



# Integrated data-driven system nets big results

If only there were a credit union crystal ball. You could peer in and see how best to serve each member, determine how profitable each of them is, know what additional products or services each one needs and when, and calculate the financial effects on your credit union.

You might be able to see how to retain each member and determine how well each product and credit union branch are doing. You could

make service and pricing changes and implement new programs that are right on target every time.

Unfortunately, there's not a credit union crystal ball. But at Portland Teachers Credit Union, our integrated data-driven system gives us just as much insight.

Portland Teachers manages every member account and relationship with a system called IDM™ (Integrated Database Marketing), provided by DMA, the Database Marketing Agency Inc., Portland, Ore. We develop and sell products and services in a highly targeted way. Although Portland Teachers is among the largest credit unions in the nation (\$1.4 billion in assets), credit unions of any size can benefit from IDM.

Portland Teachers uses IDM as more than simply a stand-alone marketing, cross-selling, management customer information file, income analysis, or customer relationship management system. Instead, IDM provides an integrated approach and a critical senior management tool.

IDM brings together the marketing, sales, and finance divisions. We share a common database, measurement, and focus—that of enhancing member value through improved financial performance at the member level. This clear strategic direction comes from Cliff Dias, Portland Teachers' president/CEO.

And the results speak for themselves. Our annual net income increased from \$11 million in 2001 to \$19 million in 2002 (against a \$12 million goal), growth of 175%.

IDM takes account-specific data from our operating systems, financial data from our general ledger, and demographics/geographics from external data sources. Through sophisticated “relation-

ship creation,” profitability analysis, and external data appending, IDM integrates transaction, balance, financial, and member-specific profiling and segmentation.

IDM is refreshed monthly with current information for analysis, tracking and program development and implementation at the account, member relationship, market and profit segment, product, and branch levels.

Three specific programs best capture how Portland Teachers uses IDM: matrix marketing, share of wallet, and return on investment (ROI) analysis. These systematic and continuing member relationship-building programs provide a disciplined approach to managing the credit union for growth.

Matrix marketing identifies groups of members with the greatest likelihood of up-sell based on detailed characteristics and on specific marketing communications targeted to them. A calendar determines whom to contact and when with individualized sales and service opportunities.

Share of wallet determines which products and associated balances each member has with our credit union vs. other financial institutions. IDM identifies product penetration levels among members, how much they have in deposits and loans at other institutions, and the opportunities for shifting those accounts to Portland Teachers.

ROI analysis tracks every advertising, promotion, direct mail, and sales program based on response rates, incremental balances generated, and the contribution of the program to net income. IDM analyzes the incremental income they generate compared with the expense incurred.

Our use of the IDM system and approach benefits our members because we've become a financially stronger credit union. But just as important, it allows us to better serve members by offering products and services that best fit each of their personal needs and financial situations. ■

Contact Mary Jane Campbell at 503-273-2250 or at [mjcampbl@ptcu.com](mailto:mjcampbl@ptcu.com). Portland Teachers Credit Union received the Best Practices Award at the 2003 CUNA Marketing Council Conference for its use of the IDM system (503-736-9490 or [rich.weissman@dmacorporation.com](mailto:rich.weissman@dmacorporation.com)).



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