Overview
Headquartered in Holyoke, Massachusetts, Holyoke Credit Union (HCU) was organized in 1911 as a Massachusetts state-chartered credit union. Today, the institution has more than 20,000 members who are well-served by a staff of approximately 40. Credit union assets stand at nearly $200 million. Holyoke’s mission is to provide members with an excellent selection of high-quality and affordable financial products and services in a socially responsible manner. The credit union enthusiastically embraces community involvement by sponsoring and contributing to many worthwhile causes on both a financial and personal-participation level. Holyoke Credit Union membership is open to anyone who lives or works in Hampden or Hampshire counties in Massachusetts.

Background
Holyoke Credit Union is in a highly competitive market for financial institutions. As Holyoke President and CEO Mike Murphy explains, “It’s an overbanked area. Our area population isn’t growing organically, so whatever business we acquire has to come from a competitor.”

Murphy sees checking accounts as the gateway product to an expanding relationship between members and the credit union. Checking accounts are critical to becoming a person’s “primary financial institution,” he explains, and handling this important financial service puts Holyoke at “the foundation of the member relationship.”

Having decided upon checking accounts as the most promising route for growth, in early 2014 Holyoke looked for a partner to...
assist with the marketing strategy. Advisors Plus, PSCU’s marketing service for credit unions, presented a persuasive case for selection. Since Advisors Plus began offering marketing campaigns for checking in 2012, it has helped 65 credit unions generate more than 31,000 new checking accounts with a total balance of $24 million. Even after subtracting the cost of the Advisors Plus campaign, these credit unions were seeing an average return of $133 per account.

Holyoke signed on with PSCU looking for the same level of success that the dozens of other credit unions had achieved. Certainly, room for improvement was there. In 2013, Holyoke held only 0.66% of the deposit market share in Hampden County where the credit union’s three branches reside. The low deposit percentage left Holyoke ranked 26th among financial institutions in their market. In such a crowded field, the question remained as to how much new business could be won.

**Solution**

Holyoke leadership liked the Advisors Plus turnkey direct mail checking account program for its systematic structure and the attendant marketing materials. Murphy said, “They have a well-organized program and they guide us through it step-by-step. Advisors Plus has a concise and well-organized timeline which keeps us focused so we get all our marketing programs out on a consistent basis.”

Because of the great importance that frequency and consistency plays in marketing success, they chose to run the campaigns quarterly. Murphy explains, “We know there’s a certain percentage of people who are always looking for a new checking account. We just don’t know who those people are. By getting our mail out quarterly, we know that when it comes time for that unknown potential member to switch, we’ve planted the seeds.”

The campaigns—which have always featured a $50 cash incentive for opening an account—target existing members who do not yet have a checking account, as well as prospective members living near the HCU branches. Since the first mailing in spring
of 2014, Holyoke has utilized a number of different letter designs and formats.

With each mailing, Murphy looks to refine future promotions to make them more effective. In this ongoing effort, he welcomes the support he gets from the Advisors Plus team. “We really love working with Jessica Duncan (Program Manager, Advisors Plus Marketing) and (Advisors Plus Analyst) Linda Calhoun. They are very attentive to our needs and provide a lot of feedback during the campaigns,” he says.

Barbara Baran, HCU Marketing Officer, agrees, “Working with them is phenomenal!” She appreciates the duo’s patient approach to marketing. “Consistency is important. If you only did a campaign once or twice you wouldn’t realize how different formats of the letter would make a difference. Every time we come to the end of a campaign, we have a recap of everything between our team and Jessica and her team that is worth its weight in gold.”

“There’s a 14-page report,” Murphy notes, “that has all the metrics, our prospect response rate, and our member response rate. We can compare that to our peer credit unions; we can compare our cross-sell; we look at the branches.”

Additionally, Advisors Plus provides HCU with a “control number” that checks whether the campaign is getting undeserved credit for attracting people who would have come in anyway. “That” Murphy says, “is not the case at all.” And now, after several years and many cycles of looking at the numbers, he is ready to declare the effectiveness of the Advisors Plus checking campaigns.

Results

Since beginning the checking account campaigns four years earlier, Holyoke Credit Union has increased its deposit share in the highly competitive Hampden County by 68% and improved its 26th place ranking
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Holyoke Credit Union Finds Growth through Advisors Plus Checking Campaigns

to 15th. “I give Advisors Plus a great deal of the credit for that,” Murphy states.

Murphy’s endorsement begins with some objective findings:

■ Starting with that first campaign in April 2014 through the January 2018 campaign, 1,648 new checking accounts have been acquired, bringing in $2.9 million in balances (or an average account balance of $1,747).

■ On average, 36% of all new checking accounts opened at Holyoke have been driven in by the $50 checking account offer.

■ HCU’s average 12-month ROI is 132% of expenses, leaving the credit union with a profit of over $100 per account—even after subtracting the $50 incentive.

At the same time, overall membership at HCU has grown by five percent, year-over-year. That’s triple the typical peer-group rate of increase (1.31%) during a similar time frame. Along with the previously cited deposit share gains, the membership increase strongly supports Murphy’s belief that checking account promotion is a very effective strategy for credit union growth.

HCU has also recently begun leveraging the checking account campaigns to boost credit card marketing through Advisors Plus New Account Acquisition Credit Campaign. “We’re most successful with our credit card campaigns by converting existing members, and that started with growing the checking accounts,” Murphy says. “We get people in our data base through the checking campaigns and we follow through at least twice a year with the credit campaigns.”

Going forward, Murphy promises, “We’re definitely sticking with the checking account and the credit card campaigns. We don’t know where we would be without Advisors Plus, and we wouldn’t want to find out.”