



Spread The Word

If you treat your existing members right, not only will you retain them – they'll probably tell their friends about you.

By Ron Jooss

More Data, More Service

\$723 million/39,000-member Advantis Credit Union, Milwaukie, Ore., leverages a database system from Database Marketing Agency to maintain targeted contact with members. As described by Rich Weissman, president/CEO of Database Marketing Agency (www.dmacorporation.com), a CUES Supplier member based in Beaverton, Ore., the Matrix Marketing system essentially creates a fresh database for the credit union each month based on each member's recent activity. The member's current status is referenced against historical data that includes hundreds of variables, which predicts likely next activities. The results allow the credit union to target segments of its membership for specific products and services, and puts it on alert for at-risk members, who can be contacted directly.

Weissman says this type of modeling is based on testing called survival analysis done by the Food and Drug Administration to test the efficacy of drugs. "We do it to determine whether or not that account is going to live, and what can be done to help it thrive," he explains.

Those accounts that need a "check up" present opportunities, according Wendy Edwards, VP/marketing/human resources at Advantis CU. In fact, Edwards says the credit union responded to over 8,000 alerts from the Marketing Matrix program in 2008. "When you know that a member's behavior is about to change, it provides you with opportunities to give some attention to those at-risk relationships and to offer the right product at the right time."

Edwards says the credit union began focusing on member retention in 2006-2007 when it experienced flat net member growth.

"The cost of new member acquisition keeps increasing," Edwards says, and it makes good financial sense to work to retain and build profitable relationships with existing members."

With the knowledge provided by the Marketing Matrix program, Advantis CU is proactive about engaging members early in their relationship with the credit union. "Having an indication of the next product our member is likely to purchase helps us provide product offers that are relevant and timely," he says. "Our onboarding program focuses on building deep and profitable member relationships within the first year with a series of offers and sales interactions." This approach has proved mutually beneficial. For the first three quarters of 2008, Advantis CU ranked first out of an average of 195 U.S. credit unions with assets between \$250 million and \$1 billion for returning financial value to members, according to Callahan & Associates, a national research and consulting firm. For the fourth quarter of 2008, Advantis CU ranked third in the nation, but first among credit unions in Oregon within this same asset category. The Callahan's Return of Member scoring system measures members' use of their credit unions. Edwards says the credit union experienced 12 percent net new membership growth in 2008.

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Selected Excerpt