

# **BANKING & FINANCIAL SERVICES: MANAGING MEDIA FOR A VILIFIED INDUSTRY STRATEGIC COMMUNICATIONS CASE STUDY**

## ***our client***

The national trade association representing storefront payday lenders

## ***the issue***

As a new industry bursting on the scene in the 1990s, payday lenders faced intense scrutiny from consumer groups, state regulators and Congress.

Consumer lending has traditionally been regulated by states, but with over 2,000 payday lending stores nationwide, there was confusion about how the legal and regulatory framework applied to them.

## **the challenge**

Some consumer groups objected to the notion of the private sector making money issuing small loans to working people. These groups pushed for regulations that would virtually ban all payday lending and advocated for government alternatives. The media was implacably hostile. The industry was receiving daily phone calls from national and local news outlets, putting it on the defensive.

## **the opportunity**

There are no alternatives to the payday lending model for making small (on average \$100) loans to consumers. Few banks make loans in such small denominations. Other small lenders – title or installment lenders – were longer term and kicked in at \$1,000. Our client filled an important niche in the lending market.

## **the plan**

The industry needed to manage media, educate reporters across the country, prepare industry executives to testify in state legislatures and Congress, develop scholarship and recruit allies to push back against the wave of criticism.

Two senior Dezenhall staff acted as spokespersons for the industry, developing messaging, facts and tools for the industry to use in media engagement. In a typical year, we conducted 700 interviews and issued two dozen news releases and statements. We prepared half a dozen industry executives to testify or conduct media interviews.

We also recruited and deployed allies nationally and in multiple state fights. Special projects included managing campaign communications for two state ballot initiatives and conducting a six-month national ad campaign.

## **the result**

The payday lending industry thrives today in 32 states and the media has become more balanced in its coverage of the industry.