

10 Trends To Watch For 2011

Credit Union Journal | Monday, November 15, 2010

By Paul Lucas

Here's a look at 10 trends to pay attention to for 2011.

- 1. Building trust is vital.** Research revealed that 48% of financial consumers believe financial companies never look out for their best interests. Communication and clarity in your messaging is fundamental to building trust.
- 2. Credit Unions are misunderstood.** Many people still think credit union membership is difficult to qualify for unless their employer offers it. They don't understand how shared branching provides nationwide access, or that there are surcharge-free ATMs nationwide; and they don't understand that credit unions are owned by their depositors. Add it all up and even many members don't know that their credit union is an ideal primary financial services provider. Constant communication and education are vital.
- 3. Banks are getting more aggressive.** The loss of mortgage income, overdraft fees and loan losses combined with low investment returns have all financial services providers looking for new sources of income. Banks are structuring fee schedules to incent customers to buy multiple products and services which in turn puts the squeeze on credit unions. You must deepen member product and service usage to reinforce brand loyalty.
- 4. Marketing must build relationships with members.** In today's incredibly competitive environment marketing must help build relationships as it sells products and services.
- 5. Deliver on brand promises.** Members need to know they can count on their credit union for capable, consistent service. Service levels must be measured and accountability standards must be in place.
- 6. Effective marketing is an investment, not an expense.** A consistent, high-impact marketing program might offer the best return on investment you'll find today. Prefab marketing materials might do more harm than good. Invest in a strong visual brand identity and remember creative does make a difference-cheap marketing materials cheapen your brand.
- 7. Investing in relationships with current members pays.** Word of mouth remains a major source of new business for all financial services providers. Building stronger relationships with members will increase product and service penetration and bring in new members. Build profitability and increase product penetration, usage and membership from the inside-out first.
- 8. Develop a clear understanding of what a brand is and what it can do for your credit union.** Every time a member is touched-on the phone, over the Internet, in a branch, at a network ATM, etc.-your brand is reinforced. Marketing, operations and vendor partnerships are all important elements of building a brand. Ads are only the beginning.
- 9. If an employee is a poor representative of your brand, advertising cannot fix it.** Under trained or unfriendly member services employees, unprofessional business development reps and operations employees who make errors on accounts all work against your brand. Operational excellence is paramount.
- 10. Innovation builds trust.** You don't need to be the first credit union in town to offer smart phone apps or home deposits, but you do need to stay current with evolving technology. When you introduce new products and services they must be clearly explained, and they must work. Mobile banking should be a priority for every CU.

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