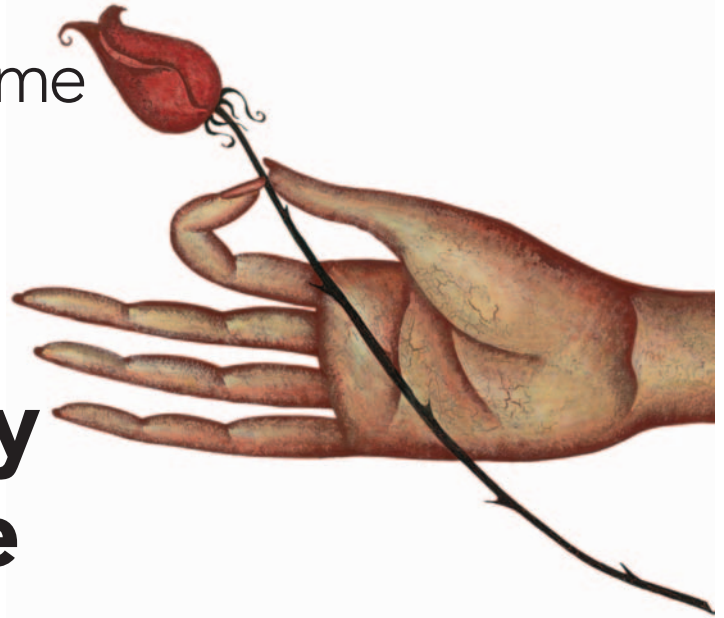


A Rose by Any Other Name

Avoiding the Thorny Risks that Accompany a Name Change



What's in a name? The simple answer is — a lot! A name is the first public act of branding for any product, corporation or credit union. The name is the foundation of a strong brand. Ideally, it is the one element of the brand that will never change. In the real world though, situations do arise in the marketplace or within a corporation that make a brand name more of a liability than an asset. In such instances, a name change is required.

In order to be successful today, many companies undergo changes in the way they do business. With these shifts in business strategy, their existing names can often become limiting, no longer supporting the strategic focus of the company. Nowhere is this more prevalent than in today's fast-changing credit union industry. Credit unions will often explore the possibility of a name change due to a change in business strategy or focus, a merger, change in relationship with sponsor company or field of membership change.

Growing Pains

Since January of 1997, over 750 federally chartered credit unions alone have converted to community fields of membership. Many have found their names — often derived from their sponsorship history — limit their newfound ability to market to a larger pool of potential members. Even today, credit unions find themselves struggling to educate the public about what a credit union is and who can join. Having a community field of membership while holding on to a sponsor-based name can make that task all the more difficult.

Houston Energy Credit Union in Houston, Texas, has served various energy-related groups since 1935. In September 2003, the credit union received the largest field of membership expansion granted in the Houston area to that time, including all of Harris County. To reflect this enlarged field of membership Houston Energy decided to change its name. In order to ensure a successful name change, the credit union involved outside brand

experts as well as every member of the organization in the process. The steps taken consisted of extensive research, positioning and branding workshops, followed by creative execution. The final step in this exhaustive process was the successful launch of the new brand. On June 1, 2004, Houston Energy Credit Union launched a name that expressed its renewed commitment to serving members and the community: **First Service Credit Union**.

The Time Has Come

There are times that a credit union may expand its field of membership to serve a broader community while maintaining its name and brand. This may work for a while, but to attract a wider member base, such a credit union inevitably finds that a more community friendly name is in order.

Forest Products Federal Credit Union was originally chartered in 1936 to serve members of the logging community. It continued to grow and develop, and in 2002 the credit union was given the opportunity to widen its membership base. A year later, the time seemed right to change the name and to take a step away from its logging industry past in order to attract new members. However, research confirmed the importance of the credit union's heritage to the brand's identity. Thus, in 2003, Forest Products Federal Credit Union became **Pacific Crest Federal Credit Union**. Pacific Crest Federal Credit Union describes a more expansive, inclusive institution while remaining true to its roots in the Pacific Northwest.

Things Change

Credit unions, like banks and corporations, sometimes merge with other institutions to better serve their existing membership while creating a larger member base in order to remain competitive in today's crowded marketplace. In addition, acquisitions,

sales and mergers of sponsor companies sometimes require credit unions to reassess names that could work harder to more accurately reflect their various constituencies.

Ahold USA Federal Credit Union has a long and distinguished history of serving members in the grocery industry. As sponsor company Ahold USA Inc. expanded its holdings across the country and added businesses in the area of wholesale food services, the board of directors and senior management at the credit union decided to consider changing the credit union's name to better reflect both the diversity of the membership and its nationwide status. Again, after undertaking a step-by-step process led by a committed management team and assisted by experienced branding professionals, the credit union launched a new name. In June 2004, Ahold USA FCU became **Market USA Federal Credit Union**. This new name maintains a strong connection to the credit union's grocery and food service sponsor history, but has the flexibility to allow for future changes in sponsorship or the membership base.

Knowledge Is Key

Whatever the reasons necessitating a brand name change, a thorough review of these issues and the objectives of the name change is the first crucial step. Understanding your credit union's existing brand equity, the brand's marketplace differentiation and relevance is vital. So is a clear picture of the brand impressions of current members, employees and the board of directors plus an awareness of any gaps between the brand and its delivery. For any company or credit union, a strategic, step-by-step rebranding methodology will ensure a smooth transition to a new name and brand and, ultimately, to a successful future.

Four Ways to miss your mark with Your Brand

Your credit union brand is more than just your name. It is a combination of logo, tagline, products and services, and the member experience you provide. Your brand is the image that you create in the minds of your members and the community. A brand needs to be watched and reassessed constantly. The most successful credit unions recognize that their brands are created and experienced through what they do and not just by what they say. The following are common mistakes credit unions make with regard to their brand:

1

Believing that delivering your brand does not require the active and continuing involvement of senior management and the board of directors.

It's imperative that the brand is delivered throughout the entire credit union—from the board of directors to the teller on the front line. Every employee of the organization needs to believe in the credit union's brand and what it stands for. Hearing those messages championed by senior management is strong validation.

2

Segmenting by demographics or account size rather than household profitability.

When evaluating your brand, make full use of research. While some credit unions conduct research and collect mountains of data, relatively few know who their most profitable (not largest) customers are. The fact is that a few members will typically represent the significant portion of your profit. They should be the focus of improvement efforts.

3

Assuming that you know what targeted members value most.

Even if you do know who your most profitable members are, do you know what these members value? Do you know the three or four most important attributes that drive their intention to repurchase from or refer you? Without the answers to these questions you may have data, but you do not have insight. Without insight you cannot differentiate. Without differentiation you do not have a successful brand.

4

Failing to communicate the new brand and its promise to your members.

Your brand needs to explain to members how it will create value for them. It should also address any underlying performance problems of the old brand (which will be identified during the research). It is very important to launch a brand through consistent, targeted, driven advertising, marketing, and one-on-one experience.