



Marketing Messages

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“Marketer of the Year”: Vancity offers a case study in effective marketing

What makes good marketing great? What are the company traits that score favour in customer's eyes? And just what does it take to be awarded “Marketer of the Year” by the local BC Chapter of the American Marketing Association (BCAMA)? To qualify winners must have a BC based marketing team, and an exceptional marketing strategy executed with notable results. This year's winner, Vancity, treated over 500 attendees at the recent event to a compelling display of why they were deserving of the honour.

Good marketing starts with solid branding, and an acute awareness of “the brand promise”. The brand promise identifies how a company will make their customers feel. Superior and well-loved brands evoke an emotional response. People light up and get excited when they speak of experiencing them. But when was the last time you got teary eyed with emotion when you thought about your bank? Exactly. But as Vancity likes to point out they are neither a bank nor a traditional credit union. As they saw it, there was a huge emotional branding void to fill in the banking industry. And it made great business sense. But the challenge was to translate already positive sentiments into business results. Thus begins the Vancity story.

A year ago Vancity embarked on the process of envisioning and storytelling. This may sound a little touchy-feely for a bank, but it was a creative way for 2,000 Vancity staff and board members to explore what the organization really stood for and what it was exceptional at. This was essentially their brand audit and assessment. They learned how satisfied their employees and customers were. They compared themselves to competitors. Their story helped explain who they were, what made them special and what distinguished them from competitors. They then identified the distinct advantages and value they delivered compared to their competitors. This defined the direction of their brand and became inspiration for developing and executing their marketing strategy. The distinct advantages and value offered helped them identify their brand promise. This was the heart, soul and spirit of the benefits they deliver. Their brand promise was about how they would make customers feel. It would set the tone.

Vancity knew they had emotional equity with their customers. The challenge was to turn the high percentage with positive perceptions into increased business success. Their objective was to increase membership from 1 in 8 to 1 in 6 and to forge deeper and more diverse relationships with existing members.

They did this through several initiatives. They redesigned their logo to make it more approachable. They designed their branches to reflect more aspects of member's lives with the addition of things like dog hitching posts and bike racks. They sponsored the U-pass discounted student transit ticket. They initiated banking firsts which would appeal to their potential customer base such as clean air auto loans, bright ideas business loans for innovation, the self employed mortgage and free online bill payments. They embarked on a multi-media advertising campaign used in print, radio, TV, online and out of home which challenged perceptions in the banking industry, and invited customers to “expect better” at Vancity. “Segments traditionally underserved in the banking industry such as youth and the Gay and Lesbian markets, were targeted with great success”, notes Kari Grist, VP Marketing for Vancity. Both of these markets were of long-term growth value. The new shared success program gave back a percentage of profits to members, which increased with the amount of business they did with the credit union.

Vancity conducted its brand audit in late 2003 - early 2004 and launched its marketing campaign in February 2005. Since then it has racked up the following results which Grist feels were largely influenced by their marketing initiatives:

- 1% jump in market share from 2003 to 2004.
- The under 25 year old customer made up 20% of the member base in 2005, up from 17% in 2003.
- 21% gay community market share in 2005, up from 15% in 2003.
- 86% member satisfaction in 2004.
- The number of members who leave the bank (the churn rate) is 2.5 x less than competitors. This number decreased during the time of the campaign.
- MacLean's Magazine named Vancity best employer to work for in Canada in their October 2004 Annual Top 100 Employers ranking.
- 30% of profits returned to members and the community (\$17.9 million) in 2005 based on the performance of 2004.

Vancity is a strong brand. And with their latest marketing strategy, they have successfully demonstrated how to change emotional equity into increased business success. They are possessed by how their customers feel. They know what their customers are thinking daily. They own a distinctive position in the marketplace. They offer benefits that their competitors do not. That distinctiveness, what they stand for, is focused on functional and emotional benefits. They don't just deliver goods or services; they evoke an emotional response. In short, they do well what a good brand should do.

And I must confess that only Vancity could get away with having a drag queen MC and buff young men dashing gallantly throughout the crowd handing out Ginch Gonch Vancity Underwear to current bank members. Vancity is not an ordinary bank. And they're happy to stay that way.

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