



Editorial Perspective:
*3 Lessons Every Credit Union Can Learn from a
Shopping Trip to the Mall*



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3 Lessons Every Credit Union Can Learn from a Shopping Trip to the Mall

by Arnie Goldberg

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As someone who has spent his entire career in financial services, I'll readily confess that my knowledge of what it takes to succeed in retailing has been limited to my role as a consumer. But at a recent family gathering, I had the chance for some deeper insights when I joined a conversation between my daughter, who works in visual merchandising for a mass retail chain beloved by teenage girls, and my brother-in-law, a diamond dealer whose business lends new meaning to the term, "upscale."

Listening to them discuss the challenges and opportunities of positioning their wares for Black Friday and Cyber Monday made me realize that, as marketing and service oriented as credit unions are in many ways, they could gain some valuable insights from visiting any shopping mall in the country. Here are three insights I believe credit unions can learn from retailers to enhance their branding, create better products, attract more customers and build member loyalty:

1. Your Brand Is Your Bond—with Current and Future Members

Even the newest and smallest mall stores are usually light years ahead of most credit unions when it comes to defining and marketing their brands. That's because retail stores stand or fall based on how well they communicate their USPs—Unique Selling Propositions—to consumers at a glance. Retailers know that every nuance of their graphics, visual merchandising, product, pricing and store layout adds up and contributes to the overall impression their brand makes with consumers.

To illustrate how credit unions often fall short of their potential though, imagine what your reaction would be if someone described a new store down at the mall to you in these terms:

"You should check out the new Plain Vanilla Financial Store sometime. I forget its exact name—it's a string of initials or some kind of made-up word—and you probably won't spot it from the storefront or logo because they're not all that memorable either. Oh, and once you get inside, you'll stand there and feel really awkward for a minute about what to do or whom to talk to. But finally a really nice staff person will give you a bunch of brochures and explain that the store really isn't there to sell you anything on the spot but that there are lots of ways to access their confusing website that can't sell you anything either."

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If you're like me, that description would have you running for the exits or searching for a TV prank show's hidden cameras, but it doesn't have to be that way! Your credit union—no matter how large or small—has its own unique "WOW Factor" that can form the basis for a powerful and memorable brand.

- Your WOW Factor—think of it as your credit union's USP or Unique Service Perspective— is the sum total of your credit union's history and heritage, mission, geography, good works on behalf of members and community, value-oriented products and member-centric service channels.
- Defining and displaying your credit union's WOW Factor in an integrated way unlocks its brand potential by going far beyond your logo and color scheme to stir inspirational and aspirational feelings of safety, confidence, financial mastery, well-being, community, caring and direction in your current and future members.

2. Be Seamlessly Visible and Valuable across Every Sales Channel

There's a reason that many malls in America contain exactly the same stores and it's because, for retailers, the kiss of death is to be out of sight and out of mind. After all, it may seem obvious but when you're selling tangible products, it takes traffic to create sales, whether that's foot traffic into your store or clicks to your website.

What's more, with recent trends like in-store pick-up, flash sales, VIP shopping events and e-mail discounts redeemable in-store, retailers are getting more creative in their attempts at channel integration because they have realized that pigeonholing customers as online or brick and mortar is no way to build engagement or loyalty.

Credit unions can learn from these retail trends and success stories by realizing that, in the words of the New York Lottery's famous slogan, they've "gotta be in it to win it" across all delivery channels. Credit unions can start by remembering that having an "omni-channel strategy" is a means to an end, not an end in itself. Each channel has unique marketing potential and can play a unique role in attracting members. For example,

- Your branches (or even pop-ups) can host onsite, traffic-building events to raise community visibility and camaraderie. Recently I was driving past the local branch of a large, money-center bank when I noticed that they had set up a hot dog cart out in their parking lot. When I walked over to investigate, the manager offered me a free hot dog and soda, explaining that he had called the vendor on the spur of the moment "just because it was a beautiful Friday afternoon." The whole thing probably cost him \$500 but the excitement, goodwill and sense of serendipity he generated made that a brilliant investment.
- Your website, on the other hand, can serve as a more comprehensive source of products and information, including financial education tutorials, budgeting and planning calculators, and online applications for checking and credit cards. The website, together with your credit

union's mobile site and app, will also serve as your introduction and storefront for users such as Millennials who are tech savvy and using the Internet to investigate their options.

- Your contact center is positioned to be the beating heart of your credit union's service and sales operations with the potential to "turn frowns upside down" with resources that brick and mortar retailers can only envy. After all, who would you rather deal with—a bored, gum-popping sales associate or a polite, professional, extensively-trained sales agent empowered to solve problems and offer solutions without wasting your time or energy?

3. Sell Value, Sell Relationships, but Remember to SELL

Successful retailers never forget for one nanosecond that their livelihoods depend on "moving the merch," as that half-art, half-science process behind stocking and selling what customers want when they want it at a price they're willing to pay is affectionately called. Although credit unions don't have discount racks or remainder bins, their lack of tangible inventory should never obscure the fact that they are businesses that owe a responsibility to their members/shareholders.

As cooperatives, other factors beside the profit motive may sometimes come into play, but that should never excuse credit unions from the responsibility to make good financial decisions or maximize their potential. When credit union members perceive value and fairness—in the products, quality, pricing and service they receive—they see themselves as having found a port in the financial storm and it actively builds trust and the desire to purchase again in the future. Just as one comes to appreciate that a certain clothing brand always fits perfectly at a great price, so, too, do members appreciate knowing where to turn for value and dependability in their financial lives.

Creating Lifelong Customers

Credit unions can borrow a page from department store personal shoppers by helping their members do the equivalent of "building basic wardrobes" and then "accessorizing." They can:

- Develop a quality, comprehensive, best-in-class checking account suite as the basis for building long-term, sticky member relationships.
- Onboard those new relationships during the magic timeframe of the first 90 days by assigning each new member to a financial consultant who can help transfer assets and add needed accounts and products.
- Cross-sell and stay in touch through credit card, balance transfer, rewards points and other offerings.

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- Attract new member segments such as Millennials, retirees, etc. by becoming the lender of choice for auto loans and mortgages, personal loans and other difficult-to-obtain financing that provides enormous value and builds reserves of trust.

This holiday season, you may be tempted to avoid the chaos of your local mall, but seeing these and other lessons of mall retailing for yourself just might end up being the best gift you could possibly give your credit union and its management.

For More Information

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About Advisors Plus

Advisors **Plus** was established in 2004 to provide consulting and marketing services to credit unions. Our range of services covers the key areas of strategy, credit cards, debit and checking, marketing, contact center, operations, and branch sales.

The experienced consultants at Advisors **Plus** work with a credit union's staff through the entire process from project analysis to implementation and management. Our goal is to ensure that each credit union client achieves sustainable business growth, exceptional member experiences and operational efficiencies.

As of December 31, 2014, Advisors **Plus** has superior NPS Scores of: 74 – Credit; 81 – Debit and Checking; 91 – Contact Center. For more information, please visit AdvisorsPlus.com.