



IEG SPONSORSHIP REPORT

The latest on sports, arts, cause
and entertainment marketing

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Collective Effort: Credit Unions Invest More in Sponsorship

As regulatory changes have allowed credit unions to widen their membership parameters, the category that once paid little to no attention to marketing is looking for vehicles to deliver its message to consumers. And, as other financial services before them, credit unions are finding sponsorship often fits the bill.

No longer so strictly limited in whom they can offer deposit and credit services to, the nonprofit membership organizations have seen their rolls increase. As of April, there were 85.7 million members of the 9,750 credit unions in the U.S., up from 83.4 million in '02 and 77.5 million in '99, according to the Credit Union National Association.

Credit unions are still tiny institutions compared to most banks, however. While some can offer membership to an entire

geographic area, others have charters that define their "field of membership" as employees of a single company or members of a specific church or social organization.

Thus, the best prospects for sponsorship are alliances comprising a number of credit unions. There are many such organizations, which pool resources to raise

awareness of and build interest in credit

unions as an alternative to banks and savings and loans. Joint efforts work well in the category since membership limitations result in only slight overlap in potential customers, thus diminishing competition between credit unions.

Such an alliance is behind the largest-ever credit union sponsorship, a just-signed 10-year estimated

mid-six-figure-per year deal to rename Canada's Saskatchewan Place as Credit Union Centre. More than 50 credit unions from the province have banded together to fund the title of the 11,300-seat arena in Saskatoon.

"Our connection to the community is our competitive advantage. This sponsorship lets us demonstrate that we're a central part in the life of the province and the community," said George Keter, CEO of the 10-branch Saskatoon Credit Union.

Judy Haber, PSG senior partner, identified the credit union category.

How The Deal Was Done

Saskatchewan Place Association hired [Performance Sponsorship Group](#) after unsuccessfully attempting to sell title on its own over the past few years.

Collective Effort: Credit Unions Invest More In Sponsorship

IEG Sponsorship Report

Judy Haber, PSG senior partner, identified the credit union category as a prospect and began scouting for a “coach,” a mid-level employee in the industry who could provide insight into hot buttons and competitive challenges faced by the category, as well as potential objections to the sponsorship.

Finding someone to offer their expertise is not difficult, Haber said. “People love to help, but it’s important not to sell them. I tell them I’m working on this project and ask for their assistance.”

The pitch to a consortium of five credit unions -- including Saskatoon CU -- pointed out that to generate year-round exposure through advertising or other marketing vehicles would be prohibitively expensive, Haber said. Also, with other media, the credit unions would be competing for share and voice amid a host of marketing efforts from big-budget bank competitors.

Recognizing the value of tickets to credit unions, the pitch emphasized that title

sponsorship would guarantee access to sold-out concerts, allowing credit unions to offer an exclusive privilege to members and prospects.

The five credit unions spearheaded and committed the dollars to pay for the deal. They then sold sponsorship packages to other credit unions.

Participating credit unions receive tickets, use of corporate suites and title of select nights at the venue, benefits they would have purchased otherwise to incent new accounts and reward employees and members, Keter said.

“We created a value proposition that will help them defray costs,” said Keter, noting that roughly 60 percent of Saskatoon CU’s rights fee is money it previously spent on client entertainment and community tie-ins. Where the credit union once gave money to local nonprofits, it will provide use of a suite, tickets and other perks the nonprofits can auction or raffle off to raise funds.

Keter and his counterparts at the four other original credit unions first approached the largest credit unions in the province, working their way down to the medium and smaller institutions. Roughly one-third of Saskatchewan’s credit unions are involved in the deal.

U.S. Credit Unions Title Running Event, Tout Cause Affiliation

A group of about 70 credit unions is behind the Credit Union Cherry Blossom Ten Mile Run, which occurs as part of Washington, D.C.’s National Cherry Blossom Festival in April.

The credit unions align with the event -- which benefits Children’s Miracle Network -- in ’02, forming their own non-profit -- Credit Union Miracle Day, Inc. -- to fund the tie. The credit unions split the fee based on their asset size, with a cap of \$5,000 for each institution, said Juri Valdov, chairman of Credit Union Miracle Day and president and CEO of Northwest Federal Credit Union.

Collective Effort: Credit Unions Invest More In Sponsorship

IEG Sponsorship Report

“The purpose of the sponsorship is to support a great cause, involve our employees and members, and elevate the profile of credit unions as a caring, socially-conscious group,” Valdov said.

Sponsorships also emanate from state credit union associations. For example, the Rhode Island Credit Union League has a five-year-old relationship with Special Olympics Rhode Island. The tie was spearheaded by the RICUL’s Social Responsibility Committee, which is charged with developing programs that raise visibility and enhance the public image of credit unions.

WHO

Credit Unions

TAKEAWAY

Properties should look for opportunities with groups of credit unions seeking to raise awareness of the category and promote advantages over banks

SOURCES:

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