

CU Difference Committee

November 10, 2010

Michigan Credit Union League

Livonia and Lansing Offices



Web/Phone Conference Guidelines

Muting and Unmuting

- A. On the phone, participants can mute their own lines by pressing *6
- B. Unmute your line by pressing #6
- C. Please do not place your phone on hold
 - i. Other participants will hear on-hold messages/music

Agenda

- I. Call to Order/Roll Call
- II. Meeting Minutes – Sept. 21
- III. Reports
 - A. MCUL President and CEO Dave Adams
 - B. CU Difference Committee Chairman Darren Cameron
- IV. Informational Items
 - A. Vote 4 the Best/mlive.com results
 - B. Fall Campaign
 - C. 2011 Campaign Plans
 - D. Fund-raising Plan Update
 - E. Research
- V. 2011 Meeting Dates
- VI. Adjournment

Call to Order/Roll Call - Minutes - Reports

- I. Call to Order/Roll Call
- II. Meeting Minutes – September 21, 2010
- III. Reports
 - A. MCUL President and CEO Dave Adams
 - B. CU Difference Committee Chairman Darren Cameron

IV. Informational Items/Vote 4 the Best

- 3,090 total entries
- 1,183 opted-in to receive more information about credit unions
 - 275 are not currently credit union members
 - 891 are current credit union members
 - 17 did not indicate whether or not they currently belong to a credit union
- 1,646 stories were submitted for the chance to win an additional \$250
 - Winner was a member of Genisys Credit Union
 - She received her prize during CU Week



IV. Informational Items/www.mlive.com

- Total Impressions Delivered 41,594,637
- Total Clicks 23,868

Market	Impressions	Clicks	Click Through Rate
Marquette	2,800,502	1,680	0.06%
Lansing	7,606,595	4,256	0.06%
Flint	16,755,072	9,371	0.06%
Grand Rapids	14,432,468	8,561	0.06%

IV. Informational Items/www.mlive.com

- For the mlive.com Grand Hotel contest, we had 3,433 entries and 321 opting-in for more information
 - Flint: 1,144 entries
 - 72 opted-in to receive more information about credit unions
 - Grand Rapids: 1,242 entries
 - 133 opted-in to receive more information about credit unions
 - Marquette: 265 entries
 - 36 opted-in to receive more information about credit unions
 - Lansing: 642 entries
 - 66 opted-in to receive more information about credit unions
 - Out of Market: 140 entries
 - 14 opted-in to receive more information about credit unions

IV. Informational Items/Fall Campaign

- Sprint and Save to Win campaign launched Nov. 8
- No CU funding being used
- Michigan Fall Campaign
 - Radio began Nov. 8
 - Save to Win
 - Invest in America – Sprint focus
 - Out Of Home (Val-pak mailers and solo cards)
 - Save to Win only
 - Mailings in November and December
- National Digital Campaign launched in October
 - Advertising for Invest in America overall, GM, Sprint, ShopAmerica
 - Display ads
 - Streaming Radio
 - Search: Google, Yahoo and Bing

IV. Informational Items/2011 Campaign

- Spring campaign, roughly April to June
- \$1 million matching funds submitted as part of budget
 - Approval expected December/January
- Planning to use same theme as 2010
 - Same TV and radio spots
 - Possibly new radio spots
- Working on revamp of lovemycreditunion.org
 - To be launched January 3
 - Own Your Money theme
- Hopeful that we will run another supplemental campaign in fall 2011

IV. Informational Items/Fund-raising Plan

- Membership packet
 - CU Difference contribution request on dues invoice
 - Packet will include separate document for CU Difference campaign
 - Going out around Thanksgiving
- December email
 - From CU Difference Committee members to your chapter
- Weekly emails in January
- Final follow-up/thank you email in February
- Contact Maureen Lafrinere (mml@mcu.org) or your League Rep for more information
- Remember January 31 deadline for contributions
 - Meeting this deadline ensures that your money will be matched
- Thanks for your support!

IV. Informational Items/Research

- Online survey deployed in August
 - Online interviews conducted August 20 to August 30
 - 850 Michigan residents responded
 - 419 bank customers
 - 409 credit union members
 - 24 unbanked
 - Methodology differs slightly from past surveys
 - Online vs. random phone calling
 - Questions cover broader consumer issues than previous surveys
 - Results not comparable to previous surveys
 - Results show great deal of opportunity going forward for CU Difference campaign

Advertising Strategy

- It is a time of unprecedented upheaval in the financial markets
 - The government has bailed out many banks, some have been shuttered and others are switching owners.
 - Viral movements such as “Move Your Money” are gaining disciples,
 - People are realizing their money isn’t as safe as they thought
- With all of this turmoil, Credit Unions have a serious opportunity
 - Credit union members see and appreciate the relationship they have with their credit union. Bank customers don’t really see it as a relationship at all
 - We have an opportunity to educate non-members on what credit unions are
- An overarching brand message is needed to help define credit unions in peoples’ minds

Advertising Strategy

- **Target Audience.** Hardworking men and women with dreams and aspirations about their future. They want to be treated with honesty and respect
- **Core Desire.** They want to feel less like an account number and more like someone who matters. When it comes to their money they want to be heard and not taken advantage of
- **Role of the Brand.** Each credit union looks a little different, but you'll always find a place that appreciates your dreams, knows your name and delivers on its promises
- **Compelling Truth.** Credit unions are accessible and each one is federally insured, has better rates than banks, no-fee ATM networks, online banking capabilities, and virtually anyone can join.
- **Selling Idea.** There are a lot of places you could put your money. If you're looking for a relationship with people who understand how important your money is to you, choose your local credit union.



Research Objectives

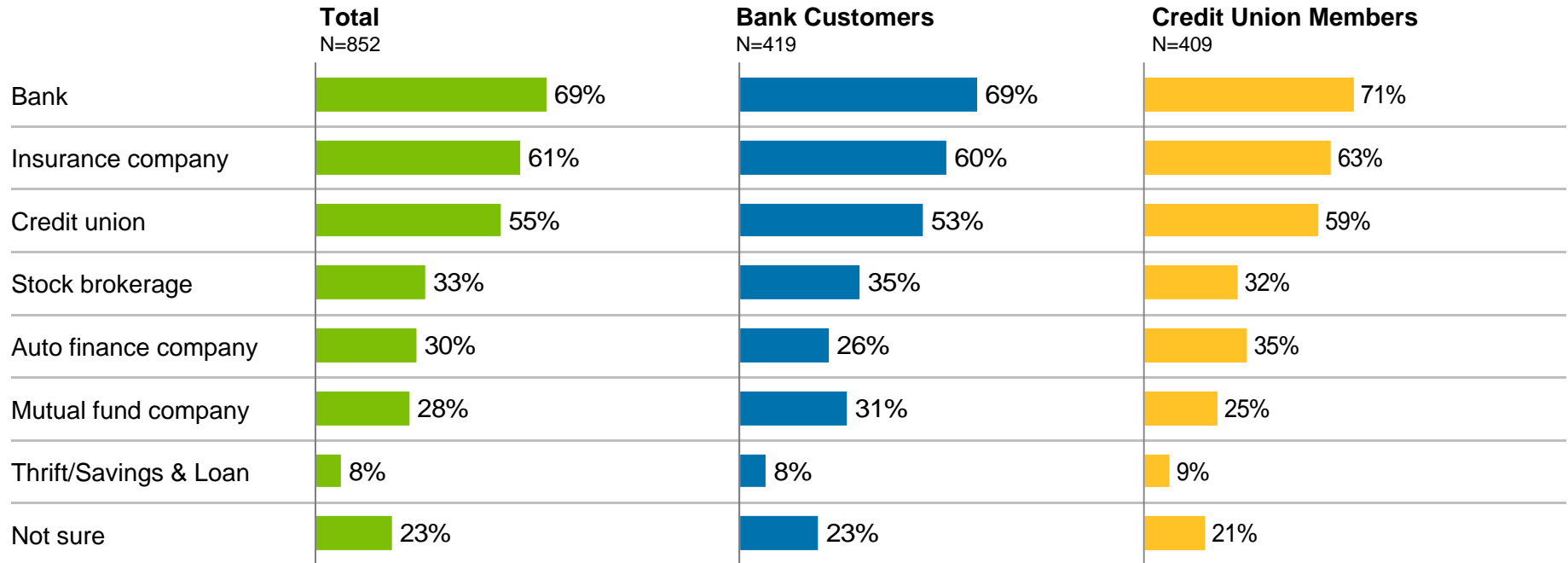
- A. To understand if consumers are “getting” the CU Difference/Own Your Money message
- B. Surveys look at campaign impact in several areas
 1. Awareness
 2. Satisfaction
 3. Is everyone eligible?
 4. Invest in America discounts (new in 2009)

Unaided Awareness

Respondents were asked about their awareness of advertising for financial institutions in the past six months

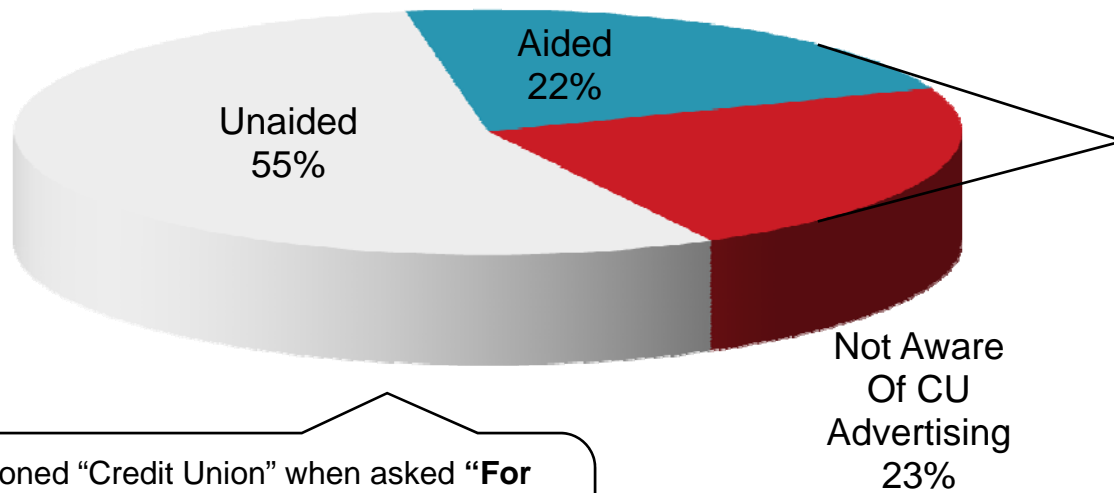
- A. 55% recalled credit union advertising on an unaided basis
 - i. Online survey allowed respondents to select all that apply (results add up to more than 100%)
 - ii. 69% recalled bank advertising
- B. More than half of consumers recalled our ads this year
 - i. New creative with new message
 - ii. Campaign funding was highest ever in 2010 at \$2 million
- C. In 2009, 26% mentioned credit union vs. 18% in 2004
 - i. Only for first mention of credit union
 - ii. Banks recalled by 49% of respondents
 - iii. Part of increase can be attributed to new and more advertising; part can be attributed to difference in methodology

Unaided Awareness



Overall Awareness

Answered "Yes" to "Do you remember seeing or hearing any advertising about Michigan credit unions within the past 6 months?"



Mentioned "Credit Union" when asked "For which types of financial institutions do you recall seeing or hearing advertising within the past 6 months?"

Total 2010 CU Ad Awareness = 77%*

- 2009: 55%
- 2008: 55%
- 2007: 49%
- 2006: 51%
- 2005: 56%
- 2004: 48%**

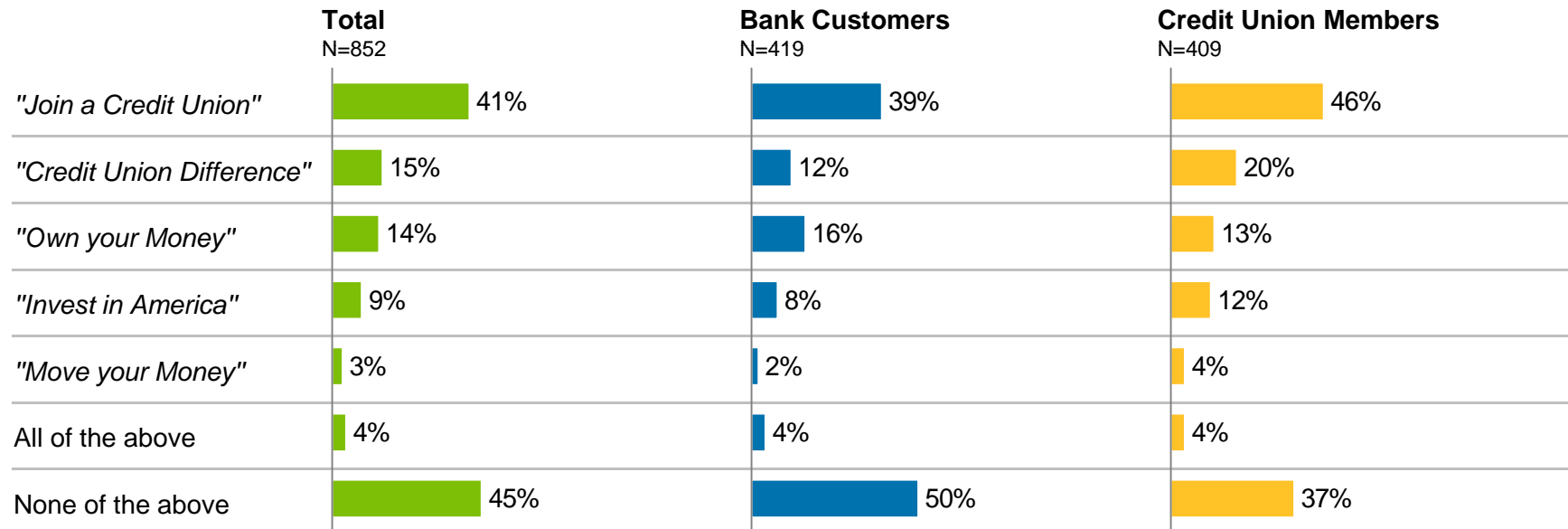


* 2010 data not comparable to previous years due to changes in methodology and reporting

Advertising Message

- This year we asked respondents what advertising messages they recalled
- Our “join a credit union” message was by far the most recalled message, at 41%
 - Have used this message in all ads since 2005
- Our new campaign theme, “own your money,” was a distant second at 14%
 - In only first year of new campaign, that is remarkable

Advertising Message



Credit Unions vs. Banks

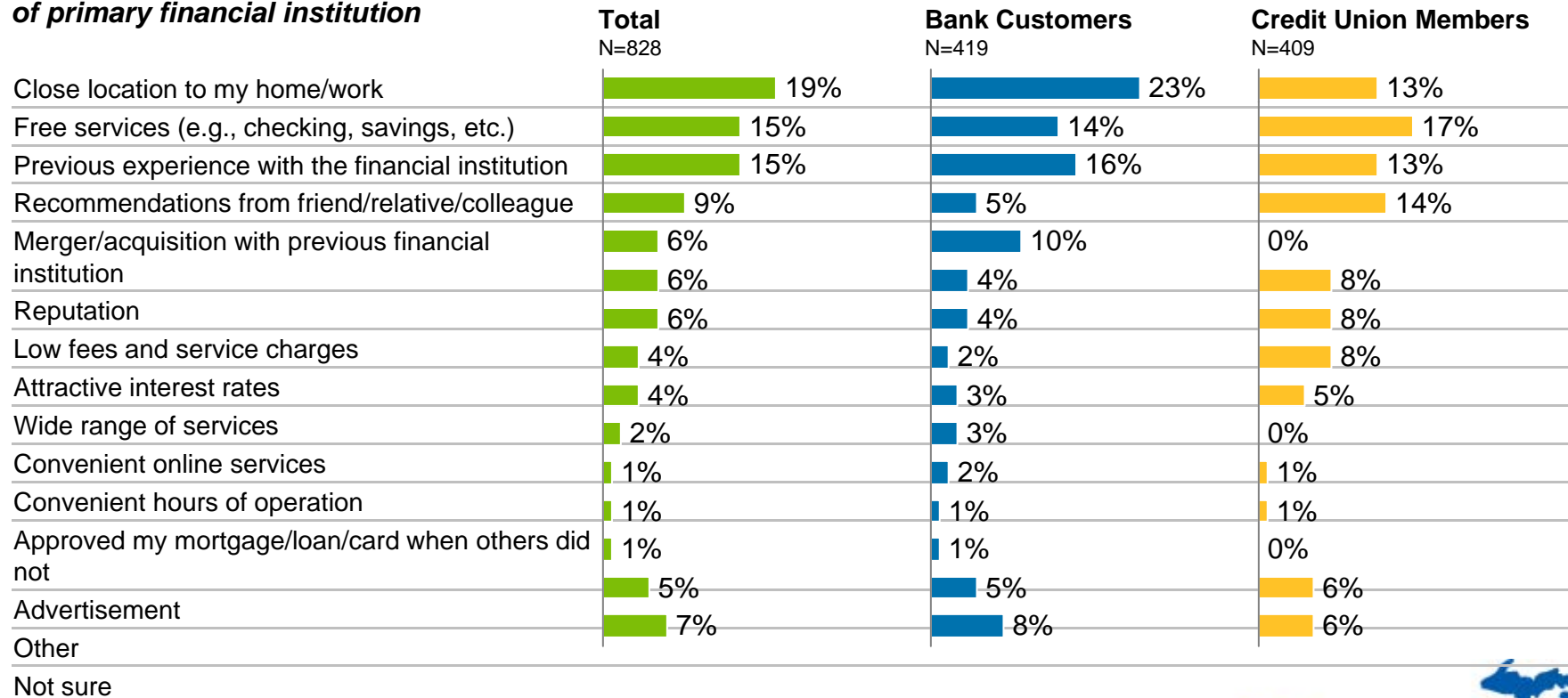
- Credit union members are more positive than bank customers
 - 61% report an outstanding relationship with the credit union vs. 34% of bank customers
 - 76% have absolute confidence in their credit union vs. 31% for bank customers
 - 70% will definitely not switch from their CU in the next year vs. 31% of bank customers
 - 95% would recommend their credit union vs. 83% of bank customers

Credit Unions vs. Banks

- Main reasons for choosing a financial institution:
 1. Close location to home/work, 19%
 2. Free services, 15%
 3. Previous experience with the institution, 15%
- Bank customers cited “close location to home/work” as the main reason for choosing their bank, 23%
 - Followed by “previous experience with the institution” (16%) and “free services” (14%)
- CU members cited four main reasons for their choices:
 - Free services, 17%
 - Recommendation from friend, 14%
 - Close location to home/work, 13%
 - Previous experience with the institution, 13%
- Biggest challenge for credit unions: Convenience to home/work

Credit Unions vs. Banks

Main reason that prompted selection of primary financial institution



Deposit Consideration

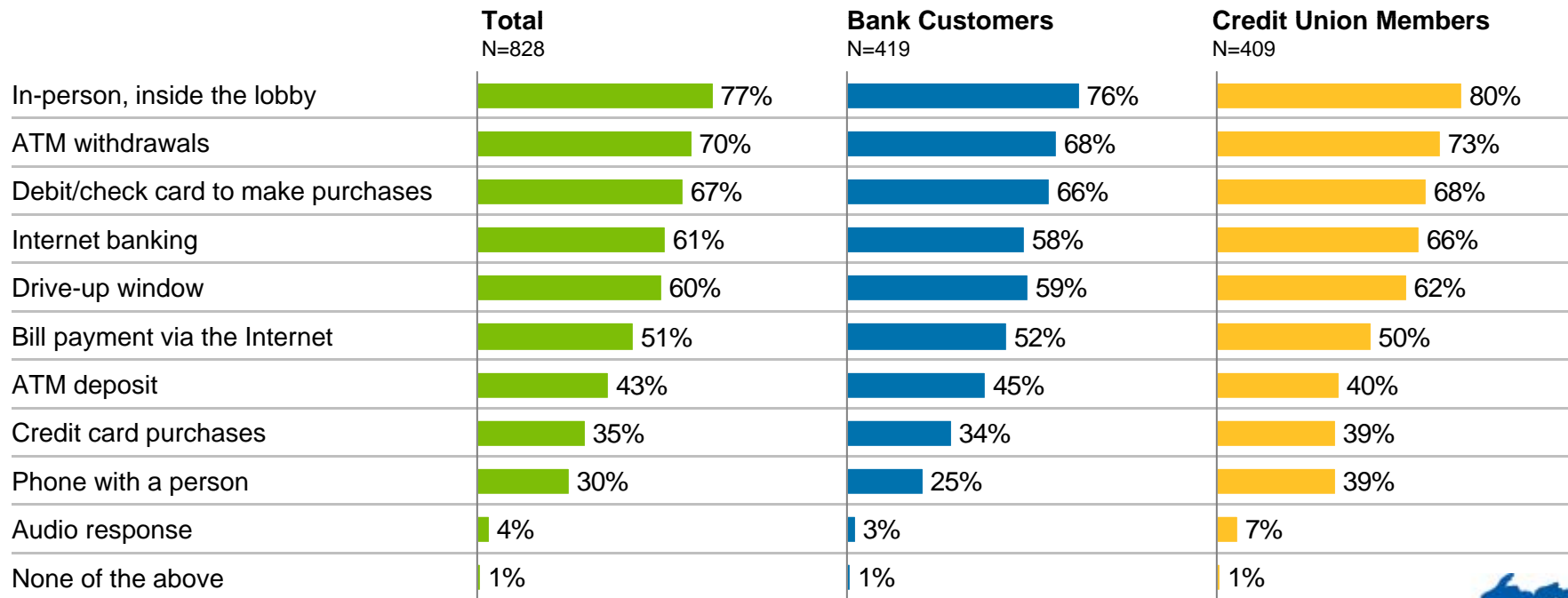
- Respondents were asked what type of institution would come to mind if they wanted to open a new deposit account
- Overall, about half (49%) said credit union
 - Among CU members, 89% said credit union
 - Among bank customers, 26% said credit union
- Looking back at previous research, this same question netted an answer of 38% for credit unions in 2009
 - First mention only
 - Part of difference could be the new methodology, but some can be attributed to the declining image banks have

Lending Consideration

- Respondents were asked what type of institution would come to mind if they were looking for a lender
- Overall, half (50%) said credit union
 - Among CU members, 85% said credit union
 - Among bank customers, 30% said credit union
- Looking back at previous research, this same question netted an answer of 37% for credit unions in 2009
 - First mention only
 - Part of difference could be the new methodology, but some can be attributed to the declining image of banks in the marketplace

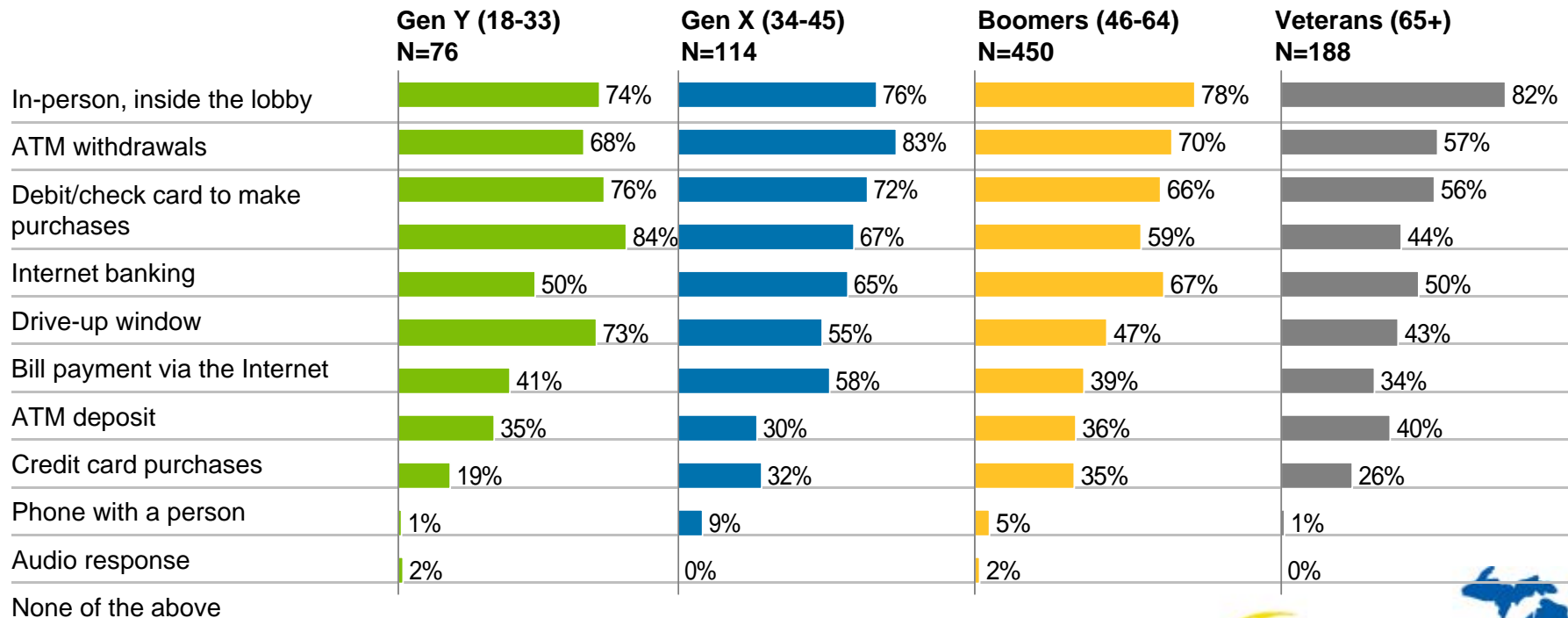
Transaction Methods

- In-person transactions are the most popular way to conduct business



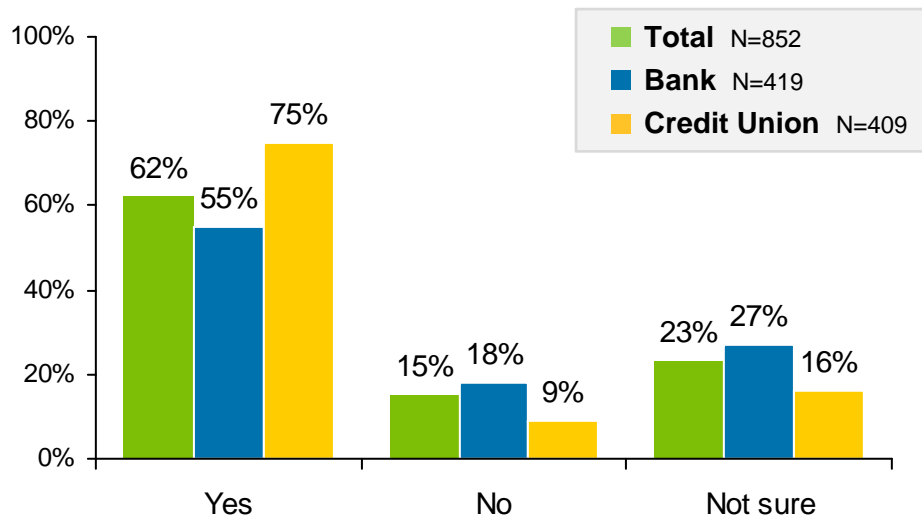
Transaction Methods

- Gen Y and Gen X have embraced modern banking technology



Credit Union Eligibility

- 62% of respondents agree that everyone is eligible to join a credit union
- Same question in previous surveys showed steady increase from 29% in 2004 to 55% in 2009



Invest in America GM Discounts

- 29% of respondents had heard of the discounts
 - When asked in the 2009 survey, 36% said they had heard about Chrysler and GM discounts
- 9% of those who knew of the discount actually used it to buy a vehicle
 - Of those who used the discount, 88% financed their new vehicle through a credit union

<i>How they first learned about the GM discount</i>	Total N=250	Bank Customers N=103	Credit Union Members N=143
Credit union	27%	13%	44%
Friend/Relative	27	28	24
TV	23	26	19
Dealer	12	10	16
Radio	11	18	2
Newspaper	8	8	7
Direct mail	7	7	6
Web	7	8	5
Was previous employee	1	<1	1
Other	2	-	4
Don't know	2	<1	5

Implications

- Overall, the research indicates that the CU Difference Campaign is effective and meeting its defined objectives
 1. Awareness: Three-quarters of consumers report seeing the advertising and about 4 in 10 are getting the “join a credit union” message
 2. Deposit or loan consideration: About half of all consumers would consider a credit union, including more than one-quarter of bank customers
 3. Everyone is eligible: This indicator continues to rise each year

Implications

- CU members are already extremely positive about CUs
 - Have outstanding relationships
 - More familiar with the range of services offered
 - More confidence and trust in their institutions
 - Most would recommend their institution to a friend
- Bank customers are our best opportunity
 - 60% already would think of a CU for a new loan, credit card or other financial product
 - Many bank customers are willing to switch institutions this year
 - Their main complaint about CUs? Banks are thought to be more convenient
- Mass advertising is crucial to reach these consumers
 - One key point to hit is that CUs are just as convenient as banks

Implications

- It continues to make sense to invest in the CU Difference campaign
 - Making progress each year on consumer awareness
 - Consumers are still quite unhappy with banks
 - CUs saw first real growth in members in 2010 at 15,000
 - Largest-ever \$2 million media buy and new Own Your Money message likely to be at least partly responsible for positive results we saw this year
 - Banks still have more money and will work hard to rebuild their reputations

IV. Informational Items

2011 Tentative Meeting Dates

All Tuesdays at 10 a.m.

- March 22
- June 21
- Sept. 27
- November 8

V. Adjournment