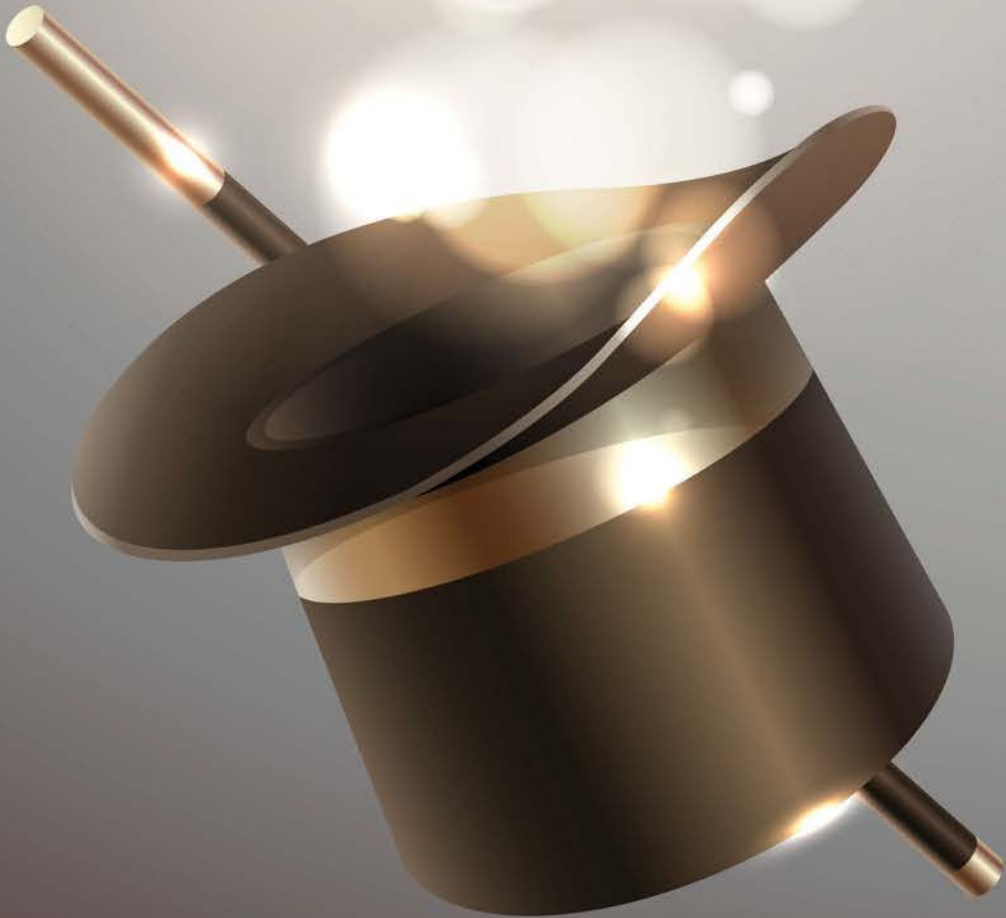


The
Magic of



Great Branding

WHAT THE BIG BRANDS
CAN TEACH CREDIT UNIONS

By Jay Morris

Who can explain why an Apple customer is willing to stand in line for hours when a new iPhone is introduced? Or why coffee drinkers will drive miles out of their way to find a Starbucks?

It's the mystery of branding, and credit unions are beginning to see that in order to thrive, they must understand how to decode it. They must learn to compete on something other than price, products or their cooperative roots.



“The brand is not part of the business; it is the business.”

DARYL TRAVIS, CEO, BRANDTRUST INC., CHICAGO

BRANDS HE ADMIRES:

- Starbucks
- Southwest Airlines
- Zappos

“Branding is the most powerful, yet most misunderstood, business strategy,” says Daryl Travis, CEO of Brandtrust Inc., a Chicago-based research and consulting firm that has helped America’s top companies better understand their customers and brand themselves. In a marketplace full of similar products and services, Travis argues, “there is nothing to explain successful companies beyond the power of their brand.”

We asked brand experts like Travis, credit union CEOs and marketing specialists to tell us which big brands they admire and why, how these brands work and what lessons they have for credit unions.

Connections, Magic and Exceptional Experiences

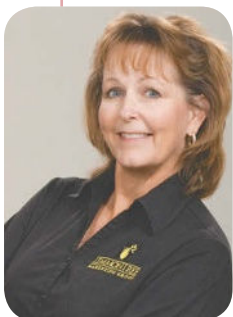
Our panel of experts spoke of connections, feelings and the “magic” of exceptional customer experiences. They noted that good brands tell their story, consistently and effectively, over and over. They observed that an organization’s culture defines its brand, from the employees’ attitude to the way a customer is treated.

They also said that while credit unions may be relatively small institutions, they are being held to the same level of expectations as the biggest companies — and they need to get used to it.

“Members are looking at their credit unions in the same way they look at the big brands,” explains Nicolette Lemmon, president of LemmonTree Marketing Group, a credit union marketing and branding firm in Tempe, Ariz. “Credit unions have to be able to deliver that same level of customer experience to their members.”

As Neville Billimoria, senior vice president of marketing/membership and chief advocacy officer at Mission Federal Credit Union in San Diego, puts it, “Credit unions no longer have the luxury of saying, ‘How do we compare to peers in our space?’ Today’s consumers are rightfully holding us to a standard that is the product of their whole retail experience.

“If it’s about the online experience, they’re holding us to the likes of Amazon; if it’s about value, they might be



“There’s a danger in just saying you’re a credit union. You need to be specific about your brand.”

NICOLETTE LEMMON, PRESIDENT, LEMMONTREE MARKETING GROUP, TEMPE, ARIZ.

BRANDS SHE ADMIRES:

- Southwest Airlines
- Walmart
- Target
- McDonald’s
- Starbucks

Zappos Core Values

1. Deliver WOW through service.
2. Embrace and drive change.
3. Create fun and a little weirdness.
4. Be adventurous, creative and open-minded.
5. Pursue growth and learning.
6. Build open and honest relationships with communication.
7. Build a positive team and family spirit.
8. Do more with less.
9. Be passionate and determined.
10. Be humble.

comparing us to Walmart; if it’s about giving back to the community, it could be Target; if it’s consistency at every location, it’s probably McDonald’s,” he says.

Billimoria is the \$2.4 billion San Diego credit union’s chief member advocate, a position largely unheard of just a few years ago. But in the game-changing “digital” era, when consumers have the power to co-opt a brand’s story through digital media, savvy credit unions are realizing that they need to get more sophisticated in their branding.

Borrowing the Best From the Big Brands

To study and understand the iconic brands is to begin to see how credit unions might turn themselves into branding powerhouses. At GTE Financial, a \$1.6 billion federal credit union in Tampa, Fla., there has been a conscious effort to learn from Southwest Airlines, Zappos, Amazon, Google and Apple.

Says GTE Financial President and CEO Joe Brancucci, “We’ve built our brand on what we think are the best brands today. The characteristics of those brands and how we can make them our own — that’s what creates our unique credit union.”



“Building a good brand is like building a good relationship. It’s more about listening than talking.”

NEVILLE BILLIMORIA, SENIOR VICE PRESIDENT OF MEMBERSHIP AND CHIEF ADVOCACY OFFICER, MISSION FEDERAL CREDIT UNION, SAN DIEGO

BRANDS HE ADMIRES:

- Apple
- Zappos

Southwest is a favorite brand of several persons interviewed for this article. “They hire for attitude,” says Brancucci. “If bags are holding up the plane, the pilot will get off and help load the bags. There are no silos; everyone takes ownership of the customer.”

“The Zappos brand is about the customer experience,” Brancucci continues. “There is nothing else.”

The company may just sell shoes, but according to Travis, it does that exceedingly well. “Who would have thought people would buy shoes online? But they figured out how to break down the barriers. Now people just adore Zappos because of their customer service.”

It doesn’t matter that Zappos is selling the same shoes you can get down the street. “A checking account is a checking account, a loan is a loan,” notes Brancucci in describing how financial services have also become commoditized. “The special magic sauce is how you interact with that particular member at that particular moment, whether it’s virtual, person-to-person or in the call center.”

Brancucci says Amazon excels at creating an intimate relationship with the customer via the Internet. “You always feel there is a connection to the company, even though you’re dealing with a machine. Somehow you are an old friend when you go to the Amazon site.”

As for Google, he says, the company has “absolutely broken the mold in how

you deal with employees and customers. If anyone asks me a question and I don’t want to feel stupid, I go to Google to find the answer. It empowers me to be smart.”

Then there is Apple, ranked No. 1 by *Forbes* in its annual list of the world’s most powerful brands. For Brancucci, the Apple retail experience is what makes the difference. He likens it to buying a good suit.

“I love suit salesmen who understand how the suit is constructed, what kind of material is used,” he says. “They make you feel very comfortable with it, even though it may be expensive. At an Apple store, they know the technology at a level that they can personalize it and make you feel there is no way you could be without this thing. We want members to feel the same way about us.”

It’s All About Feelings

Great branding, Travis says, is all about feelings. “The facts matter, but only to the extent that they engender a feeling,” he says. “With the advent of social psychology and behavioral economics, we understand so much more about why people make decisions, and we see more and more that they are driven by feelings.”

Take Starbucks, another brand admired by those interviewed for this article. “You may think it’s about the coffee,” Travis says. “But it’s really about allowing yourself an indulgent moment, and that’s why you’re willing to pay \$3 for a cup of coffee. The baristas treat you really well; they’re trained to do that. It’s about the experience more than it is about the product.

“If you look at the customer experience from end to end, there may be hundreds of touch points,” he explains. “But our brains can only remember the ones that are the most emotionally intense. Those are the touch points that matter; they create the narrative or the mental model for processing how a brand makes us feel. That’s what the iconic brands understand.”

Wendy Bryant-Beswick, vice president of marketing and business development at the \$419 million-asset Generations Federal Credit Union in San Antonio, says Nike does “a great job of making that emotional connection. It’s not about a specific pair of shoes or a shirt, it’s about how I will feel better about myself and my personal health when I use them.”



“It’s not about your products. It’s about how the consumer is connecting to you emotionally.”

WENDY BRYANT-BESWICK, VICE PRESIDENT, MARKETING AND BUSINESS DEVELOPMENT, GENERATIONS FEDERAL CREDIT UNION, SAN ANTONIO

BRANDS SHE ADMIRES:

- Nike
- Volkswagen

Worth reading . . .

Two great reads for credit union leaders on branding and change, recommended by Neville Billimoria of Mission Federal Credit Union:

- *Winning the Story Wars: Why Those Who Tell (and Live) the Best Stories Will Rule the Future* by Jonah Sachs
- *Change by Design: How Design Thinking Transforms Organizations and Inspires Innovation* by Tim Brown

She also admires Volkswagen and the way it, too, connects with consumers. “It’s so different than what you see a typical car company doing,” she says. “It’s not about the sleekness or the design. It’s about a kid in a Darth Vader suit and how one simple touch of a button makes you a really cool dad. It’s groundbreaking.”

Bryant-Beswick previously helped brand such big-name financial firms as Black-Rock, Schwab and Morgan Stanley, and she observes that credit unions traditionally have approached branding from a product promotion and cost perspective. “So it is a huge shift for credit unions to appeal to the public in an emotional way, to think about how their brands fit not just into financial goals, but also the aspirations of their members.”

Lemmon agrees, noting that “credit unions have felt the need to compete on low rates, but it shouldn’t always be about being the lowest cost. They need to find ways to build relationships based on value.”

Your Culture Is Your Brand

Zappos CEO Tony Hsieh has famously said, “Your culture is your brand.” In fact, he has written that if you get the culture right, “most of the other stuff — like great customer service, or building a great long-term brand, or passionate employees and customers — will happen naturally on its own.”

“You do find that companies with strong brands have strong cultures,” Bryant-Beswick says. “They are forward-thinking. They do things outside of the box. And that just naturally comes through in how they are perceived by the consumer. You can’t take a company that isn’t innovative and put a brand on top of it. Branding happens at the core of the company.”

Good branding, according to the experts, starts with a compelling vision and a set of core values an organization and its stakeholders both embrace and live. “Your vision, mission and core values have to be hand-in-glove,” explains Neville Billimoria, “if you want to be clear about your brand. So if we put it out there that we have great service, that we’re the higher-trust, relationship brand, we’d better behave into that,” he continues. “The second we don’t, we’re out of brand alignment.”



“It’s all about the member.”

JOE BRANCUCCI, PRESIDENT AND CEO, GTE FINANCIAL, TAMPA, FLA.

BRANDS HE ADMIRES:

- Southwest Airlines
- Zappos
- Amazon
- Google
- Apple
- Pike Place Fish Market

John Worthington, executive vice president and chief communications officer at Security Service Federal Credit Union, a \$7.4 billion credit union in San Antonio, says having a core-values approach is key to his credit union’s success and growth. “Our employees have taken ownership of our core values. They are displayed everywhere, and our employees are energized by that,” he says.

Core Values, Mission and Vision

Security Service has five core values: caring, innovation, honesty, fairness and dedication. These values, combined with what Worthington calls the credit union’s “enduring goals” — member service, planning for growth, financial strength, employee

investment and community service — fuel its mission of providing members with a financially strong credit union that offers personalized service of the highest value. Tying it all together is the credit union’s vision, which, Worthington says, is “simply to be the best credit union in America.

“We are known for our name — Service; that, and our extensive community involvement, comes through in every survey we do, in all of our marketing and brand awareness studies,” he says. For example, the credit union’s social media team responds to member concerns within a half-hour of a member’s inquiry or complaint, or within an hour if it is after regular business hours.

Billimoria says brand loyalty is generated “when you give members consistency day in and day out and then impress them at those moments when they least expect it. More loyalty can be cultivated in a service

remediation experience because members are not necessarily expecting it.”

Adds Brancucci, “It’s the difference between a good interaction and a great interaction. It’s that little extra something that makes a member’s day. When you start having those magic moments in multiples every day, you create a brand that has vitality and attraction to folks.”

It all gets back to the culture, he says. “Look at Pike Place Fish Market. Those guys are just selling fish, but they’ve become world-renowned. They have four principles: Choose your attitude, be present, make the customer’s day and have



“Trust, dignity, courage, good citizenship and grace are the values that I look for in a brand and what we try to represent to our members.”

PEGGY BOSMA-LAMASCUS, PRESIDENT AND CEO, PATRIOT FEDERAL CREDIT UNION, CHAMBERSBURG, PA.

BRANDS SHE ADMIRES:

- Chick-fil-A

fun. That’s how their culture delivers on the brand every single day. We’ve incorporated those into our culture and give out employee awards based on them.”

GTE Financial has also borrowed from Zappos the idea of an employee culture book, and Brancucci says it’s working amazingly well. “We ask our employees to write down what the GTE culture means in their own words. Not only do they articulate the culture, but they are the keepers of it. They will weed out their own bad behaviors. It’s something that I never imagined could happen in an organization.”

Tell Your Story ... Over and Over

Brand experts often talk about the “brand story.” That’s when an organization’s culture connects with its customers in an emotional way, and those

experiences get retold as branding messages or stories.

“The essence of all human communication is story,” notes Daryl Travis. “If you want people to pay attention to you, don’t give them bullet points or features and benefits. Tell them a story about what the credit union stands for, why it means something to them and how it will help them in their own lives.”

Billimoria agrees that stories are a powerful way to engage members: “Stories demonstrate through action how well we are living the organization’s core values. They foster an authentic brand experience and allow you to differentiate yourself in a hypercompetitive marketplace.”

Of course, the value of any story lies in its retelling, so organizations must work

hard to practice their storytelling and live up to their brand promises.

Peggy Bosma-LaMascus, president and CEO of Patriot Federal Credit Union in Chambersburg, Pa., says she has always admired brands that follow through on their promise and are willing to take a stand. “Chick-fil-A is one brand that comes to mind,” she says. “They have some very firmly set values, and they adhere to those values.”

For credit unions, she says, that means sticking up for the communities they serve. She believes community involvement is a key differentiator and an integral part of her \$464 million credit union’s brand.

Patriot serves a membership just north of the Mason-Dixon Line that Bosma-LaMascus describes as “red, white and blue.” She says, “Our name says who we are: trust, honesty, being a good citizen. We try to embody those values in everything we do. So giving back to our community, showing that we care, that’s important.”

Brancucci agrees: “We’re passionate about the communities we serve. It’s what drives us at the core level. It’s what we believe in, and it’s genuine. Genuine attracts folks. Disingenuous does not.”

“Brands do need to stand for something important,” Travis acknowledges. “You have to ask yourself, ‘How would an organization that makes these kinds of promises behave?’ Then it starts to become very clear what you need to do for product development, customer service and creating an experience where that brand promise comes true every day so that people feel it. Once people start to feel it, they will become engaged with the brand, and they will become loyal to the brand.”

Jay Morris is the principal of Jay Morris Communications LLC, a public relations and marketing firm in Alexandria, Va. He writes on technology, business and credit union issues, and can be reached at jmorris@jmcomllc.com.



“Our vision is not to be another USAA, it’s to be America’s best credit union.”

JOHN WORTHINGTON, EXECUTIVE VICE PRESIDENT AND CHIEF COMMUNICATIONS OFFICER, SECURITY SERVICE FEDERAL CREDIT UNION, SAN ANTONIO

CORE VALUES:

- Caring ... We listen with a sense of urgency.
- Innovation ... We find the best solutions.
- Honesty ... We tell the truth.
- Fairness ... We do the right thing.
- Dedication ... We finish what we start.