CASE **EXHIBIT 30,2 VAIIIA**■**LE NAME**■ **IN THE**

■ ■ ■

**SUN ELT DATA A E**

**Variable Name Label**

**ATM ELSE USE USEGAS**

**CASH SUNBELT EVER SEX**

## AGE PASS TAGS

**Auto teller knowledge Purchase anything else Use ATM to pay**

**Use ATM to pay for gas**

## Pay with cash or credit card Use Sunbelt credit card Ever use ATM for purchase Male or female

**Under or over 40 Passengers: yes or no Washington county tags**

**EMPLOYEES FEDERAL CREDIT UNION**

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 sur­ plus 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 alterna­ tive sources instead of from the credit union.

In addition to the above, the EFCU board of direc­ tors expressed its desire to determine what the mem­ bers' attitudes were tO\vard the overall management and operations of the credit union. Also, it was determined chat the following questions should be addressed:

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

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

* Are there any differences in opinion toward bor­ rowing 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 i

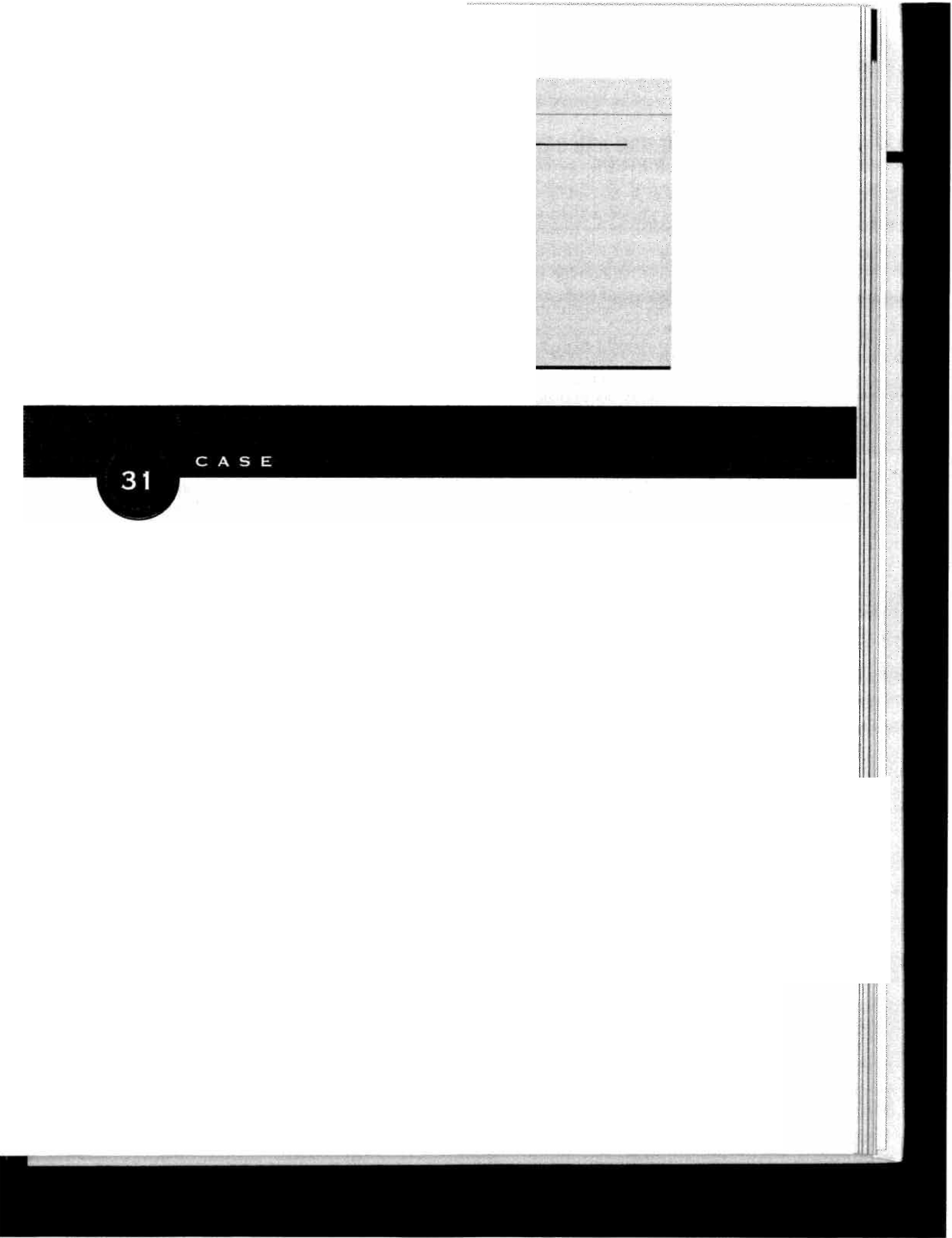
financial institutions when they need to borrow !

funds.

* To measure member attitudes and beliefs about the proficiencies of credit union employees.
* To determine whether there are any perceived dif­ ferences 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.

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* + To measure member attitudes and beliefa about how effectively the credit union is operated.

# RESEARCH DESIGN AND DATA COLLECTION METHOD

The research data were collected by a mail question­ naire survey. This technique was determined to be the best method for collecting the research data for the fiJl­ lowing reasons:

* + The credit union membership is widely dispersed geographically.
  + The board wanted to minimize the cost of conduct­

ing 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; conse­ quently, 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 cap­ sulized 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 3 l trial balance listing of the EFCU member­ ship. According to the sampling frame, the EFCU had 3,531 members on that date. **As** a result, the 300 ran­ dom numbers were generated within the range of 1 to 3,531. Each random number was matched to a corre­ sponding 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, includ­ ing all of the editing and coding of the survey data, was performed by the supervisory committee chairperson.

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The following is a list of the (much appreciated) assis­ tance 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 individ­ uals 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 data­ bases 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 question­ naires 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.

*'-;}/* Using the computerized database, obtain simple

*V'-* frequencies for the answers to each question (the answers to the open-ended questions are not included on the database).

( Perform the appropriate cross-tabulations.

5. Perform the appropriate univariate and bivariate statistical tests after you develop hypotheses for these particular tests.

*Critical Thinking Cases*

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Cua IExHtelT 31 . I I EFCU **MEMBER** OPINION SURVEY I

1 Ate you currently a member of the Employees Fedef'al Credit Union (EFCU)?

Yea ( ) 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 hou8ehold la a member, please retum the questionnaire In the encloNd prepaid envelope.

1. Why did you join the Credit Union? (Check u many **answers u** are applicable.)

Convenience

-- Higher Interest rates on my savingl than olher llnanclal instllutlonl pay

-- More personal than olher facilltlN

Wanted a readily available source for borrowing money

Advef1llemenla p,ompted me to Jo1r1

Other-please explain:

Slatements 3 8 111k for **your opinion** of **the Credll** Uniofl employw. Check the responN that best deecribes yolW rating of **the Credit** Union emplo)'eN In **each cate­** gory. PteelNtchedc only one l'aepollN foreadl llldement.

1. The Credit Union employees are courteous,

Strongly disagree ( )

Ol8agree

( )

Uncertain

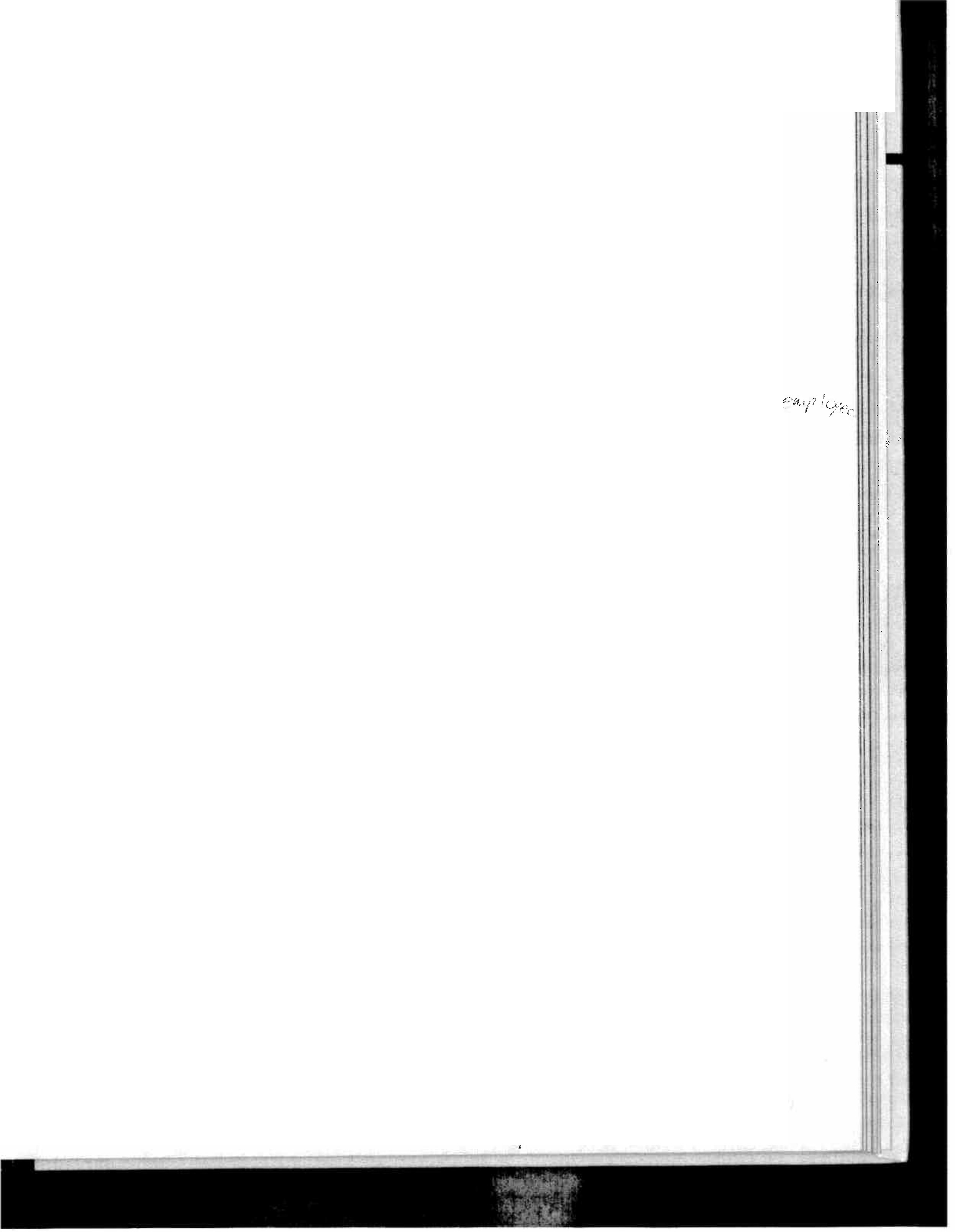
( )

Arlee

( )

Strongly agree ( )

1. The Credit Union **employees are** helph,IL



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Strongly  disagree | Olaagree | Uncef1aln | AgrN | Strongly  agree |
| ( ) | ( ) | ( ) | ( ) | ( ) |

1. The Credit Union **employees are** profeeai(loal.

Strongly Strongly

dllagree Oi&agrN Uncertain Agree **8grN**

( ) ( ) ( ) ( ) ( )

8. The Credit Union employaea are always avaBable.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Strongly  dlaagrN | Disagree | Uncef1aln | Agree | Strongly  agree |
| ( ) | ( ) | ( ) | ( ) | ( ) |

7. Whal la your opinion about the rates the Credit Union Is paying on Ila ahare {mern­

befalaavlngs) accounts?

A. Very high B. High C. **Average**

0. Low E. Very low -- F. No opinjon

8. What la your opinion about the rates the Credit Union ii charging Ila memben1 to

borrow funds?

A. Very high . B. High C. **Average**

0. Low E. **Verytow** f. **Noopinion**

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

Too Very **About *Not* often**

often often right enough Never

() () () () ()

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

**Excellent Good** Fair Poor

() () () ()

1. Ate they easy 10 understand?

Yes ( ) No ( )

1. Do you feel lhat the Credit Union maintains your account Information lo a confiden­

tial manner?

Yes ( ) No ( )

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CASE EltHlfalT 3 I. 1 t ....tlgJJT. fRPINION SURVEY.



The questions In the next section are lmportanl in delermining **how effective lhe** Credit Union **has been** In **communicating** its **dlffentnt HMC8S** to **the members. Pleaae**• • • answer each question **honestly-"""8f'llber, thent are** no right or **wrong** answers.

Circl.e the response that best describes *your* **awareness** of the **services** offered *by* the Credit Union. *:.* •

Circle 1.:...lf you were aware of **the sennce and** have used it: ••

Circle 2-lf you were aware of **the service but have** not **used** 11.

Circle 3-lf you did not know thls **service was offered** by the Credit Union.

|  |  |  |  |
| --- | --- | --- | --- |
| **Aware** | | **Aware** | **Unaware** |
|  | and  **Have** Used | **but Have**  Not **Uaild** | of  **Service** |
| 13. Regular share accounts | 1 | 2 | 3 |
| 14. Special sut>accounts | 1 | *2* | 3 |
| 15. Christmas club accounts. | 1 | 2 | 3 |
| 16. lndivid\Jal retirement accounts |  | 2 | 3 |
| 17. **MasterCard** credit cards |  | 2 | 3 |
| 18. Signature loam |  | 2 | 3 |
| 19. New car loans |  | 2 | 3 |
| 20. Late model car loans | 1 | 2 | 3 |
| 21. Older model car **loans** | 1 | 2 | 3 |
| 22. Household goods/appliance loans |  | 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 |  | 2 | 3 |

*V*

* 1. Oo you currently have a loan with the Credit Union? Yes() No().
  2. During.the past year, have you **borrowed money** .ftom a bank or:**Olher lending**

source other tlian the Credit Union?

. Yes ( ) .. **No** ( )

If no, g<> to Question 30.

* 1. Why did yoJ· to **a aource other than** the Credit Union?

--. My loan **application** at the Credit Union was not approved.

The Credit Union did not offer thl• type of credit.

--·- Ifound better loan rates **elsawhefe.**

-· I have an established credit line **elsewhere.**

1 prefer to use a **local** financial **lnatltutlon.**

 Qthec • •

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

* 1. The Credit Union's loan **rates are fow8f than** those offered by other institutions. Strongly . . . Strongly

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| disagree | Disagree | Uncertain | Agree | agree |
| () | () | (). | () | () |

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**CAJIK** ExHl■IT 31. I -\_ EFCU **MEMBER** OPINION SURVE-Y

I

CONTINUED)

,.,\_, ,---

:n, The Credit Union personnel will keep my personal financial lnfonnation confidential.

Strongly • •. •• . . Strongly

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| disagree | Disagree | -- Uncertain . | * • Agree | **agree** |
| () | * () | {) | () | ( ).· |

1. The Credit Union is prompt ih ptoce$Sirig **loan applk:allonsi** Strongly• .· . . • • •. . • . .• **disagree Dlsag,ae** Uncertm Agree

() () {) (}

Strongly agree ( )

1. The current financial services provided by the Credit\_Union meet the\_needs of its

I

**members.**

**agree** • I

Strongly **dlaagree** ( )

**Disagree**

·- (. )

Uncertain ( )

**Agree**

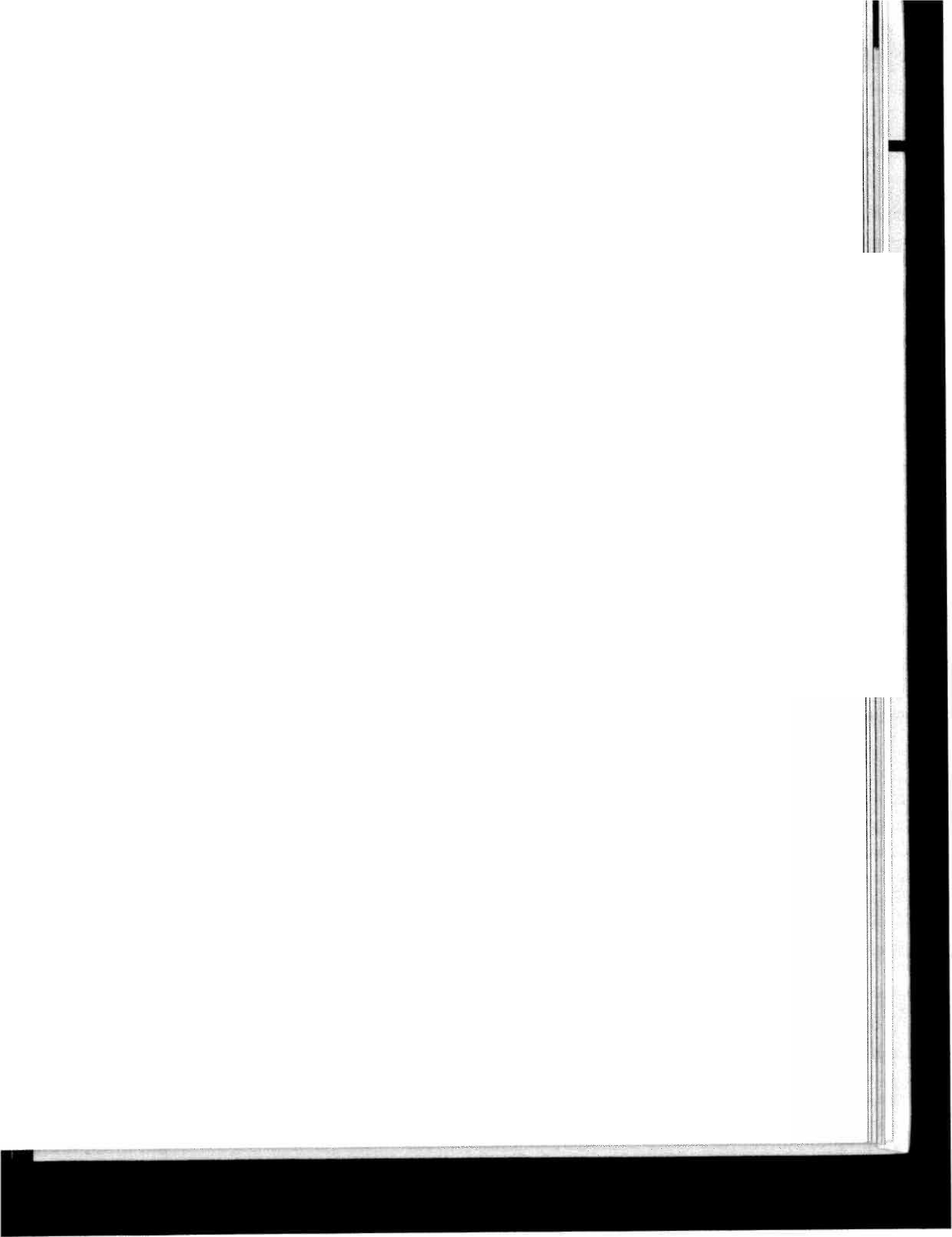
{ )

Strongly

j

( )

34-. The **loan applications used by the Ct8dt** Union **are simple and easy** to **complete.** '.



**Strongly** .• . • **Strongly**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **disagree** | * • **Disagree** | **Uncertain** | **Agree** . -- | \_**agree** |
| ()\_ | () | () | () | "(} |

**35. Which** of **the services provided by the Credit** Union **do you like best?**

38. Which of the rvii;es provided by the Credit Unio\_ndo you fll(e least?\_

37. O\lerall, how dO you feel the Credit Union is being managed and operated?

A. Excellent.-·\_·.\_... • **B. Qobd\_-\_** • C. **Average----.**

D. **POOJ** \_· \_ I:. **Very poor\_-\_-**\_**·.**.- F, **No opjnlon\_.**-· --..

1. C)i) yC>U live in the **headquarters area?**

0

•·• Yes ( ·.\_.) . . No (- ) •

If yes, go to **Question 40.** : ..

1. bo you**feel the** dedii Union.me ts your needs as well as those of members whO

•• ••. liveIn **the headquarters** area? -•

Yes( )• • No( .)

••If **no, please explain:**

1. If you were managing the *Credit* Union, what changes WOl.lld you make and what.

addltlooal services, if any. would you provide? •

we sincerely appr iaie the lime and effort you made in **completing** this question- naire. Thank you for y<>ur **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

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