

Invest in America? Time to Invest in Promotion

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By Ray Birch

LIVONIA, Mich.-How well credit unions market Invest in America will likely dictate the size and amount of the incentives GM and Chrysler send CUs' way in 2010.

CUcorp CEO David Adams made that point clear, emphasizing that credit unions must embrace promotion of Invest in America's standard discounts and special offers. Specifically, Adams was referring to [Invest in America's new Private Offer](#), which provides an additional \$750 off GM vehicles when a member gets CU financing. Invest in America's standard GM Supplier Pricing discount of 5% to 10% off MSRP, still applies.

Credit unions can only make the Private Offer to specific employee groups according to a promotional calendar set by CUcorp and must register for the deal.

"The Private Offers allows credit unions to do targeted marketing, but they have to be willing to do some data-mining to ID members who may be in the market to buy a new car," explained Adams. "This is the moment of truth for credit unions to step up and say we want to capture more of this auto financing business with GM and Chrysler. If they prove to be good marketing partners, they will get more market share on the financing side."

Despite heavy competition for auto loans this year, Adams still expects Invest in America will reach its 2010 goal to move 300,000 cars and trucks for GM and Chrysler. But, he cautioned CUs not to rely too much on promotions by dealers. "In 2009, especially in the first part of year, we had merchandising kits in dealerships nationwide promoting the credit union member discount. That is not the case this year."

Near the end of February, GM volume in Invest in America was up 33% compared with the same time last year. That is making up for a drop-off in Chrysler volume. "We do not hope to compare with what we did with Chrysler in the first quarter of 2009," Adams said, "because Chrysler Financial was inoperative at the time and credit unions were accounting for 40% of Chrysler financing."

Chrysler's standard Invest in America deal is 1% below invoice. Invest in America has contracts with GM and Chrysler through 2010.