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STRATEGIC MARKETING PLAN

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2008-2009

**Alternatives to
Payday Lending
Loan Program
Marketing Plan**

Public Relations Plan

Marketing Strategy— The purpose of this plan is to increase the awareness and volume of the Alternative to Predatory Lending Loans.

Product— Alternative to Predatory Lending Loan

Promotion—

- | | |
|-------------------------|---|
| 1) Target Market: | Current members and non-members |
| 2) Special Incentives: | to be determined |
| 3) Advertising Mediums: | Press Releases, PSAs, community awareness functions, educational programs |

Growth Forecast— Increase number of new Alternative to Predatory Lending Loans ____% by ____.

Ideas & Recommendations—

- ✓ Target 25 to 45 year-old members, since they are most likely to use this product.
- ✓ Develop a short name for your loan that is catchy and encompasses the gist of the loan. Try to avoid using either competition-bashing terminology or gloomy expressions (such as predatory). Rather use a more positive and optimistic name for the program. (To emit a feeling of hope rather than despair.)
 - a tag line referring to your loan being a predatory (payday) loan alternative could be used (in small letters after the main name.)
 - some suggested names of the program . . . NOW Loan, Fast Cash, No Hassle Cash, No Hassle Loan
- ✓ Find out why your community (and members) are using payday lending institutions. Consider conducting a survey or focus group. (This could also provide an opportunity to educate consumers about your program.)
- ✓ Force the savings accounts. When an Alternative to Predatory Lending Loan is made - make it mandatory to deposit a percentage of it to the shares account.
- ✓ Offer your members financial counseling by referring them to the Balance Program.
- ✓ Require direct deposit of payments (if available).
- ✓ Use educational handouts explaining the cons of the payday Lender and pros of your loan alternative. This marketing medium will help to sell your loan and educate your members.

- ✓ Have staff watch for clues to determine which members are likely using payday lenders. Provide staff with tools to educate members about the program.
- ✓ Fast turn around is crucial. People want their cash immediately and are paying big fees for the convenience of these payday lending loans. Develop avenues to speed up the process.
- ✓ Partner with community service organizations (examples: churches, Boy & Girl Scouts, Food Pantry, 4-H Club, Kiwanis, Rotary Club, County Help Line, Chemical Dependency) to provide financial education. These organizations will likely know of individuals needing your product.
- ✓ Provide presentations to community service organizations (examples: churches, Boy & Girl Scouts, Food Pantry, 4-H Club, Kiwanis, Rotary Club, Elks Club, County Help Line, Chemical Dependency). Focus on providing education to help consumers and make a stronger community. Provide handouts detailing the program to attendees.
- ✓ Provide presentations to large businesses and education centers in your community. Focus on providing education to help consumers and make a stronger community. Provide handouts detailing the program to attendees.
- ✓ Create several events to promote the program and generate good publicity. Or partner with other organizations for special events.
 - Ice Cream social
 - Live radio remote
 - Credit Union week open house
- ✓ Create events to draw youth age 0-12 (parents of these youth would be in the 25-45 age range). You can then cross-sell the Alternative to Predatory Lending Loan program to the parents. Maximize PR opportunities by:
 - Child I.D. Program (you could partner with another organization)
 - Easter egg hunt
 - Valentines Day theme essay contest titled “10 Reasons We Love our Credit Union”
 - Credit Union Youth week
 - Halloween costume party or pumpkin decorating contest
 - visit Santa and have photos taken
- ✓ Make sure all of your PR (and advertising) materials all contain information about your field of membership and who can join.
- ✓ Repetition is key. Since most CUs have minimal advertising dollars to spend, it’s more important than ever to ensure you’re getting the word out about your program on a regular basis.
- ✓ Have staff watch for clues to determine which members are likely using payday lenders. Provide staff with tools to educate members about the program.
- ✓ Provide staff as much training as you can - such as internet webinars. If all staff is not able to attend, try and provide training to each at different times or report back to other staff to engage all staff in the program.
- ✓ Give your employees some sort of incentive for cross-selling this loan to members. Your front line people know who would use this loan. Some suggestions would be— money, days off, a staff fun day, credit union logo wear or food. Provide your staff logo wear (for Christmas etc.) and days/events to proudly wear them.

- ✓ Consider this: A CU in Iowa has a PAL (Payday Alternative Loan) where they loan up to \$1,000 to the member. half goes to the member and half to savings. After the loan is paid off - the money in savings is released. This could be a good way to encourage a continued savings account for your members. Payoff is within 6 months and payment is expected every pay day.
- ✓ As an incentive for new members and a good will offering, you could - waive the \$2 loan application fee for new members applying for the Alternative to Predatory Lending Loan.
- ✓ Rent a booth space or specific area at local community events to hand out information on your Alternative to Predatory Lending Loan. Consider handing out bottles of water with your name on them or any other small give-away. You could also partner with other organizations or businesses on this.
- ✓ Walk in or display a float in local Parades, handing out candy and information about your Alternative to Predatory Lending Loan.
- ✓ Consider sponsoring sports events in your community. You can go as big as a half-time promotion at your local high school football games to sponsoring a local little league team. Get your name out there on youngsters shirts. Display photos of the team/s sponsored in your lobby.
- ✓ Promote your Alternative to Predatory Lending Loan at your Annual Meeting. Promote your Annual Meeting to members to guarantee it is well attended. Your 2008 Annual Meeting could be the grand kick off of the program.
- ✓ Offer to host a Chamber of Commerce luncheon. Get to know your fellow businesses and help them get to know you.
- ✓ Survey your members! Find out why new members chose you—ask them when they open their account. Keep track of this and look at it quarterly. Do the same with your loan members - find out why they came to you for a loan. You will find out what marketing avenues are working for you.

Marketing Tactical Plan—

Public Relations Plan

Action	Person Responsible	Start	Finish
• Please contact Donya Parrish in the League’s compliance department prior to proceeding with this promotion			
1) Determine any special incentives	Board of Directors	March 1, 08	April 1, 08
2) Develop several Press Releases	CU Creations	February 4, 08	February 14,08
3) Plan event or promotions to go hand in hand with your Annual Meeting	Board/Management	April 1, 08	Annual Mtg date
3) Send first press release to Newspapers, TV stations, radio stations	Management/Staff	April 1, 08	April 5, 08
3) Research ways to speed up the loan process	Board/Managment	April 1, 08	July 1, 08
4) Survey your members/public and/or organize a Focus group	Management or CU Creations	June 1, 08	Dec. 31, 08
5) Develop educational handouts or use ones provided by MCUCD	CU Creations or MCUCD	Jun 15, 08	July 15, 08
6) Research/contact community organizations to form a partnership with	Board/Management	April 15, 08	on-going
7) Send second press release to newspaper, TV stations, radio stations	Management/Staff	July 1, 08	July 5, 08
8) Research/Contact local businesses to form a partnership with	Board/Management	August 1, 08	on-going
9) Plan an event to celebrate CU Week and promote your program	Board/Management	Sept 1, 08	Oct. 13-17, 08
10) Send third press release to newspaper, TV stations, radio stations	Management/Staff	October 1, 08	October 5,08
11) Consider hosting a Christmas Open House	Board/Management	November 1, 08	December 15, 08
12) Purchase CU logo shirts for your employees, and board to wear	Board/Management	November 15, 08	December 24, 08
13) Evaluate first year of campaign	Board/Management	December 15, 08	December 31, 08
14) Send press release to newspaper, TV stations, radio station	Board/Management	January 1, 09	January 5, 09
15) Plan to volunteer at or participate in several community events/functions	Board/Management	February 1, 09	on-going
16) Plan an event to celebrate CU Youth Week and promote your program to parents	Board/Management	March 1, 09	April 13-17, 09
17) Send press release to newspaper, TV stations, radio stations	Management/Staff	April 1, 09	April 5,09
18) Evaluate two year campaign	Board/Management	December 15, 09	December 31, 09

Media Plan

Marketing Strategy— The purpose of this plan is to increase the awareness and volume of the Alternative to Predatory Lending Loans.

Product— Alternative to Predatory Lending Loan

Promotion—

- 1) Target Market: Current Members & non-members
- 2) Special Incentives: to be determined
- 3) Advertising Mediums: Statement inserts, lobby posters, statement messages, statement ads

Growth Forecast— Increase Alternative to Predatory Lending Loans
_____ % by _____.

Ideas & Recommendations—

- ✓ Target 25 to 45 year-old members, since they are most likely to use this product.
- ✓ Statement inserts are the most cost effective way of advertising this promotion to current members. Develop two or three different inserts, distributing each of them three different times in statements. Printing is affordable and there are no postage fees.
- ✓ Have extra statement inserts printed to hand out in your lobby and place in with deposit receipts.
- ✓ Prepare a quarterly newsletter & website page with an article on your Alternative to Predatory Lending Loan include in quarterly statements to members.
- ✓ Consider putting flyers on cars at functions or offices you feel will have people attending that would use the Alternative to Predatory Lending Loan.
- ✓ Use tactics like the payday lenders use to get their clients. Flashy building colors, neon signs and short wording on advertising to get the message across quickly. Use these to get the members in - then talk to them about using credit wisely as they become more familiar with your Credit Union. Build trust with them once they are comfortable with you.

- ✓ Stick with one theme per quarter. Use a different poster, insert, article etc all with the same theme. . . each quarter to acquire consistency and recognition.
- ✓ Run ads in the local newspaper promoting the Alternative to Predatory Lending Loan. Use three different ads, if possible, use full color and at least 1/4 page in size. Keep in contact with the newspaper advertising rep. to take advantage of special offers. Advertising in the paper could also give you a better chance of having your press releases printed in the paper.
- ✓ Also consider and look into pricing for an online newspaper ad.
- ✓ Run three different, 30 second radio ads on the local radio station. Radio is a very cost effective media advertising tool. Run the same ad three times a day for eight weeks at a time. Repeat again using a different ad.
- ✓ Display 11 X 17 laminated posters promoting your loan in your lobby area. Also, consider asking local businesses or organizations that you have a relationship with to display posters in their staff break rooms.
- ✓ Consider a logo design. CU Creations can give you a bid for a basic black only logo. Also consider a tag line to use to promote your Credit Union. CU Creations has several tips for an image/branding plan to give your Credit Union that certain look or feel you want to portray to your members and the public.
- ✓ Look in to doing some banner advertising. Have banners made that you can use repeatedly (simple, no rates or dates included).
- ✓ Support the MT cooperative advertising campaign and use the “YOU” materials in all of your advertising.
- ✓ Use your member statements to advertise. Always include an advertising message on your statement reinforcing the worth of the Alternative to Predatory Lending Loan. Stick with three or four different messages, reinforcing the message contained in the other advertising pieces for the loan.
- ✓ Consider using member testimonials for marketing pieces in the future.

Marketing Tactical Plan—

Media Plan

Action	Person Responsible	Start	Finish
• Please contact Donya Parrish in the League’s compliance department prior to proceeding with this promotion			
1) Determine special rates or promotions	Board/Management	February 1, 08	March 15, 08
2) Develop promotional pieces	CU Creations	February 5, 08	March 15, 08
3) Consider Logo & newsletter design bids	Board/Management	February 20, 08	March 1, 08
4) Display pdf copy of poster on website	CU Creations/Management	March 1, 08	April 1, 08
5) Have inserts sent in statements and extra handouts at office	Management/Staff	March 15, 08	April 1, 08
6) Run radio ads, 2 times a day for 1 month	Management/Staff	March 15, 08	April 1, 08
7) Run newspaper ads 1 time a week for two months	Management/Staff	March 15, 08	April 1, 08
8) Hang posters in lobby and/or other businesses or organizations	Management/Staff	April 1, 08	April 1, 08
9) Send inserts in quarterly statement	Management/Staff	June 15, 08	July 1, 08
10) Run radio ads, 2 times a day for 1 month	Management/Staff	June 15, 08	July 1, 0
11) Run newspaper ads 1 time a week for two months	Management/Staff	June 15, 08	July 1, 08
12) Hang posters in lobby and/or other businesses or organizations	Management/Staff	July 1, 08	July 1, 08
13) Send inserts in quarterly statement	Management/Staff	September 15, 08	October 1, 08
14) Run radio ads 2 times a day for 1 month	Management/Staff	September 15, 08	October 1, 08
15) Run newspaper ads 1 times a week for two months	Management/Staff	September 15, 08	October 1, 08
16) Hang posters in lobby and/or other businesses or organizations	Management/Staff	September 1, 08	October 1, 08
17) Request bid for banners from CU Creations	Board/Management	October 1, 08	October 15, 08
18) Evaluate first year of campaign	Board/Management	December 1, 08	December 31, 08
19) Have inserts sent in statements and extra handouts at office	Management/Staff	December 15, 08	January 1, 09
20) Run radio ads, 2 times a day for 1 month	Management/Staff	December 15, 08	January 1, 09
21) Run newspaper ads 1 time a week for two months	Management/Staff	December 15, 08	January 1, 09

22) Hang posters in lobby and/or other businesses or organizations	Management/Staff	January 1, 09	January 1, 09
23) Have inserts sent in statements and extra handouts at office	Management/Staff	March 15, 09	April 1, 09
24) Run radio ads, 2 times a day for 1 month	Management/Staff	March 15, 09	April 1, 09
25) Run newspaper ads 1 time a week for two months	Management/Staff	March 15, 09	April 1, 09
26) Hang posters in lobby and/or	Management/Staff	April 1, 09	April 1, 09
27) Send inserts in quarterly statement	Management/Staff	June 15, 09	July 1, 09
28) Run radio ads, 2 times a day for 1 month	Management/Staff	June 15, 09	July 1, 09
29) Run newspaper ads 1 time a week for two months	Management/Staff	June 15, 09	July 1, 09
30) Hang posters in lobby and/or other businesses or organizations	Management/Staff	July 1, 09	July 1, 09
31) Send inserts in quarterly statement	Management/Staff	September 15, 09	October 1, 09
32) Run radio ads, 2 times a day for 1 month	Management/Staff	September 15, 09	October 1, 09
33) Run newspaper ads 1 time a week for two months	Management/Staff	September 15, 09	October 1, 09
34) Hang posters in lobby and/or other businesses or organizations	Management/Staff	September 1, 09	October 1, 09
35) Evaluate second year of campaign	Board/Management	December 1, 09	December 31, 09