

# The Core Elements of a Marketing Plan



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## Every Credit Union Needs a Great Marketing Plan.

A well-defined strategic Marketing Plan is an important part of the future of your credit union. Without a plan in place, marketing becomes reactive instead of proactive. Or even worse, becomes nothing at all. Marketing frequency is the number one driver of success. Be where your members go (online and in-person) or you will lose business. Aggressive competitors are after your members and their business. Before we highlight features of all great marketing plans, let's look at the impact of COVID-19.

### Economic Challenges To Consider for your 2021 Marketing Strategy

The credit union's growth, its members, and the businesses in the communities it serves are being significantly affected by the COVID-19 pandemic. According to CUNA's August 2020 Marketing Trends report: "...current economic forecasts have the economy contracting at a 35% annualized pace in the second quarter; the unemployment rate remaining over 8% during 2021; and deflationary pressures keeping the inflation rate around 1% during the next 18 months. The Federal Reserve is expected to keep the federal funds interest rate at 0.1% until the unemployment rate returns to around 5%, likely sometime in 2023. The 10-year Treasury interest rate will remain below 1.5% until 2022, due to low inflation expectations and massive quantitative easing by central banks around the world."

For consumers looking to earn higher dividends, they will probably not see any rate growth this year or next. However, they will be able to refinance or borrow at today's lower rates, most likely through the remainder of 2020 and 2021.

The credit union should continue to position itself as the trusted community resource for financial advice and information; one of the most effective strategies to attract new members and develop member loyalty.

As we head into 2021, credit unions nationwide are still analyzing the full impact COVID-19 has had on the world around us—financially with members, the communities they serve, and bottom lines. More than ever, credit unions have realized the pivotal and essential role they play in members' lives while keeping their communities strong.

### A New Normal Will Emerge.

As credit unions, we will begin to experience a "new normal" in 2021. While we adapted our services to serve and communicate through our digital channels in 2020, more traditional marketing avenues will resume. This new normal will embrace a variety of channels, blending digital (online, mobile, email, social media) and traditional (print, point-of-sale, direct mail) methods. Frequency and exposure remain integral to a comprehensive marketing plan and engaging current or potential members with the solutions you offer.

The consumer will also start to reemerge from the financial difficulties experienced throughout the pandemic. They may be changing jobs or gaining a better financial foothold. Consequently, your members may need new loans, loan restructuring services or general convenience services. Area businesses may also need help rejuvenating. Our focus is to help position each Credit Union with member-first services crucial to their comeback and being there when your members need you.



It will take brand awareness to reinforce your strengths as a community resource and partner. It is important to continue to use content and educational messages to reinforce your role in the lives of your members. It will also resonate with potential members as they search for content online or by referrals from friends and family. We will keep the buyer in control of their journey and be there as they take the next steps in the relationship.

Once engaged with your brand, getting people to respond to your offers requires effective targeting. The right offer, to the right person, at the right time, still rings true and is the foundation of every successful marketing and branding campaign. This approach is true in both online and more traditional marketing components.

### Managing Time and Resources Remains Key.

As margins tighten for all financial institutions across the U.S., a marketer's time and budget management become even more critical. We can help you to make the most of your marketing dollars and implement the right messages at the right time. We can also free up your time to ensure your focus remains where it needs to be.

The key is not to pull back, but to use your dollars wisely and in some cases aggressively, so you can be there when your members need you most. Now is the time to tap into the potential revealed from the pandemic crisis. Pulling back is never the answer in a time of a crisis, as noted below by *The Financial Brand* Email blast dated September 30, 2020.

***"Refocus on direct mail.*** *What we are seeing most often in this category is reallocating dollars or even increasing dollars to support programs that have a proven track record of growing customers or selling products. A West Coast institution used a mortgage direct mail program to attract new households, for example. Given the interest rate environment, the CMO made the decision to expand this program to take advantage of what may be a short-term growth opportunity. A bank in the Northeast did the same, even reassigning retail branch staff to support expanded mortgage application volumes."*

<https://thefinancialbrand.com/101358/bank-marketing-budgets-cmo-digital/?edigest>



## Core Elements That Must Be Included As Part of Every Marketing Plan Include:

### Identification of Core Growth Goals

It is vital to identify your core goals before you can prepare a solid Marketing & Growth Plan. You must always focus on your most important goals first. Don't get sidetracked. Be sure to spend the majority of your marketing budget toward your most important goals. I know that some of these goals may sound simplistic, but we've found that far too many credit unions really don't take the time to set goals. They may look at numbers from time to time, but no clear plan is in place to achieve them.

Some goals you may want measure are:

- Loan Growth (By loan type)
- Asset Growth (By product)
- Product Growth & Use (By services)
- Member Growth (New members)

Many credit unions tell us that their number one goal is member growth. New members are great, but deepening the member relationship is just as important. Remember that most members joined for a new product or service. As a result, promotions with compelling product and service offers will attract new members.



### Brand Image Review

Take a look at your brand and see if it truly portrays who you are. Be sure your credit union has a well-defined brand. Just as you begin with plans and blueprints when you construct a building, building a brand requires lots of discussion, feedback, research and interaction on a variety of levels. Don't guess at your brand. It's important to understand the elements that will contribute to and help you define who you are and why people choose to do business with you. It starts internal and works its way external.

A brand is much more than visual. It is the foundation of who you are, why you do what you do, and how members perceive your credit union. Ask yourself if you stand out, or do you look just like every other credit union or bank. Remember that you do not own your brand, your members do.

### Review Past & Current Marketing Efforts

An objective review of your current and past marketing is important and helps you to learn more about your Credit Union. Step back and see if your marketing during the last couple years has truly shown members and non-members what makes you unique and has focused on your most important goals. Do you see conversions and success with what you have been doing?

Measurement of conversions is an important thing to consider. During a loan promotion for instant, were you able to track leads by phone, branch visits, clicks on digital marketing, applications, closed loans and services that were opened during the campaign.

### Analyze Your Data and Research

A marketing plan should also be based upon as much data as possible. Applying a variety of member and non-member research and analytics can help in determining your best targets and increase your ROI dramatically. Depending upon your core system, CRM, and your ability to mine data will make a difference in how you can track results and conversions. For some credit unions, this information may not be readily available.

The good news is that there is lots of industry research and data that can be applied and will help during the planning stages of creating your marketing plan. Peer data is helpful during this stage since it allows you to not only look at your trends, but the growth and trends of your peers. By having data to compare against, it allows for a better view of what's truly happening. Charting trends on a monthly, quarterly and yearly basis will allow you to easily see your growth progress and also identify your weaknesses.



## Age Segmentation

One of the key drivers of product relationships and use is age. Charting your membership based upon age must be part of your Marketing & Growth Plan. It's amazing how lifestyle and age segmentation influence the use of financial products and services. Effective targeting by age will produce impressive results when combined with other demographic factors and credit scores.

Almost every credit union considers attracting more young members as one of their highest goals. Of course this makes sense, and young members are great. We must do everything in our power to try and bring more on board as members. However, keep in mind that most credit unions generate the greatest income from members ages 35 to 55. So, maybe you will not attract as many young members as you would like now, but you can attract them in the future when they become prime borrowers. They are at a completely different point in their life and using smart, targeted, lifestyle marketing can be the bait to have them join your credit union.

*(See the sample of a simple way to break down members into age segments, Image A)*

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MEMBERSHIP AGE SEGMENTATION COMPARISON			
NATL. SEGMENTS	NATL. % MEMBERS	CU # MEMBERS	CU % MEMBERS
Under Age 18	N/A	242	4.41%
18-24	7%	228	4.15%
25-34	13%	401	7.30%
35-44	22%	508	9.25%
45-54	21%	1,094	19.92%
55-64	20%	1,726	31.43%
65+	17%	1,292	23.53%
<b>Totals</b>	<b>100%</b>	<b>5,491</b>	<b>100%*</b>
<b>Gen-Y Millennials 18-34</b>	<b>20%</b>	<b>629</b>	<b>11.98%</b>
<b>Peak Borrowers 25-44</b>	<b>35%</b>	<b>909</b>	<b>17.32%</b>
<b>Net Savers 55-65+</b>	<b>37%</b>	<b>3,018</b>	<b>57.50%</b>



### Product Alterations and Additions

As part of your plan, you should identify any short and long-term product goals that may help you to be more successful. Make your short and long-term wish list of new or updated services and move on the ones that are most important and will help to achieve your most important goals. For example, right now many credit unions identify getting more loans as their greatest goal. Therefore, products and services that will contribute to this core goal should be of the highest priority.

Any service that helps streamline and speed your lending process is most likely a good investment. When it comes to lending, it's not always rate driven. Many times it's about how easy it is to apply and how quickly a loan can get approved and closed. People today want fast!

Services that offer your member 24/7 access to their money are also vitally important. Bank of American is the #1 financial institution for young people. Is this because of their low fees? Not at all! It's because they make it super easy to do business and for people to manage their money a variety of ways. Their brand footprint also offers access in thousands of locations nationwide. Investing in improved mobile banking products, P2P services and other smart apps is really important if we want to maintain and attract new members.

### Implementation of Marketing Elements

Marketing department structure will vary depending upon your needs and management style. Keep in mind that you can break marketing down into a number of core areas.

- Marketing Strategy – The big picture of your goals
- Marketing Execution – Internal creation vs external creation
- Marketing Elements – What are you doing (Digital, Direct Mail, Newsletters, Websites, Etc.)
- Events – Community, Internal and partner events
- Business Development – Sales calls, visits, educational seminars, etc.

Depending upon your credit union's marketing and support team, your plan should determine the most efficient way to implement marketing projects. This may mean bringing in additional internal support or outsourcing marketing in some areas. If you are not an experienced marketer, you may want to consider working with an outside partner(s) that has the experience to drive your marketing in the right direction.



### Building a Marketing Plan Page

Each promotion should have its own page. The page(s) should outline the entire project. Each page may include the name of the project, the target group, the start date, incentives and more. It can provide a brief overview of the project and the primary goals. Keep in mind that not every detail of the project needs to be outlined during the planning stage. Deciding on exact creative, offers and other details should be discussed prior to kicking each project off.

*(See the sample of a simple project page and how it might be formatted, Image B)*

| IMAGE B |

### Marketing Project

**Timing:** Start Date to End Date

**Target(s):** Current & Potential Members

**Incentive(s):** To Be Determined

**Project Overview:** This is where you can create your description of the marketing project or marketing element. It should provide a basic overview of the product or service that will be promoted and also capture any other early-stage ideas that you may be considering. Keep in mind that this may, and many times will, change when you actually get ready to implement the specific project. This is the ideal time to get feedback from everyone in your organization that will contribute or be impacted by this project.

<b>Elements and Specifications:</b>	<b>Investment</b>
• Project Details, elements and specification listed here	000.00
• Project Details, elements and specification listed here	000.00
• Project Details, elements and specification listed here	0,000.00
• Project Details, elements and specification listed here	0,000.00
<b>Total \$0,000.00</b>	

Notes: Something can be included here such as a reminder, previous project, or an idea to consider so it can serve as a reminder when you go to start a new project.





### Marketing Calendar

One of the most important elements in every marketing plan is the calendar. It's important to not only decide which elements need to be produced, but also determine how, who, and when they will be produced. Without a defined calendar it is very easy for marketing projects to take the back-burner and never get accomplished and out the door.

Every project should have a defined start and due date. Depending upon how you produce your projects this will vary, but a good rule of thumb is to allow anywhere from 6 to 8 weeks from start to finish on most projects. This gives plenty of time for the project to run smoothly and each phase be accomplished correctly. Larger projects can take longer and may require they get broken into phases.

Consider the use of campaigns instead of promotions. By creating an overarching campaign umbrella and theme under which all products and promotions fall, you can eliminate lots of time. Campaigns typically are also more memorable since they have greater frequency and run during a longer period of time.

One last, very important thought! If you find yourself using the same excuse that we don't have enough time to get all our projects completed on time, there's a high likelihood you need to consider outsourcing some of your work. Remember that marketing that does not get out the door will get ZERO results!

*(See the sample of a simple way to build a Marketing Calendar, Image C)*

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Marketing Projects	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Marketing Element	X	X	X	X	X	X	X	X	X	X	X	X
Marketing Element		X	X									
Marketing Element				X	X							
Marketing Element			X				X					
Marketing Element	X	X	X	X	X	X	X	X	X	X	X	X
Marketing Element	X	X	X	X	X	X	X	X	X	X	X	X
Marketing Element		X	X	X								
Marketing Element		X	X	X	X	X	X	X	X	X	X	X
Marketing Element		X	X	X	X	X	X	X	X	X	X	X
Marketing Element	X*	X*	X*	X*								
Marketing Element		X	X	X								
Marketing Element						X*	X*	X*				
Marketing Element										X*	X*	X*
Marketing Element		X	X	X	X		X	X	X		X	X
Marketing Element			X	X	X							
Marketing Element						X	X	X				
Marketing Element			X	X				X	X			



### Marketing Budget, Project Implementation Timetable & ROI

Every Strategic Marketing & Growth Plan must also include an itemized budget. Every project should be clearly broken down and costs itemized so there are no surprises. This budgeting and planning process may take some time to develop each year, but it's worth the effort and key to getting management and your BOD to approve marketing spending.

You can tie-in your budget and Marketing Implementation Calendar using a simple chart like the one shown here. This will help you to stay on track with your approved marketing projects and assure they get completed on time and on-budget. Keep in mind that some of these may change or adjust as the year progresses.

If you can justify your budget with proven ROI, getting marketing budgets approved is a no-brainer. Marketing is not an expense, it's an investment when done right. You will get all the money you need if what you are doing works. There are lots of very simple ways to track ROI and we would be glad to share these with you if desired. If you can show results, money is no object.

*(See the sample of a simple way to build a Marketing Budget and Project Implementation Timetable, Image D)*

#### I IMAGE D I

Marketing Projects	Page	Start Date	Due Date	Budget/Estimate
Marketing Element	14	4/1/21	6/1/21	\$0,000.00
Marketing Element	15	4/1/21	6/1/21	0,000.00
Marketing Element	16	5/1/21	6/15/21	0,000.00
Marketing Element	17	4/1/21	12/31/21	0,000.00
Marketing Element	18	4/1/21	12/31/21	0,000.00
Marketing Element	19	4/15/21	7/1/21	000.00
Marketing Element	20	5/1/21	12/31/21	0,000.00
Marketing Element	21	5/1/21	12/31/21	0,000.00
Marketing Element	22	4/1/21	ASAP	00,000.00
Marketing Element	24	4/15/21	6/1/21	0,000.00
Marketing Element	25	7/15/21	9/1/21	00,000.00
Marketing Element	27	11/15/21	1/1/21	0,000.00
Marketing Element	29	4/15/21	6/1/21	N/C
Marketing Element	29	5/1/21	6/15/21	N/C
Marketing Element	29	8/1/21	9/15/21	N/C
Marketing Element	29	10/1/21	11/15/21	N/C
				<b>Total \$00,000.00</b>



### Want To Learn More?

If you would like to learn more about how Colorworks can help your credit union prepare and implement a well-defined, successful Marketing and Growth Plan, contact us today. We will be glad to walk you through the process and share some of the success stories we have enjoyed with many of our clients.

### For More Information Contact:



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### To the Reader

Thank you for taking the time to read our white paper. Colorworks has been focused on the credit union and financial services industry for more than 30 years. During that time, our team has enjoyed the privilege of helping more than 2,000 financial clients nationwide.

We strive to continually evolve and seek new ways to help clients succeed with innovative marketing ideas and integrated services including planning, design, print, digital and an array of related promotional products.

If you are an existing client, we appreciate your confidence and trust. If you are interested in what we have to offer, we would love the opportunity to introduce you to the exceptional members of our team. We strive to provide each client with leading-edge marketing strategies, seamless project execution, and most of all, results!

We look forward to the journey ahead and the amazing opportunities that await us all.

Sincerely,

Don Smale - President/CEO