

In Search of E-Marketing

Hit the right audience at the right time.

By Patrick Totty

For all the ubiquity and importance of Web and e-mail communications in modern society, electronic marketing consumes a surprisingly small portion of credit unions' marketing budgets: roughly 47 of every 1000 marketing dollars, according to "Online Marketing: Effectiveness and Impact on the Credit Union Industry," a study by the University of Wisconsin E-Business Consortium.

If fact, "Online Marketing" reports less than one-fourth of credit unions employing e-marketing use it to acquire new members. More than three-fourths of credit unions use e-marketing to retain members and to sell products and services.

What stands in the way of credit unions' more aggressive use of e-marketing are lingering concerns among members about privacy, especially identity theft, and that many Internet users still use outdated modems, preventing sophisticated online outreach.

Three approaches

As time passes, will credit unions be able to ratchet up e-marketing? "They will," says Rich Weissman, president/CEO of The Database Marketing Agency Inc., Portland, Ore., "if they look at it as a strategic marketing initiative and not just another marketing tactic."

Weissman says there are three ways in which credit unions can look at e-marketing: "One approach views e-marketing as simply sending electronic messages in e-mails, e-statements, or on Web sites. It becomes just another way to advertise and another component in the overall media mix." The communication is one way,

from the credit union to the member, and is neither interactive nor member-specific.

A second, more sophisticated, approach allows for interactive communication, where the member goes through a series of interactive steps that guide the communication to a unique point, specific to the member's needs, Weissman says.

This allows the message to be "consultative" in that the member and the credit union are engaged in a dialogue that can lead members into high-value product and service areas where they otherwise might not have gone.

A third approach views e-marketing as both an interactive communication and a delivery channel. "In this approach, members' needs are fulfilled at the moment of the dialogue: Loan applications are taken, loan decisions are made, accounts are opened," Weissman says. "Members are guided through to the point of completion, where up-selling occurs electronically.

"The communication moves from messaging to selling," Weissman says, "and e-marketing becomes a 'virtual sales force.'" ♦

RESOURCES

- The Database Marketing Agency Inc., Portland, Ore.: 503-736-9490
www.DMAcorporation.com