

International Airline Employees Federal Credit Union

Rosedale, NY

Assets: \$26.6 M

Loans: \$18.3M

Shares: \$22.2M

Members: 2,136



Becoming a Virtual Credit Union

Over the last two years, IAEFCU crafted a new vision and transformed itself into a truly virtual financial institution

International Airline Employees Federal Credit Union (\$28 M, Rosedale, NY), founded in 1961, has never operated a teller line. Although physically headquartered near New York City with a counter for member access, they don't deal in cash and the majority of their business is conducted over the phone, fax, and standard mail for much of their existence. Six permanent credit union employees currently serve over 20 employer groups which share an international air traffic affiliation. Their member base is spread out across the United States and internationally, centered around major airport hubs.

After their current CEO, John Gebhard, joined the organization in 2005, the credit union set out to re-evaluate their organization. They conducted an in-depth member survey to gather input on the future direction of the credit union. As a follow-up to the survey results, the credit union enlisted a third party to help channel a discussion as they crafted a strategic plan of action for the future. The resulting vision called

for IAEFCU to make itself into a truly virtual credit union.

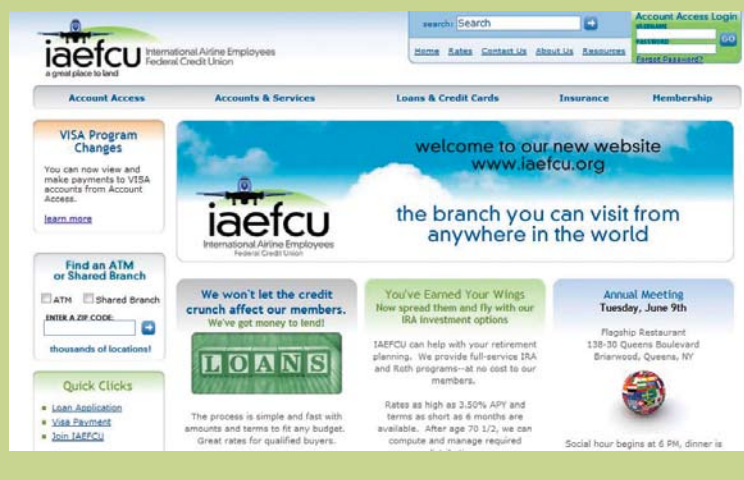
Becoming a Virtual Credit Union

To provide better service to their far-flung members, IAEFCU committed to enhancing their virtual presence to create a true online ebranch experience. "We had a website before this process, but it was very static and offered nothing to engage our members," says Gebhard. After evaluating a partnership with several web design firms, Gebhard decided to collaborate with L9 for the project. He worked directly with Jason Powell, L9's Design Director, on the development.

"IAEFCU was an interesting case because the website was essentially the main touch point for members, and each individual needs to have easy access to every service that would typically be available through a teller or banker at any physical branch location," explains Powell.

"We wanted to create something professional that is easy to use and provide an online member experience that rivals that of any major financial institution," says Gebhard. The resulting project was nothing less than a complete re-launch of the credit union's brand. Powell and the L9 team led the credit union through this process. IAEFCU requested that they begin the design process with some basic broad guidelines: an airplane in the logo, incorporate the color blue, de-emphasize the length of the credit union name. Over several weeks, Powell and Gebhard went back and forth until they hammered out the look and feel of the new credit union brand.

A screenshot of IAEFCU's new home page following the redesign



Designing the Website

Because their new brand would be so intricately tied to the website, the design process was critical for IAEFCU. Powell explains, “The brand process wasn’t simply figuring out how everything would appear visually.” He added, “We had to take a deep look at the organization, and figure out what types of design elements, colors, and interfaces could help create the feeling and user experience that IAEFCU needed to provide to users of the site.”

New brand guidelines, logo ideas, color schemes, imagery, and feel of the new brand were discussed early on in the process. The team ultimately decided that the brand needed to be modern, light and airy, using the concept of ‘fresh air’ for inspiration. Emphasizing usability, clean navigation, strong brand representation, and clear focus on user experience, Powell advocates that credit unions use web design methods that have been proven to work. These tenets were incorporated into the brand and website design. After spending several months developing the brand and designing the website, the new site went live in May 2008.

The new website incorporates a variety of interesting features. It utilizes behavior-based software, which allows targeted messages to reach members as they navigate through the site based on what they have shown an interest in. For example, if a member clicks on an item related to auto lending, they will then receive specific messages targeted on a specific topic, as they navigate through the rest of the site. The website also emphasizes education throughout, and financial terms that members might not be familiar with are defined when scrolled over with a mouse. The credit union has tools to allow them to dynamically edit the website easily, and they work diligently to keep the information fresh and relevant for members.

The website has provided added value to internal processes as well. The credit union’s board meetings are held remotely, so they added a restricted section of the website specially designated for board members that allows them to easily share information. The website with added virtual capabilities essentially allows the credit union to fully function in case of a disaster or emergency.

The new website is now the public face of IAEFCU’s brand, a critical component of their member interaction, and their primary business location. According to Gebhard, “The new website gives all our members access to a virtual branch, and we augment that by participating in shared branching and offering a large network of surcharge free ATMs.” He added, “We

provide easy locator tools on the site, so that any of our members can find an access point for cash wherever they are traveling.”

A Commitment to Quality Pays Off

Gebhard acknowledges that one danger of relying heavily on technology is that service levels will drop off and ‘high touch’ personal interaction will decline. To combat this, Gebhard works to ensure that the staff handles all of their correspondence very professionally and go the extra mile to make members feel appreciated. Gebhard also conducts on-site SEG ‘lunch and learns’ - where he delivers a 30-minute presentation on an educational topic while potential members eat a complimentary lunch. Because they operate as a ‘virtual’ credit union, IAEFCU is a \$28 million institution that maintains a high level of service, offering a large range of products, and yet maintaining very low operating expenses.

When asked if he could offer any advice to other credit unions, Gebhard responded, “Don’t cut corners when designing a credit union website; it’s easily as important as a multi-million dollar brick and mortar branch these days” He added, “We invested good money into our new website, but received great value in return.”

Since the new website launch and rebranding effort, IAEFCU has received nothing but positive feedback from their members. There are also signs that the credit union is broadening their deposit base. Four years ago, 2% of the membership held 35% of total deposits, and now the same 2% now own 15% of deposits. While their traditional members tend to be older, IAEFCU has also found that they are having more success broadening their member base to younger individuals. The credit union will soon implement a program that rewards greater electronic access for members – offering reward savings accounts with an incrementally increasing rate of return for an increasing use of various electronic member services such as: ACH transfer, debit purchases, estatements, online bill pay, and other services.

Even though IAEFCU’s business model is currently unique, theirs is an important case to follow because every credit union’s virtual presence will only become more important in the future. In fact, by May 2009, IAEFCU will be joined by the newly-chartered Realtors FCU in the ‘virtual’ space credit union space. This business model has its own set of advantages and disadvantages, but it is becoming more prevalent in the financial services industry for a key reason. Every credit union needs to make sure that they continue to meet all the needs of their members, including those in the growing virtual space. ●

An excerpt from: **Website “Standards” – What Really Matters for Credit Unions Online?**

Consistency is more important than creativity. The web is a wonderful place to get creative, unless you are a credit union. Let your brand developer get creative, and then translate your brand to the web, using proven and traditional methods. Consistency intrinsically creates clarity in presentation. Here are a few basic suggestions for implementing consistency across the website:

- 1) Make sure the main navigation is on every page and always in view, without having to scroll.
Do not provide more than 8 main navigation items. If you have to, then your site content is not well organized.
- 2) Provide the same header design on every standard page. The homepage may have a unique header used as an identifier and to heighten the initial impact of the brand elements, but it should be similar to the standard header.
- 3) Display your logo in the upper left hand corner of every page as part of the page header. Make it link to your homepage.
- 4) Make sure that every standard page has a page title above the main content area and that all page titles look the same. Use subtitles to separate the sub-content, so it's easy to skim through the text and still know what it is about.
- 5) Provide sub-navigation for every section of your site in the same place, and with the same look. Never use more than 2 levels of sub-navigation.
- 6) Name the navigation items exactly the same as the page titles of the pages they link to.
- 7) Use one font for body text; use one font style for headlines and one for subheads. Always make body text the same size with comfortable line spacing. Never make body text any color other than black or dark gray. If you have to make it white because your background is dark, then your design is overpowering your content.
- 8) Design all of your forms the same way with the same colors, fonts, layouts, and assistive content.
- 9) Display all of your pages in the same window unless they are not a web page. Always link to third party websites in a new window. Indicate if a link is to a PDF or other type of file that will load some other software by showing an icon next to it. Don't use popups unless there is a really good reason. Popup windows annoy people and remove them from the main experience.
- 10) Make sure the site is designed for the appropriate screen resolution. Although most users are now savvy enough to increase their screen resolution, some still use 800 x 600. A 1024 pixel design is becoming more widely accepted and can be implemented, if backed by stats that show those users dominate your audience, and if necessary to accommodate your content.
- 11) Never make pages in your site different sizes. All page layouts should be the same width. ●

If you would like to read more about website design tips, a pdf of this full article can be viewed at: http://l9.com/media/doc/Website_Standards_for_CUs_FULL_VERSION.pdf.