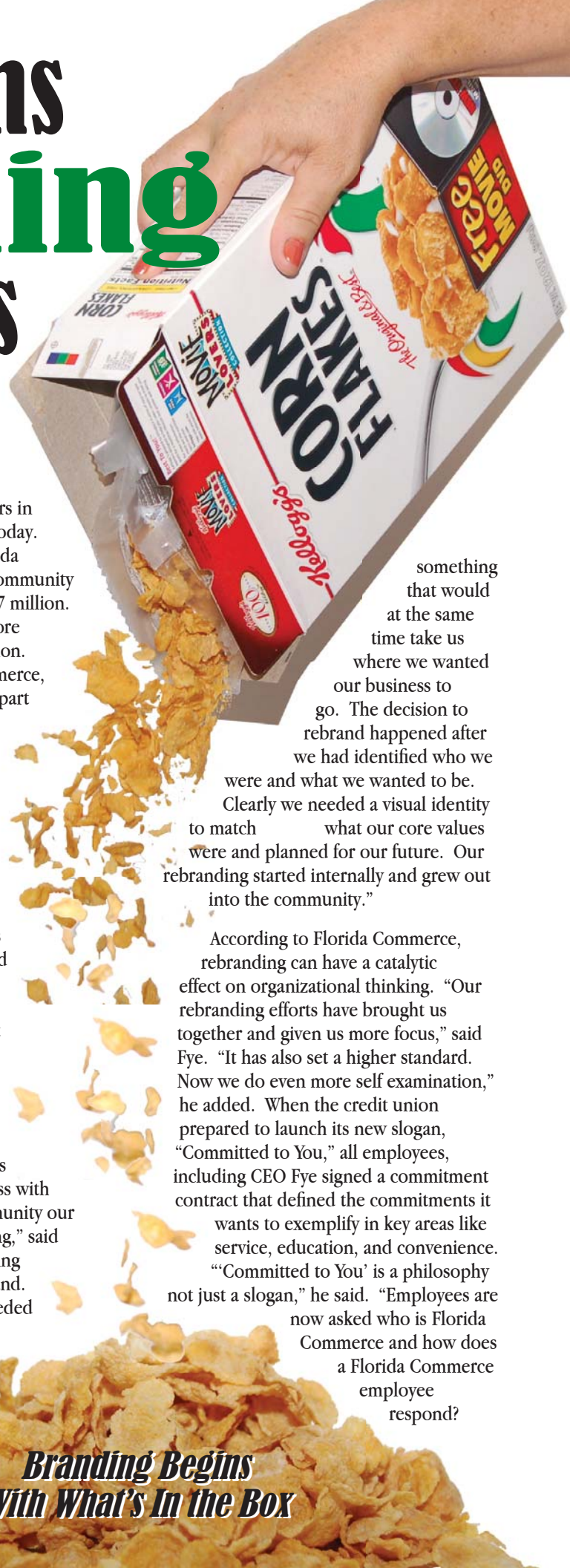


Credit Unions Rebranding For Success



When we asked member credit unions about branding they loudly told us, when it comes to branding it starts from the inside out. Yes, it starts with what is “in the box.” Of course the Kellogg’s corn flakes box has instant brand recognition, but the quick to eat, tasty flakes are what the brand was built upon, the packaging came later.

So what is branding? Experts say branding is the process through which a cohesive, enduring impression of a business, product or service is formed in the minds of your audience members. All of these interactions leave impressions and accumulate to form a living memory and a collective perception. Your brand is the unique sum of these impressions. In this way, a strong brand can remain so even if the product or service fails occasionally to deliver on its promise and meet expectations. A strong brand becomes a trusted friend, and brand loyalty arises based on an emotional affinity or personal connection.

Rebranding can often mean at least three different things... changing your brand identity (key messages, look and feel), changing your name, or repositioning your brand. But before an identity can be expressed, it must first be defined. This requires a credit union to take a good look at itself. Planning a branding program has benefits beyond the formation of a strong, cohesive brand in the minds of your audience. It can also force credit unions to think about important internal and strategic issues, such as their vision, immediate and long-term business goals, their values and their unique position relative to competitors.

Changing Brand Identity

Florida Commerce Credit Union in Tallahassee, FL recently changed its brand

identity. Over the past 15 years the credit union has seen tremendous growth going from 13,600 members in 1990 to 35,000 members today. A few years ago when Florida Commerce changed to a community charter its assets were \$127 million. Today those assets have more than doubled to \$255 million. According to Florida Commerce, “Our rebranding began as part of our strategic planning process as we worked to identify our core values.” In 2005 the credit union had surveyed members, non-members and staff about the credit union’s image in the community. They also did a focus group. “We’ve had success for 64 years, but we wanted to help us get to that next level,” explained the credit union. “We needed to define who we were now and what we wanted to be.”

“The research showed us that we had great awareness with members, but in the community our awareness was not as strong,” said Florida Commerce marketing director, Samantha Strickland. “We concluded that we needed to show the community WHY we were different. We also needed

something that would at the same time take us where we wanted our business to go. The decision to rebrand happened after we had identified who we were and what we wanted to be. Clearly we needed a visual identity to match what our core values were and planned for our future. Our rebranding started internally and grew out into the community.”

According to Florida Commerce, rebranding can have a catalytic effect on organizational thinking. “Our rebranding efforts have brought us together and given us more focus,” said Fye. “It has also set a higher standard. Now we do even more self examination,” he added. When the credit union prepared to launch its new slogan, “Committed to You,” all employees, including CEO Fye signed a commitment contract that defined the commitments it wants to exemplify in key areas like service, education, and convenience. “‘Committed to You’ is a philosophy not just a slogan,” he said. “Employees are now asked who is Florida Commerce and how does a Florida Commerce employee respond?”

**Branding Begins
With What’s In the Box**

The 'Committed to You' slogan internally is referred to as C2U," he said. "Now we are always asking ourselves, are we living the C2U way."

Strickland's advertising efforts in the community were bold and almost impossible to miss. As part of the campaign, two city busses were wrapped entirely with an advertising slick touting the credit union's new logo, slogan and advertising campaign. It was the first business to sign on to the moving-billboard idea. On the day the credit union launched the campaign it loaded up its 130 employees onto the busses and took them to a one day retreat. (The credit union was closed for President's Day.) Since then the credit union has also used the busses in local parades. Strickland's efforts are paying off. "Four months after the roll out we surveyed and had ten times greater awareness in the community," she said.

Changing a Name

Magnolia FCU in Jackson MS, formerly Jackson VA FCU changed its name two years ago, after expanding to a community charter a year earlier. "We were concerned that continuing to call ourselves Jackson VA would not help us grow with our community charter," said CEO Steve Pollman. "So we began by conducting a focus group to determine if the current name made people in the community think they could join the credit union. We wanted to know if the name was limiting. We already had a great reputation."

The credit union hired a local advertising agency who conducted a focus group for them. "Sometimes you have to convince your board when they have been associated with a name for a long time," said Pollman. "Our board was able to observe the focus group on video from another room. Participants told us what we expected, we needed a name change."

Together with the agency, Pollman and the credit union's vice president of marketing and business development, Lanet McCrary, came up with about 10 names. "The name Magnolia came out later, it was not on our original list," said McCrary. "There had been a bank in the past called Magnolia and we thought there might

be confusion and so we did not want to consider that name."

McCrary found a company called formsite.com and was able to economically conduct an online survey for the credit union. The survey was posted on their website and members were asked to rank the top names. "We also included a blank to use to suggest a name," she said.

"The hardest part about rebranding the credit union has been getting the name changed everywhere."

"The biggest suggestion members had was not to change our name, and the second most suggested name was Magnolia," said McCrary. "It was a write in. So mid-stream we changed the survey, added Magnolia to the list and dropped the names that were not getting any votes. When we put Magnolia in the mix it was a clear winner."

But this was feedback from existing members. Part of the reason for changing the name was to attract new members. So the credit union had the agency do a phone and mail surveys of non-members, their target market for expanding membership. Again Magnolia jumped to

the top of the list.

"The next thing we addressed was what our look was going to be," said McCrary. "We all agreed that we wanted something non-traditional and unique to us. We wanted to say Magnolia without using the actual magnolia flower. Our local printer suggested a nearby commercial artist who presented us with ten different logo ideas and one was the overwhelming choice," she said.

"Once we had a logo we took it and ran with it. We had the same graphic artist help redesign our brochures, signage and various printed materials. I think that using the same artist throughout helped us to get consistency in our look."

"We rolled out the name naturally, one piece at a time," said Pollman. In his President's Letter within the credit union newsletter Pollman



Innovations FCU, CEO David Southall & Trish Waters, VP Marketing

Fully Wrapped! Florida Commerce's new identity first appeared on city busses.



announced the new name and gradually as the credit union re-ordered materials the name appeared. "The hardest part about rebranding the credit union has been getting the name changed everywhere," said Pollman. "The name appears on everything from loan documents, to checks, to all sorts of contracts. And of course we had to redo our website."

They also used television to introduce the new name, advertising on the local CBS affiliate. They were offered a special package where the station produced two commercials and the credit union bought 20 spots a month. The station gave additional bonus spots for free from unsold space inventory. "We're now repeating the program in 2006 and have four commercials and are doing cable television advertising as well," said McCrary. "With cable we can target our credit union's market fairly affordably."

Since the name change the credit union's membership has grown steadily. They topped \$80 million in assets for the first time last year. "We have deliberately strived to have steady, controlled growth so that operations and facilities can keep up," said Pollman.

Repositioning

When David Southall became CEO of Innovations FCU in Panama City, FL in 2004, he said to himself, "We're going

to reinvent this credit union." Southall had worked at the credit union previously starting as a drive up teller in 1987 and progressing to vice president of lending. In 2000 he left and went to CUNA Mutual Group. "I was born and raised here and I feel as if I grew up with the credit union. I welcomed the challenge to come back and turn the credit union around."

According to Southall when he returned, everything needed to be fixed. "We had no growth plan and no strong marketing plan," he said. Our name was pulling us down, because it did not mean anything. The credit union had no identity. (The name was NCSC FCU, a Navy base acronym, and it had been changed many times over the years as the base name changed.)

The credit union had expanded to a community charter the year before, but according to Southall the community still thought you had to be Navy to join. Membership numbers were declining and the credit union's loan to share ratio was 40%. When he arrived the board was about to change the credit union's name to Sand Dollar Credit Union. "A sand dollar is a bottom dweller," Southall told the board. "That just isn't who we are."

The board gave him six months to come up with an alternative. Working with an in-house team the group progressed through brainstorming to testing, onto trademark searches, ultimately arriving at Innovations as their overwhelming choice.

"If you have the name innovations you can't do things the same way, you have to change," said Southall. And change he did as he set out to completely reinvent the credit union's image. Reinventing the image

meant going beyond a new name, a new logo and new ad campaign.

The first thing Southall did was to get buy-in from his staff. "I concentrated on making sure our people understood and supported our goals, because their efforts were critical to our success," he said. Then he set about giving the credit union a complete face lift. Branch offices were given a new look with an upbeat graphic wall treatment reflecting the credit union's key messages.

Then he asked himself, "How do you remind people to come back in once they have set up their account?" Part of his solution has been to give members more reasons to come back in. In a bold move Southall did away with the teller windows, and instead built "dialog towers". "Our entire lobby is designed to create a dialog with our members," he explained.

"Dialog towers are a whole new concept," said Innovation's vice president of marketing Trish Waters. "They are not self service kiosks. We conduct transactions side by side with members. The barrier of the teller window is gone. The member can see their account and see what's happening. The towers contain cash dispensing machines so our financial service representatives (FSRs) don't have to worry about counting money. We are using technology to free us to talk more to our members."

When you walk into one of Innovations' branches an FSR greets you at the door. "Our FSRs can do everything from open accounts, take deposits, cash checks, to approve loans," said Waters. "Members are not handed off." The relationships that FSRs

are building, thanks to the elimination of the teller window, are a key component of Innovations strategy.

Innovations has also added Wi-Fi hotspots to all branches. Members can come in and use the Internet cafes and are treated to free coffee to boot. "Sometimes members don't have computer access at home so they come into the branch and use the Internet café," Southall said. "Some of our managers told us, we don't want a bunch of people hanging around. I said, yes we do! That's how we get to know people!" he exclaimed.

When asked what his biggest personal challenge has

been, Southall said, "I want everything to happen tomorrow or today. It takes time to build things, get a good team together. Over the past two years that I have been here an unbelievable amount of change has occurred, but there is still so much to do." Southall's efforts are paying off with loan volume doubling and membership growth up. Perhaps the ultimate compliment has been the number of local bank personnel coming in to check out all the innovation at Innovations.

In the ever evolving financial services market place, credit unions really need to look at who they are up against, looking beyond the obvious financial services competitors. According to David Southall, "Competition is defined as anyone who provides services, because the next place you go you compare the experience you just had with the one you are having now. So your competition can be Target, Wal-Mart, Subway, you name it. If you create an exceptional experience people are going to remember that."

One of the most common misconceptions about branding is that it is something one chooses to do, as if it were a project one could start and finish. But branding never ends. Branding is ongoing, a process that takes place constantly in every interaction between a credit union and its members and potential

members, whether the credit union intends it or not.

As these examples have shown, branding is the job of everybody at the credit union because it is all about relationships that everyone at the credit union has. Branding is managing perceptions of who you are, what you do and who you serve, foremost through your behavior.

Branding is ongoing, a process that takes place constantly in every interaction between a credit union and its members...

To succeed credit unions must inspire their employees to understand and live the brand. They are a big part of what's in the box, just like the corn flakes.

Magnolia FCU used the same artist for consistency applying its new look.

