

think

The Magazine for Credit Union Executives

SPRING 2010



THE
**BEST &
WORST**
MARKETING
OF THE YEAR

★★★★
**WIN YOUR
MARKET**
THE ONE THING
CONSUMERS WANT
★★★★

⚡ **THE** ⚡
MARKETING
⚡ **ISSUE** ⚡



THINK OUT LOUD
FORMER PUBLISHER OF BRANDWEEK
TOM WOERNER
DISCUSSES BRANDS
AND CUSTOMER SERVICE



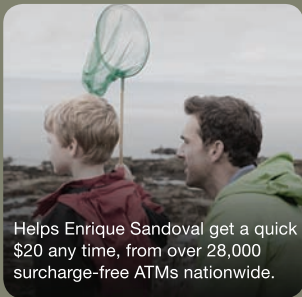
→ → **CO-OP** ROLLING OUT NEW PRODUCTS

THE CO-OP FAMILY OF PRODUCTS AND SERVICES.

Helps potential members like Emily Battaglia decide which credit union to join. As a CO-OP partner, her credit union knows that access, convenience, and connection are what grow membership in today's world.



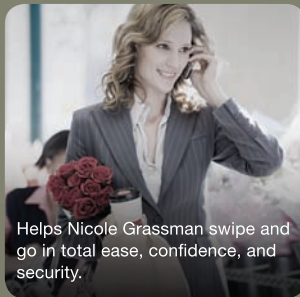
NETWORK SERVICES



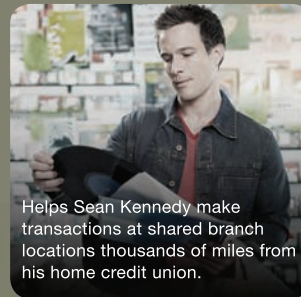
E-COMMERCE SOLUTIONS



PAYMENT PROCESSING



SHARED BRANCH SERVICES



CALL CENTER SERVICES



The many ways we help you help your members.

CO-OP Financial Services is in the business of helping yours. It's that simple. Visit CO-OPFS.ORG to learn more about the industry's most comprehensive and innovative product suite.



CEO Message



Dear Members,

In this issue of **Think** magazine, our main feature (page 8) begins by asking “What if you had everything consumers wanted in a financial institution?” It then suggests that you already do. One of the key issues confronting the credit union movement is not so much what we don’t offer. The issue is how we can better market and communicate to potential members the many benefits of credit unions, and how we are different from banks.

Credit union branding and marketing customer services are front and center in this issue of **Think**. Stories include an interview with branding expert Tom Woerner (page 6) and a salute to some of the best (and worst) marketing campaigns in 2009.

Among the things that give credit unions their edge over banks is access and convenience, and that is always front and center with CO-OP Financial Services.

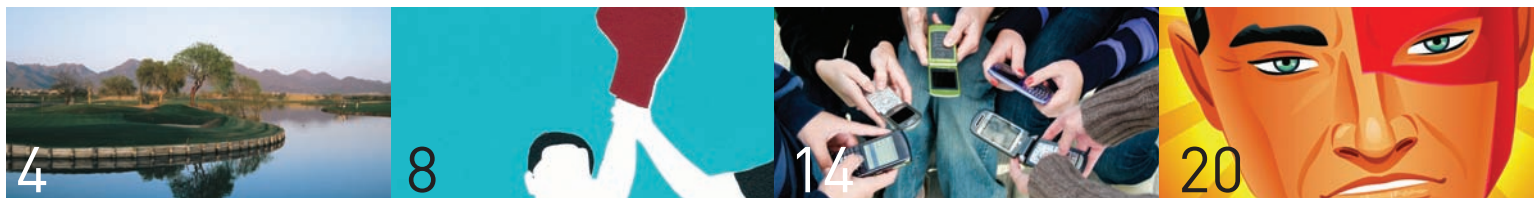
CO-OP Network has more than 28,000 surcharge-free ATMs nationwide, including more than 9,000 that are deposit-taking, making your credit union-dedicated network larger than any national bank’s. CO-OP Shared Branching recently surpassed the 4,000 mark for physical, full-service shared branch locations, which makes it the fourth largest branch network in the country. In addition, 2,300 CO-OP Shared Branching kiosk locations are also available.

CO-OP Member Center offers 24/7 LoanLink and Member Services, ensuring that you will never miss a loan opportunity or allow a member inquiry to go unanswered. Our Next Generation Network (NGN) Universal Hub powers the technology behind key services to members such as mobile banking and remote check deposit.

CO-OP offers you the tools, counsel and leadership to help your credit union and your members prosper. That’s why we produce this magazine, and present our annual THINK Conference, getting underway April 18 in Scottsdale, Ariz. (www.co-opthink.org). We hope you are making your plans to attend, but if you are unable to, you can follow the conference at our new Insight Vault blog site (www.co-opinsightvault.com), via Twitter (www.twitter.com/COOPTHINKCONF) and our next issue of **Think**.

Sincerely,

Stan Hollen
President/CEO



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THINK10

THINK 2010 will be at the world-class Fairmont Scottsdale Hotel.



TH



Attendees of **THINK 2009** gained insight from political campaign guru David Plouffe.



If you are headed for Scottsdale, Ariz., to attend **THINK 2010** starting April 18, the CO-OP Financial Services team looks forward to seeing you at this event, which we are confident will inspire and energize you. THINK is the only conference for credit unions that brings you top-level strategic advice from world-class thought leaders from a wide variety of fields, so that you can move your credit union aggressively into the future.

And, if you can't make it this year, there are still four ways you can follow the conference:

- Hear our speakers in their preshow podcast interviews, in which they provide many insights that will benefit your credit union. Go to: <http://www.co-opthink.org/speakers.aspx>.
- Keep up with conference activities via Twitter at: <http://twitter.com/COOPTHINKCONF>.
- Look for the Summer 2010 issue of **Think** magazine for complete post-show coverage.
- See page 20 of this issue for our story on **THINK 2010** speaker Bob Herbold.



If you have not made your plans yet, you can still register—for free!—at <http://www.co-opthink.org>.

Social Media: COME ON IN, THE WATER'S FINE!

You've heard all about social media—LinkedIn, Twitter, Facebook, blogs, etc. Still wondering what to make of it all? CO-OP has taken the plunge, and we urge you to participate with us in this exciting new way of communicating with and helping each other advance the credit union movement.

On Twitter, you can follow CO-OP activities at <http://twitter.com/COOPFS>. Just click on the "Follow" icon near the top of the page to start receiving our "tweets" on industry and CO-OP-specific activities. We will receive notice that you are following us, and we will return the favor!

We also encourage you to visit CO-OP's Insight Vault, our new corporate blog. Each week, a thought leader from within CO-OP will provide ideas and solutions to address key issues confronting credit unions today. More than a site for learning, we hope you will comment on what you read as well, so that we can benefit from your own individual experience. Pay Insight Vault a visit at <http://co-opinsightvault.com>



Helping you keep up with the access and convenience needs of your members is what CO-OP is all about. Since the first of the year, CO-OP has made a series of key new products available, providing the advanced connectivity your members demand and the opportunity to operate more profitably for you.

CO-OP MOBILE MULTI-MODE PLATFORM

CO-OP is expanding CO-OP Mobile with a new Multi-Mode Platform supporting text banking, mobile Web browser and downloadable applications to supported devices, including iPhones. CO-OP Mobile Multi-Mode Platform helps credit unions service a broader member base and become more profitable as it supports the three most popular mobile-banking options. This level of functionality combines with CO-OP Mobile's ability to enable credit unions to get up and running with mobile-banking services in as little as 60–90 days.

CO-OP ATM MANAGED SERVICES

CO-OP is partnering with NCR Corporation to offer a comprehensive suite of managed ATM services to enhance the profitability of ATM management for credit unions. CO-OP ATM Managed Services includes hardware, software, service upgrades and ATM processing

options. This approach to ATM deployment and management will be attractive to credit unions seeking to outsource these functions as capital expenses grow with the size of the ATM fleet.

CO-OP MY DEPOSIT BRANCH

CO-OP is expanding its suite of check-imaging solutions to include CO-OP My Deposit Branch. This new product allows credit union partners to batch and electronically submit deposited checks for clearing.

CO-OP My Deposit Branch adds to CO-OP Financial Services' suite of imaging products with a server-based application that eliminates many of the costs associated with handling, proofing, couriers and processing paper checks. This expansion of the CO-OP check-imaging suite provides clients with a single-vendor imaging solution for ATMs, consumer remote-deposit capture and now branch capture. CO-OP My Deposit Branch is a perfect fit for credit unions looking to increase efficiencies, speed transmission, reduce risks and cut costs.

For more information on all of these products, contact the Business Development Department at 800-782-9042, ext. 7140, or via e-mail at BusinessDevelopment@co-opfs.org.



THINK LOUD

TOM WOERNER ON BRANDS AND CUSTOMER SERVICE

• MAKING YOUR NAME SYNONYMOUS WITH SERVICE •

IN TODAY'S 24/7 WORLD, BRANDS DON'T GO TO SLEEP AT 5 P.M. WHEN THE EMPLOYEES GO HOME. INSTEAD, CONVERSATIONS ABOUT A BRAND CONTINUE TO TAKE PLACE AMONG ITS CUSTOMERS—THOSE WHO ARE BOTH SATISFIED AND DISSATISFIED. RECENT EXAMPLES INCLUDE TOYOTA, MOST AMERICAN CAR COMPANIES AND DOMINO'S PIZZA (GOOGLE FOR THE BACK STORIES).

Tom Woerner, president and founder of Vergrandis Marketing, a marketing consultancy specializing in brand strategy, talks about why customer service is so important to your brand.



A LOT OF PEOPLE THINK OF CUSTOMER SERVICE AS ALL THE THINGS THEY DO FOR CUSTOMERS. WHAT'S YOUR DEFINITION?

Actually, it's your customers' perception of the product you're offering to them and what their expectations are against that product or brand. In a service industry, it's critical and the most important thing to consider when talking about marketing and branding.

HOW DOES POOR CUSTOMER SERVICE IMPACT YOUR BRAND?

There's no doubt about it—poor customer service will result in a drop off of sales or revenue, whether it's gradual or sudden. There's no avoiding customer service—it will catch up with your brand eventually.

WHY IS GENERIC CUSTOMER SERVICE NOT ENOUGH ANYMORE? WHAT'S CHANGED?

The very nature of the social media platform allows for personal communication to take place between individuals and between individuals and groups (outside of your control). It's very different from the type of communication that (previously took) place between the producer of a service and its customer.

(Communication) used to be very one directional, with almost no opportunity for the recipient to respond to the sender of the message. We're in a situation right now that if the recipient of the message is responding to the sender and not getting a response back—or they're getting a generic response—they're likely to become distressed.

We're no longer in a one-way world. It's a true communication process. It's the convergence of mass communication and personal communication coming together. You have to manage those mass communication relationships as you would personal communication relationships.

HOW CAN CREDIT UNIONS MAKE CUSTOMER SERVICE PART OF THEIR BRAND STRATEGIES?

In a service organization, it has to start with the employees. Every one of your employees is a representative of your brand. They are going to portray something about your brand whenever they're interacting with friends and colleagues in a personal, (business) or social-media environment.

HOW, THEN, DO YOU PROMOTE YOUR BRAND STRATEGY/ MISSION INTERNALLY?

(Through a) mission statement that is very customer-focused and outward-focused. Everyone should be aware of that mission and how to represent it in a very concise and straightforward fashion.

Having a concise, well-crafted mission statement can help to focus the individuals within your organization on the core essence of what you want your brand to represent to your members and prospective members. This is extremely important because your organization's employees are the most important advocates for your brand.

A LOT OF COMPANIES HAVE MISSION STATEMENTS. HOW DO YOU TRANSLATE YOUR MISSION INTO ACTION?

It's all about the communication process. Be very clear and specific on what the brand mission is and how it relates to customers.

It can't be one-way communication. You have to listen and invite employees into the conversation and solicit their feedback. Don't think the mission statement is static. It needs to evolve and be relevant with regards to what your employees are hearing and meeting those continually evolving needs.

SOMETIMES SOCIAL MEDIA SEEMS LIKE A PANDORA'S BOX: IT'S EASIER TO LEAVE IT CLOSED. WILL IT HURT YOUR CUSTOMER SERVICE EFFORTS TO IGNORE SOCIAL MEDIA?

Organizations need to care about social media. There are conversations going on in the marketplace about your brand already. They may not be about a specific credit union but about finance and personal finance. There are questions being asked and answered between customers. Organizations should at least monitor the conversations taking place among their customers, even if it's not specifically about their organizations. I guarantee you members are having conversations in the social media environment that are relevant.

It's also very easy and efficient to monitor your brand with a resource like Google Alerts. It's a free, quick, early warning system if a blogger mentions your name or even your competitor by name.

SO, HAVING A SOCIAL MEDIA PRESENCE IS NOT OPTIONAL FOR CREDIT UNIONS—IT'S A NECESSITY?

You need to have a minimum presence or awareness of what those platforms are so if there is a problem occurring—a negative conversation taking place—you're prepared to enter that conversation and give your response. If the customer doesn't feel like he's being listened to, that creates more animosity. You may not have a solution to the problem, but just recognizing that you're listening and aware, that is most important to the consumer.

WHY IS NOW A GOOD TIME FOR CREDIT UNIONS TO EVALUATE THEIR BRANDS AND CUSTOMER SERVICE?

The big advantage credit unions have right now is that they're able to communicate with their customers on a one-to-one basis as opposed to funneling them into automated phone systems. These might be fine until you have some specific questions and then everything kind of breaks down.

The big banks are forcing people to fit this behavior but smaller organizations that are more in tune with their members are able to better communicate with them.

Tom Woerner founded Vergrandis in June of 2009 and prior to that was the Publisher of *Brandweek* magazine. Tom was responsible for the comprehensive editorial content development and delivery strategy and all revenue generation for *Brandweek*.

Tom is a recognized authority and frequent speaker on the subject of brand marketing strategies and media consumption trends.



YOUR MARKET

THE MARKET HAS NEVER BEEN MORE PRIMED TO GROW YOUR MEMBERSHIP. **NOW:** GIVE THEM SOMETHING TO BELIEVE IN.

What if you had everything consumers wanted in a financial institution—their every concern addressed, their every desire met? What if you had it all? Good news for credit unions: Maybe you do. Forget every esoteric idea you've ever heard about winning new membership and market share. Consumers want one thing from their financial institutions: Service.

It really is as simple—and as complex—as that. Differentiate yourself on the basis of outstanding, member-focused service, and the world is yours.

"Forrester's research continues to point to the significance of customer advocacy, that is, the perception by

customers that a firm does what's best for them, not just what's best for its own bottom line," says Bill Doyle, vice president and principal analyst for Forrester. "Each year, our data shows that customers who rate their firms high on customer advocacy are more likely to consider their firms for additional products. Customers who rate their firms low on customer advocacy are most likely to say they intend to switch firms in the next year."

Credit unions have a natural edge in both service and advocacy: It's what credit unions do best. But communicating that difference—both to members and the market at large—remains a challenge.

As we enter another year of relative turmoil in the financial services industry—with consumers anxious, angry and jaded, but also keen on new alternatives—opportunity knocks. "It's in times of uncertainty that people begin a flight to quality," says Debbie Matz, chairman of NCUA. "More American consumers recognize that strong, transparent, well-run credit unions offer them access to some of the highest-quality, lowest-cost choices in the world of financial services." Or, at least they will if we show them the way. Following, a short review of what's required:



WHEREVER THEY GO, THERE YOU ARE

Long ago, people visited a branch to do their banking. When the branch was closed, they considered their accounts dormant as well. Today, consumers expect instant access, and there's practically no limit to how accessible they want their accounts to be. It's no longer sufficient to offer ATMs at your branches; members want thousands of ATMs nationwide. They demand secure debit transactions, online bill payments, electronic loan applications, on and on.

Technology rages on, and keeping up with new services is no longer a luxury. Eaton Family Credit Union, Euclid, Ohio, recently seized the opportunity to add mobile banking through CO-OP Financial Services to their menu of options. "Salespeople and people doing service work in the field were immediately interested in mobile banking," says Fred Siegel, business development manager for Eaton Family. "It wasn't necessarily a large percentage of our membership that wanted it, but the people who were interested were very interested. We saw it as a way to build instant loyalty."

The constant connectivity we all enjoy via the Internet and mobile devices is also changing the way consumers initiate human interaction.

When New Orleans Firemen's Federal Credit Union added LoanLink Services via the CO-OP Member Center, the response was instantaneous. "We didn't have to get the word out at all," says Cami Crouchet, chief operating officer for NOFFCU. "People started using it immediately. It makes you wonder what our members were doing previously—obviously, calling and not receiving an answer." In addition to providing more comprehensive customer service, NOFFCU now typically receives 10 after-hours loan applications each month.

Is it imperative for members to be able to access accounts on an iPhone or apply for loans in pajamas? Maybe so. While those of us who grew up in pre-online, pre-phone-center America don't always find this intuitive, remote connections can be more than convenient; they keep members connected, operationally and even emotionally. As "Anthony," a Gen Y marketing consultant who has never set foot inside a credit union branch in five years of membership, notes, "To me, great service means never having to visit a branch."

PERSONALITY PLUS

Jane Ronnfeldt isn't surprised by what Anthony says, but she isn't in

complete agreement either. As vice president of marketing for Numerica Credit Union in Spokane, Wash., Ronnfeldt is familiar with the list of services required in the digital age. "E-statements, ATM networks, debit transactions, online banking—if we didn't have all those things, people wouldn't do business with us," she says. "But people still want you to have a branch. They may never visit it; they may never want to. But they still want to know it's there."

Alan Bainbridge, senior engagement consultant at Allegiance, a South Jordan, Utah-based software firm specializing in feedback management software, goes a step further. He says credit union members not only want the option of visiting a branch; they also want excellent service when they get there.

Allegiance studies consumer behavior as it relates to financial institutions. What they've found is consumers are far more "engaged" with credit unions than they are with big-name banks. That is to say, members are more attached to their credit unions because of repeat and ongoing positive interactions. They're more likely to add products and services, to pay more for those services, to remain loyal and refer friends. In the most recent study, credit union members reported 49

percent engagement versus 30 percent for bank customers.

What spells the difference? Bainbridge says that “saving time and money” is a critical baseline, but “soft skills,” such as personalized service in the branch or by phone, offer a key connection. “Consumers want to feel that an organization values and cares for them,” says Bainbridge. “This can be anything from remembering a (member’s) name to simply providing helpful service.”

A CRITICAL MOMENT

This may be a critical moment for credit unions that want to grow their membership or secure relationships with existing members. One news story after another paints the financial services industry in less-than-glorious terms. Meanwhile, credit union members have suffered financial setbacks and credit unions themselves have tightened operations. It’s uncomfortable all around.

But Terry Reich, training coordinator for Northwest Community Credit Union in Eugene, Ore., sees every difficult interaction as an opportunity.

“At least when you’re dealing with an issue (such as delinquency on a loan), it’s a real issue,” she says. “When we ask people what we can do to help them deal with a difficult situation, we really want to help. That comes through, not just in the human touch, but in the way our credit union operates and is structured. When we make that connection, we find people are more loyal than ever. They’ll pay our debts before any other; they’ll pay us before they declare bankruptcy. Until they found themselves in that situation, they didn’t know what made our organization different.”

Even members who struggle with small problems, such as lost ATM cards and misplaced statements, present an opportunity. “Credit unions should consider that now—with all the electronic services they provide—members who are coming into a branch may be more likely to do so because they have a problem they can’t solve remotely,” says Bobbi Kahler, a Chicago-based customer advocacy expert. “It requires staff to understand where that person is coming from right away. And it also puts a lot of pressure on each customer interaction to be positive.”

Kahler consults with all kinds of businesses to develop an environment of customer advocacy. But credit unions that are true to their missions already have a culture of advocacy. Whether through enhanced employee training or member-friendly policies and products, providing sincere, member-centric service is not only possible at credit unions, it should be standard.



CHECK, PLEASE

Looking to grab members? Enhance loyalty? Check out checking accounts. Checking accounts may not be new, but they have distinct advantages if you’re in the market for new members or stronger relationships with existing members. What’s so great about checking?

BRANDING

When people say, “I bank at [blank]” they name the financial institution that holds their checking account. If you’re a community credit union with a great checking product, you’ll earn branding points every day.

LOW COST OF FUNDS

Most checking accounts pay zero percent APR. Enjoy this low cost of funds or offer any interest at all to create a unique member benefit.

CASH SURGES

Most people get direct deposit. Your checking account portfolio creates a large cash surge you can count on every payday and each year around tax refund time. What better times to promote moving money into higher-rate products like IRAs?

CUSTOMER INTIMACY

You can really get to know your members through their checking accounts. Portfolio optimization tools like CO-OP Revelation allow you to gather intelligence. What grocery stores do your members prefer? Pick those sites for promotions. What are they buying? Is it mostly groceries, or is a lot of it movie tickets and iTunes? Now you know what types of prizes to award for desirable behavioral changes.

REVENUE

Checking accounts don’t have to be costly to manage. The more members you get using debit and check cards, the fewer transaction processing worries you’ll have and the fewer number of check processors you will need. Flip side? Card services produce revenue, anywhere from a few cents a transaction (even at ATMs) to many dollars for big transactions. Additional revenue comes from selling designer checks to members and providing convenience overdraft.

CONTINUED ON PAGE 12 →

CHECK, PLEASE CONTINUED FROM PAGE 11

GENERATE TRAFFIC

Checking accounts bring members into the branch; they also drive online banking customers to your site and callers to your call center. Leverage the opportunity. Place ads next to your home-banking login. Merchandise your branch to cross-sell products. Run contests for teleservices representatives to compete on how many members they can convert to a check card. Offer prizes. Now you have an employee benefit too.

CORPORATE RELATIONSHIPS

If you work with businesses, and of course you do, having a solid checking account product can be a lucrative relationship builder. Do you serve a large sponsor corporation? Are you doing payroll for them? What about that company's other cash accounts? Can you hold their overnight funds?

CONVENIENCE

It's critical that your members have 24/7 convenience, but it's not critical that you break the budget trying to provide it. You can provide 24/7 call service for loans with CO-OP Member Center, more ATMs than any bank network via CO-OP Network, the ability to make deposits from a home computer with CO-OP My Deposit Home and more branches through CO-OP Shared Branching than any single bank. Checking accounts let your members experience the full benefits of the credit union cooperatives. Once they do, they'll be members for life.

CRISIS OF CONFIDENCE?

What Happened: In their most recent (2009) study, Allegiance reported the sharpest drop in credit union member engagement since the study began in 2007—from 57 percent down to 49 percent.

What's Wrong: When credit unions started tightening lending practices and delivering other types of "bad news" to members, disappointment ensued. "It may have hit credit union members even harder than bank customers," says Alan Bainbridge at Allegiance. "They thought their credit unions were immune."

What to Do: "This is an important time to continue to communicate to members about changes that are going on at the credit union," says Bainbridge. "People still like their credit unions, and they want to see their credit unions as being Main Street and not Wall Street."

READ ALL ABOUT IT

New Orleans Fire Federal Credit Union uses the CO-OP Member Center to address a variety of marketing—and nonmarketing—objectives. In addition to providing members with round-the-clock access to loan applications, the CO-OP Member Center is central to NOFFCU's disaster preparedness plan, provides backup when staff is out, offers Spanish-speaking capabilities 24/7 and much more. Get the details in CO-OP's white paper, "Storming into the Future: New Orleans Firemen's Federal Credit Union," available by writing to marketing@co-opfs.org.



SPREAD THE WORD

Now, here's the rub. Let's agree that credit unions excel at customer service. Especially thanks to their cooperative model, they can provide a high level of technology and convenience. Why, then, don't credit unions dominate the market? If credit unions are the "better banks," then why aren't they doing better than banks?

In all fairness, some credit unions are making headway. Yet, many could be doing more to leverage their competitive advantages. And too many are laboring in obscurity, hoping that consumers will magically recognize their virtues.

It's a riddle that Numerica's Ronnfeldt faces every day. Though Numerica advertises its services, it does not bash banks. Irresistible promotional products (think "5 percent certificates") aren't common these days either. Showcasing areas of differentiation—for example, Numerica is active in business lending while many local banks have tightened down—helps get the message across that Numerica isn't "banking as usual."

But this leaves many stories untold. For instance, Numerica sponsors Second Harvest, a regional food bank based in Spokane. In 2009, Numerica's food drive for Second Harvest raised enough food and money donations to provide over 10,000 turkey dinners. Numerica also sponsors a group called BIZStreet, which provides information, assistance, education and counseling to local small-business owners. A few years back, Numerica helped a 19-year-old buy her first home.

You can't tell these stories in ads. That's why Numerica employs a full-time, dedicated public relations specialist to get the word out with the local media. They also publish a quarterly member magazine, *Numerica Notes*, that covers national trends in personal finance as well as stories of how Numerica connects with its community. Offering an in-depth, sophisticated point of connection is invaluable. "Even our covers (showing real Numerica members) tell the story," says Ronnfeldt. "We're for and about our members."

E-Commerce Solutions. Give your members accessibility. Give yourself adaptability.

CO-OP E-Commerce Solutions. Another way we help you help your members.

Get the most relevant account access technologies for your members, delivered over the industry's most future-forward platform—the Next Generation Network. Designed and owned by credit unions, NGN eliminates the need for multiple interfaces so credit unions can add member conveniences continuously, easily and quickly. This versatile platform also hosts signature CO-OP products—Member Center and Shared Branching.

Purpose: Maximize Access Points and Convenience.

CO-OP Check Imaging. A comprehensive suite of check imaging products that provides ubiquitous account access for your members and cost minimization for your credit union.

- **CO-OP My Deposit: Home.** A Web-based application that enables members to deposit checks remotely, in real time.
- **ATM Check Imaging.** Technology that allows ATMs to accept checks without envelopes and to print receipts with each check's image.
- **Fast Branch.** Kiosks that transform self-service to full-service with check and cash deposits/withdrawals, loan advances/payments and more.
- **CO-OP My Deposit: Branch.** An in-branch, back-end solution to scan, verify and submit deposited checks via the Web.

Purpose: Expand Demographics.

CO-OP Mobile. Handheld banking (via text, browser, and smartphone app) that enhances member experience, attracts new segments and decreases call center volume.

Purpose: Simplify and Enhance Marketing Efforts.

CO-OP Ad Lab. Expert assistance for developing strategies and planning product launches, as well as free, customizable marketing materials.

Purpose: Provide Analysis and Ongoing Support.

CO-OP Foresight. Value-added tools and consultation for adopting and optimizing your E-Commerce Solutions. Plus, unlimited access to our Relationship Management Team.



Marnie Scala, Brooklyn, NY. Knows the quickest route to access her money isn't always by scooter. Sometimes it's by landline, cellphone, or computer via CO-OP NGN.

To learn more about how the most advanced member access products in the marketplace can help you stay relevant and ready for the future, visit

CO-OPFS.ORG

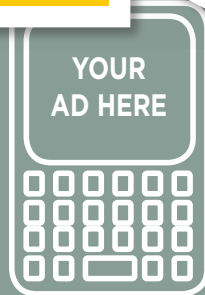


CO-OP



The

BEST



Notable ROI on a Budget DOMINION CREDIT UNION

One-month campaign costing \$2,372 (Marketing Association of Credit Unions Winner)



Dominion Credit Union proved that marketing on a small budget can still be effective, and that good creative, a good offer and the right targeting are more important than budget.

The campaign featured just one direct mail piece sent to 3,100 households but resulted in a 200-percent increase in users of the credit union's online bill payment service.

The direct mail piece pointed out that online bill payment saves stamps, reduces clutter and is safe. It also offered \$50 to first-time users who paid five bills in October. The campaign inspired a record 109 sign-ups in the month of October—up significantly from their previous average of 22 sign-ups per month.

Not only did this campaign bust the myth that online banking isn't safe; it also busted the myth that direct mail is dead.

In a year when everything was a tough sell, marketing posted many wins—and demonstrated that where change is rampant, innovation prevails. From the best media plans to the most valuable marketing assets to the best (and worst) ads in recent memory, **Think** magazine provides a short compendium of marketing winners.

Worst

MARKETING *of the Year.*

Best Use of Mobile

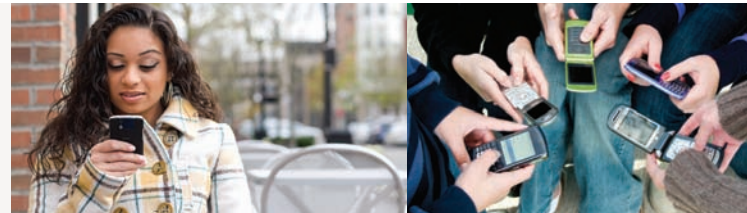
GOSSIP GIRL (CW NETWORK)
You Go, Girl Adweek Media Plan of the Year



If you've never seen the show *Gossip Girl* on the CW Network, think private-school socialites spreading catty gossip and texting nonstop updates. Every girl is attached to her cell phone in every scene.

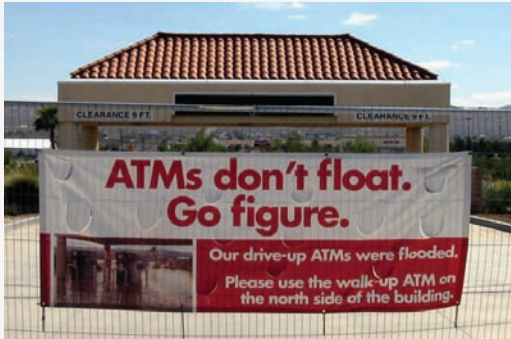
When season two was about to launch, CW Network wanted to create a buzz within its highest-rated market—18- to 34-year-old women. The campaign resulted in the show's best ratings ever, with more than one million more viewers than the show's series debut.

Market research showed that 18- to 34-year-old women are passionate about using their mobile phones, a trend that also



fits with the character of *Gossip Girl*. Tactics included a "get gossip" widget placed on the RSS feed for *People* magazine, a mobile application on MySpace and Facebook and Web banners driving traffic to the mobile application. The buzz reached its highest climax when viewers received text messages from the show's narrator in real time as the show's plot unfolded. The buzz reverberated as viewers shared the texts with friends and gossiped about the show and its corresponding messages.

Finding Humor in a Tough Situation ALTAONE FEDERAL CREDIT UNION
 Overcoming Inconvenience for Members (Marketing Association of Credit Unions Winner)



When floods hit Ridgecrest, Calif., AltaOne Credit Union's brand-new ATMs were hit. Instead of bemoaning the loss, the organization sent a clear message to members that they could still expect a high level of customer service during the three-month replacement period.

Barricades surrounding the damaged ATMs included a photo of the submerged ATMs with the headline "ATMs don't float. Go figure." An estimated repair date and locations of alternate machines were provided.

Even though the new, ruined ATMs were among the highest sources of nonmember fee income for AltaOne, the credit union's grace in the face of adversity paid off. During the three months it took to replace them, the overall transaction volume and noninterest income from nonmember cards did not decrease. Turns out a little humor goes farther than simply apologizing for an inconvenience.



INTERACTIVE:

Best Teamwork

COAST HILLS FEDERAL CREDIT UNION
 When Marketing Works, It Really Works
 (Marketing Association of Credit Unions Winner)



Coast Hills booked \$100 million in auto loans on one campaign. From the chief (Jeff York, CEO) to the full team (Scott Coe, senior vice president of marketing; Betty Orlando, marketing officer; Travis Ruppe, graphic designer; Data Based Marketing and New Rule Productions), this large-scale campaign proved that when all the marketing comes together, the results are exponential.





Most Valuable Marketing Asset: FARMVILLE



With more than 350 million users, the Facebook game FarmVille won the best social networking game at the 13th Annual Interactive Achievement Awards this year. For good reason: More people play FarmVille than are on Twitter, and they recently reported a market capitalization of \$180 million, much higher than Facebook or Twitter. Why is this cute little game so very important to you?

Notably, a recent study showed that the average social gamer is a 43-year-old woman with Facebook being the most popular site for social-game playing. If that profile sounds a little bit like an average credit union member to you, you're onto something. Better still: People who play FarmVille are always on the lookout for FarmVille dollars. What if you included them as incentives in your next promotion? (CO-OP Revelation users can check member data for charges to Zynga, the gaming company that owns FarmVille). If you're interested in learning how to promote your credit union using FarmVille dollars, Market and Sales Logic helps credit unions connect with FarmVille users.

This "Worst Campaign" Gave Moms a Headache MOTRIN

Was "Wearing Your Baby as a Fashion Trend" really the way to go? (Hint: No)



When the makers of Motrin released a commercial about mothers who wear their babies (via a Baby Bjorn for example), the intention was to show how Motrin can help mothers' sore backs. Unfortunately, that's not what happened. The first line of the commercial was, "Wearing your baby seems to be in fashion," while another comment from a supposed mother was, "I'll put up with the pain, it's for my kid. Plus it totally makes me look like an official mom."

In mere hours, the Web was abuzz with offended mothers bashing Motrin for its ridiculous ideas as to why mothers "wear their babies." Many vowed never to buy Motrin again.

Less than a day later, the manufacturer issued an apology via its Web site:

"With regard to the recent Motrin advertisement, we have heard you. On behalf of McNeil Consumer Healthcare and all of us who work

on the Motrin Brand, please accept our sincere apology."

Just goes to show you, good research can make a \$2,372 campaign work wonders, and bad research can turn a million-dollar campaign into a multimillion-dollar fiasco. If only they had a tool like CO-OP Revelation, they would have known exactly where their "mom" buyers shopped, and the ones seeking treatment at chiropractors might have given them insight about back pain. And for goodness sake, any mom could have told them plenty of things that cause their backaches. Why didn't they ask?



GOOGLE THIS

How Analytics Can Help Plug the Leaks in Your Web Site

In an ideal world, online applications offer significant benefits for both credit unions and applicants—convenience and efficiency chief among them. In reality, though, seamless online originations and account openings are difficult to achieve.

It's Monday morning, and your member is browsing your credit union's Web site to find a checking account that fits her needs. She does some comparison shopping and then decides to apply for one online.

She completes the simple stuff first—name, address, date of birth, place of employment, etc. After approximately 15 minutes, however, she closes her browser window and decides to run a few errands. What happened? Doesn't she want the checking account?

There are ways to find out what happened, and some are free and easy to use. One to consider is Google Analytics. Google Analytics is designed to help you track information about the way visitors interact with your Web site and is a commonly used tool in ecommerce. "One great part about Google Analytics is that it's free. And that's music to the ears," says David Friedberg, CEO of Weather Bill Insurance.

More and more financial institutions are finding ways to use Google Analytics to gain insight into what happens when a member or potential member is on their Web site. This is not aggregate data collection; this is actual individual-user experience you can track.

Let's use the member from the above example. By using Google Analytics, you'd be able to understand how she came to find your Web site and possible reasons that caused her to terminate her

Fine-tune your application process from marketing to completion with specific, detailed behavioral data.

CUNA and the Texas Credit Union League hosted a roundtable discussion last month: Google Analytics: Intro and Best Practices.

checking account application. You may see in your Google Analytics dashboard that she is not the only visitor "bouncing" frequently in one area. Take a close look at that page on your Web site. Is there a broken link or ineffective copywriting? Is there a confusing question, a private question or insufficient direction? You might be surprised how obvious the problem is once you've identified the

ANALYZE THAT



Enable end-to-end tracking so you can see where completed loans originated, even down to knowing which keyword a customer searched in order to land on your site. The CO-OP Member Center uses Google Analytics.

problem page. And if it's not obvious to you what the problem is, you might try changing one question or one link at a time on that page and see if the bounce rate stops.

This type of testing process is called "funnel analysis." Like any funnel, in this case you're looking at lots of data coming into your site, and then where it funnels out. If there are holes in the funnel, you're losing business.

"Based on data from Google Analytics, we are continually altering the site to make people feel more comfortable and establish trust before asking for sensitive information. Understanding the funnel to pinpoint abandonment is essential to our efforts," says Chris Bowler of Agency.com, which works with Visa on their tracking efforts.

Typically, the webmaster or IT director installs Google Analytics by placing a few lines of code in the html of each page you want to track. The code might look a little like this:

```
<script type="text/javascript"> try { var
pageTracker = _gat._getTracker("unique tracking
code provided by Google"); pageTracker._
trackPageview(); } catch(err) {}</script>
```

This code sits outside the body of your page and does not add a security risk to your site. Even when used on secure pages, like those within an application, the code still resides outside the secure areas of the page. Google Analytics is an "Urchin Tracker." It works with Google's search engine robots that constantly crawl the Web for data (perhaps named after the spiny sea urchin that crawls the ocean floors).

Google Analytics has become so common that Yelp CEO Jeremy Stoppelman said, "We've noticed that metrics in Google Analytics are becoming a new success benchmark in the discussions between startups and venture capital firms."

YOU CAN SIGN UP EASILY FOR A FREE GOOGLE ANALYTICS ACCOUNT AT <http://www.google.com/analytics> and try it yourself!

FEAR

THINK 2010 CONFERENCE SPEAKER **BOB HERBOLD**

from **THE NINE TRAPS OF WINNING:** Neglect, Pride, Boredom, Complexity, Bloat, Mediocrity, Lethargy, Timidity and Confusion.

U R E

BY SUCCESS

Too often, market-leading companies lose their edge by clinging to the very practices that allowed them to succeed in the first place. It's an unexpected twist that can only be described as failure by success.

Surprisingly, even great managers tend to overlook or downplay this clear pattern, says Bob Herbold, managing director of the Herbold Group, a consulting firm. He's also the author of a new book, *Seduced by Success: How the Best Companies Survive the*

of success."

Leaders should set the example by balancing an operational focus on today's concerns with a creative outlook toward future trends, says Herbold. He detailed this point in a piece titled, "Inside Microsoft: Balancing Creativity and Discipline," published by *Harvard Business Review*.

"You need to keep in mind the necessary balance between imposing discipline from the top and delegating authority to encourage innovation and creativity," he writes.

ON "FAILURE BY SUCCESS" (LICENSED FROM INVESTOR'S BUSINESS DAILY)

9 Traps of Winning.

Herbold should know a thing or two about staying ahead of the competition. From 1994 to 2001, he served as chief operating officer of Microsoft, the world's largest software company. Before that, he was a 26-year veteran of Procter & Gamble, the world's biggest maker of consumer-packaged goods.

"With success, you become a target," he says bluntly. "You have to assume the competition will come up with something to fight back."

SUCCESS IS WEAKNESS

For this reason, Herbold actually warns his clients to think of success as a kind of vulnerability for their business. He says it's best to remain a bit paranoid about your rival's next moves.

"You have to understand that the world and the market and consumer attitudes are always changing," he said. "That's why you have to work just as hard tomorrow morning as you did at the beginning."

Even iconic brands such as Microsoft and P&G must constantly guard against complacency. Such elite companies can suffer from "the nine traps of winning," according to Herbold. He describes these nine pitfalls as neglect, pride, boredom, complexity, bloat, mediocrity, lethargy, timidity and confusion.

"The key point for any successful firm is to keep its value system and culture focused on the user of the product, and that customer satisfaction goes a long way," Herbold says. "But it can be very hard to keep that focus once you've achieved some level

MICROSOFT NEVER SLEEPS

In large part, Microsoft became a leading tech behemoth because founder Bill Gates insisted on hiring only brilliant people and then pushing them extremely hard to meet their goals. Worries about close rivals always topped the list.

Herbold recalls one staff meeting in 1994 to discuss how Microsoft Word might overtake Novell WordPerfect, then the leading program for word processing.

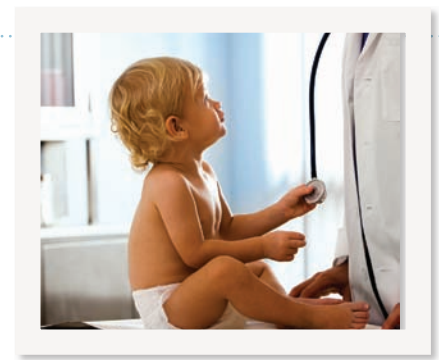
At the time, Microsoft was quickly gaining market share on Novell. Yet Word's product manager opened the meeting with a slide of "lowlights"—rather than highlights—to point out problems with the product. The lengthy meeting never progressed beyond that single slide, says Herbold.

"I wrongly thought the meeting was going to be a lovefest," he said. "But that's the way Microsoft operates. They do not waste time patting themselves on the back; they just get to work."

That kind of grit allows the best firms to stay on top. Consider that WordPerfect's share of the word-processing market was almost 50 percent in 1990, but tumbled to less than 10 percent by the time Novell sold WordPerfect in 1996. Microsoft Word's market share rose from about 20 percent before 1990 to a near-monopoly share of 90 percent by 1996.

Such ongoing success at Microsoft shows that the one constant in business is change. "There was a constant assumption that the next bright idea was just around the corner, and it had better be ours," Herbold says of Microsoft.

Laying One Miracle on Top of Another



Q ■ How do I apply for matching dollars for my Children’s Hospital fundraiser?
 ■ —Anthony M., Michigan

A ■ CO-OP Financial Services established the Miracle Match program because we believe the cooperative model that works so well for credit unions would help work miracles for sick kids. The Miracle Match program has two distinct goals: to encourage credit unions to expand or develop partnerships with their local Children’s Miracle Network hospitals in an effort to raise new, incremental dollars and to multiply CO-OP’s \$1 million investment to help children’s hospitals serve an even greater number of sick and injured children.

A new or existing fundraising event or activity that is not presently supported by CO-OP Financial Services is eligible for matching dollars in the Miracle Match program. Events can vary from golf tournaments to wine auctions. Looking for inspiration? You can get great ideas online at <http://www.miraclesoup.org>.

You can begin the 2010 application process online by going to www.co-opfs.org and clicking on Miracle Match on the top menu bar (please note that submission does not guarantee a match). Once we receive your application, we’ll work with you toward establishing a successful program.

THE AMOUNT OF FUNDS MATCHED IS DETERMINED BY THE AMOUNT OF FUNDS RAISED, AS DEPICTED IN THE FOLLOWING CHART:

FUNDS RAISED	MATCH	EXAMPLE
Up to \$10,000 raised	Dollar-for-dollar	\$4,500 raised receives a \$4,500 match for a total contribution to the local CMN hospital of \$9,000
\$10,001–\$15,000	\$10,000 (flat match)	\$15,000 raised received a \$10,000 match for a total contribution to the local CMN hospital of \$25,000
More than \$50,000	20% of the total funds raised, up to a maximum of \$25,000	\$100,000 raised receives a \$20,000 match for a total contribution to the local CMN hospital of \$120,000



Children’s Miracle Network is a nonprofit organization dedicated to saving and improving the lives of children by raising funds for children’s hospitals across North America. CO-OP is an active participant with Children’s Miracle Network and Credit Unions for Kids, donating more than \$2 million per year through ATM transaction fees, local credit union events and the Miracle Match program.



Blue Hill, Maine. Kevin Miller makes cash deposit 1,200 miles from home. Spends the rest of the day making withdrawals at Blue Hill Bay.

There's no place like everywhere

CO-OP Shared Branching, with more branches in more places than any other shared branching network. Another way we help you help your members.

The convenience and comfort of making financial transactions at a full-service branch, virtually anywhere and anytime. That's what your members want. And with CO-OP Shared Branching, that's exactly what you can give them. Powered by the Next Generation Network, CO-OP Shared Branching connects your credit union to more branches than any other shared branching network. All without the cost of building and maintaining numerous branches. Now that's how to make your members feel right at home, no matter where they are. We just hope they'll remember to wipe their feet before visiting. CO-OPNGN.NET



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Damien Lavizzo. Milwaukee, Wisconsin. Enjoys being able to close deals from his favorite sidewalk cafe. Also enjoys being approved for a loan without setting foot in a branch.

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Your members look to you for 24/7 access and convenience, personalized attention, and quick and efficient lending services. The CO-OP Member Center delivers highly flexible call center solutions with your needs in mind. You choose your availability. You choose your service level. You gain capacity efficiency, avoid resource mismanagement, and grow your business as a result. Well-trained agents are standing by to provide service to your members and help you achieve greater lending volumes and cross-sales. To learn more, visit CO-OPFS.ORG/MEMBERCENTER



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