

Add PEPPER To Enhance Marketing Effectiveness

by Jeanne Murphy, Growth Strategist

There's a spicy solution to successful marketing: **PEPPER**.

The **PEPPER** acronym covers six essential areas of effective marketing: Planning, Education, Products, Promotion, Evaluation and Research. Planning and research are the essential foundation to all successful marketing efforts. By first establishing a solid and deep foundation within your organization, all departments and employees will know where the organization is headed, some of the key ways to get there, and what their part is in making those efforts successful. In times of rapid or turbulent change, a strategic foundation such as this will help your organization withstand external pressures, enabling you to more quickly achieve your goals. To enhance the impact of your marketing efforts, incorporate all six of the following elements of this PEPPER formula for success!

- **Planning:** The first question to ask yourself is *why* are you in business? What makes your business so unique or valuable that members want to do business with you? Other than making money or providing members with service, what is the bigger humanitarian picture of what your organization is trying to accomplish in the long run? What's the game plan for the short run?

Once a plan is in place, marketing is in position to determine how to make the most strategic contributions to that plan and the immediate annual goals. Without a plan, it's "whatever goes." Unfortunately, whatever goes one day may be different from the next, resulting in an endless cycle of marketing mayhem.

- **Research:** Research can help you to not only identify what your best opportunities for growth are, but who your best markets are, what products and services they desire and why, and how to most effectively market to them. Internal data is a prime source of research – information from your financial reports and your MCIF system. Member research is essential if you are to understand your market better than your competitors. As well, shopping your competition will enable you to provide employees with the information they need to successfully sell your product offerings.

Key questions to ask when it comes to member research include: who is my "customer", what needs do they have that my products fill and why, how can I attract their business, who is my competition for this product and why, what is the total market for the product, and is that market growing?

Among the mistakes credit unions make in analyzing their research is overvaluing penetration rates. Penetration means very little except when used as an indicator of how well you're continuing to grow business when acquiring new members. To

identify your best opportunities for future growth, *market share* is the number to watch. How many members are using XYZ product anywhere? How many of those people are using that product at the credit union? How many use it elsewhere and why.

- **Education:** Education is a primary tool for keeping staff efforts focused and aligned with the organization's goals and with the current marketing campaign. Since, in a service industry, marketing campaigns usually just generate leads rather than a final sale, it's essential that the employees pick up the ball when the member contacts the credit union.

To do this, employees not only need to be keenly aware of the credit union's vision and goals, but well versed in relationship management skills as well. Learning how to *really* listen to the member, ask questions to more fully identify their needs, present solutions in a manner that's appealing to that particular member, and invite the member to take action are the essential skills to building life-long business relationships. Having a high level of product knowledge is the crucial first step an employee must take before they can be successful in using their relationship-building skills.

The other essential ingredient is having a manager who is skilled in his or her abilities to set goals, provide feedback and coach their employees. The accountability combination of these three helps to build and sustain an employee's motivation!

- **Products & Pricing:** If you don't have what members' want, at a price they believe is competitive, you won't attract or keep your members. It's that simple. Yet, contrary to popular belief, you don't necessarily have to offer the cheapest price in the market in order to gain new business. By adding value through branding efforts or through providing "accessories" which enable the member to gain more use of your product, you are able to elevate your core financial products from a commodity, price-sensitive position to a differentiated position that commands a higher price. Being creative in your use of "accessory" products is key.

For example, on a car loan, answer the question: "What is it that members will likely need to enhance the usefulness and longevity of the car they are purchasing and their ultimate satisfaction with the vehicle?" Some answers might include auto insurance, extended warranty and gap insurance, a discount vehicle buying service, automatic monthly payments on the loan, etc. Bundle these accessories with the core product (your vehicle loan) to offer a package that can't be matched in value and convenience by your competitors.

- **Promotion:** Besides advertising and PR, promotion also includes positioning. When a member or prospective member hears your credit union's name, what are the first words that come to their mind? This is the "position" your organization holds in their consciousness. Perhaps it is the position you desire. If so – super – continue to

build on it in order to *own* that position in your marketplace. Align your products, pricing, staff behaviors, branch décor, and advertising to that position.

If, however, you don't like what you hear when that question is answered, it is a chief responsibility of marketing to change that perception in the marketplace. This takes time and money to accomplish, so have a plan and be patient. Consistency in the above five areas will eventually pay off – assuming you are marketing to the right people to begin with. In service industries, I prefer to identify the key markets that can be best served by a particular organization and then align all else to the needs and preferences of those key markets.

- **Evaluation:** All professionals evaluate the effectiveness of their efforts. How else could they continue to grow and be the best at what they do? Part of evaluating effectiveness includes tracking progress toward each goal and regularly communicating that information to the entire staff. Remember, they are your partners in success. Continuing to generate their enthusiasm, interest, and quality ideas is essential.

Since a large portion of a credit union's marketing budget is spent on advertising, it is crucial to regularly evaluate what worked, what didn't, and why. There is nothing as sweet as being able to repeat a very successful promotion and getting great results without having to spend a lot of energy or money to do it! Conversely, if something didn't produce the expected results, you'd want to know so that you can prevent the same from happening the next time.

The real marketing pros are separated out from the wanna-be's by the *level* to which they take their promotional evaluation. Since one of marketing's primary functions is to make money for an organization, simply reporting the total loan or savings dollars generated by the promotion is not enough. The bottom-line is to calculate the *profit* your organization will earn from that new business, as well as your return on investment for the money you spent on marketing. Evaluating and reporting results at this level will earn you the respect of your management team while securing funding for future projects.

Extra Resources

For more information on how to calculate the profitability on marketing promotions, [click here](#). This link will take you to information about **ProfitMaker+Plus**, our custom software for financial institution professionals that automatically calculates these analyses for you!

If you would like to learn more about how to use financial data to identify your credit union's best growth opportunities, along with how to identify the most productive marketing strategies, [give us a call](#). Or ask your state League to bring **Jeanne Murphy** in as a speaker for your next marketing conference. Her **Bottom-Line Marketing seminar** makes it fun to learn these essential skills!