

# Connection

Ideas that link advertising, member education, & financial literacy

## A Decelerating Auto Market for 2005

by Steve Rick, CUNA senior economist

**A**uto sales in 2005 should slow from last year's robust pace as higher gas prices, rising vehicle prices, and slowly rising interest rates lower vehicle affordability. In 2004, consumers and businesses purchased 16.8 million vehicles due to generous incentives and a rebounding labor market. The strong auto market had an impact on credit union new-auto lending in 2004, as new-auto loan balances increased a strong 12.2%, the fastest pace since 2000. Used-auto lending, the area where credit unions typically do well, grew only 4.6% in 2004, down from 12.5% in 2003.

Forecasts for the 2005 auto market are for a 3% decline in auto sales to

16.3 million vehicles. With some oil industry analysts forecasting \$60 a barrel of oil soon, personal disposable income will decline along with consumers' demand for SUVs and large trucks, where sales have already begun to falter. Moreover, forward buying in recent years due to the generous incentives of 0% financing and large rebates will lower sales this year.



Steve Rick

There are a few factors, however, that should sustain the auto market in 2005. First, the labor market will continue to improve, boosting demand for new autos. Expectations are for the unemployment rate to fall from the current level of 5.4% to 5% by year-end and

for monthly job creation to average more than 200,000. The stronger labor market will boost consumer income and confidence, leading to more sales. Second, the introduction of new and exciting vehicle designs will entice many potential buyers into automotive showrooms. Last year's introduction of the new Chrysler 300 was one such vehicle that heightened the interest of many potential buyers, which then ultimately led to large sales numbers.

And finally, favorable demographic trends bode well for auto sales in the years ahead. The children of the baby boom generation are now entering the labor market and buying their first cars. This trend will continue over the next few years. ■

## Help Young Members with First Car

**I**f the idea of negotiating a used car purchase with a dealer gives you the jitters, think about your young members. They have little experience driving cars, let alone buying them.

*Googolplex's* online car series for high school students consists of five easy-reading how-to stories that deliver the information.

Part 1: *Find the Best Car* helps teenagers decide what kind of car to buy.

Part 2: *Get the Best Price* demystifies bargaining by giving buyers the best negotiating tools.

Part 3: *What's Cool About Auto Insurance* advises youth about buying



insurance and keeping the premiums low.

Part 4: *New Drivers Start Your Engines* taps into the excitement of owning a first car. Auto maintenance is fun!

Part 5: *Auto Accidents—What If* shows youth how to prevent accidents and what to do in the event of one.

In October, the series grows with an article on financing your first car. To see the stories online, visit [cuna.org](http://cuna.org) and search "Googolplex."



Link to "live content" and click on C-Note University. Search "Find the Best Car" from Lost and Found at the bottom right. ■

# We Asked, and Boy Did You Tell Us

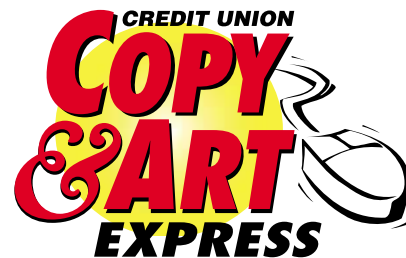
**H**ow do you like *Copy & Art Express*<sup>™</sup>, we asked subscribers. Don't be shy—let us have it! About 25% of subscribers let us know that they:

- Use articles more than images (23% articles only; 46% more articles than images)
- Download two to three items per session (56%)
- Download images and articles 24/7 (42%)
- Use the search feature (92%)
- Find the search feature very or somewhat useful (98%)
- Use content most in newsletters, statement inserts, and on Web sites
- Work on a PC (90%) or MAC (10%)

What would subscribers like to see, or to see more of?

- More photo options
- Longer articles
- Shorter articles
- More youth content
- Word puzzles and other devices to lighten the content
- Enlarged image previews

“The articles are always very, very good. I can't imagine doing my newsletter without them.”  
—survey respondent



We're still sifting through the responses and data tables to decide our direction, but already have resolved to offer articles in varying lengths and to expand our image library.

You don't have to wait for a survey. We invite your suggestions and feedback at any time. Just send e-mail to [askem@cuna.com](mailto:askem@cuna.com). To learn more, visit [cuna.org](http://cuna.org) and search “Copy & Art.” ■

## Energize Your Marketing Strategies

Discover new ideas and network with your peers at CUNA's Marketing Management Schools, June 5-10, 2005, in Madison, Wisconsin. “I came back from Marketing Management School with tons of ideas—not only from speakers and handouts—but from colleagues,” says a participant from last year.

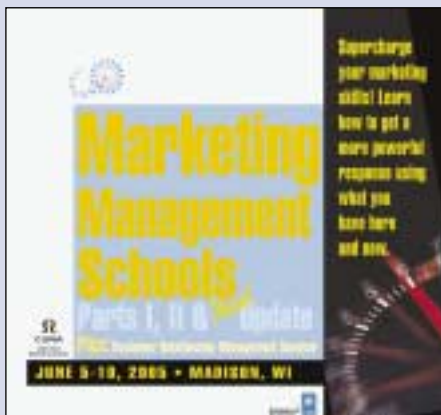
■ **Marketing Management School: Part I.** Start here to build a strong foundation in credit

union marketing. From planning to budgeting to design, you'll learn how to create exciting campaigns that get results.

■ **Marketing Management School: Part II.** Discover secrets for building a vigorous brand, gain tips for Internet marketing, master 11 financial ratios every credit union marketer should know, and learn strategies for marketing to growing minority groups.

■ **NEW! Marketing Management School: Update.** You'll focus on advanced marketing issues, including finding the right ad agency, word of mouth marketing, conducting focus groups like a pro, and marketers as leaders in the credit union.

For more information, visit [training.cuna.org](http://training.cuna.org) and click on Schools & Conferences. ■



## Home & Family Finance<sup>®</sup>

Quarterly Print Magazine for Members

The next issue explores vehicles and financing. Members will find stories on certified used cars and alternatives to big SUVs, among others.

Need extra copies of the “If banks win, you lose” issue? This special issue describes a world without credit unions and explains why Congress has supported credit unions and their tax exemption. To order, call 800-356-8010, press 3, and ask for Stock No. 26228-CN.

**Third Quarter 2005**  
**Perspective Topic—Vehicles & Financing**

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*\*Begin a subscription now, with the option of having it mailed directly to members. Call Darlene Brightbill at 800-356-9655, ext. 4344.*

# How Is Your Credit Union Positioned?

Your credit union's brand acts as a sort of shorthand that members and potential members can use to decide between competing products. In the broadest sense, your brand is a blend of your financial products' public image. The brand concept includes function, target audience, prestige value, price point, and countless other marketing and business elements.

Financial institutions with effective brand identities align all their communications, operations, and systems to their brand mission and values. They work hard to make all their employees effective brand ambassadors. These institutions say the brand symbolizes all that makes them different. They try to ensure that their individuality is transmitted in all their activities.

The first step to building a brand is to know your members' needs and expectations. And if you haven't asked your members in a while you might be in for some surprises because their needs and expectations are changing faster than you think. In fact, a 2004 behavior and attitude survey by Forrester Research found consumers are:

- **Hands-on.** Most consumers want to do their own research



before making financial decisions. And each generation is more likely to want to do its own research than the generation that came before it.

- **Insecure.** Consumer anxiety has led to calls for protection. Most consumers (57%) say the government needs to police companies' use of customer data. Nearly 10% have experienced identity theft, 20% feel compelled to use privacy protection software, 24% have asked to be removed from a company's database, and 45% say their privacy is more at risk since going online.

- **Mistrustful.** Less than half (48%) of U.S. consumers say their primary financial institution (PFI)

has strong ethics and integrity. Even fewer consumers (47%) believe their PFI would do what's right for them without government regulations.

CUNA's Center for Research and Advice recently conducted an informal survey of members of the CUNA Marketing and Business Development Council to see how they position their credit unions in the minds of members and potential members, and what they communicate as their credit unions' primary competitive advantages.

Responses reveal that credit unions are being branded and positioned as follows:

- Providing world-class, convenient service.
- Partnering with members in their financial success.
- Building trust and knowing members' needs.
- Communicating a sense of family.
- Offering the best rates and providing the best value.

*Excerpted from Exploring Members & the Credit Union Brand, the first report in the E-Scan Insights Series. To order a copy of the downloadable report, visit [cuna.org](http://cuna.org) and search the stock number "26640P."* ■

Each weekday, your members see the current consumer news in *Home & Family Finance® Resource Center*, and each week they see a fresh article. Here are just a few in the works.

## May

- Big big cars and big big payments
- Your IRA options

## June

- Health savings accounts
- Campus-run credit unions

## July

- Credit payoff optimizer (calculator)
- Is satellite radio worth it? For more information, visit

[cuna.org](http://cuna.org) and search "HFFRC," then follow the first link. ■



# Connection

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## Seminar Kits—Just Add Members

**A**t a budgeting seminar hosted by the University of Wisconsin CU, one member volunteered, "What a great free service for members." When asked whether they'd recommend the seminar to others, 92% of attendees said yes.

Member education can be easy, efficient, and effective without a lot of work. That's the concept behind *Credit Union Seminars in a Box™*. This kit provides all the ingredients for a successful seminar—all you add is members.

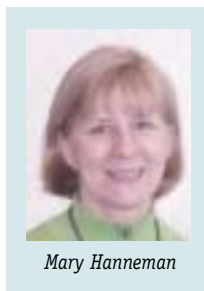
Each kit contains a CD with:

- Step-by-step planning checklist
- PowerPoint presentation and speaker notes
- Handouts for seminar participants
- Speaker preparation guide
- Evaluation forms

- Full-color poster & flyer graphics
- Newsletter articles
- Sign-up sheets
- Certificate of completion

Plus, the kit includes 100 related statement stuffers and 25 handbooks.

"These seminars are a perfect fit for our lunch 'n learn programs at SEG worksites," says LeAnn Kelly, collection specialist with Iowa Community CU in Cedar Falls, Iowa. LeAnn presented *Wise Use of Credit*



Mary Hanneman

*Cards* in her community in March. Lunch 'n learn programs are growing in popularity as employers acknowledge their workers lead busy lives and don't have time to attend an evening seminar.

"Using Seminars in a Box allows us to spend our time

where it counts—working with members—rather than spending time on all the details involved in preparing a seminar curriculum," explains Mary Hanneman, director of marketing at University of Wisconsin CU.

For a complete list of seminar kits, go to [buy.cuna.org](http://buy.cuna.org) and enter "Member Seminar Kits" in the search box. Or call 800-356-8010, press 3. Individual kits cost \$195. ■



## Capture More Mortgages

**A**s mortgage rates edge upward, you may need to step up your marketing to maintain loan growth this year.

### Hand out to interested members

Add informative stuffers and the Home Buying Program Member Workbook to your mortgage packet. The 44-page workbook includes a glossary and information on everything from pulling together a down payment to understanding mortgage options and closing costs. To learn more, visit [cuna.org](http://cuna.org) and search "Home Buying Program."

### Promote through newsletter & mailings

Run a fresh article or ad in each issue of your newsletter. You'll find an entire library of copy, art, and ads in the online service *Copy & Art Express™*. Here are just a few:

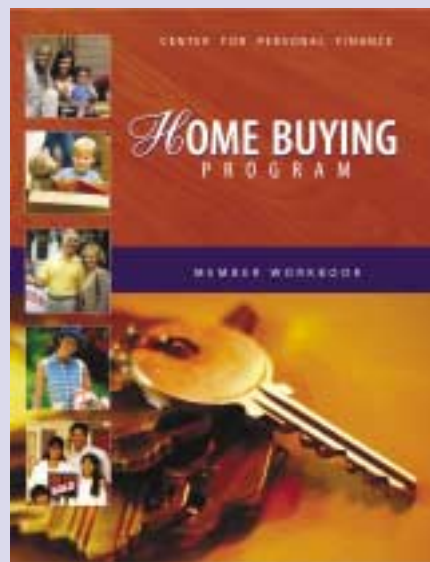
- Selecting a real estate agent article
  - What will my monthly mortgage payment be? ad
  - Home equity direct mail letter
- To see samples, visit [cuna.org](http://cuna.org) and search "Copy & Art."

### Attract members online

Put a link on your home page to the Home Buying Coach from *Anytime Adviser®*. This interactive coach walks and talks members through terminology and sends them to the credit union for pre-qualification.

Experience the coach now. Visit [cuna.org](http://cuna.org) and search "Anytime Adviser."

Provide members with an online home evaluation with *HomeValueBot*. The service offers your members a value range and a link to your online mortgage application. Visit [cuna.org](http://cuna.org) and search "HomeValueBot."



### Bring members to your branch

Later this summer, you'll find everything you need to host home-buyer seminars in one box. To learn more, visit [cuna.org](http://cuna.org) and search "Member Seminar Kits." ■