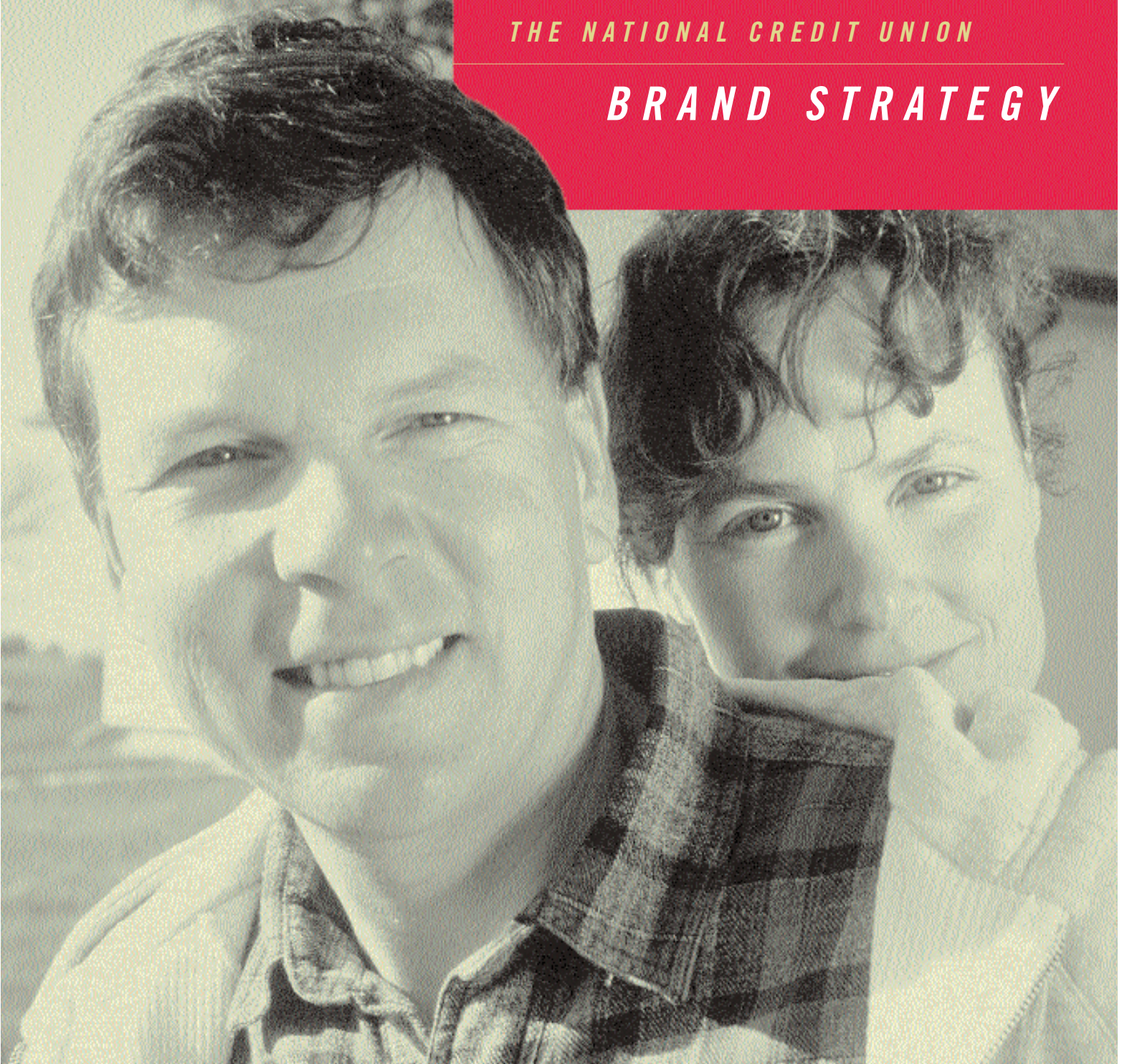


THE NATIONAL CREDIT UNION

BRAND STRATEGY



A P R O M I S E T O T H E A M E R I C A N P E O P L E



AMERICA'S
CREDIT UNIONS™

Where people are worth more than money.™

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A C K N O W L E D G M E N T S

This brand strategy was prepared for the 1999 National Credit Union Values Campaign Advisory Task Force. The Advisory Task Force is charged with guiding the planning of a national campaign to raise awareness of credit unions and credit union values, and is made up of a representative cross-section of credit union industry leaders with a broad range of perspectives and experience. The brand strategy is the culmination of this planning process, and signals the shift from a research and planning phase to an executional phase of the campaign. Acknowledgment and thanks are due to the current and past members of the Advisory Task Force who have given of their time and expertise to help set the strategic and marketing direction leading to this strategy for the National Credit Union Brand Campaign, and to the National Credit Union Roundtable for their valuable input and support.

INTRODUCTION

Let's start with some assumptions

Credit unions are an integral part of the American landscape, familiar to everyone. Or are they?

It's easy to understand the fundamental differences between credit unions and other kinds of financial institutions. Or is it?

The credit union brand has its own unique position in the marketplace, offering eligible consumers a distinct choice in financial institutions. Or does it?

Credit union members understand the credit union difference and take advantage of the benefits of credit union membership in managing their personal finances. Or do they?

Given the successful history of the credit union movement, the contribution credit unions make to their communities, and the benefits enjoyed by credit union members, it seems safe to assume that the answer to all of these questions is an unqualified yes. But as the sections that follow will show, the evidence paints a different picture—and shows that it's never safe to make assumptions when it comes to the consumer.

This is a strategy for proactively branding credit unions nationally. It's the next critical step beyond the National Credit Union Values Campaign begun in 1995. The future success of the credit union movement may depend on being able to make the four statements above confidently and unequivocally. The power of the credit union brand can move us toward that goal.



What do we mean by the credit union "brand"?

Just do it. Got milk? The fabric of our lives. We try harder. Membership has its privileges.¹

Do any of these ring a bell? They are landmarks in the American marketplace, shorthand for brands we are all familiar with: Nike, Milk, Cotton, Avis and American Express. You may or may not remember a visual symbol or a commercial for each brand slogan, but you're sure to be able to recall what each of these brands stands for in terms of products and services. More than that, you can probably describe some values or "brand attributes" you associate with each.

That is the power of branding. It's not just a name, a logo, a slogan, or a commercial. It's an integrated personality and market positioning that projects the image and values of a company, a product or even a whole industry like the credit union movement. In today's over-messaged, over-stimulated, over-cluttered communications environment, brands are like beacons that help consumers find their way to the products and services they value.

Consumers have real relationships with "their" brands—and like all human relationships, these are built on trust and maintained through fulfillment of expectations. That's why marketers say that consumers—not

¹ These slogans are trademarks of their respective advertisers and may be protected by trademark and copyright law.

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companies—“own” brands. If the trust relationship is damaged, consumers react just as they would if they were betrayed by a friend. But if the relationship is nurtured, consumers can be extraordinarily loyal.

The effectiveness of a brand can be measured by the strength and nature of these relationships. A brand proposition is a promise, and to be successful it must be fulfilled—or operationalized—consistently. The most successful brands rate highly with consumers on the scales of:

Awareness—Do consumers know about the brand?

Evocation—Do consumers ascribe meaning to the brand?

Quality—Do consumers perceive high brand quality?

Utilization—Do consumers use the brand?

Conviction—Does the brand generate certain future choice?

Advocacy—Do committed consumers act as ambassadors for the brand?

There's more to building a brand than running an advertising campaign or putting a logo on a sign, although those are essential components. A successful brand has integrity. Any brand can make a promise, but if it isn't operationalized—followed through at every level—the brand will be ineffective, or worse, a liability.

Fulfilling a brand promise is a job that must permeate the entire organization or industry it represents. This is one reason credit unions are so well positioned to build an unassailable national brand. The values-based credit union brand proposition is “for real”—it's the way credit unions already operate.

With today's increasing competitiveness in the financial services industry, it has never been more important for “credit union” to become a strong, high-profile, national brand—one that consumers can clearly differentiate from other financial service providers. A “mega-brand” is a national or global landmark brand, which is so familiar and well-understood that it actually becomes part of the popular culture in its marketplace. Building a mega-brand that umbrellas the whole credit union movement will help support individual credit unions' local brands, and create a symbolic landmark in the marketplace that tells consumers: “This is what we stand for.”

How can national branding translate into local growth?

Brand marketing is at one end of the spectrum in a complete, integrated continuum of marketing, sales and service. At the other end of this spectrum is the consumer transaction. Brand building needs to take place at every point along the way.

Brand marketing awakens or strengthens the relationship between the product (or company or industry) and the consumer, stimulates or reinforces the consumer's intent to use the product, and rewards the consumer psychologically for choosing the product. Proof that brand marketing works is around you everywhere.

Brands may be local, national or global—and a brand's value, strength and equity increases with its scope. As part of a much larger cooperative movement, individual credit unions have a marketing opportunity that is unique in the financial services sector. They can link their local brand with a national credit union mega-brand that uses the power of collective action to build awareness of the credit union difference



and deliver the national brand proposition that is common to all credit unions. Through a nationally adopted mega-brand, credit unions across America will speak with one voice.

Unified brand marketing for credit unions will operate on the principle that “all of us is better than each of us.” It’s a cooperative marketing approach that has worked for collective mega-brands in commodities (like the “branding” of cotton, pork and milk), the retail sector (like the True Value Hardware brand), and cooperatives (like the National Rural Electric Cooperative Association’s new Touchstone Energy™ brand).

The purpose of a national credit union mega-brand is to communicate the overarching credit union brand proposition—the values-based credit union difference—to build both broader awareness and deeper consumer loyalty. It will add strategic depth to tactical marketing carried on at the local level. Each credit union will be able to leverage its own brand by helping promote the credit union mega-brand and what it stands for.

It’s easy to see how building a national brand for credit unions can help build new membership, or share of market. But how does it relate to product sales—or share of wallet—at the local level where individual credit unions do business?

The relationships consumers have with brands directly influence their purchasing decisions. For example, a credit union might do a promotion through the mail, including a special offer. The offer is one kind of prize. Branding provides a different kind of incentive—an emotional prize which the consumer receives every time he or she interacts with the brand and experiences fulfillment of the brand promise.

Consumers don’t act directly on brand marketing messages the way they do on specific direct response offers like our promotion example. But when consumers are offered an unsolicited opportunity, brand loyalty can help ensure they are receptive to it, ascribe value to it, trust that it’s in their best interest, and make the effort to seriously consider it. The power of branding may mean the difference between the consumer discarding our promotional offer as “junk mail” without even reading it, or granting us the personal time it takes to open the envelope and learn about the offer.

Brand marketing, although indirect, is a powerful tool that can give consumers the impetus to overcome barriers, maintain their loyalty, and increase their use of credit unions. For example, brand loyalty may help overcome the convenience barrier because it is based on a deeper conviction that makes consumers feel it’s worth a little extra trouble to deal with their credit union.

When consumers believe in a brand and its personal relevance to them, they value and trust what the brand has to say. Even more, building a national mega-brand can help ensure that “credit union” is the top-of-mind provider when consumers have a specific need.

LIFE AFTER H.R. 1151

Fifteen minutes of fame?

The months leading up to the signing of H.R. 1151, The Credit Union Membership Access Act, put credit unions in the national spotlight. The media focus on credit unions—popularly positioned as a David battling the banks’ Goliath—helped spike awareness of the credit union movement and linked credit unions in the public mind with the cherished values of freedom of choice and fair competition.

However, in today’s fast-paced world, the attention of the media moves on to other issues with lightning speed, and yesterday’s news fades from memory quickly. In the wake of credit unions’ H.R. 1151 victory, the challenge is now to extend the public awareness that came from being a current events news story, and build on our “fifteen minutes of fame” to promote a deeper understanding of the credit union difference.

Now that we have your attention ...

The fight for access to credit unions was a milestone in the history of financial services in America. The Campaign for Consumer Choice pitted credit unions against the much larger, well-financed bank lobby in a battle for political support on Capitol Hill—and won. How did David slay Goliath? In this case, credit unions had an irresistible force on our side: the American public. A public poll conducted for the Campaign for Consumer Choice by the Luntz Research Companies and Global Strategy Group, Inc. in February 1997², revealed that the public sent a clear message to Congress.

When asked to react to the statement, “If members of Congress really wanted to help consumers, they would give banks more competition, not less,” 77% agreed, 11% disagreed and 12% had no opinion. When asked, “If a member of Congress were to ask you whether he or she should pass legislation to help credit unions or banks, what would you

say?” 72% of those surveyed supported helping credit unions, 10% supported helping banks, and 18% gave other responses.

With H.R. 1151, one of the barriers to growth of credit unions was cut down to size. But it wasn’t by any means the only one. There is a less obvious barrier to increasing credit union market share: people’s lack of knowledge about credit unions as a distinct alternative to banks. Research shows that, when challenged to identify the fundamental differences between credit unions and banks, even many credit union members are stumped.

This situation describes a classic marketing opportunity. We now need to use this opportunity to grow credit union membership and assets, and to facilitate fulfillment of the promise that’s been made to Americans: the promise of consumer choice.

What future will we create?

The door of opportunity to grow the credit union movement is open. How credit unions choose to use this opportunity will determine our future. Undoubtedly, we have helped create a new—and more competitive—era in financial services. The future financial services sector could look very different from today’s—with credit unions serving a much larger percentage of the American public, managing a greater share of the nation’s financial assets, and exerting the beneficial influence of credit union values much more broadly on the U.S. economy and on American life. If credit unions as a movement choose to work together toward this future, the National Credit Union Brand Campaign must quickly become one of our major priorities.

² In this survey, sponsored by the Credit Union Campaign for Consumer Choice, Luntz-Global talked to 700 adult Americans nationwide on February 10, 1997, about credit unions, banks and how they should be regulated.



The current challenge is to build a national credit union brand to further the movement's business objectives, and assure the future success of each and every credit union.

LEVERAGING THE MOVEMENT'S COLLECTIVE STRENGTH

Building on a foundation of values

The first step in raising the national profile of credit unions through media exposure was taken by the National Credit Union Values Campaign in 1995, with a series of award-winning television public service announcements (PSAs) that received more than \$26 million in estimated donated air time over three years.

Credit union sponsorship of the PSAs linked the movement to strong social values—a linkage that cannot credibly be made by banks. This positioning reflected the movement's historic view of the credit union difference as a values-based one, and foreshadowed the development of a values-based brand proposition for marketing purposes. While the campaign effectively linked credit unions with cherished American values, what the Values Campaign PSAs could not do—by virtue of the fact that they were non-commercial messages funded through donations to the National Credit Union Foundation—was directly link these values with the consumer benefits of credit union membership, or increase public understanding of credit unions as unique financial institutions.

Today, the public education and marketing objectives of the credit union movement have evolved. The current challenge is to build a national credit union brand to further the movement's business objectives, and assure the future success of each and every credit union. Since the launch of the original Values Campaign, the financial services marketing environment has also undergone significant changes. Although credit unions won a victory with H.R. 1151, the battle for market share is far from over. Bank mergers, proliferation of smaller community-based banks, and new entries into the financial services category—such as brokerage firms, software providers and even department stores—continue to change the competitive landscape. In addition, an increasingly broad segment of Americans are investing their savings in new kinds of products, using new technologies to manage their finances, and accessing financial services in new ways.

In 1997, the National Credit Union Values Campaign began developing strategies to take the next steps in national credit union marketing and become a national brand initiative. On the business side, credit

The vision of these linked priorities is clear: the survival and prosperity of the credit union movement depends on bringing credit union service to Americans from all walks of life.

union system leaders began to focus on key strategic directions that could strengthen credit unions for the next millennium.

Five strategic objectives aimed at system-wide solutions

In November 1998, CUNA & Affiliates held a system-wide planning session to identify key issues and challenges facing the movement. The planning session, involving 33 participants from key credit union organizations, emphasized the goal of maintaining credit unions' unique cooperative philosophy, and focused on identifying new opportunities to grow and strengthen credit unions nationwide. Five strategic priorities emerged:

- 1. Credit union access.** Examples include smart cards, bill paying, shared branching, point-of-purchase lending, Internet, call centers, and ATMs. The objective is to foster an anytime, anywhere, any way delivery strategy that provides multiple ways for consumers to access credit union services.
- 2. Legislative and regulatory challenges.** Realizing H.R. 1151 is not credit unions' last battle, the strategy is to build political action programs, enhance regulatory advocacy, and strengthen ties with other cooperative organizations.
- 3. Products and services.** Objectives are to strengthen research and development, ensure availability of a full array of products for credit unions, large and small, and anticipate—and be prepared to offer and deliver—future products and services for credit unions.

4. National branding. Credit unions need to effectively differentiate themselves from other financial institutions, using vehicles such as the National Credit Union Brand Campaign. The objectives are to raise visibility, and build market share and brand resiliency.

5. Financial education of members. The credit union movement must continue to emphasize its social charter through consumer education, to provide people with the tools and information they need to be good managers of their personal finances. This goal also encompasses public education about the credit union movement and the nature of member-owned cooperatives.

The vision of these linked priorities is clear: the survival and prosperity of the credit union movement depends on bringing credit union services to Americans from all walks of life, on fostering growth, on recruiting and training expert staff, on preserving the credit union philosophy, and on encouraging continued cooperation and unity.

In large part, these strategic business priorities are about marketing and communications. From product development, to financial education, to lobbying strength, to growing share of market and share of wallet, every one of these objectives will be served and supported by the development of a strong national brand.

A CONSUMER PERSPECTIVE ON THE CREDIT UNION BRAND

Credit unions in the marketplace: a reality check

Each individual credit union has its own unique market position, dictated in large part by the nature of its field of membership. But how are credit unions as a brand positioned in the financial services sector?

Based on data from a national survey on banks and credit unions conducted by the Luntz Research Companies and Global Strategy Group, Inc. in February 1997, credit unions' market position can be summarized in a single word: potential.

First, credit unions' current market share nationwide is a tiny fraction of the banks' and savings & loans' market share. Less than 6% of Americans' total assets were in credit unions in 1998, compared to more than a 78% market share for banks. Equally important, however, is measuring the receptivity of the potential target market to credit union membership. Here, too, the Luntz-Global survey has good news for credit unions. To quote from the survey's Summary of Findings:

“From the savings rates they pay to fees they charge to the service they provide, credit unions are the financial institutions of choice for the American people. But the real popularity test is among consumers, and here we begin to see the advantage credit unions have over banks. Among those who actually use credit unions, their approval is off the charts: 88% favorable, 4% unfavorable. By comparison, bank users have a 79% favorable attitude toward banks, and 15% express an unfavorable opinion—good numbers, but not as good as the credit union evaluation.

“By a significant margin, the public believes that credit unions are much more likely than banks to put consumers before profits and human interests ahead of monetary ones. We gave respondents a chance to compare credit unions and banks directly. ‘Credit unions exist to help people; banks are created to maximize profits.’ Fully 66% of all Americans agreed with that statement, while only 22% disagreed.”



Equally important, the American public wants a more open financial services marketplace. The Campaign for Consumer Choice struck a deep chord with consumers. The Luntz-Global survey showed clearly that the public wants the option of credit union membership, with 82% of those surveyed agreeing with the statement, “Every consumer should have access to credit union services through one or more credit unions,” and only 9% disagreeing.

There is, however, a major hurdle to clear before this apparent pent-up demand sends credit union membership skyrocketing. The Luntz-Global Summary of Findings puts it succinctly:

“Perhaps the single greatest challenge facing credit unions is their lack of familiarity among a relatively large segment of the American population. Fully 38% of all adults cannot offer an opinion (either favorable or unfavorable) of credit unions and one-quarter (27%) are ‘not at all familiar with credit unions.’ By comparison, only 7% have ‘no opinion’ about banks. This difference is significant, and only a significant nationwide public relations effort will shrink this ‘awareness gap.’”

**Qualitative research:
listening to our members**

Before developing the credit union brand proposition, it was critical to find out what members across the country thought and felt about their credit unions. The objective of the qualitative research study conducted in February 1998 by Viewpoints Research Ltd. was, in effect, to find out what really bonds members to their credit unions. What do they value most about their credit union relationship? What makes their credit union experience truly different from their experience with banks? What is the emotional prize that credit unions offer them?

By listening to credit union members, we put the consumer on the strategic planning team. The research technique used was the focus group discussion, in which an experienced moderator uses a variety of verbal and visual “projective” discussion stimuli to uncover people’s real attitudes, thoughts and feelings on a particular topic. Qualitative research does not yield statistically valid data like polls, but rather gives deeper insights into human psychology and motivation at the individual level.



Two focus groups were held in each of 11 selected cities from coast to coast for a total of 22 groups. Some participants used their credit union exclusively as their primary financial institution, and some used both a credit union and a bank. Their dialogue clearly revealed what it is that members find meaningful about credit unions. We now understand what is at the heart of consumer sentiment around credit unions and credit union values. The surprising answers challenge some widely-held beliefs within the credit union movement.

Credit unions “own” a consumer value that competitors do not. It’s a simple and powerful relationship attribute: respect. The essence of what members told us was that credit unions and credit union staff respect them—as people, not just as customers—and that they place an extremely high value on that respect. This respect for members is returned to credit unions in the form of the trust that members have in their credit union to look after their interests. The issue of trust was further underscored in the recent American Banker/Gallup 1999 Consumer Survey. When bank customers were asked to compare their trust and confidence in banks versus other financial service organizations, credit unions were ranked highest.³

Other functional attributes which have often been assumed to be the main differentiators of the credit union brand—such as cooperative structure, member ownership, and not-for-profit status—did not make the same emotional connection with members when tested as propositions. While these characteristics may underpin the emotional prize of respect and trust, they are not experienced by members as directly.

³ American Banker, May 18, 1999

*By listening to credit union members,
we put the consumer on the
strategic planning team.*



To quote from the Viewpoints study Executive Summary:

“Credit unions were consistently seen as smaller, more personal, friendlier, more supportive of families and communities, as offering better rates and easier access to loans, and as being safe places to save for the future. Banks were consistently described as large, cold, impersonal and predatory. Banks were described as being motivated by greed and by the search for profits for a small group of stockholders⁴. Participants in these groups believed that credit unions were motivated by a sense of wanting what is best for their members as individuals.

“Certainly, a defining aspect of credit unions for members is that people come first. Further evidence of this was the many anecdotes that respondents shared regarding the ease of getting a loan at their credit union, or the fact that credit union staff would discuss their financial situations with them and offer workable solutions. A key aspect of many participants’ relationships with their credit unions involved receiving advice and assistance in planning for their financial futures or rectifying difficult financial situations. Credit unions were said to be more trustworthy⁵ sources of this kind of assistance because their motivation was the financial well-being of the individual member.

“For the most part, [members] ‘bank’ at the credit union because they like it better—they are treated better, they feel respected as individuals (“members, not numbers”) and they get better rates, pay fewer fees and have easier access to loans than they would at banks.”

The most often-cited illustration of this brand proposition was a simple one, but as a symbol of personal status, respect and trust, it carried great meaning: people in the focus groups said that when they go into their credit union, they feel the people there know them by name, but when they go to the bank, they’re treated like a number. The message people take from this contrast is that their credit union cares about them (and acknowledges their status) as people, while their bank only cares about their money (and if they have no money, they have no status).

Whether credit union staff literally remember the names of all members was not the real issue: it was the sense of personal acknowledgment and validation members felt they received. This suggests that the emotional prize of credit union membership is less about operational benefits than it is about being respected. There can be few more powerful propositions that could attach to any brand.

⁴ A caution should be given, however, regarding attitudes toward “profit.” In these focus groups, participants expressed the expectation and hope that all financial institutions would make a profit, including credit unions. The sentiment seemed to be that “profit,” per se, was a good thing—but that greed and over-concentration of wealth were bad things.

⁵ While credit unions were more trusted to do right by their members, both credit unions and banks were equally trusted as safe places to put money. This might be summarized as: banks can be trusted to look after money, but credit unions can be trusted to look after people as well as money.

THE NATIONAL CREDIT UNION BRAND PROPOSITION AND SIGNATURE

Uncovering the brand proposition

There can be only one brand proposition, although there are many ways to present it, to bring it to life through advertising, promotions and other marketing techniques.

The qualitative research provided a factual basis for identifying the one brand proposition and emotional prize that best distinguishes credit unions from other financial service providers. Although there are many functional differences that distinguish credit unions—rates, cooperative structure, ownership/membership, not-for-profit status, association with affinity groups—to members, the most important credit union difference is values-based.

The brand proposition must also meet three other tests in addition to resonating with the consumer: it must be true to the credit union culture, it must be (or be able to be) operationalized, and it must be sustainable. Because a brand proposition is a promise, everyone inside the credit union movement must believe in it and work together to fulfill it. Internal consultation and planning processes have helped ensure that the brand proposition meets the expectations and reflects the perspectives of credit unions. The brand proposition or promise that appears to pass all the tests and position credit unions strongly in the financial services marketplace is:

Your credit union treats you with respect, as a valued member. You can trust your credit union to look out for your interests, because credit unions are founded on the principle of caring about people, not just money.

Developing symbols of our national brand

Capturing the essence of this brand proposition in symbolic visuals and words that can be used by credit union organizations across the country is an important first step in creating a national mega-brand

for the movement. A new brand signature for credit unions will become—through exposure over time—a well known mark of trust that symbolizes our promise to consumers.

Guided by insights from qualitative research, a range of possible symbols and slogans was developed and tested with credit union members through focus groups conducted by Viewpoints Research Ltd. in May 1999. Designs incorporated icons of trust, solidarity, equity and humanistic principles such as stars and stripes, hands, and links of a chain. The existing “hands and globe” collective membership mark was also included in the field of symbols shown to participants. The selection of slogans that were developed sought to capture the credit union difference and make a strong statement about credit union values. The objective of a combined signature, incorporating both a symbol and slogan, is to uniquely distinguish the credit union brand and support our brand proposition in a way that is meaningful to consumers.

Letting the consumer be the judge

The purpose of research on potential credit union symbols and slogans was to ensure the consumer’s voice and perspective are reflected in the brand image, attributes and messaging. In the five focus groups conducted in three cities from coast to coast, reaction to the brand proposition and consumer preference of a symbol, name and slogan was sought. And the results were clear. Focus group participants shared strong emotions about their affinity for the credit union brand and its symbols.

The choice of consumers for an integrated brand signature is shown on the next page. It incorporates the best-liked brand name, the preferred slogan, and the most popular symbol, titled “Linked Hands.”

The Viewpoints Executive Summary tells the story:

“Previous learning reinforced

The [focus groups produced] the same results [regarding the credit union brand proposition] as previous research. To summarize, credit unions are viewed as being more friendly, personable and caring about people than large, predatory and cold banks.

“‘America’s Credit Unions’—best suited name

In [participants’] opinion, ‘America’s Credit Unions’ sounded personal and friendly to them; they believed that this name implied that credit unions put people first, a core value of the credit union philosophy.

“‘Linked Hands’—symbol preferred by most

This symbol was well received by the majority of participants in the different cities and they believed it represented one of the core credit union philosophies of people helping people. Participants responded to the humanistic meaning of the hand elements most strongly.

“‘Where people are worth more than money.’

—most popular slogan

This statement best supported the credit union philosophy of treating members as individuals rather than as numbers, and that aiding the member in [every] way possible is more important than the bottom line.”

Results endorsed within the movement

Credit union leaders and representatives—from the National Credit Union Values Campaign Advisory Task Force, to the National Credit Union Roundtable—have been actively involved in the year-long process of developing and testing the national brand proposition and its trademarks. Fundamental to this process has been the commitment to seeking the opinions of consumers and heeding the advice of members through qualitative research. This perspective is critical to effective branding, and reflects an understanding that must be shared across the entire credit union movement: consumers own brands.

Our role now, as stewards of our brand, is to fulfill our brand proposition—our promise to our members—always being aware that the credit union brand belongs to them. Without their consent and trust, our brand trademark is just a design on paper, and our slogan just empty words. It is our members that make our brand signature a mark of trust.

In recognition of the consumers’ choice through focus groups, the new national credit union brand signature and slogan were approved by the CUNA Board of Directors on June 8, 1999, for nationwide use within the the credit union movement.



A M E R I C A ' S
C R E D I T U N I O N S TM

*Where **people** are worth more than money. TM*

STRATEGIC CONSIDERATIONS FOR BUILDING THE NATIONAL CREDIT UNION BRAND



Growth opportunities

There are two key growth opportunities where a combination of collective action and individual effort can greatly affect outcomes. These are: increasing memberships (share of market), and increasing use of credit unions by members (share of wallet).

The potential to grow credit union share of market on a national basis has been opened up by H.R. 1151. But in order to capitalize on this opportunity, a more proactive collective marketing effort is needed to promote the credit union brand as an alternative to banks and other financial services providers.

The potential to grow share of wallet (the proportion of a member's total financial and related business that is given to his or her credit union) at the individual credit union level is indicated by statistics that show credit union membership at more than 28% of the population, while credit union assets are at less than 6% of market share nationally. A stronger national credit union brand can help attract more business from the movement's number one target market: the members we already have.

Values marketing: steps to consumer brand loyalty

Awareness is the first step in building the credit union mega-brand, but awareness by itself never turned a consumer into a customer. To move a prospect from being aware of the credit union brand to becoming a member and sustained user of a credit union, we have to think like a consumer.

The values marketing model follows a logical sequence, each step dependent on the one before it:

Awareness—First the consumer must be aware of the brand as something separate and distinct from other brands.

Understanding—Once aware, the consumer must understand what the brand stands for: its products, services, attributes and values—in other words, the brand proposition.

Agreement—Once the brand proposition is understood, the consumer must agree—in rational terms—that it represents quality: a good idea or benefit. In addition, the brand must evoke—in emotional terms—a positive image for the consumer.

Recognition of self interest—While the brand may be positively viewed, if the consumer does not recognize that it offers something of interest to him or her on a personal level, no action will ever be taken.

Attitude change—Being predisposed to consider acting on a proposition of personal interest to the consumer requires an attitude shift, away from satisfaction with the status quo, and toward openness to change. In other words, the consumer must let go of a past commitment and embrace a new idea.

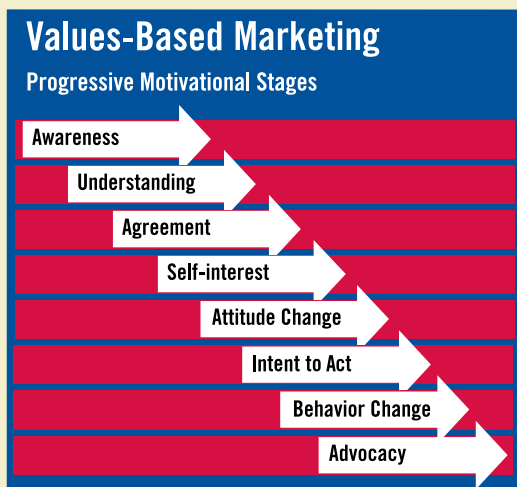
Intent to act—A firm intent to act—to make a change—precedes the action itself. When a consumer has reached this motivational stage, he or she is very receptive to tactical marketing messages that can trigger action.

The job of values marketing and branding is by no means finished after a member has been recruited or convinced to increase his or her use of a credit union—in fact, it has just begun.

Behavior change—The consumer must overcome inertia to make a change. The marketing opportunity at this stage is to fulfill the brand promise to ensure a deep and sustained behavior change—in other words, consumer loyalty, brand utilization and conviction.

Advocacy—As a brand loyalist, the consumer becomes an ambassador for the brand, providing important word-of-mouth endorsement at the grassroots level, and, in effect, recruiting new business. For credit union members, this advocacy ideally extends to political support in legislative matters, active participation in credit union governance, and support for social initiatives associated with credit unions.

The job of values marketing and branding is by no means finished after a member has been recruited or convinced to increase his or her use of a credit union—in fact, it has just begun. To sustain the relationship, the brand proposition must continually be fulfilled. If the credit union brand promises trustworthiness and respect for members, for example, these must be operationalized in personalized member interactions, useful consumer education, good financial advice, and meaningful member benefits. The process must be a continuous cycle.



The fact is, people inside the credit union movement have a strong and positive relationship with the brand and place a high value on credit union membership. People outside the credit union movement have no idea what they're missing. That's why the credit union brand proposition needs to be communicated to everyone who will listen. It's time to share a good thing.

Building awareness of the credit union brand

In the past, awareness of credit unions has been advanced in many ways. The National Credit Union Values Campaign PSAs helped build awareness. So did the Campaign for Consumer Choice and media coverage around H.R. 1151. Marketing and communications by state leagues, individual credit unions, and related organizations also continue to create awareness.

Never before, however, has the movement broadly adopted a single, common brand proposition, signature and messaging to build a unified mega-brand. The National Credit Union Brand Campaign will provide state leagues, individual credit unions and credit union-related organizations with the opportunity to coordinate their marketing initiatives, which will begin building a more cohesive national image and boost awareness through collective efforts. If the credit union movement speaks with one voice, it can make a louder, more powerful statement.

Leading the consumer from awareness to understanding

To move the consumer from an awareness of credit unions to an understanding of the credit union difference, we first need to give context to the brand proposition. Public education messaging that delivers factual information—in a believable, no-nonsense manner—is one important component of the brand-building strategy.

What do people understand about credit unions? The answer is shocking to many within the credit union movement. Ignorance of the credit union difference—how credit unions are structured and run, who owns them, where the profits go, and how they're functionally different from other financial institutions—is rampant, even among credit union members. Regulatory change to allow a more open marketplace is of little value if consumers are unaware of their options, cannot distinguish between these options, or do not understand the benefits of one choice over another. We cannot ask consumers to choose in the dark.

The good news, as tracking results from a credit union pilot public education campaign tested in summer 1998 show, is that well-focused public education messages can quickly “move the needle” of understanding.



The pilot public education campaign

A pilot public education campaign was tested in 1998 in six U.S. city markets, with two control cities. These test sites were chosen to provide valid comparative data. The campaign messaging was focused on the answers to three basic questions about credit unions: What are they? Who owns them? Where do the profits go?

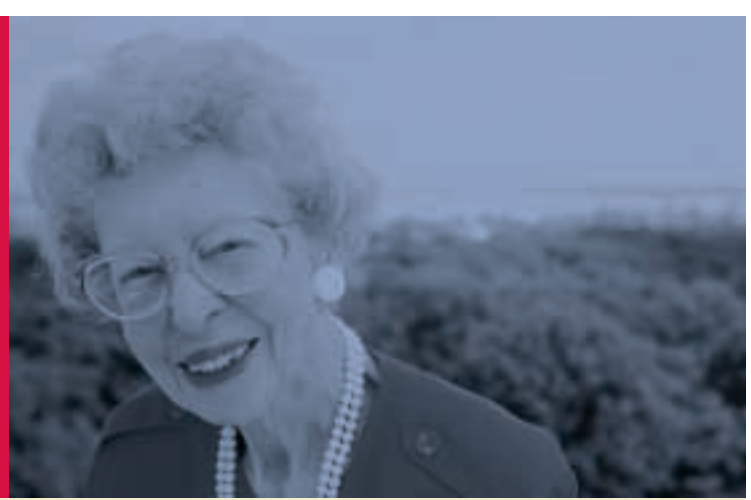
A two-phase tracking study for the credit union pilot public education campaign was conducted pre- and post-campaign, and showed that the campaign was extremely successful, overall, in accomplishing its objective of increasing understanding of credit unions. Some of the key findings reported in the top line report were:

Understanding of what a credit union is increased significantly between the pre-test and post-test phases of this study. In the pre-test phase, two respondents in 10 (21%) were able to correctly identify a credit union as a financial institution run by the people who belong to it, but less than 1% overall included the words “financial cooperative” in their responses. In the post-test, the proportion of respondents who used the phrase “financial cooperative” (echoing the language of the campaign) rose to 6%. Over one-third described a credit union as a financial institution run by the people who belong (35%).

This represents a 14 point increase in knowledge of what credit unions are, and the other credit union facts presented in the campaign had similar impacts on public understanding. For more information on the tracking study for the pilot public education campaign, visit CUNA's web site: <http://www.cuna.org>

The successful, pilot-tested credit union public education campaign materials are now available for use by state leagues and credit unions. Call CUNA & Affiliates at 1-800-356-9655, ext. 5778, for more information.

*The success of credit unions in building
a mega-brand that benefits all of us
will depend on working together...*



Building a national branding effort

The national brand strategy for credit unions will integrate a variety of tools, campaigns, initiatives and activities. Although branding has made it to the list of top five national strategic priorities, it will take time to engage the whole credit union movement in the effort.

This brand strategy envisions a future in which the National Credit Union Brand Campaign is fully-integrated throughout the movement, promoting and delivering on the credit union brand proposition at every level—from national advertising to face-to-face member service. It is a future we can build together, but it will evolve one step at a time—beginning right now at the grass roots of the movement, which has always been our collective strength.

Getting started ...

Distributing a “brand tool kit” for the credit union movement

We can make a good start on building brand leadership right now. The brand signature and slogan that have been selected through the research process and approved by the CUNA Board are being distributed to state leagues and to credit unions. All stakeholders are encouraged to help launch and build the credit union mega-brand by using the national credit union trademarks at the grassroots level, on their own materials and advertising.

The new brand signature and slogan have been packaged and launched as a “brand tool kit,” designed to help credit union organizations leverage their own individual brands through linkage with a growing national credit union mega-brand. The tool kit includes electronic files of brand graphics, technical guidelines and specifications for users, and creative suggestions and examples of how the new signature and slogan can add value and “brand-power” to

marketing efforts at every level. The tool kit is included in a complete brand launch kit that also contains this brand strategy document, and a video launching the National Credit Union Brand Campaign.

Developing and distributing taggable promotional materials

The launch of the new credit union brand signature will also be supported in the year 2000 by development and production of marketing and advertising materials in a variety of media that can be customized and used by state leagues, individual credit unions, and related organizations in their own regions. Brand campaign advertising and materials will be supported with suggested strategies for getting the most out of campaigns designed to build the credit union brand as a value-added part of local and regional credit union marketing.

Moving forward together

To move forward toward an integrated National Credit Union Brand Campaign, the brand proposition must be supported at the local level, with coordinated or complementary messaging, materials, and—most importantly—fulfillment of the brand promise in operations and member relations. However, significant growth of national market share may eventually require investment in marketing on a broader scale.

Part of building a national level branding effort from the grass roots up will be tracking our successes, encouraging broader levels of cooperative marketing, and developing more effective ways to deliver our collective message. The success of credit unions in building a mega-brand that benefits all of us will depend on working together as a movement to speak clearly and powerfully about our unique brand proposition: the credit union difference.

THE STEPS TOWARD BRAND LEADERSHIP

A critical path to success

To create a strong credit union mega-brand, the National Credit Union Brand Campaign has taken a long-term, step-by-step approach that will build over the months and years to come.

1. Developed, focus tested and launched the brand proposition, a new brand signature and slogan for use by state leagues, credit unions and related organizations. (Spring/Summer 1999)
2. Made the pilot public education campaign materials available on a statewide basis. (Spring 1999)
3. Develop National Credit Union Brand Campaign advertising and promotional materials for customization and use by state leagues, credit unions and related organizations. (Winter 2000)
4. Foster integrated marketing across the credit union movement through internal communications and sharing of ideas, opportunities, concepts and techniques for operationalizing the brand proposition and increasing membership, market share and sales at the local level. (Ongoing)
5. Monitor results of National Credit Union Brand Campaign materials use, and continue to adjust strategies and creative to serve the brand proposition, further business and communication objectives, and meet the needs of credit union stakeholders. (Ongoing)
6. Work toward greater collaboration and cooperation in delivering National Credit Union Brand Campaign messages, including broader delivery and better tracking, with the objective of building the brand campaign up to a national level over time. (Ongoing)



There are three essential ingredients for the success of brand-building efforts. First, brand marketing must be a long-term commitment. It needs to be internalized within the movement as more than a “nice idea”—it should be seen as a necessity.

Second, the brand proposition must also be a long-term commitment. The brand belongs to the consumer, not the marketer. Credit union members have pointed the direction to the brand proposition, and only they have the “right” to change it.

Finally, the brand proposition must continue to be operationalized—the brand promise kept—at every level of the credit union movement.

Of course, our new brand hasn't had time to make its mark yet. It's like a newborn—it needs nurturing, attention, effort, investment and exposure to the world in order to grow strong. But with a dedicated collective effort, our brand can be brought to life as never before, and as it grows into a true mega-brand it will, in turn, strengthen the credit union movement and help assure our future.

Each and every member of the credit union movement is an ambassador for our credit union brand, and responsible for operationalizing our brand proposition. The potential for future brand leadership and growth is enormous. This brand strategy is a call to action: we can harness the power of our cooperative movement to build a credit union mega-brand that acts as a landmark beacon for consumers.

THE LAST WORD

Credit unions are founded on a social charter, with a strong, vital philosophy and set of values that are as relevant today as they were when the movement was founded. We need to reach out to the millions of American people who could benefit greatly from credit union membership—and who now have that option, thanks to the Campaign for Consumer Choice.

The credit union brand proposition is a promise to the American people. They have a right to be respected. They have a right to honest, straightforward financial advice. They have a right to get ahead, to be taken seriously, and to dream. These rights are supported by credit union values, and enjoyed by credit union members.

During the 1998 qualitative brand research study, one of the focus group exercises was to fill out empty “thought bubbles” on a drawing that represented an

imaginary conversation between a bank and a credit union. If these two brands could talk to each other, what would they say? One focus group respondent, a single mother from Philadelphia, deserves the last word. In her imaginary dialogue between a bank and a credit union, she put her heart into writing this exchange:

Bank to credit union:

“I’m bigger, louder and I’ve got more clout. I’m gonna stomp you out of existence. See ya! Wouldn’t want to be ya!”

Credit union to bank:

“I’m more principled, and I have the voices of millions. That kind of spirit will never and can never be quenched. Take your best shot. We’ll come back stronger & louder, ’cause we are the people. Hear us roar!”



The fact is, people inside the credit union movement have a strong and positive relationship with the brand and place a high value on credit union membership. People outside the credit union movement have no idea what they're missing. That's why the credit union brand proposition needs to be communicated to everyone who will listen. It's time to share a good thing.



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Where people are worth more than money.™