

Variable Name	Label
ATM	Auto teller knowledge
ELSE	Purchase anything else
USE	Use ATM to pay
USEGAS	Use ATM to pay for gas
CASH	Pay with cash or credit card
SUNBELT	Use Sunbelt credit card
EVER	Ever use ATM for purchase
SEX	Male or female
AGE	Under or over 40
PASS	Passengers: yes or no
TAGS	Washington county tags

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CASE

EMPLOYEES FEDERAL
CREDIT UNION

Download the data sets for this case from academic.cengage.com/marketing/zikmund or request them from your instructor.

Employees Federal Credit Union (EFCU) is the credit union for a Fortune 500 firm.²⁴ Any employee of the organization is eligible for membership in the credit union.

Over the past few years the Employees Federal Credit Union has accumulated a large amount of surplus funds, which have been invested in certificates of deposit. It has also experienced a lower loan/share ratio than other credit unions of similar size. Because of these factors, the credit union's average earnings on its investments have slowly declined and its profit margins are being squeezed. The EFCU board of directors decided that a research project should be conducted to determine why its members are not borrowing money from the credit union. More specifically, the research project was mandated to answer the question of why the members are borrowing money from other alternative sources instead of from the credit union.

In addition to the above, the EFCU board of directors expressed its desire to determine what the members' attitudes were toward the overall management and operations of the credit union. Also, it was determined that the following questions should be addressed:

- How informed is the membership about the services provided by the credit union?

- Are there any differences in opinion toward borrowing funds and the services provided by the credit union between members who live in the area of the firm's headquarters and members who live outside of the area?

RESEARCH OBJECTIVES

To respond to the questions raised by the board, researchers developed the following objectives. The research design was formulated to address each of the objectives stated below:

- To determine the reasons why people join the Credit Union.
- To determine the reasons why members use other financial institutions when they need to borrow funds.
- To measure member attitudes and beliefs about the proficiencies of credit union employees.
- To determine whether there are any perceived differences between members who live in the area of the firm's headquarters and members who live elsewhere.
- To determine member awareness of the services offered by the credit union.

- To measure member attitudes and beliefs about how effectively the credit union is operated.

RESEARCH DESIGN AND DATA COLLECTION METHOD

The research data were collected by a mail questionnaire survey. This technique was determined to be the best method for collecting the research data for the following reasons:

- The credit union membership is widely dispersed geographically.
- The board wanted to minimize the cost of conducting the research.
- Several of the questions asked in the questionnaire are of a sensitive nature.
- The board had the flexibility of being able to wait for the survey results before taking any actions.

A copy of the questionnaire used to gather the research data is provided in Case Exhibit 31.1. Most of the questions were designed as structured questions because of the variation in the educational backgrounds, job functions, and interests of the members surveyed. However, the respondents were given the flexibility to answer several key questions in an unstructured format. The Likert scale was principally used where attitude measurements were requested.

SAMPLING PROCEDURES

The population of the EFCU is well defined; consequently, a simple random sample of the membership was selected. A sample size of 300 was calculated using the estimated population standard deviation based on the responses from 15 members to Question 37 of the questionnaire. Question 37 was used because it capitalized the essence of the research project.

The random numbers used in making the selection of the sampling units were generated with the help of a personal computer. The sampling frame used was the January 31 trial balance listing of the EFCU membership. According to the sampling frame, the EFCU had 3,531 members on that date. As a result, the 300 random numbers were generated within the range of 1 to 3,531. Each random number was matched to a corresponding number in the sampling frame, and those individuals were selected to receive copies of the survey questionnaire.

FIELDWORK

Most of the fieldwork for the research project, including all of the editing and coding of the survey data, was performed by the supervisory committee chairperson.

The following is a list of the (much appreciated) assistance received during the field procedures:

- Bob Perkins obtained a copy of the most currently available listing of the membership of the EFCU.
- The payroll department prepared mailing labels for all the members in the sample who were having withholding for the credit union taken out of their payroll checks.
- The credit union clerks obtained the addresses and prepared mailing labels for all the remaining individuals selected in the sample.
- Administrative assistants helped copy and collate the survey questionnaires and prepare them for mailing.
- Ron Walker mailed all of the survey questionnaires.

The survey data from the structured questions were coded based on classifications established by the researcher. The codes were input into a series of databases using an IBM personal computer and a statistical software package.

Of the 125 returned questionnaires, two were not included in the survey results. One of the questionnaires was returned without the first two pages attached, and the other questionnaire appeared to have been deliberately falsified; not only were all the responses on this questionnaire at the extremes, but a number of contradictions were noted as well.

ADDITIONAL INFORMATION

Several of the questions below require the use of a computerized database. Your instructor will provide information about obtaining the EFCU data set if this material is part of the case assignment. (The data are available in SPSS or Excel format.) Each variable name is coded by its question number. Q1 is the variable name for question 1, "Are you a member of the Employees Federal Credit Union?" Q2 is the variable name for question 2, and so on. Exhibit 31.2 presents the coding.

Questions

1. Evaluate the research objectives.
2. Evaluate the research design in light of the stated research objectives.
3. Using the computerized database, obtain simple frequencies for the answers to each question (the answers to the open-ended questions are not included on the database).
4. Perform the appropriate cross-tabulations.
5. Perform the appropriate univariate and bivariate statistical tests after you develop hypotheses for these particular tests.

1. Are you currently a member of the Employees Federal Credit Union (EFCU)?

Yes () No ()

If no, please have the member of your household who is a member of the EFCU complete the questionnaire. If no one in your household is a member, please return the questionnaire in the enclosed prepaid envelope.

2. Why did you join the Credit Union? (Check as many answers as are applicable.)

☐ Convenience
☐ Higher interest rates on my savings than other financial institutions pay
☐ More personal than other facilities
☐ Wanted a readily available source for borrowing money
☐ Advertisements prompted me to join
☐ Other—please explain: _____

Statements 3 through 6 ask for your opinion of the Credit Union employees. Check the response that best describes your rating of the Credit Union employees in each category. Please check only one response for each statement.

3. The Credit Union employees are courteous.

Strongly disagree	Disagree	Uncertain	Agree	Strongly agree
()	()	()	()	()

4. The Credit Union employees are helpful.

Strongly disagree	Disagree	Uncertain	Agree	Strongly agree
()	()	()	()	()

5. The Credit Union employees are professional.

Strongly disagree	Disagree	Uncertain	Agree	Strongly agree
()	()	()	()	()

6. The Credit Union employees are always available.

Strongly disagree	Disagree	Uncertain	Agree	Strongly agree
()	()	()	()	()

7. What is your opinion about the rates the Credit Union is paying on its share (members/savings) accounts?

A. Very high _____	B. High _____	C. Average _____
D. Low _____	E. Very low _____	F. No opinion _____

8. What is your opinion about the rates the Credit Union is charging its members to borrow funds?

A. Very high _____	B. High _____	C. Average _____
D. Low _____	E. Very low _____	F. No opinion _____

9. How often do you receive a financial statement of your account activity?

Too often	Very often	About right	Not often enough	Never
()	()	()	()	()

10. How would you rate the accuracy of your statements?

Excellent	Good	Fair	Poor
()	()	()	()

11. Are they easy to understand?

Yes () No ()

12. Do you feel that the Credit Union maintains your account information in a confidential manner?

Yes () No ()

att-employee

The questions in the next section are important in determining how effective the Credit Union has been in communicating its different services to the members. Please answer each question honestly—remember, there are no right or wrong answers.

Circle the response that best describes your awareness of the services offered by the Credit Union.

Circle 1—If you were aware of the service and have used it.

Circle 2—If you were aware of the service but have not used it.

Circle 3—If you did not know this service was offered by the Credit Union.

	Aware and Have Used	Aware but Have Not Used	Unaware of Service
13. Regular share accounts	1	2	3
14. Special subaccounts	1	2	3
15. Christmas club accounts	1	2	3
✓ 16. Individual retirement accounts	1	2	3
17. MasterCard credit cards	1	2	3
18. Signature loans	1	2	3
19. New car loans	1	2	3
20. Late model car loans	1	2	3
21. Older model car loans	1	2	3
22. Household goods/appliance loans	1	2	3
23. Recreational loans	1	2	3
24. Share collateralized loans	1	2	3
25. IRA loans	1	2	3
26. Line of credit loans	1	2	3
27. Do you currently have a loan with the Credit Union?			
Yes () No ()			
28. During the past year, have you borrowed money from a bank or other lending source other than the Credit Union?			
Yes () No ()			
If no, go to Question 30.			
29. Why did you go to a source other than the Credit Union?			
_____ My loan application at the Credit Union was not approved.			
_____ The Credit Union did not offer this type of credit.			
_____ I found better loan rates elsewhere.			
_____ I have an established credit line elsewhere.			
_____ I prefer to use a local financial institution.			
_____ Other: _____			

For Statements 30 through 34, check the response that best describes your feelings about the statements. Check only one response for each statement given.

30. The Credit Union's loan rates are lower than those offered by other institutions.	Strongly disagree ()	Disagree ()	Uncertain ()	Agree ()	Strongly agree ()
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CASE EXHIBIT 31.1
**EFCU MEMBER OPINION SURVEY
(CONTINUED)**

31. The Credit Union personnel will keep my personal financial information confidential.
- | | | | | |
|-------------------|----------|-----------|-------|----------------|
| Strongly disagree | Disagree | Uncertain | Agree | Strongly agree |
| () | () | () | () | () |
32. The Credit Union is prompt in processing loan applications.
- | | | | | |
|-------------------|----------|-----------|-------|----------------|
| Strongly disagree | Disagree | Uncertain | Agree | Strongly agree |
| () | () | () | () | () |
33. The current financial services provided by the Credit Union meet the needs of its members.
- | | | | | |
|-------------------|----------|-----------|-------|----------------|
| Strongly disagree | Disagree | Uncertain | Agree | Strongly agree |
| () | () | () | () | () |
34. The loan applications used by the Credit Union are simple and easy to complete.
- | | | | | |
|-------------------|----------|-----------|-------|----------------|
| Strongly disagree | Disagree | Uncertain | Agree | Strongly agree |
| () | () | () | () | () |
35. Which of the services provided by the Credit Union do you like best?
36. Which of the services provided by the Credit Union do you like least?
37. Overall, how do you feel the Credit Union is being managed and operated?
- | | | |
|--------------------|--------------------|---------------------|
| A. Excellent _____ | B. Good _____ | C. Average _____ |
| D. Poor _____ | E. Very poor _____ | F. No opinion _____ |
38. Do you live in the headquarters area?
- Yes () No ()
- If yes, go to Question 40.
39. Do you feel the Credit Union meets your needs as well as those of members who live in the headquarters area?
- Yes () No ()
- If no, please explain:
40. If you were managing the Credit Union, what changes would you make and what additional services, if any, would you provide?

We sincerely appreciate the time and effort you made in completing this questionnaire. Thank you for your help.

CASE EXHIBIT 31.2
CODES FOR QUESTIONNAIRE

strongly disagree = 1, strongly agree = 5
 very high = 1, very low = 5, no opinion = 6
 too often = 1, never = 5
 excellent = 1, poor = 4
 excellent = 1, very poor = 5, no answer = 6
 yes = 1, no = 2, no answer = 3
 aware and have used = 1, unaware = 3