

Add a personal touch

Personalization enriches tried-and-true marketing methods for better results

Greeting members by name is the old-fashioned way of creating a personal experience. Greeting members with offers that match their needs whenever and wherever they interact with the credit union sets the new standard for personalization. Personalization, loosely defined, is the process of tailoring interactions with members to reflect their needs and interests. It moves beyond merely recognizing members by name to demonstrating that you understand their financial needs.

COLLECTING MINIPROFILES

American First Credit Union, LA Habra, Calif., uses miniprofiles to “listen” to what members want and then deliver products and services matching those desires.

The \$550 million asset credit union began collecting miniprofiles in 2001 and now has profiles for approximately 15,000 of its 82,000 members. The seven-question profile allows members to opt-in to a more personalized experience by providing information about their financial goals, their preferred delivery channels, and how they want to communicate with the credit union.

Brian Thompson, vice president, delivery and technology, says members usually are receptive to completing a miniprofile once the front-line employees explain the profile helps the credit union offer information members want and eliminates material they don't care about. Collecting a miniprofile takes about seven minutes and occurs when members join, apply for loans, complete an on-line survey, or interact with the front-line staff.

Profiled members receive a richer experience whenever they interact with American First. On the Web site, for example, profiled members who have “cookies” turned on will see custom graphics on the right side of the screen to promote marketing material aimed at their needs. A cookie is a text file placed on a computer's hard drive by a Web site. The Web site then accesses the cookie file for reference every time the user returns to the related Web address.

Coming soon, profiled members who use an ATM will receive a personal message highlighting selected products as soon as they sign in. The ATM will welcome by name a credit union member who plans to search for a new home soon, then present the member with the latest mortgage rates.

At the branch and in the call center, interacting with a profiled member causes the platform to display the member's goals and triggers a cross-selling offer.

American First has its system from **The Database Marketing Agency Inc. Portland, Oregon.**

The system helps determine which members may be interested in specific products by combining their credit union product use with demographic information. The system also analyzes relationship profitability and will append the information back [to the host system].

The improved interaction has increased the percentage of members who use multiple credit union services to 71% at year-end 2002 from 55% at the year-end 2001. This is in part due to targeted members who accept offers for additional products due to cross-selling, as well as single service account attrition.

The credit union's goal is to have multiple relationships with 78% of members by the end of 2003 and a churn ratio of 1%. “The largest factor is cross-selling into better relationships,” Thompson says.

FOCUS

- Delivering personalized marketing messages helps credit unions cut-through the clutter of messages members receive.
- Technology used in the right situations can create more productive interactions with members.
- American First Credit Union uses miniprofiles to determine what members want and then to deliver products and services matching those desires.
- Giving members choices about how they interact with the credit union gives them a sense of control.

RESOURCES

**The Database Marketing Agency; Portland, Oregon
Call (503) 736-9490 or visit www.DMAcorporation.com**