

Data-driven Marketing: An Essential Component for Credit Union Members to Prosper and Grow

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Although “analog” marketing methods have traditionally been a way of reaching various audiences, the advent of digital has revolutionized the financial services industry, changing the way credit unions communicate with their members. Driven by a combination of cultural, technological, and societal changes, digital has become a leading medium of enhancing member relationships and building new bonds with desired audiences.

So, what does that really mean?

Digital is bounded on all sides by data. On the front end, it is the use of data and artificial intelligence (AI) insights derived from data to better understand individual members and their needs. In the middle, it is delivering on these needs. And on the back end, it is measuring how well you are doing in meeting these needs. Encapsulate all of this and you get digital marketing – the modern way to engage your members and meet their needs.

Modern account holders frequent branches less, younger account holders have never been to a branch and yet the expectation for a more personalized experience is high. Personalized and relevant user experiences are becoming the price of entry in our always-connected world making it mission-critical for credit unions to fulfill this need. Credit unions that fail to modernize their member engagement practices are placing themselves at a disadvantage when it comes to achieving their mission of providing outstanding service to their individual members. A well-executed digital marketing strategy enables a credit union to use their data to gain a better understanding of their members and truly engage them, thus transforming transactions into stronger member relationships.

Leveraging data and AI in digital marketing

A major advantage of digital marketing is the ability to combine data and AI to gain significant insights into member behavior and preferences. Today, digital marketing prioritizes the use of data insights to better understand members and their unique needs. Technology enables credit unions to scale their efforts to deliver personalized experiences, measure performance, and drive strategic growth.

The growing use of AI is reshaping the way we think about marketing, opening new avenues to engage members. Leveraging AI enables credit unions to compartmentalize and analyze large volumes of data – much of which is unstructured. This allows for credit unions to create marketing messages and offers that are tailored to individual members based on their behaviors and preferences. This level of personalization enhances member experience, demonstrating that their chosen credit union cares about their financial wellbeing.



Simply executing marketing campaigns is not enough. Credit unions must have a means of accurately measuring the performance of campaigns or run the risk of squandering opportunities to connect with members. Receiving and understanding metrics on campaign performance will help credit unions gauge the effectiveness of their marketing efforts and how they can potentially optimize this.

Key metrics include impressions, clicks (i.e., leads), conversion rate, new accounts and revenue generated. Precise metrics can help analyze and maximize the performance of marketing campaigns. Neglecting to measure and manage the success of a campaign can hinder opportunities for improvement.

Success with digital starts with credit union leadership

Recognizing the importance of shifting from traditional to digital marketing to better serve members also avoids stagnation and promotes growth. This must start at the top. A credit union's leadership must prioritize digital as a means of engaging and serving members as a key initiative. This means embracing data and automation with technology. Over 80% of digitally mature brands note that they have CEO sponsorship for data-driven marketing initiatives.

When it starts at the top and is communicated throughout the credit union, the cultural mindset transforms, and this is essential for successfully transforming how credit union communication with membership evolves and matures. Data and metrics versus qualitative opinions will drive execution and performance.

Digital should not be an afterthought

Traditional marketing is characterized by its static nature, expensiveness, and hard to measure outcomes. In contrast, digital is more informed with data, dynamic, easy to optimize, and relies on key metrics. It should be no surprise that in today's digital age, marketing that leverages data and technology has become a strategic growth initiative for credit unions. Credit unions that do not prioritize serving their members who are always connected, and demand personalized, relevant content risk losing this audience to digitally mature financial institutions. Moreover, they are doing a disservice to their membership.

Implementing a top-down digital communications strategy can lead to sustainable growth for credit unions. A credit union's mission is to serve their members' financial needs, which are ever-changing. It follows then that a key strategy should maximize the use of real-time data and technology to understand their members' needs at any point in time to deliver personalized information, products, and experiences. In 2024, this should be considered table stakes.

Preetha Pulusani is the CEO of DeepTarget, a FinTech company powering the digital communication revolution for credit unions and banks with Growth as a Service™ (GRaaS™) helping financial institutions grow by delivering amazing experiences that result in up to 10x more sales and lasting relationships with their digital users. For more information, visit www.deeptarget.com.

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