

Aggregation Metrics:

Consumer Approaches to Online Aggregation and Broking of Financial Services in Europe

Series Prospectus

September 2008

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What is the research?

Finaccord's *Aggregation Metrics* series of reports offer detailed and unique insights into the behaviour of consumers in the context of financial services distribution with a particular focus on the prospects for online aggregation and broking. Based on a primary survey of over 5,000 consumers in France, Germany, Italy, Spain and the UK carried out between July and August 2008, the research provides robust and valuable data describing the way in which consumers' use of distribution interfaces and channels is changing when they acquire financial services.

In addition to investigating the extent to which consumers acquire banking or insurance products via the Internet at all, the research also analyses the degree to which they compare product prices and characteristics prior to buying and the number of websites they typically visit for this purpose. Moreover, for each of mortgages, personal loans, motor insurance and household insurance, it provides annual churn data and detailed distribution interface and channel analyses to illustrate the future potential of both on-line aggregation and broking, and alternative distribution systems.

Furthermore, the reports measure the consumer recognition rates achieved by leading online aggregators and brokers, and how these compare to the online brands of major direct providers, and also consider the extent to which consumers in each country are aware of and / or value the fundamental concepts of online aggregation and broking.

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Which titles are available?

The *Aggregation Metrics* series is composed of six separate publications, namely: an overview study providing comparisons for the metrics gathered across all five countries as well as the results for each country; and five country-specific titles providing the results for the investigation into the prospects for on-line aggregation and broking of banking and insurance products in each specific country. The titles in question are as follows:

Aggregation Metrics: Consumer Attitudes to Online Aggregation and Broking in Europe

Aggregation Metrics: Consumer Attitudes to Online Aggregation and Broking in France

Aggregation Metrics: Consumer Attitudes to Online Aggregation and Broking in Germany

Aggregation Metrics: Consumer Attitudes to Online Aggregation and Broking in Italy

Aggregation Metrics: Consumer Attitudes to Online Aggregation and Broking in Spain

Aggregation Metrics: Consumer Attitudes to Online Aggregation and Broking in the UK

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What is the rationale?

The rise of online aggregators and brokers ranks among the most important developments in the distribution of consumer financial services in Europe, following the growth of first telephone and then Internet sales. In the UK, leading competitors such as Confused.com and Moneysupermarket.com have risen to rank among the country's best-known financial services brands in just a few years and to a greater or lesser extent the price comparison model is being adopted by other major consumer brands such as Saga and Tesco.

Elsewhere in Europe, while the progress of aggregation has been far slower, Internet sales of financial services have now reached the level at which online aggregators and brokers first made their breakthrough in the UK. Therefore, it is apt to ask whether the concept is poised to repeat this success internationally. Will the Internet continue to usurp the dominance of distribution methods such as face-to-face and telephone sales? And will Internet distribution benefit aspiring aggregators and brokers more than direct lenders and insurers, and other competing distribution systems?

The *Aggregation Metrics* research series provides the answers to these and other key questions on the basis of its unique analyses of the behaviour of consumers in France, Germany, Italy, Spain and the UK in the context of Internet financial services generally and the distribution channels used for mortgages, personal loans, motor insurance and household insurance, in particular.

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Which direct providers and online aggregators and brokers are benchmarked?

France	Germany	Italy	Spain	UK
123credit.com	Allianz 24	6sicuro	Arpem.com	AA
Argent Magazine	Autoversicherung-Online	Agos	Asesor Seguros	comparethemarket.com
ASSU 2000	baufi24.de	BrokerOnLine	Balumba	Confused.com
Assurland	comdirect	Cofidis	Cibermultipóliza Correduría de Seguros	Direct Line
assurOne	Cortal Consors	ConTe.it	Clickseguros	Elephant.co.uk
Assurpeople	CosmosDirekt	Dialogo	Correduría de Seguros Internet Broker	esure.com
AssurProx	DAB bank	Direct Line	Crédito Azul	firstplus
Cetelem	Direct Line	European Brokers Assicurazioni	Direct Seguros	Gocompare.com
Direct Assurance	einsurance	Genertel	e-Hipotecas	icesave
discountis.com	FinanceScout 24	Genialloyd	E-Loan España	ING Direct
Empruntis	Geld.de	Linear	Fénix Directo	Kelkoo
Espace Crédit	HUK24	Miglior Mutuo	Futuro Gestión On Line	MoneyExpert
Eurofil	immokredit24.com	Moneysupermarket.it	Hipoteca Master	MoneySavingExpert.com
Finaref	ING DiBa	MutuiOnline	Línea Directa	Moneysupermarket.com
Hyperassur	norisbank	Prestiter	Mapfre	MORETH>N
Kelassur	Tarifchecks	PrestitiOnline	Openbank	smile
Médiatis	Tarifvergleich	PrestoSi	RACC	Swinton
Meilleurtaux	vergleich.de	Quattroruote	RACE	Tesco Compare
NEXX Assurances	Versicherung.net	Telemutuo	Segurosbroker	The Motley Fool
oney.fr	Zurich Connect	Zuritel	uno-e	uSwitch.com

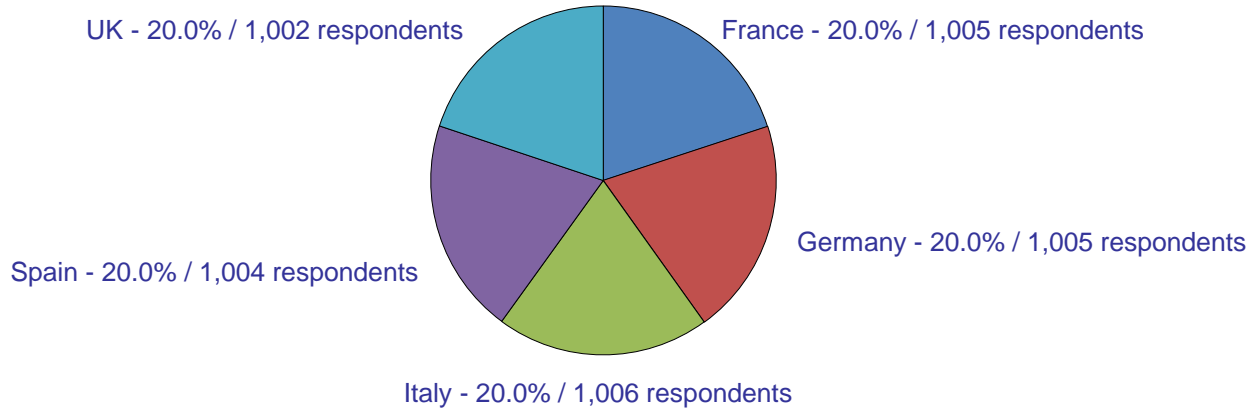
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What methodology has been used?

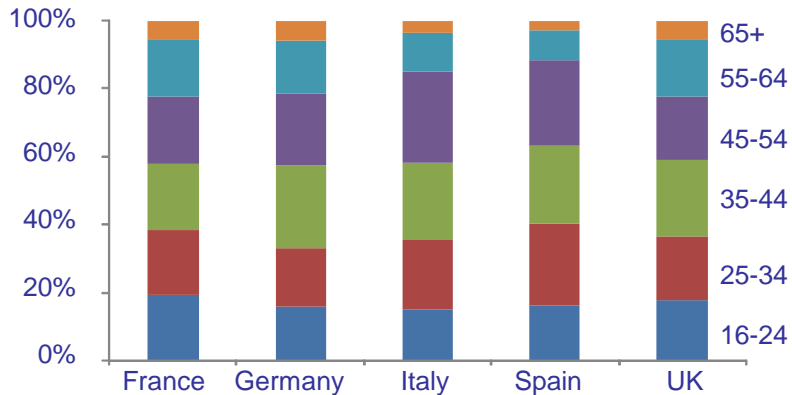
The research for this study, which covers over 5,000 consumers in five European countries, was carried out during July and August 2008 using an online research methodology. A breakdown of the eventual sample by country, age group and annual household income is presented on the following page. Additional breakdowns by geographical region of respondents in each country are provided in the reports themselves.

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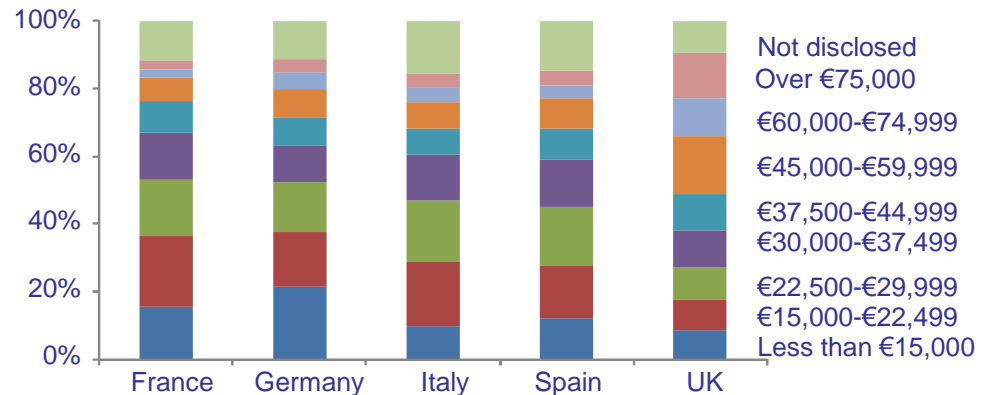
How does the consumer sample break down?



% breakdown by age group



% breakdown by annual household income



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What is the report structure (for the overview report)?

0. *Executive Summary*: providing a concise evaluation of the principal findings of the report.
1. *Introduction*: offering rationale, a detailed description of methodology and a full transcript of the questionnaire used for the research.
2. *European Overview*: this chapter provides a comparison across all five countries of the main findings from the *Aggregation Metrics* survey including: analyses of consumer propensity to purchase via the Internet; consumer propensity to research and / or take out banking and insurance products via the Internet; the number of websites visited to check for information or to get a quote prior to taking out banking or insurance products via the Internet; trends in consumer use of distribution interfaces for taking out mortgages, personal loans, motor insurance and household insurance; trends in consumer use of distribution channels for taking out mortgages, personal loans, motor insurance and household insurance; consumer recognition rates for the names and websites of 20 leading direct providers and online aggregators and brokers of financial services; and awareness and influence of online aggregation and broking concepts.
3. *France*: this chapter presents the same information as described above exclusively as it pertains to consumer attitudes to online aggregation and broking of financial services in France.
- 4 - 7: *Germany, Italy, Spain and UK (all contents as for France)*.

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What are the key features of the research?

Key features of the reports in this series include:

- insight into the propensity of consumers in each of France, Germany, Italy, Spain and the UK to buy goods and services online, including segmentation of customers for online financial services;
- analysis of how consumers use the Internet for financial services including how they use it for research as well as for buying online, how many websites they visit before taking out banking or insurance products, and whether their choice of website is influenced by its status as the online shop window of a bank or insurance company (ie. the ultimate provider), an aggregator or a broker;
- brand recognition of 20 financial websites in each country including those of the leading direct providers of banking and insurance products as well as those of the most prominent aggregators and / or brokers;
- benchmarks for the distribution of four key products in each country (mortgages, personal loans, motor insurance and household insurance), measuring the segmentation of sales by distribution channel and by interface, and how this is changing over time;
- overall summary of the apparent attractiveness of markets for online aggregation and broking, comparing sales by brokers against sales via the Internet and their rates of change in each country.

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How can the research be used?

You may be able to use the reports in this series in one or more of the following ways:

- develop tailored marketing strategies for different consumer demographics, based on an understanding of which segments are most likely to buy online and which are most likely to research online before then buying through another channel;
- evaluate the extent to which French, German, Italian, Spanish and UK consumers compare prices and product characteristics in the context of banking and insurance and whether they are aware of and / or value the concept of online aggregation and broking;
- benchmark the degree to which the leading online aggregators and / or brokers of financial services in each country have been able to achieve significant recognition rates among consumers;
- understand distribution channel dynamics in each market, where change is fast or slow, and whether consumers are moving towards on-line aggregation and broking, in particular, and alternative distribution systems, in general;
- appreciate the potential for new distribution options, such as online aggregation and broking, to develop in France, Germany, Italy and Spain to the extent that they have already done so in the UK.

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Who can use the research?

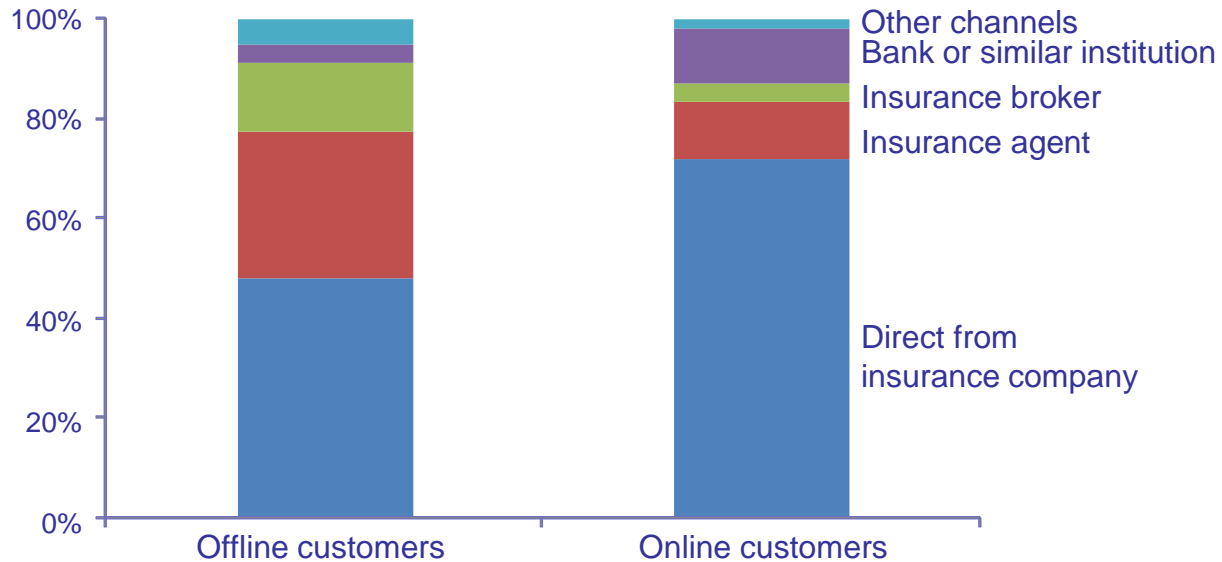
1. *Banks and other lending institutions:* online aggregators and brokers have the potential to be particularly influential in the distribution of lending products, such as mortgages and personal loans, but will consumers use them in preference to direct contact with the lending institutions themselves?
2. *Insurance companies:* the results of the *Aggregation Metrics* research indicate that Internet sales of motor and household insurance are growing rapidly across all countries, a finding that has fundamental implications for the future distribution strategies of insurance underwriters;
3. *Online aggregators and brokers:* if your company is already active in online aggregation or broking or is considering entering the sector in future, the research in the *Aggregation Metrics* series offers a focused analysis of your actual or prospective market;
4. *Management consultancies:* are you helping a bank or insurance company to combat the potential threat of online aggregators and brokers in France, Germany, Italy, Spain or the UK, or are you assisting a firm that is interested in acting an online aggregator or broker in one or more of these territories? If so, this research will provide you with unique insights into consumer behaviour in these markets.

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What are some of the key findings?

1. Direct sales by the ultimate insurance companies are winning the battle for online customers of motor insurance in Country X

% utilisation of distribution channels, H2 2007 / H1 2008



Note - the identity of Country X is revealed in the overview and relevant country-specific report

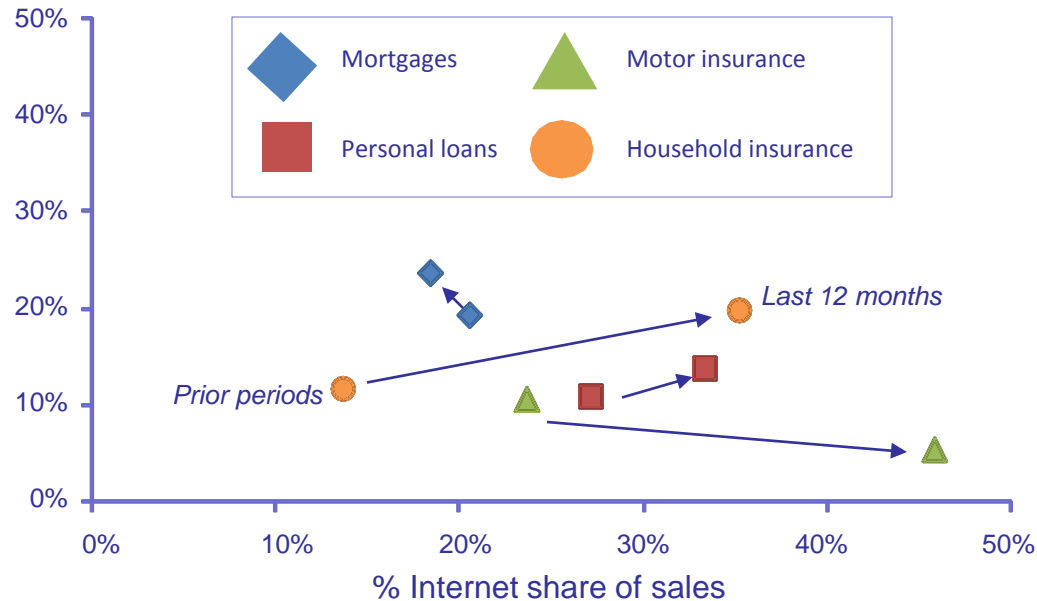
Source: Finaccord analysis of Research Now survey

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

2. Prospects for online aggregation and broking in Country Y are driven by the changing distribution shares of both the Internet and of aggregators and brokers

% aggregator / broker share of sales



Note - the identity of Country Y is revealed in the overview and relevant country-specific report

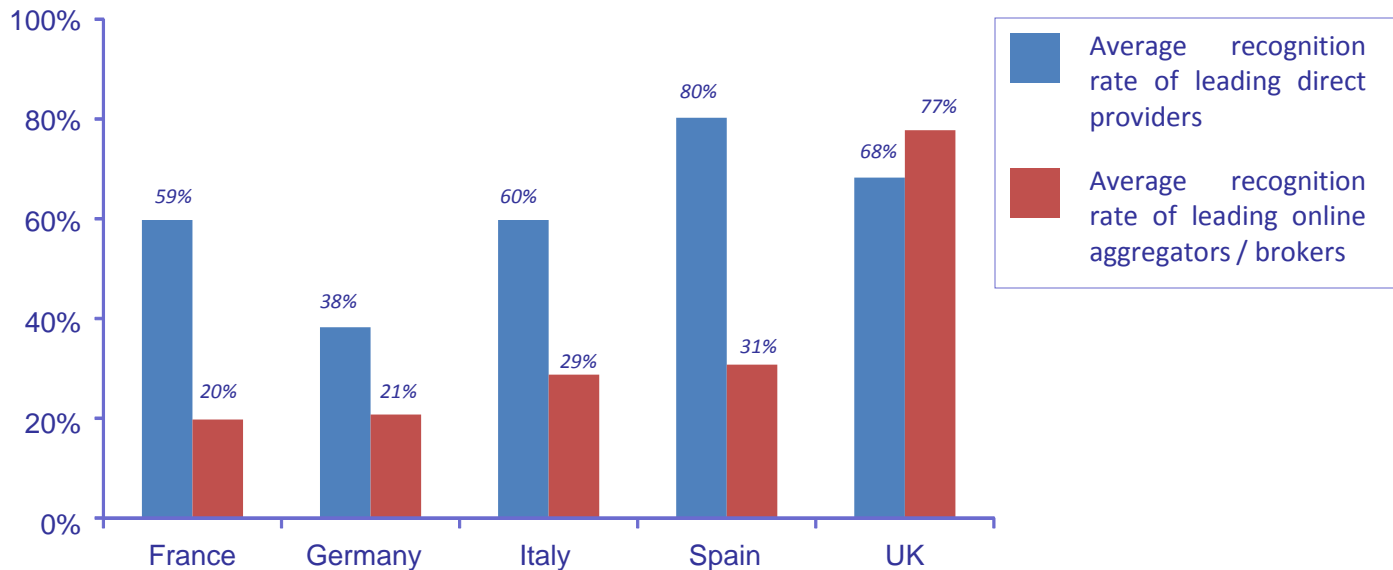
Source: Finaccord analysis of Research Now survey

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

3. The peer group of leading online aggregators and brokers in the UK achieve average consumer recognition rates far in excess of their counterparts in France, Germany, Italy and Spain

% consumers who are very aware or quite aware



Note - the peer group of leading providers is defined by the competitors listed on slide 6 of this prospectus

Source: Finaccord analysis of Research Now survey

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

Key findings from executive summaries in this series include:

- most online customers visit between three and five websites before buying a financial product in all five of the countries considered which means that there is room only for a finite number of competitors, including aggregators and brokers, to succeed in online distribution;
- motor insurance is the best-selling online financial product as customers switch provider frequently and look for the best price across the market - indeed, online distribution has reached 70% of sales to new policyholders and switchers in the UK, and is also rising fast in Germany;
- face-to-face transactions account for the majority of sales in Italy for each of mortgages, personal loans, motor insurance and household insurance, although their share of business declined sharply during the second half of 2007 and the first half of 2008 as a growing proportion of customers migrated to remote distribution interfaces;
- most Spanish consumers do not appreciate the difference between aggregators and brokers, a finding which is due to the fact that most online intermediaries of banking and insurance products in Spain are much closer to panel-based brokers rather than genuine aggregators.

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What is the cost and format?

All of the reports in the *Aggregation Metrics* series are available as standard Adobe Acrobat PDF documents and / or hard copies, and costs are as follows:

REPORT	COST *	FORMAT
Aggregation Metrics: Consumer Attitudes to Online Aggregation / Broking of Financial Services in Europe	£2,995	c. 370 pages
Aggregation Metrics: Consumer Attitudes to Online Aggregation / Broking of Financial Services in France	£995	c. 80 pages
Aggregation Metrics: Consumer Attitudes to Online Aggregation / Broking of Financial Services in Germany	£995	c. 80 pages
Aggregation Metrics: Consumer Attitudes to Online Aggregation / Broking of Financial Services in Italy	£995	c. 80 pages
Aggregation Metrics: Consumer Attitudes to Online Aggregation / Broking of Financial Services in Spain	£995	c. 80 pages
Aggregation Metrics: Consumer Attitudes to Online Aggregation / Broking of Financial Services in the UK	£995	c. 80 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 up to UK£50 per title will be payable if hard copy is required.

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How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at www.finaccord.com/order_eu_cfsr_am.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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