

# **Affinity and Partnership Marketing in UK Legal Services**

**Report Prospectus**

*February 2008*

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## What is the research?

*Affinity and Partnership Marketing in UK Legal Services* provides the first ever comprehensive analysis of the development of affinity and partnership marketing of legal services in the UK, drawing attention to both existing initiatives and the scope for new ventures across a variety of different sectors. Based in part on a survey of 1,805 actual and potential partner organisations, the report and associated PartnerBASE™ database offer an exhaustive review of the activity in this field of both providers of legal services and an array of viable distributors. In addition, the research simultaneously acknowledges the fact that the legal services market is itself composed of an extremely broad variety of services offered both to individuals and to small, medium-sized and large businesses and other organisations.

Moreover, in order to illustrate the opportunity for affinity and partnership marketing to develop in the market for legal services acquired by consumers, a sector that is estimated to be worth in the region of £8 billion in annual revenues in the UK, the study also presents the results of new research investigating the buying behaviour of consumers when it comes to utilising different types of legal service. These include residential conveyancing services, legal services related to personal injury or accident, legal services related to wills or inheritance tax, and other legal services relevant to individual clients. As such, in tandem, the report and associated PartnerBASE™ provide the most definitive published study to date of the current and future potential of affinity and partnership marketing of legal services in the UK.

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## What is the rationale?

Finaccord has produced this report and associated PartnerBASE™ database on the subject of affinity and partnership marketing in legal services in the UK in the wake of the deregulation of the market for legal services brought about by the passing of the Legal Services Act in April 2007. Among other important reforms, this paves the way for the eventual introduction, probably in 2011 or 2012, of so-called alternative business structures (ABS) which will permit non-lawyers to become directly involved in the management and ownership of law firms.

A consequence of this is that legal services, especially those contracted by individuals and small businesses, which were once the exclusive preserve of law firms, are now set to be distributed to an increasing extent through other types of channel including financial institutions, not-for-profit organisations and other consumer affinity groups.

Indeed, Finaccord's research indicates that competitors such as banks, building societies, estate agents, professional associations, trade unions and, even, automotive associations, media entities and retailers are already beginning to exert an influence on the way in which consumers acquire legal services using a variety of approaches. Moreover, by means of affinity relationships, trade associations can be an effective conduit for law firms to acquire self-employed individuals and small and medium-sized businesses as customers for legal services.

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## What methodology has been used?

The survey of 1,805 actual and potential affinity partners, whose segmentation is depicted on the following page, was carried out over a 12-week period between November 2007 and January 2008 and covers the vast majority of viable affinity distributors for legal services in the UK. The research embraces the following information:

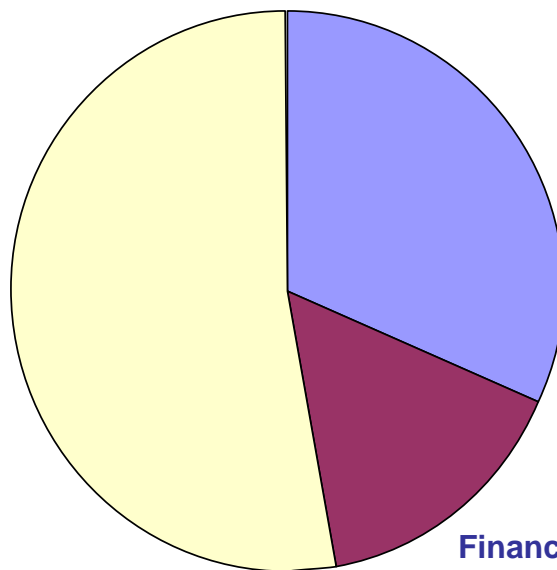
- for each affinity group or partner considered, whether it offers legal services in any form;
- if provided, whether the product or service is offered through a partnership with one or more external companies or in-house (including by means of a sister or subsidiary company);
- if provided through a partnership with one or more external companies, the identity of the partner(s) and the nature of the partnership(s).

In addition, the study also incorporates original consumer research, drawing upon an on-line survey organised by Tpoll and answered by 1,800 respondents, which provides new insight into the way in which consumers acquire legal services and which focus, in particular, on their choice of distribution channels and interfaces for different types of legal service.

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# How does the sample break down? (1,805 actual and potential affinity partners)

**Not-for-profit affinity groups, 951** - 662 trade associations, 90 charities, 88 professional associations, 50 sports organisations, 45 trade unions, nine lifestyle organisations and seven political parties.

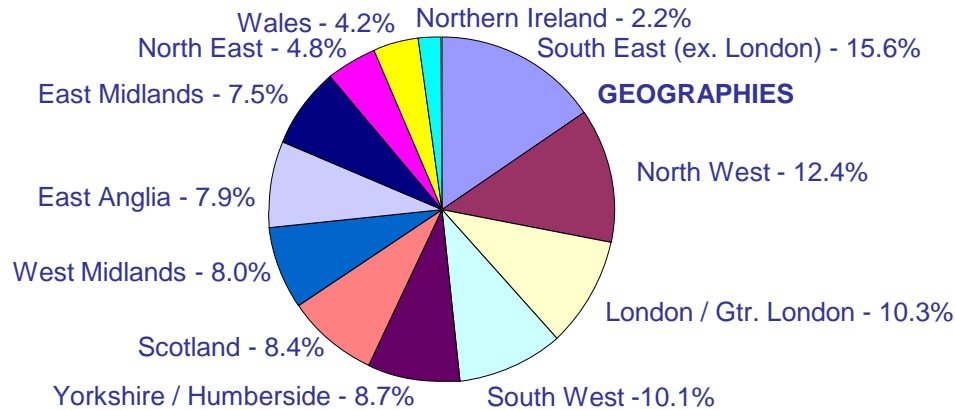
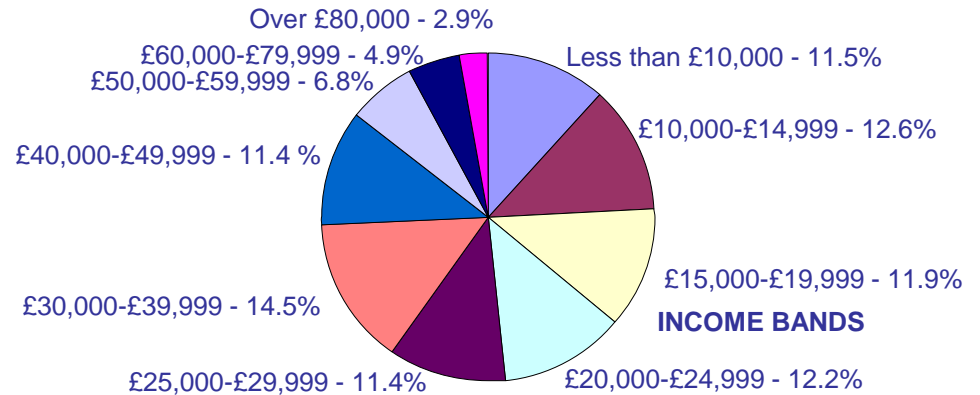
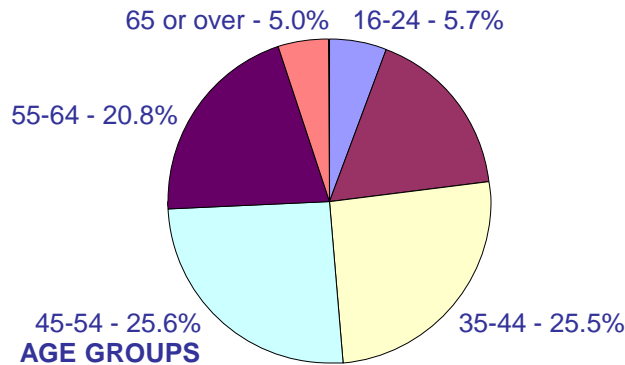


**Commercial entities, 574** - of which 247 retailers, 104 football clubs, 70 estate agents, 60 Internet, media and telecoms entities, 53 automotive manufacturers, 25 on-line price comparison providers, eight loyalty schemes, four automotive associations, two branded conglomerates (namely, Saga and Virgin) and the Post Office.

**Financial partners, 280** - 59 building societies, 55 insurers, 50 on-line aggregators and brokers, 46 banks, 40 specialised lenders and 30 friendly societies.

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# How does the sample break down? (1,800 consumers)



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# What is the structure of the report?

0. *Executive Summary*: providing a concise evaluation of the principal findings of the report.

1. *Introduction*: offering rationale for the report, a detailed description of the methodology and associated definitions.

2. *Market Overview*: a 'bird's eye' overview of affinity and partnership marketing in legal services in the UK.

3. *Consumer Research*: a unique and in-depth analysis of the distribution channels and interfaces used by consumers to acquire legal services with results split both between residential conveyancing, legal services related to personal accident or injury, legal services related to wills or inheritance tax, and other legal services, and between those using legal services in 2007 and those using legal services during the 2003-6 period, in order to provide evidence for changing behaviour over time.

4. *Trade Associations*: a detailed investigation into the current status of affinity and partnership marketing arrangements for legal services targeted at business clients and other organisations among 662 trade associations.

5. *Consumer Affinity Groups*: a detailed investigation into the current status of affinity and partnership marketing arrangements for legal services targeted at consumers among 70 estate agency chains, 88 professional associations, 46 trade unions and over 650 other actual or potential affinity partners from the commercial and not-for-profit fields.

6. *Financial Institutions*: a detailed investigation into the current status of affinity and partnership marketing arrangements for legal services targeted at consumers among 46 banks, 59 building societies, 50 on-line aggregators and brokers, and 40 specialised lenders, with a primary focus on commercial agreements for high volume residential conveyancing.

7. *Legal Provider Snapshots*: brief profiles of 145 providers of legal services found to be active in affinity and partnership marketing with disclosure of both exclusive and non-exclusive partners in this context.

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## What are the key features of the report?

Key features of this report include:

- results drawn from the largest ever survey of 1,805 actual and potential affinity and partnership marketing distributors for legal services in the UK;
- separate analyses of these results for 11 categories of trade association as well as for banks, building societies, estate agency chains, on-line aggregators and brokers, professional associations, specialised lenders, trade unions and other consumer affinity groups;
- identification of the legal services providers used by each organisation found by the research to be engaging in affinity and partnership marketing activity;
- provider market shares by number of relationships: which providers of legal services are strong in each segment of the affinity and partnership marketing channel?
- original data drawn from a specially commissioned on-line survey of 1,800 consumers investigating the ways in which they acquire legal services and how this behaviour varies according to the type of legal services that they contract.

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## How can the report be used?

You may be able to use this report and the PartnerBASE™ database that accompanies it in one or more of the following ways:

- gain access to research that chronicles the vast majority of affinity and partnership marketing opportunities in UK legal services;
- drill down into the detail lying behind affinity and partnership marketing schemes for legal services within the specific distributor categories in which you are interested;
- benchmark the competitive position of your own organisation in affinity and partnership marketing of legal services and spot opportunities for displacing rivals;
- appreciate the extent to which consumers acquire legal services through intermediaries involved in affinity and partnership marketing, as opposed to directly from the ultimate law firm, and whether this tendency appears to be increasing or decreasing over time;
- plan your future affinity and partnership marketing strategy in legal services armed with the best published market and competitor intelligence available on this subject.

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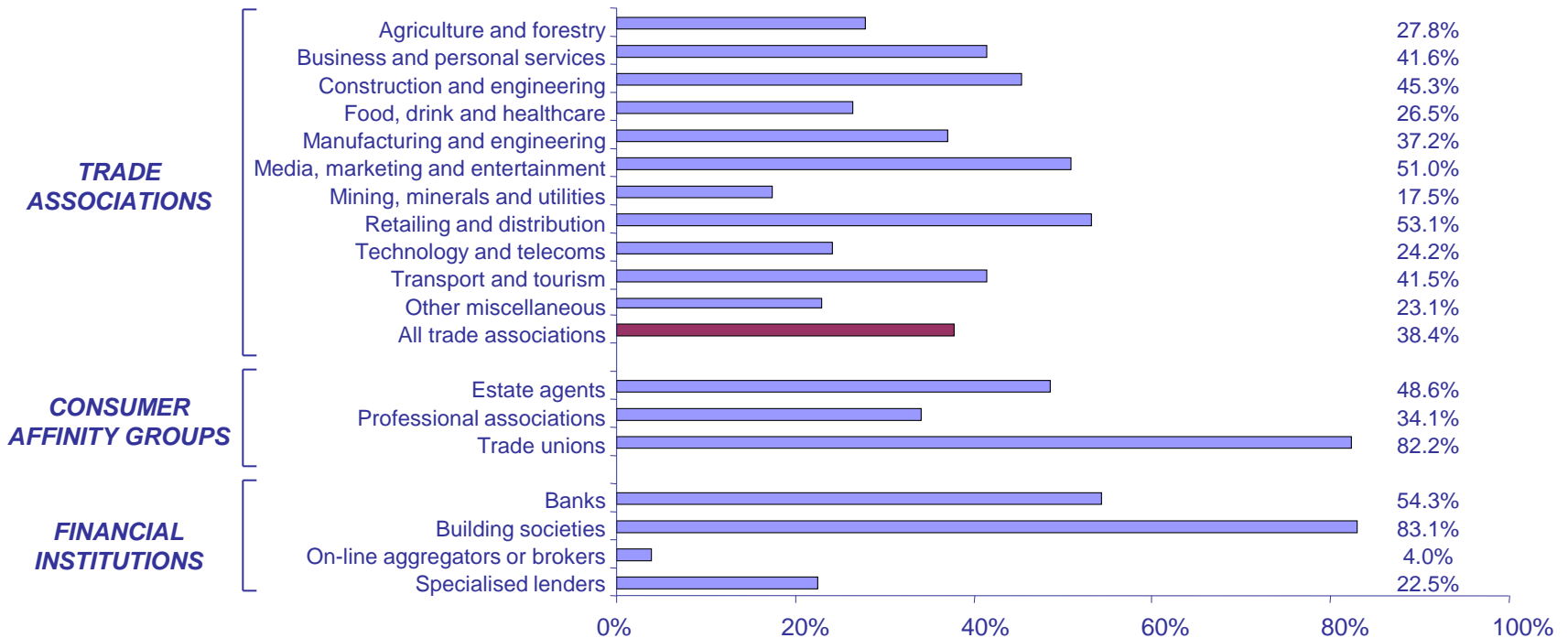
## Who can use the research?

1. *Providers of legal services*: understand the current state of affinity and partnership marketing of legal services across the full range of viable partner organisations and gain access to comprehensive information outlining the behaviour in this field of a variety of rival providers of legal services from a single source.
2. *Partner organisations for legal services*: Finaccord's research proves that competitors such as banks, building societies, estate agents, professional associations, trade unions and, even, automotive associations, media entities and retailers, are already beginning to exert an influence on the way in which consumers acquire legal services - moreover, by means of affinity relationships, trade associations can be an effective conduit for law firms to acquire self-employed individuals and small and medium-sized businesses as clients for legal services.
3. *Management consultancies*: are you either helping a provider of legal services to adjust its strategy in the wake of market deregulation or advising a partner organisation upon whether or how it can act as a distributor for legal services? This research will help you to evaluate the options in affinity and partnership marketing of legal services, saving time and effort on researching the subject yourself.

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# What are some of the key findings?

## 1. Affinity and partnership marketing initiatives for legal services are in place across a broad range of distributor categories

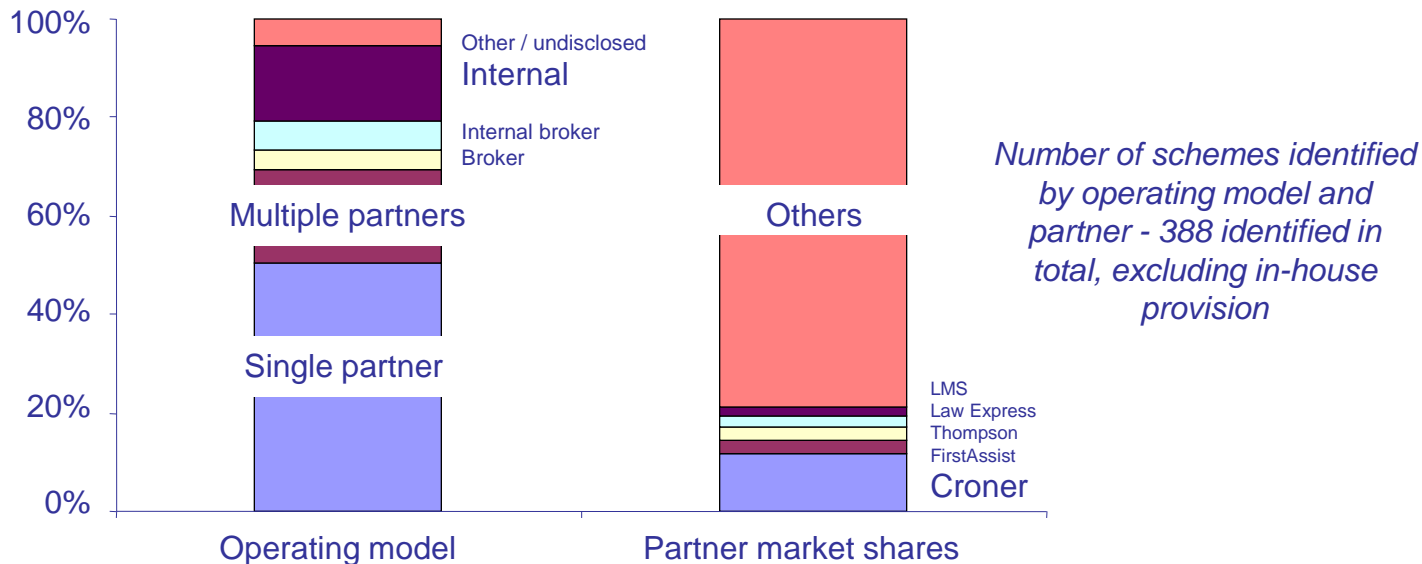


Source: Finaccord PartnerBASE

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# What are some of the key findings? (cont.)

## 2. Competition for affinity and partnership marketing agreements in legal services is highly fragmented

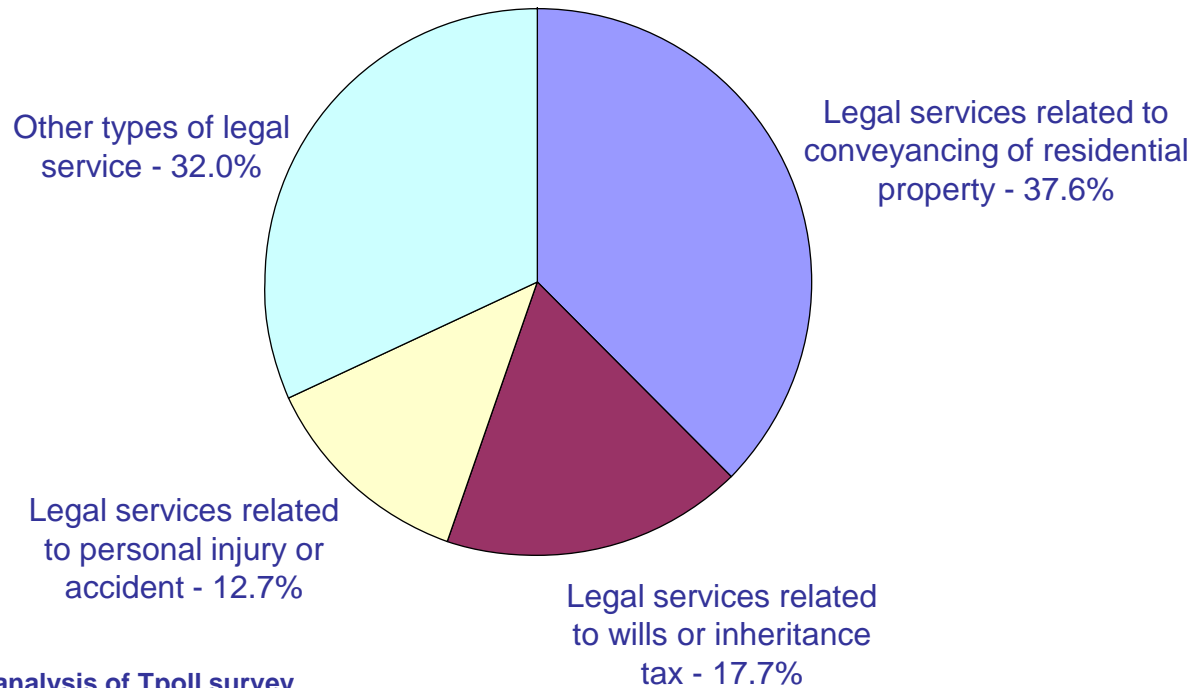


Source: Finaccord PartnerBASE

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## What are some of the key findings? (cont.)

3. Over one third of consumer usage of legal services over the 2003-7 period was attributable to conveyancing of residential property



Source: Finaccord analysis of Tpoll survey

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## What are some of the key findings? (cont.)

### 4. Key findings from the executive summary include:

- 38.4% of the 662 trade associations surveyed have reached a formal arrangement for offering legal services to their members with the rates of provision being highest in the retailing and distribution and media, marketing and entertainment industry categories;
- entities as diverse as the AA, Co-operative Financial Services, HBOS, the Labour Party, MORETH>N, the RAC, Saga, Tesco and the Working Men's Club and Institute Union have all introduced legal services on an affinity basis to their customers in recent years;
- in the light of both deregulation and changing consumer behaviour, it can be remarked that there may be scope for other consumer-facing organisations with large customer bases, advanced marketing capabilities and strong brands to initiate activity in the legal services market in future;
- given that the market for legal services acquired by consumers adds up to a sector estimated to be worth in the region of £8 billion in annual revenues and that the market for legal services bought by small businesses is thought likely to be worth between £2 billion and £3 billion, then the magnitude of the affinity and partnership marketing opportunity becomes clear.

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## What is the cost and format?

*Affinity and Partnership Marketing in UK Legal Services* is available as a standard Adobe Acrobat PDF document and / or hard copy. The PartnerBASE™ that accompanies the report at no further charge is in Microsoft Excel format. Costs for this research and related titles are as follows:

<b>REPORT</b>	<b>COST *</b>	<b>FORMAT</b>
Affinity and Partnership Marketing in UK Legal Services	£1,195	c. 150 pages
Affinity and Partnership Marketing in UK Financial Services (seven product-specific reports / databases)	£1,195	c. 120 pages
Affinity Metrics: Consumer Usage of Affinity Distribution Channels in UK Financial and Other Services	£1,495	c. 120 pages
Law Metrics: Consumer and Small Business Behaviour in the UK Legal Services Market	£1,495	c. 130 pages

*VAT at 17.5% will be added to the basic price except for where the request is for hard copy only.*

*Costs quoted are for a single site user license only.*

*For corporate user licence options, please see the next slide for further details.*

*Printing and postage costs of between £25 and £50 will be payable for each report ordered if hard copy is required.*

*Purchase of multiple reports in the Affinity and Partnership Marketing in UK Financial Services series qualifies for a discount.*

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## How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at [http://www.finaccord.com/order\\_uk\\_isr.htm](http://www.finaccord.com/order_uk_isr.htm) and fill in the online order form, clearly indicating:

- report required
- type of corporate user licence, if required \*
- billing name
- address and e-mail address
- purchase order number, if applicable

Please allow up to one working day for the delivery of electronic copy by e-mail.

\* For the **corporate user licence** please choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

*VAT at the prevailing rate will be added to the price of any corporate user licence acquired by UK-based buyers.*

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