



Brand Rankings Find Top CUs Have One Thing In Common: They Stay True To Values

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By Matt Blumenfeld, Reporter

BIRMINGHAM, Ala. - Financial institutions that stay true to their core values and deliver for their customers have the strongest brands, an analysis of all American banks and CUs revealed.

In the first of its biannual brand value index report, Bancography determined the top banks and credit unions in the country based on a mathematical formula that backed out all tangible assets, and adjusted for franchise values such as affluence, competition and market, leaving only the strength of the intangible values, which it refers to as the brand.

"It is a quantitative ranking of brand and we were able to examine every bank and credit union in the US," said Bancography president Steve Reider. "If we can't attribute the value to the tangible assets and we can't attribute it to the franchise location, then how are you getting this income, how are you getting these deposits? And the answer has got to be brand."

Reider explained further that the brand is far more than logos, advertising strategies or how branch buildings look, and are instead the "values that the institution stands on." Commerce Bank of Missouri, which made it into Bancography's top 10 mid-sized bank rankings, Reider pointed out, also recently won the J.D. Power and Associates award for highest customer satisfaction at a financial institution. "That can't be a coincidence," he concluded.

Financial institutions that proved they have a personal relationship and rapport tended to score very highly, especially those that served a particular niche.

"They don't play the rate game. They are absolutely competing on relationship attraction rather than pure rate-based premises," said Reider. "If there is one way I can unite the top ranking banks, [it] is that the overwhelming majority of them have pretty focused marketing strategies from a segmentation standpoint. They aren't trying to be all things to all price points to all people."

Of course, such an attitude plays directly into the hands of CUs, even some of the country's largest, as Utah-based Mountain America placed first among CUs with more than \$1 billion in assets. ASI, a community development credit union in Louisiana, earned top billing among small CUs.

But as the merger frenzy continues in the financial world, Reider sees an interesting dichotomy between growing to survive and establishing a strong brand.

"It raises a question, I believe, about how you maintain that service promise and that focus even as you expand to new line of business segments or new geographic segments," Reider said. The rankings did not include institutions that have averaged negative operating earnings over the past three years, those operating below regulatory capital adequacy thresholds, and those without traditional retail banking operations. It also only examined financial institutions that have been in operation for three years or more.

"One of our goals in deriving this is to promote some discussion about what it really means to have a good strong, brand out there," said Reider. (c) 2008 The Credit Union Journal and SourceMedia, Inc. All Rights Reserved. <http://www.cujournal.com/> <http://www.sourcemedia.com/>

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AMERICAN BANKER

On Focus and In Depth

Credit Unions Offer Strategies For Branding

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By Stories Compiled Matt Blumenfeld

1. ASI Cites Pricing History For Its Branding Success

HARAHAN, La.-Serving the underserved usually doesn't reap huge rewards, but that is not the case for ASI CU, which was ranked as the strongest small CU brand in the U.S. in a Bancography study.

"Well frankly, we were all very surprised," CEO Mignhon Tourne told Credit Union Journal when asked how the CU reacted to the news. Like many of its small credit union peers, ASI never put together a concerted marketing or branding effort and has instead relied on building its reputation through employee volunteer work and getting involved with charitable causes.

"It's not about marketing and it's not about pricing," said Tourne. "All we have is a 47 year long history offering the same basic products as the other institutions. We have a very true mission of serving the under-served. Our mission base philosophy is the cornerstone of our brand."

In its mission to help lower-income individuals, ASI has crafted a number of products to move members away from check cashers and payday lenders. The CU started a stretch plan-an open-ended line of credit that gets people from paycheck to paycheck or through emergencies-in 1999 and launched a product in 2005 that helps members pay off payday lenders.

"We are 'people helping people,' but I think we take it a step farther," Tourne contended. "I think it comes down to our mission. Our mission is our brand-we're doing some out-of-the-box micro-lending, and I think these kind of products, and the people we serve, have shaped and positioned our brand."

Bancography is not the only firm singling ASI out for present success and future potential as the credit union was recently as a semi-finalist for the Wachovia NEXT Awards. As for other institution that needs to bolster its brand, the plan of attack is quite simple in Tourne's mind. "Serve your member, be true to your mission, stick to your core talents and never forget your employees and the community you serve," she said.

2. 'Hometown Smiles, World Class Service' Is Trona Brand

GREEN RIVER, Wyo.-Sweetwater County, where Trona Valley Community Credit Union's headquarters is located, may only have about 38,000 residents, but that has not kept the institution from having the second strongest brand among all small CUs in America.

"It's pretty humbling that we were even recognized at all," said HR manager Deli Frantzen. "We do have limited resources."

Trona Valley's community charter only covers four counties in Wyoming, a state with less than 500,000 people, but the credit union claims about 20 percent of its market in some fashion as it boasts about 16,200 members. As is the case for many smaller institutions, Frantzen credits member service as the chief reason for Trona Valley's growth.

"I know it sounds cliché, but that's truly what it is," she said. "Because of our size we are not able to offer all the products and services that big financial institutions have, but people like our personal touch."

"Our motto is 'hometown smiles, world class services,'" Frantzen continued. "But it is not there to just have a motto, I really believe that our employees live that. We don't really brand that much as far as marketing concern, but through word of mouth, people know that we stand by our service."

Trona Valley also makes its name known in other ways by sponsoring festivals, getting involved in the Sweetwater County Fair, hosting Relay for Life events and participating other community and charitable activities. The \$125-million credit union clearly knows a thing or two about growth and making its brand into a household name, as had very humble beginnings in serving one SEG in the mining industry.

"When you're trying to grow, that's great, don't lose focus on what's important and that's members and service," Frantzen cautioned.

3. 'Definite Effort' Pays Off For First Community CU of Houston

HOUSTON-In an effort to create a stronger brand, marketing and human resources merged together in training processes at First Community CU. Nancy Trennel, vice president of marketing and development, has helped to add brand consciousness to at the institution and that internal awareness has been made external as the credit union is now rated as having the third strongest small credit union brand in the country in a recent study by Bancography.

"There has been a definite effort to make sure that as we're doing our branding, that we are consistent in our marketing pieces," Trennel pointed out, further noting that every presser has a solid red bar at the top with the CU's standardized logo to amplify that consistency.

First Community took its cues from others in the industry as it both scanned the trends and spoke directly with other institutions. But the message is uniquely tailored to the membership and potential membership in the Texas city, Tremmel noted.

"Part of what we did was that we talked to other credit unions about what they were doing...so we could be more intentional about it," she said. "We want it to come back to our service mission, which is making a first-rate financial difference in our members' lives, and we want it to speak to the core of what credit unions are all about-people helping people."

Once a small "desk-drawer operation" centered on the Spring Branch Independent School District, First Community now boasts 74,800 members and over \$520 million in assets. But despite its rapid growth both through an explosion of SEGs and, later, its community charter, Tremmel believes it is imperative for credit unions to remember their roots when moving forward.

"Even once you've gone community, you still have to keep in mind who that core SEG is, especially if they are large," she said. "Look at how you are going to get your brand out there-we do it a lot through volunteering in the school districts and the consistency of service at our branches. Don't just throw something out there."

4. Strong Brand Ranking Doesn't Surprise White Sands CEO

LAS CRUCES, N.M.-Word of mouth has been White Sands Federal Credit Union's best marketing campaign as nearly three quarters of its new accounts have been generated by referrals, CEO William Jacobs said.

"That's really become our business development-we take care of our members and they refer people to us. That's as simple as it's come down to."

Its service quality has not only earned additional accounts but also a strong reputation in the area as it has been ranked as the fourth strongest small credit union (under \$1 billion in assets) brand in the United States according to a Bancography study. Jacobs took the accomplishment in stride, noting the credit union has always kept its eye on the ball when it comes to taking care of its members and establishing a positive presence in the community.

"It really doesn't surprise me and the reason it doesn't surprise me because a lot of credit unions try to find that new business, and we made a decision years ago that we were really going to take care of the business we had and let it grow from there," he said.

There have been a number of bank mergers in the area, Jacobs noted, but those changes have only served to make White Sands stronger as it became better known as an establishment within the community.

"We became very service oriented," he said, noting the credit union's policy of opening its doors a few minutes early and closing a few minutes late to accommodate any members who may be on a tight schedule. "That sounds really kind of basic but it really made a difference for us.

To give back to members further, and increase the probability of them spreading the good word about White Sands, the credit union set up a number of rewards programs for repeat processes. Those rewards, combined with an increased focus on customer service, helped to gin up more loyalty, Jacobs believes.

"We really went back to basics and took care of people in the lobby. Nothing is worse than walking into any financial institution than seeing this beautiful lobby and there are two people there," said Jacobs.

Building up a brand is the exact same way one would go about building up a reputation and a strong rapport with the community, according to Jacobs. He urged other institutions that are looking to grow and expand their reach to look first at their existing membership and how to better serve them.

"I truly believe that we tend sometimes to take our eye off what we currently have as we search for that new book of business," he said. "Build that business from what you have and the other will come with it, but neglecting what you have will get you in trouble."

Who Made The Grade?

TOP 5 SMALL CUS (Less than \$1 billion)

- 1) ASI (Louisiana)
- 2) Trona Valley Community (Wyoming)
- 3) First Community CU of Houston (Texas)
- 4) White Sands (New Mexico)
- 5) Pelican State (Louisiana)

TOP 5 LARGE CUS (More than \$1 billion)

- 1) Mountain America (Utah)
- 2) Arrowhead Central (California)
- 3) J.S.C. (Texas)
- 4) University of Wisconsin (Wisconsin)
- 5) Police and Fire* (Pennsylvania)

* Police and Fire CU elected not to participate in this report.

1. MACU Is Top Brand Among Large CUs

WEST JORDAN, Utah-Mountain America CU employees have been taught to embrace the institution's core values and its brand. According to a new study by Bancography, that brand is the strongest amongst large credit unions (over \$1 billion) in the country.

"It's exciting," SVP Brent Lawrence said of his CU's ranking. "You feel like work you've been doing for years that is not always measurable, it pays off when someone finds an index like this and can put some measurement to it. It's nice to have some value placed on that (work)."

There is far more to the brand than simply a logo, Lawrence argued, pointing out that Bancography looked at performance, convenience and anything else that is not a tangible asset. "They are looking at things that are really important and go beyond initial thinking when we talk about brands. That's what we've been telling our employees for years. Our brand is our reputation in the marketplace."

Lawrence credited Mountain America's commitment to defining its brand in ways that every employee and every member can understand, adding that the credit union's core values is the brand in a nutshell. The credit union's five core values are an image of strength and professionalism, attitude, performance, character and consistency.

"It's all about that and I think we hit on some good characteristics that most people would like to have as a part of a relationship with a financial institution," said Lawrence. "If they can see that we are professional in our attitudes, if they can see we can perform very well, they are going to come back."

Not only are its employees committed to the cause, but so also are the facilities themselves. Each structure is constructed with a signature red roof and includes slate rock as one of the buildings' main components-those attributes give off an aura of strength and character Lawrence maintained.

He warned other credit unions against trying to significantly boost their brands by tossing out buzz-words or slogans. Instead, CUs should look to their mission statement and core values and make them into something that is outwardly visible to members, employees the public as a whole. "The key is to identify those things that will keep members comfortable and keep them coming back," he said.

2. Re-Positioning Effort Strengthens Arrowhead's Market Position, Brand

SAN BERNARDINO, Calif.-An aggressive re-positioning in the market by Arrowhead Credit Union may have helped the \$1.1-billion institution strengthen its brand as it has been ranked as the second strongest large credit union brand in the United States. The re-branding, spearheaded by Robert Reed, SVP of sales and service, included changing the institution's motto to "everything you need us to be," a phrase he says well-defines Arrowhead as a full service institution.

"One of the biggest challenges facing credit unions today and the reason we need to get the message is out is that we are full service financial institutions," he said, adding that the tagline "really captured better what Arrowhead CU stands for. Positioning Arrowhead as a full service financial institution and not just your local CU that you can open a savings account is important to me."

The re-branding campaign was not a change in philosophy, but one of public message. For years, Reed said, Arrowhead has been strongly involved in the community and has prided itself on both efficiency and its wise decision to avoid the fashionable risky loans of the housing boom.

"It spoke more than to just posters on a wall," he said of the new motto. "What we try very hard to do is stay consistent; we stay true to our business model. In my opinion, our brand is our reputation and that's why we guard it so closely. It's the first thing that comes into the mind when people think of Arrowhead CU. Despite the uncertainty, Reed firmly believes that credit unions have an opportunity to gain marketshare and visible presence in their communities right now. With CUs being billed as the safe harbor in a financial storm, there are plentiful opportunities to capitalize on consumer sentiment, especially for institutions with a strong commitment to vision and brand.

"We have a lot of positive publicity in the marketplace that we should be benefiting from if we get out there and tell our story," Reed said, adding that CUs basically need only to stick to their guns and execute their mission. "I think that formula, despite the competition, wins in the end."

3. JSC's Mission To Provide Best Value Pays Off

HOUSTON-For JSC FCU, there were no fancy marketing campaigns, or even a concerted effort by management to craft and promote a strong brand, relying instead on what the 100,000-member CU says is the entire movement's brand: better value.

And it seems to be working, as JSC FCU was tapped by Bancography as having the third strongest brand in the country amongst credit unions with more than \$1 billion in assets. "Credit unions in general only derive competitive advantage one way, and that is extolling the virtues of the brand that is 'credit union,'" said JSC CEO Michael Brown. "We've never had a big meeting where we decided what the brand is, but as far as I'm concerned it is all about providing the best value that you can."

That best value shows up in the usual ways as JSC strives to offer better rates on CDs, investments and loans, as well as a lower fee structure than its competitors. But the credit union also makes its presence known in the area by constantly working on improving its relationships with its SEGs, its members as well as other businesses.

"We also make extra efforts to be involved in the community esp. through financial literacy," Brown added. "We want them to feel about JSC in a positive way-that it is better than the next thing down the

street." Bancography's methodology of stripping out tangible assets and keeping all CUs in each category on an equal footing came into play in JSC's case as it just passed the \$1-billion mark earlier this summer and is in a quickly growing area. Both of those factors were discounted in the ranking process.

While it is a fairly large credit union, JSC is not community based-instead it has over 1,000 SEGs and has doubled its size since Brown arrived in 2002. He pointed out that while community charters were once seen as the best way to grow, many CUs "lose something" when they go that route, "especially if they turn their backs on their SEGs."

"That is the one area where we truly have a competitive advantage against the next guy down the street," Brown said, extolling the virtues of maintaining relationships with SEGs.

As has been the case with all credit unions on the top of the Bancography list, Brown said that the reputation JSC has earned was not built overnight, but instead took effort from "everybody, all the time, every day." The best way to build the brand, he argued, is to be accessible to SEG businesses and to other businesses in the community, and to grow those relationships by maintaining personal bonds.

4. Narrow Focus, Visibility Propels UWCU's Brand

MADISON, Wis.-A narrow focus, a strong tie to the state university system and a high profile in select marketplaces gives University of Wisconsin Credit Union a strong brand-one powerful enough to rank fourth among American credit unions with over \$1 billion in assets according to the Bancography study.

"We view our brand as a derivative of our strategic planning process," said CEO Paul Kundert, noting that the credit union has a 'brand blueprint' that is the driving force behind the CU's goals and methods.

"Everything we need to do needs to be sustainable."

UWCU keeps its eyes on the youth market in five communities connected with the Wisconsin university system-Milwaukee, Stevens Point, Green Bay and Whitewater. In fact, more than half of its members are younger than 30 years of age.

Even though it is not the largest market population-wise, the Madison campus is the largest in the university system. So it is no surprise that UWCU garners most of its members there and enters the community's conscience the most in that location.

"The Madison metropolitan area is still small enough where word of mouth matters. People are very wired and connected in this market and we embrace that because it really promotes our brand," Kundert said.

"We find that about 29% of those aged 34 or younger claim us as our primary financial institution."

The Bancography ranking is not the only outside institution to recognize UWCU's firm grip on its market. A recent JD Power and Associates study of the Madison populace showed that the credit union ranks first in mind and unaided awareness among all financial institutions.

Respondents were asked to name one Dane County financial institution and separately to list off all such institutions in the county. "More times than not" UWCU was listed off by Madison residents, according to Kundert.

But UWCU is not resting on its laurels as Kundert said that the credit union plans to refine its customer service so more members can become net-promoters. He added that each credit union has to define itself and member needs in the market to get a firm grasp on how to improve brand awareness.

"That involves a lot of choices. But once you define the people in the market, the branding is easy-it's really all about those people," Kundert said.

5. Brand Tells Story Of Pelican State

BATON ROUGE, La.-With a field of membership comprised of lower-income individuals and state charity workers, Pelican State CU has the fifth strongest small credit union brand in America.

"Our brand story basically defines the position and identity of the credit union. It's a blend of culture and responsibility," said marketing manager Sonya Allen. "We act on it every day, through service and through the products that we offer... it's about maintaining a healthier lifestyle for our membership."

Allen started a campaign three years ago to brand Pelican State as 'your credit union of choice,' and has made strong efforts to increase awareness in a number of Louisiana communities with free financial education workshops and community service efforts.

"We choose to get very involved in the communities which we serve," she said. "Our brand is very recognizable not just in the membership, but throughout the communities in which we are located. They are very aware we exist."

Pelican State is fairly spread out across the state, and maintaining message discipline can be difficult at times, Allen concedes, especially in areas of negative growth like St. Bernard parish, which has yet to recover from Hurricane Katrina. But with a strong and supportive management structure, staff members from the CEO down to branch employees usually toe the line.

"A few years ago when we started to make this change, we knew we were tapping into something and we chose to be different. There are many great CUs that have found a niche and a brand. But we didn't want to be like the others," said Allen.

Few, if any, of Pelican State's initiatives are unique in the industry, but the key for its success, Allen said, is all in the presentation. CUs must find a way to deliver their messages and "bring it home" to their community audiences, she contended.

"Find your niche and stick to it. Don't be persuaded by what everyone else is doing," Allen concluded when asked how other institutions can strengthen their brands. "It's...about defining who you are and what you're good at."

For More Information

www.arrowheadcu.org

www.asifcu.org

www.fccu.org

www.jscfcu.org

www.macu.com

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