it takes to do what we want to accomplish.

Stop referencing the average credit union's marketing expenditure. There is no average credit union to which you can realistically compare. A community credit union is radically different from a SEG-based one because how they achieve their goals are different.

And they are radically different from the environment of a single sponsor credit union. Comparing their budgets doesn't work, because they aren't doing the same things the same way.

Setting a budget based on dollars spent per member is an even weaker approach. That implies that all members are worth the same flat expenditure, rather than an investment. Members with more profit potential should be worth higher investments. And unfortunately, they don't start out that way; you make the investments to develop them and then to keep them that way.

Changing member behavior and opinion is challenging. Competing with institutions that have established reputations and big budgets is difficult. Marketing is a volume business: to be heard, you need to shout. And you have to shout often. And you have to shout the right thing in the right way. Because costs decrease over quantities, larger credit unions can be more cost efficient. It may cost you more to do the same thing.

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Setting an effective marketing budget requires figuring out the marketing plan and the tactical steps before you actually do them.

And that means clearly knowing what you want to accomplish.

Your marketing budget is an investment designed to accomplish specific goals. Set your budget based on what you want to accomplish and what it will take to do that, not based on an equation that works on averages. Who sets out for average results, anyway?

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