

CREDIT UNION JOURNAL

How to Make Anger at Big Banks Work for You

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By Paul Lucas

In my last column I wrote about [Americans' growing anger at big banks](#) and increased mistrust of bankers. This is a ripe environment for converting bank customers to credit union members. And it's an especially good time to convince credit union members who use a big bank as their primary financial services institution that it's time for a change. With remote services and a national network of service centers, credit union members no longer need a big bank with branches nationwide.

The reasons bank customers should commit solely to their credit union are compelling. Consumers can save money thanks to lower fees and better interest rates and overall credit union "members" are more satisfied than big bank "customers" who generate profits for the bank's shareholders.

So, if credit unions are a better deal financially, they offer better service, and you can make transactions nationwide, why are big bank branches springing up on street corners faster than Starbucks? Simple. While credit unions excel at service, big banks excel at sales.

If credit unions want to get the market share we deserve it requires:

Consistent marketing to support core loan products. More loans generate more marketing dollars, which helps generate even more loans.

Cross-selling checking with direct deposit and bill pay at every opportunity.

Keeping your promises. Americans are ready to bail out of big banks because they no longer trust them. Live up to your service claims and promises and you can keep members for life.

Marketing Core Loan Products

Maintaining consistent marketing of core loan products is critical. If you want to sell more loans you must have loan messages in front of members while they are in the shopping mode for a loan. We may love to hate direct mail but it's still showing up in our mailboxes because it works. Consistent direct mail support for core loan products results in more loans. If your budget is small you can focus on current members. As loan volume grows you can add mailings to prospective members in close proximity to your branches.

Cross Sell Checking With Direct Deposit

Cross selling at every opportunity is the hallmark of a smart, competitive credit union. "Selling" checking with direct deposit with bill pay is not an imposition on members. It's a way to let members who have accounts at big banks

know they're paying too much for services and getting too little in return. It is our mission to make our members aware of all the benefits and perks they are entitled to as a credit union member.

Keep Your Promises

All the low fees and great rates in the world don't make up for errors in handling member accounts, poor service delivery, or any failures to live up to the promises you make to your members. Knowing a member's name when she walks in the front door is not service. Handling her transactions with speed and accuracy is service.

The hardest part of maintaining an effective marketing/sales/branding effort aimed at fueling product and service penetration growth is finding the discipline and consistency needed to keep it going month after month, year after year. If you're one of those credit unions that are always launching a new marketing plan or service initiative you are lacking in both discipline and consistency. Set a plan, stick to it, and grow.

It sounds easy, it's not. But it works. And you've never had a more enthusiastic audience. Your members are looking for alternatives to big banks-step up and let them know why your credit union should be their primary financial services institution.

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