

***Market Research from CUNA:***

***The Key to Member Satisfaction  
and an Improved Bottom Line***

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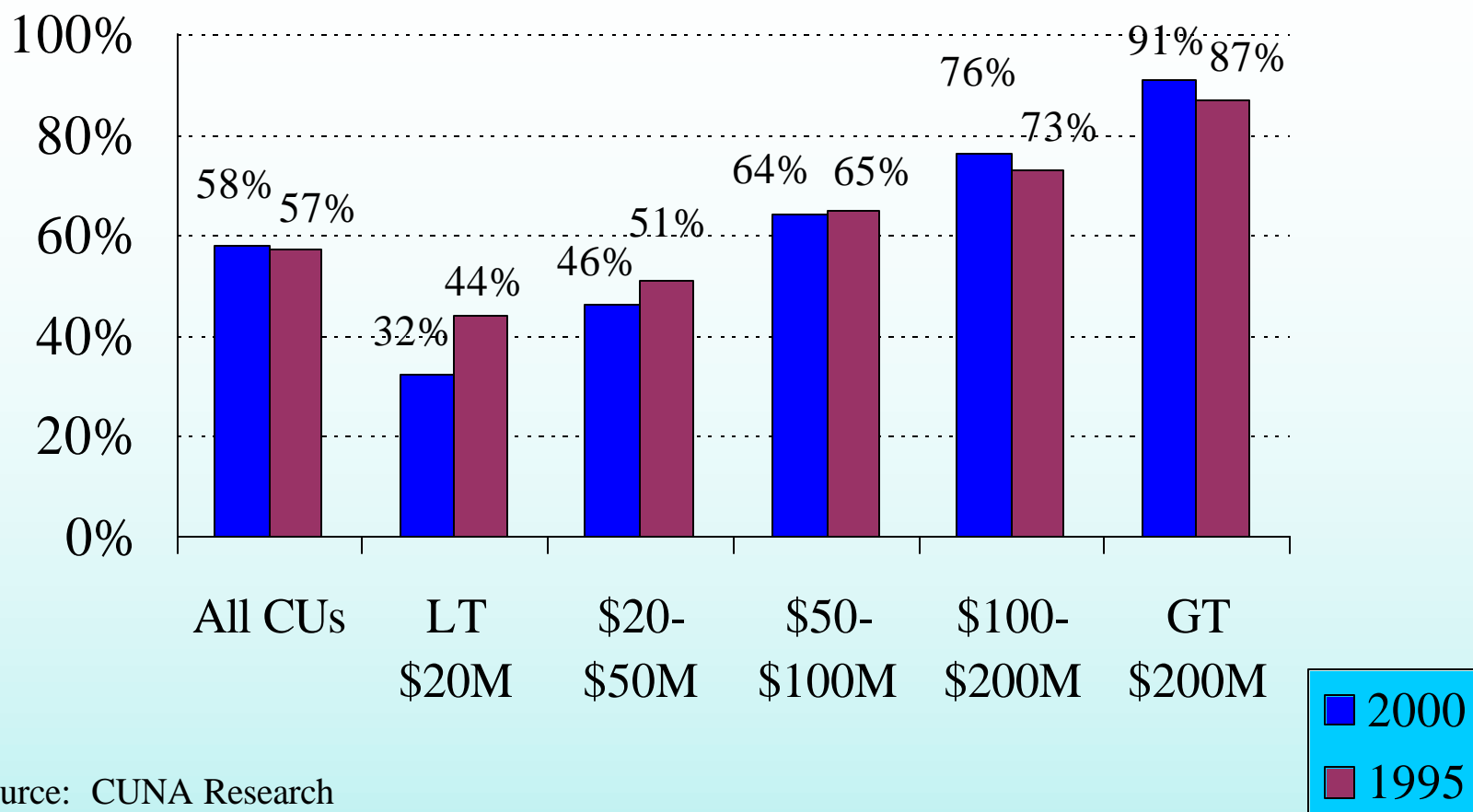
***For more information, go to***

***[http://www.cuna.org/data/cu/research/cumember\\_non\\_surveys.html](http://www.cuna.org/data/cu/research/cumember_non_surveys.html)***

# *TOPICS*

- *Benefits of conducting research*
- *Project design*
- *Getting more out of your information and results*

## *% of CUs Conducting Member Survey in Past Four Years*



Source: CUNA Research  
Based on CUs with \$10M or more in assets

# ***BENEFITS***

- 1) Eliminates guesswork**
- 2) Find out where strengths are**
- 3) Find out where improvement is needed**
- 4) Market segmentation**

**\*\* INCREASES SERVICE USE \*\***

**\*\* IMPROVES SERVICE TO MEMBERS \*\***

**\*\* INCREASES \$ FOR YOUR CU \*\***

# ***TYPES OF INFORMATION***

- **Membership characteristics**
- **Image**
- **Awareness**
- **Service use at the CU**
- **Service use elsewhere and why**
- **Newsletter readership**
- **Choice of fee structure**
- **New office locations**
- **Interest in new services**

# ***MAIL SURVEYS***

## ***ADVANTAGES:***

- ***A lot of information***
- ***"Fresh" for 2 to 3 years***
- ***CAN be done in-house (but,...)***
- ***Large sample size***
- ***Generalizable to membership***

## ***DISADVANTAGES:***

- ***Take time***
- ***Can be expensive***
- ***Often underestimate task in-house***

# ***WEB SURVEYS - CUNA Research Online***

## ***ADVANTAGES:***

- Cheaper than mail surveys
- Can be done more quickly
- Can be done in-house
- Great for Web site/PC banking feedback

## ***DISADVANTAGES:***

- NOT appropriate for traditional satisfaction, service use, PFI surveys
- NOT generalizable to entire membership

**For more information, go to**

**[http://www.cuna.org/data/cu/research/web\\_surveys.html](http://www.cuna.org/data/cu/research/web_surveys.html)**

## ***EIGHT CARDINAL SINS OF MAIL SURVEYS***

- 1) Beginning with personal questions**
- 2) Always using grammatically correct wording**
- 3) "Cramming" questions onto page**
- 4) Asking too many open-ended questions**
- 5) Not sending a cover letter**
- 6) Sending survey in newsletters or statements**
- 7) Not paying return postage**
- 8) Not sending a follow-up mailing**

# ***SAMPLING: MYTH vs. REALITY***

***MYTH:*** All members must be sent questionnaires in order to obtain reliable information.

***REALITY:*** All that is needed is a representative sample of members.

***MYTH:*** A larger sample is needed for a CU with a “larger” number of members.

***REALITY:*** The size of the "population" has virtually no influence on what the sample size should be. (ex. Gallup)

***MYTH:*** All types of members respond at a "representative rate."

***REALITY:*** Certain groups "over-respond."

# SAMPLING ERRORS

<u># OF RETURNED QUESTIONNAIRES</u>	<u>MAXIMUM SAMPLING ERROR</u>
2,000	$\pm 2.2\%$
1,500	$\pm 2.6\%$
1,000	$\pm 3.2\%$
750	$\pm 3.6\%$
600	$\pm 4.1\%$
500	$\pm 4.5\%$
400	$\pm 5.0\%$
300	$\pm 5.8\%$
200	$\pm 7.2\%$
100	$\pm 10.3\%$

**NOTE:** Sampling errors are at their maximum when estimating percentages near 50%. They will be lower when estimating percentages of, say, 30% (or 70%), and even lower when estimating percentages of, say, 10% (or 90%).

# ***HOW TO GET MORE OUT OF YOUR RESEARCH***

- 1) Follow-up mailing w/questionnaire
- 2) “Weighting” the data to avoid bias, over-representation of certain groups & misleading survey findings
- 3) Basic knowledge of market segmentation to “dig deeper” into the results
- 4) Target marketing (matrix)
- 5) Benchmarking -- Comparisons to norms

## ***FOR MARKET SEGMENTATION...ask***

- 1) How old are you?**
- 2) Do you currently have an ABC CU share draft/checking account?**
- 3) Through which ABC CU office do you conduct most of your business?**

**and/or**

- 4) Where do you currently live?**
- 5) How many years have you been a member of ABC CU?**

# MARKET SEGMENTATION

## CU Image (5-pt. scale)

	<u>Friend.</u>	<u>Hours</u>	<u>Loan rates</u>
<b>Overall Avg.</b>	<b>3.8</b>	<b>3.6</b>	<b>3.6</b>
<b><u>By age</u></b>			
<b>18-34</b>	<b>3.7</b>	<b>3.6</b>	<b>3.8</b>
<b>35-54</b>	<b>3.7</b>	<b>3.6</b>	<b>3.4</b>
<b>55 +</b>	<b>3.9</b>	<b>3.6</b>	<b>3.9</b>
<b><u>By office</u></b>			
<b>North side</b>	<b>4.0</b>	<b>3.4</b>	<b>3.6</b>
<b>South side</b>	<b>3.6</b>	<b>3.7</b>	<b>3.6</b>

1. Look at "overall" values
2. Look down the columns & find groups variances  
(.2 of a point difference groups)

# MARKET SEGMENTATION

## Use of CU Services

	<u>Personal Loan</u>	<u>Credit Card</u>	<u>Vehicle Loan</u>
Overall Avg.	22%	25%	20%
<u>By age</u>			
18-34	25%	21%	20%
35-54	20%	34%	29%
55 +	5%	12%	11%
<u>By CU checking use</u>			
Yes	27%	35%	25%
No	18%	15%	15%

1. Look at "overall" values
2. Look down the columns & find groups variances  
(5 to 10 percentage points differences)

# ***TARGET MARKETING -- LIFECYCLE SEGMENTATION (AGE & HH INCOME)***

- **Saves money (in postage & printing)**
- **Can develop targeted messages**
- **Increases marketing efficiency & ROI**
- **Improves bottom line**
- **The key: The target-marketing matrix - Compares individual groups' likelihood of seeking a product versus members, as a whole.**

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# CUNA RESEARCH TARGET-MARKETING MATRIX

## ABC CU -- Target-Marketing Index Scores for Financial Services

	CDs	IRAs	Personal loans	New car loans	Used car loans	Home eq. loans
18+/LT \$25K	<b>72</b>	<b>48</b>	<b><u>117</u></b>	<b>36</b>	<b>76</b>	<b>62</b>
18-24/\$25K-\$75K	<b>50</b>	<b>81</b>	<b>83</b>	<b><u>122</u></b>	<b><u>146</u></b>	<b>81</b>
25-44/\$50K-\$75K	<b>78</b>	<b><u>133</u></b>	<b>89</b>	<b><u>134</u></b>	<b><u>132</u></b>	<b><u>126</u></b>
25-44/\$25K-\$50K	<b>66</b>	<b>89</b>	<b><u>116</u></b>	<b>72</b>	<b><u>160</u></b>	<b>68</b>
45+/\$25K-\$50K	<b><u>169</u></b>	<b><u>181</u></b>	<b>85</b>	<b>88</b>	<b><u>121</u></b>	<b>79</b>
45+/\$50K-\$75K	<b><u>203</u></b>	<b><u>202</u></b>	<b>68</b>	<b><u>133</u></b>	<b>48</b>	<b><u>185</u></b>
18+/\$75K+	<b><u>191</u></b>	<b><u>171</u></b>	<b><u>143</u></b>	<b><u>167</u></b>	<b>90</b>	<b><u>195</u></b>

NOTE: Index Score of 100 = Likelihood of using for ABC CU members, as a whole. The higher that the Index Score stands above 100, the more it is recommended that that group be included in the promotional mailing for that service.

# ***BENCHMARKING/COMPARISONS***

Add a second important dimension to the evaluation of your CU's strengths, opportunities & areas needing improvement.

## **Sources:**

**Your survey vendor**

**League/CUNA publications**

**Other CUs**

**Also, your CU's previous survey**

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