

# Conducting a Member Survey?

## Avoid These 10 Common Missteps and Oversights

BY JON HALLER

Director of Corporate & Market Research  
Credit Union National Association



Conducting surveys to obtain member feedback and gauge the competitive performance of the credit union and its staff has become an integral part of most credit unions' strategic plans.

At the same time, the “nuts and bolts” of how these studies are conducted go a long way in determining whether you can make adjustments to your policies, procedures, and marketing and strategic plans with the confidence of knowing your feedback truly reflects the perceptions and needs of your membership, or if your results are little more than a pile of numbers with limited resemblance of “reality.”

With nods (and apologies) to David Letterman, I bring you “The top 10 common missteps and oversights that can damage a member survey’s value.”

**#10: Starting the questionnaire with personal questions.** Keep the questions such as, “How old are you?” and “What is your annual household income?” for the last few questions, once your member has completed the rest of the questionnaire and is comfortable that you’re truly seeking their input in order to help the credit union better meet their financial needs. Starting your survey with these potentially sensitive questions can

lead your questionnaire to be filed into the waste basket just seconds after the envelope is opened.

**#9: Asking “that’s interesting” questions, instead of “potential impact” questions.** While questions such as, “Why did you originally join the credit union?” may provide some sort of “interesting” findings, they tend not to lead to any potential changes in your policies, procedures, product and operational priorities, etc. Questions seeking members’ perceptions of the quality of your service, rates and loan-approval policies; their use of services at both the credit union and at other providers; their reasons for turning elsewhere; and the extent to which they would recommend the credit union to family and friends, on the other hand, are all examples of questions that can, indeed, yield feedback that leads to such changes. Before including a particular question on your questionnaire, ask yourself if the resulting answers could lead you to re-think how you’re doing some things today. If the answer is “yes”, it’s a “keeper.” If the answer is “not really”, it’s not. (Of course, any questions needed for market-segmentation purposes are excluded from this “litmus test of importance.” (See “#2: Not reviewing/comparing...,” below.))

**#8: Collecting your survey results using (exclusively) your web site or e-mails to your online banking users.**

The time and cost savings associated with placing a member survey on your web site or e-mailing your (mostly online banking) members with a link to the survey may be enticing. However, by and large, online surveys designed to measure members’ perceptions, their use of financial services, etc. will not yield reliable/accurate results.

The major reason why? If you’re like the vast majority of credit unions, far and away your most frequent visitors to your web site are your online banking/bill pay and/or checking users – in essence, those members with arguably the strongest financial ties to the credit union.

Similarly, for many (albeit, not all) credit unions, the bulk of the member e-mail addresses it has belong to its online banking/bill pay users. It is not unusual for 90% or more of a credit union’s online survey respondents to be PFI members (the national average is about 45%) – that is, the credit union is their primary financial institution. This all but eliminates the ability to have your survey results be representative of your entire membership.

**#7: Sending questionnaires out in newsletters.** Unfortunately, many members probably do not read your newsletter. You lose countless numbers of potential respondents with that, alone. Add to it the probability that it is your older, more-committed and/or more-loyal members that do read the newsletter,



Credit Union  
National Association

and you're bound to wind-up with a one-sided (positive) and completely inaccurate view of your credit union's performance. Questionnaires should be mailed out in an envelope containing only the questionnaire, a cover letter seeking their participation, and a business-reply envelope. Which takes us to...

**#6: Not including a postage-paid envelope.** You're asking your members to spend up to 10 to 20 minutes of their valuable time to share their thoughts regarding your performance and their financial behaviors. Paying the postage for them to return the questionnaire should be a "given" and greatly increases the likelihood that your members will participate in your study.

**#5: Underestimating the task/project requirements, if the project is done in-house.** While most outside providers may charge from \$7,500 to \$15,000 or more (depending on the scope and size of the project) to conduct a survey, the money "saved" by conducting the project yourself has the potential to turn into a bit more of an "expense", if the expertise to design the questionnaire, prepare and analyze the data, and develop recommendations/strategic considerations may not really exist at the credit union; the project needs to be fit-in between a staffer's other responsibilities and priorities; or if the results and recommendations might be more easily accepted/"bought into" by the board or management if they were presented by an objective third party. An in-house project done well is a wonderful thing... if done well.

**#4: Not sending a follow-up mailing.** Members who respond to a single mailing overwhelmingly are your older members and your more-committed/loyal members – that is, those

members who love you, use all of your services, use no services elsewhere, and have no needs or complaints. Basing your decision-making and strategic direction on these results, alone, would be misguided at best. CUNA studies have consistently shown that relying on survey results from a single mailing yields...

- Service-quality factors in need of some attention that go undiscovered
- Overstated success in attracting members' business/market shares
- Understated impact of loan policies, procedures, competitors' rate advantages in deterring members from turning to you for their loans
- Misleadingly high CU-PFI and loyalty levels.

Employing a second mailing – that is, sending another questionnaire to those members in your sample that did not respond to the first mailing – is an essential step. (For more on the negative impact of one-mailing surveys on the reliability/accuracy of survey results, see <http://advice.cuna.org/research/review/research-review-31.html>.)

By investing the extra \$1,000 or so in postage and printing, and an additional couple of weeks in time, you can better ensure your results will truly represent your entire membership's needs, behaviors and opinions.

**#3: Not "weighting" the data.** Typically, a credit union's older members and checking account users (i.e., members with stronger ties to the credit union) tend to (over-)respond to a survey more so than its younger members and non-checking users. Without accounting for and adjusting for this tendency, your survey results will be misleadingly "skewed," or slanted, to the behaviors, perceptions, and financial needs of your older and/or more-committed members.

Assuming you want your information to reflect the needs of all your members – including those whose business you may not have much of now, but want to attract – weighting the data is the way to go to ensure this is the case.

**#2: Not comparing the responses of members in different age, income & office groups.** About half of the recommendations/strategic considerations we provide a client credit union are based on the survey results relating to the needs, behaviors or opinions of a sub-group of the credit union's members (rather than the full membership) – whether it be their young adult members, lower- (or higher-) income members, members relying on a particular office, or some other sub-group(s).

**#1: Not including benchmarking/comparisons to other credit unions.** Benchmarking provides an important, second perspective on how well the credit union is performing with respect to its service quality, share of wallet, market shares, member loyalty, etc. While the credit union's actual results are arguably the most important information to have, the ability to identify strengths, areas needing shoring-up, and unique opportunities for attracting more of your members' business is greatly enhanced with the knowledge of how your credit union's performance stacks-up against others in its asset size.

There you have it. Moreover, these "Top 10" issues hold true regardless of whether you conduct your survey in-house or tap the assistance of an outside provider. Your credit union's success is far too important to base its marketing and strategic direction on faulty or misleading member feedback, or to miss out on the full benefits of analytical market segmentation and benchmarking. Good luck with your survey project!