

CREDIT UNION TIMES

The Jewel in the Crown: Don't Take Auto Lending Marketing for Granted

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A rhetorical question to start this essay: What would you be more likely to dig deeper for in the sand—a pearl or a diamond?

The answer is obvious, however, the bigger question remains, are you able to distinguish a pearl from a diamond?

Still, the consensus is that the effort and money invested into a particular product should be in line with the potential ROI.

Even though some credit unions are savvier than others in terms of fully comprehending the automotive market, indirect automotive products are new to most credit unions. Therefore, it's fair to say that its potential may be unclear and taking the time to answer some key questions should help to determine your automotive lending market potential. This should not be simply an understanding of setting up the infrastructure to process indirect loans through a dealer network, but the ability to capture the interest of your membership at the very beginning of their automotive moment, as they contemplate and before visiting a dealership.

By way of reference, at the many product training sessions held at each of our credit union members during the year—they average 10-50 people in any given session—we canvas those who will be in the market for a new/used vehicle within the next 3-6, 6-12, and 12-18 months. In almost every case, at least 50-60% plan to be in the market for a new/used vehicle within the next 12 months.

Further, when you translate this from your staff into membership, the numbers are staggering.

Once a credit union realizes that the automotive indirect lending product is a diamond worth digging deep for, the question becomes... what next?

An easy way to test if your marketing is working is right there in your backyard. All you have to do is ask how many of your credit union staff have used your automotive buying product to purchase or at least research their vehicle purchase?

Think about it. Almost all of your employees drive a car. Moreover, if they felt that they can save money using the credit union's automotive product, they would. This holds true for your membership as well. If they know about your product and based on your marketing message feel they can save time and money by using it, why wouldn't they? They would be silly not to.

Unlike a car dealership, credit unions should not be attempting to lure car buyers into dealerships with ongoing gimmicks or promotions. Remember, most of the members you reach through marketing are not ready to buy a car today, but will be within the next 12 months. Therefore it is essential to put out a consistent message with information they can use when the time does come.

For example, monthly testimonies in your newsletter along with car buying tips of the month are a great way to build continued awareness. So, too, is inserting a monthly dealer list. Each is a valuable way to remind members that you are ready to assist them when the time comes. Think of it as positive reinforcement. Better yet, think of your auto product as the real jewel in the crown.