Bridging Volunteers and the Millennial Generation

Five Mistakes Credit Unions Make in Marketing to Millennials (and How to Fix Them)

If you're a accredit union volunteer, you're probably tired of reading about millennials.

For the last two decades, this hot-topic generation has been the subject of scrutiny and debate. Like the name suggests, this generation has brought a flurry of change to nearly every industry. Unfortunately, many credit union volunteers still haven't gotten it.

But it's not too late.

These up and coming professionals, currently between the ages of 20 and 37, are at the height of their careers, families and goals. They're growing and want a financial partner who will grow with them. For your credit union to succeed moving forward you must reach these members of the future.

Here are five key mistakes credit unions make in marketing to millennials, plus tips for how to fix them.

1. **Little to no financial education**

Millennials want and need financial education. Most schools today don't teach financial literacy, so the millennials in your target market likely graduated high school—and maybe even college—without a working understanding of savings, checking, 401K or mortgage.

In fact, a recent study showed that one in five U.S. homebuyers today are receiving loan gifts from family to help them purchase a home, making "The Bank of Mom and Dad" the seventh largest mortgage lender in the country. If financial institutions had jumped on the opportunity to educate these Next Gen homebuyers 10 and 15 years ago, millennials would arguably be more financially independent.

Fix It Tip: Include financial coaching in your online banking and mobile apps. Make your guides easy to understand and simple to execute, without using language that talks down to them. If millennials know you're on their side and that they can trust you, you'll win their business.

2. **Assuming a mobile app counts as having accessible technology**

Before you get ahead of yourself and think you're reaching millennials because you have a mobile app and a few financial literacy videos on your website, consider this: in a recent survey by Novantas, 68% of millennials said they would be likely to switch their current bank or credit union and bank with a big-tech company like Amazon instead.

These millennials didn't say they'd switch because of Amazon's great rates or fancy mobile app. They'd switch because Amazon is convenient and familiar. Millennials live and breathe in an omnichannel world where Amazon knows the purchases they want to make, and Netflix knows the shows they want to watch. Like these, your mobile app, website and in-person member experience must sync.

Fix It Tip: Invest in omni-channel marketing. Millennials want technology that goes with them where they are. You can't expect millennials to come to you. You have to go to them.

3. **Lumping them into one group**

Spoiler alert: not all millennials wear man buns and yoga pants. This assumption is arguably the most critical mistake financial institutions make in trying to reach millennials. In reality, millennials consist of at least four distinct groups: HENRYs (highly educated, not rich yet), DINKs (dual income, no kids), millennial moms and young families.

Is it any question that these groups would all behave in distinctly different ways? Of course not. They all need different things and will respond to different messaging from your credit union.

Fix It Tip: Define your niches. The more focused your target market is, the more return you'll see on your marketing investment. Don't just say "millennials" are your target market. Get specific.

4. **Lack of millennial voices in credit union leadership**

Does your board of directors include a millennial voice? Do millennial staff members have the freedom to speak into strategic decisions? If not, you can't expect this demographic to be accurately represented in your marketing or member experience.

Credit unions are notorious for the "we've always done it that way" mindset, particularly regarding leadership roles. You must break the cycle if you want to grow.

Fix It Tip: Recruit millennials for your board of directors. Have millennial staff members present at board and executive team meetings to gain their generational insight. As marketing expert Orvel Ray Wilson said, "Consumers buy for their reasons, not yours."

5. **Trying too hard to speak their language**

Millennials have grown up with advertising in the palm of their hands. Research shows we receive an average of 5,000 ad messages a day—sometimes up to 10,000. They're scrolling right past your clever copywriting and stock photos because they see it purely as advertising. What they really want to know is what's in it for them.

Fix It Tip: Clearly state the benefits. Tell them exactly what they'll get out of the product or service you're marketing or with membership at your credit union—and no, a good rate doesn't count. Tell them what they'll be able to do and where you'll take them.

Don't forget: millennials are no longer the end of the generational alphabet. Generation Z is currently between the ages of 0 and 19. They're still growing and many already have a savings account.

If credit unions have any hope of establishing stronger loyalty with Millennials and building it with Generation Z, then the best time to start is now.

Reaching the member of future begins now.

Author Bio

Mark Arnold is an acclaimed speaker and expert in branding and strategic planning for credit unions. He is also founder of On The Mark Strategies, a consulting firm specializing in branding and strategic planning. Mark is speaking at the upcoming MONDAK Roundtable, where one of his topics is *Who Is the Member of The Future*.