

Commercial Affinity Groups: Marketing Financial Services through Professional and Trade Associations in Germany

Report Prospectus

January 2009

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Prospectus contents

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What is the research?

Finaccord's report titled *Commercial Affinity Groups: Marketing Financial Services through Professional and Trade Associations in Germany* is a market research report investigating the opportunities for marketing banking and insurance services through professional and trade associations in Germany. The study is based on a survey of over 730 such associations in Germany in 12 separate industry categories, ranging from highly specialised trade bodies to larger organisations such as the Bundesverband Mittelständische Wirtschaft, and analyses their current and future intended provision to members of financial services in five broad sectors, namely: business banking services; business insurance; accident and health insurance; life insurance and pensions; and personal general insurance.

Moreover, the PartnerBASE™ database that accompanies the report details each of the schemes for financial services traced by Finaccord identifying the operating models and partners used in each instance. With a significant number of professional and trade associations seeking to add value for their members by organising new schemes for affinity financial services on their behalf in future, this channel seems likely to deliver interesting growth prospects for both banking and insurance institutions. Therefore, the report and database together will provide you with the definitive guide to current and future opportunities for marketing financial services through professional and trade associations in Germany.

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What is the rationale?

The concept of marketing financial services through professional and trade associations is not new. Indeed, many of the schemes identified in this study have been in existence for a number of years by virtue of the obvious logic for an association to leverage the collective bargaining power of its members by organising services on their behalf. However, this research offers the findings of a comprehensive survey that has been carried out across all significant professional and trade associations in Germany with a view to understanding which financial services they offer and with which financial institutions and intermediaries they have partnered for this purpose. As such, it constitutes a new and detailed analysis of an established means of marketing financial services, providing unique insight into this important distribution channel.

Moreover, with reference to similar research carried out by Finaccord in 2008, it is interesting to note that the rate of utilisation of commercial affinity groups in Germany is less developed in this country than it is in the UK. For example, while 22.4% of professional and trade associations in Germany were found to have established an affinity scheme for business insurance at the time of the research, the equivalent percentage for the UK is substantially higher at 34.7%.

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What methodology has been used?

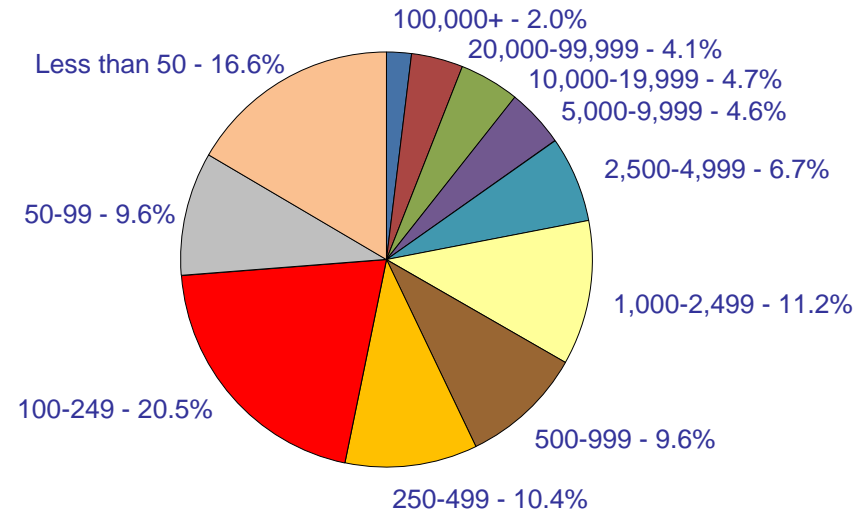
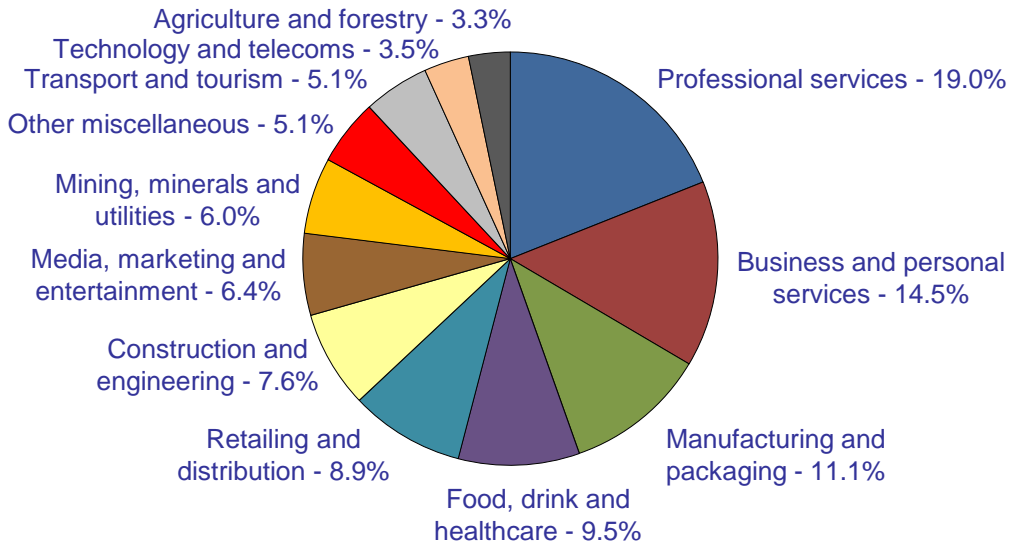
Finaccord's survey of professional and trade associations in Germany was carried out between October and December 2008. The research embraces the following information:

- whether accredited banking or insurance services are offered by professional and trade associations to their members;
- if so, which specific types of banking or insurance service?
- if so, what is the operating model used (i.e. a single partner, multiple partners, a broker or a captive entity)?
- if so, what are the identities of the partners used?

The results of this research provide unique insight into the provision to members on the part of professional and trade associations of business banking services, business insurance services, accident and health insurance, life insurance and pensions, and personal general insurance. As such, this study constitutes the most thorough and comprehensive research undertaken into the marketing of financial services through professional and trade associations in Germany.

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How do professional and trade associations surveyed break down?



Finaccord’s universe of over 730 professional and trade associations breaks down by industry category and number of members, if disclosed, as illustrated in the graphics above. For a full list of the associations contacted for the research and included in PartnerBASE™, please contact Finaccord.

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What is the report structure?

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

1. *Introduction*: offering rationale and a detailed description of methodology.

2. *Market Overview*: including an overview of current provision of financial services by professional and trade associations for each of five broad sectors: business banking services; business insurance; accident and health insurance; life insurance and pensions; and personal general insurance. Thereafter, for each of the same broad sectors, the chapter compares penetration rates among professional and trade associations for each industry category and offers an aggregate analysis of operating models used and partner market shares.

3. *Industry categories*: for each of the 12 industry categories considered, beginning with the agriculture and forestry grouping, this chapter provides a systematic analysis of penetration rates, operating models and partner market shares for each of the same five broad sectors.

Other industry categories are: business and personal services; construction and engineering; food, drink and healthcare; manufacturing and packaging; marketing, media and entertainment; mining, minerals and utilities; professional services; retailing and distribution; technology and telecoms; transport and tourism; and other miscellaneous.

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What are the key features of the research?

Key features of this report include:

- segmentation of results for professional and trade associations across 12 industry categories including business and personal services, construction and engineering, manufacturing and packaging, retailing and distribution, technology and telecoms, and transport and tourism;
- analysis of results for each of five broad sectors of financial services: business banking services; business insurance; accident and health insurance; life insurance and pensions; and personal general insurance;
- inclusion with the published report of an *Excel* PartnerBASE providing details of the current arrangements for offering financial services of over 730 professional and trade associations covered by the survey as well as the number of members belonging to each trade body;
- comparison of the results for Germany with the equivalent results of research investigating the use of professional and trade associations to market financial services in the UK, published most recently in January 2008.

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How can the research be used?

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

- appreciate how the attitudes of professional and trade associations towards arranging banking or insurance services on behalf of their members vary substantially from one industry category to another;
- understand for over 730 professional and trade associations included in the research the extent and nature of their current involvement in offering financial services to corporate and individual members and their employees;
- highlight potential marketing and distribution opportunities for your own organisation among professional and trade associations and monitor the activity of your competitors in this field;
- plan for the future secure in the knowledge that you have access to the most detailed source of published market intelligence about the professional and trade association channel in Germany that is currently available.

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Who can use the research?

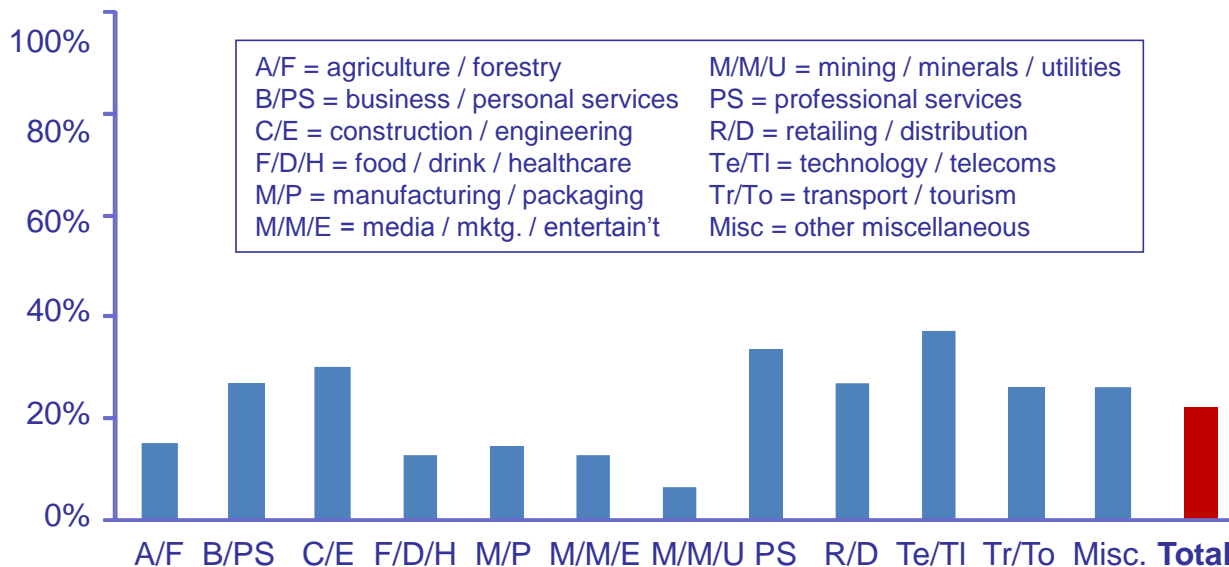
1. *Banking institutions*: this research will show you which banks collaborate with which professional and trade associations for the provision of a variety of business banking services, ranging from business finance and leasing services to fully-fledged business banking packages;
2. *Insurance brokers*: brokers account for a significant proportion of the nearly 450 insurance schemes organised in conjunction with professional and trade associations of which well over a third are for commercial insurance affinity programs - what are the implications for your firm?
3. *Insurance underwriters*: gain the fullest possible understanding of opportunities for winning business in commercial insurance, accident and health insurance, life insurance and pensions and personal general insurance in the professional and trade association sector;
4. *Management consultancies*: are you helping a banking or insurance organisation with its distribution strategy or evaluating how it can develop its business in the professional or trade association channel? Understand the current status of marketing financial services through trade bodies in Germany, saving time and effort on researching the subject yourself.

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What are some of the key findings?

1. Affinity programs for commercial insurance are most widespread among associations in the technology and telecoms industry category

% of associations offering business insurance services to members



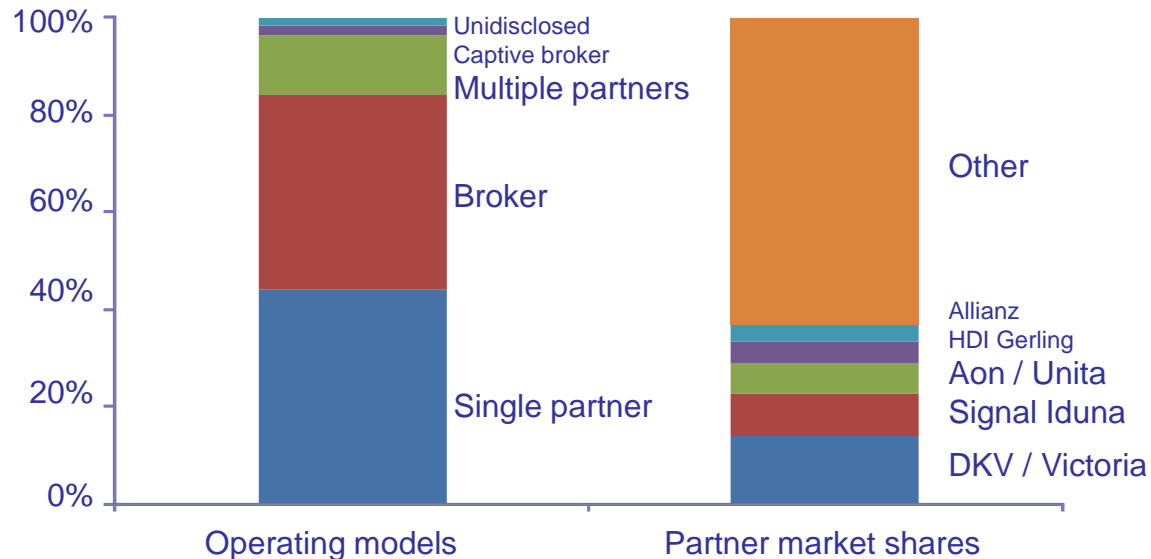
Source: Finaccord PartnerBASE

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

2. DKV / Victoria, Signal Iduna and Aon / Unita lay claim to the highest number of relationships for accident and health insurance

% segmentation of all schemes for accident and health insurance identified by operating model and partner



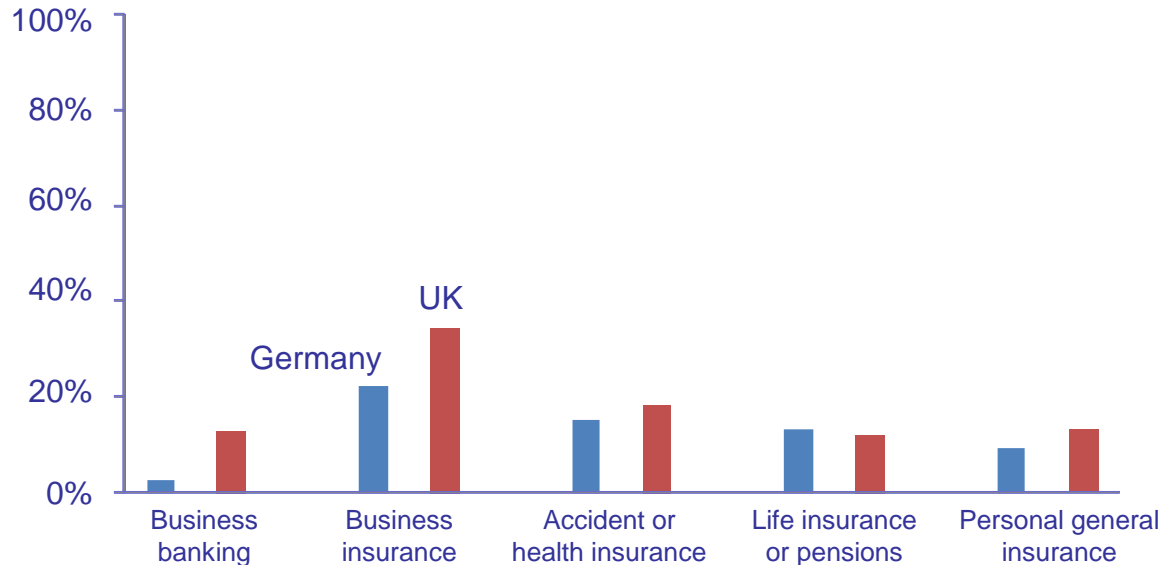
Source: Finaccord PartnerBASE

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

3. Usage of commercial affinity groups to market financial services is generally less developed in Germany than it is in the UK

% of professional and trade associations offering financial services to members



Source: Finaccord PartnerBASE

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

4. Key findings from the executive summary include:

- seven providers were identified as having at least five exclusive relationships for business insurance with professional and trade associations, namely: Allianz, Aon / Unita, Gothaer, HDI Gerling, R+V, Signal Iduna and Zurich;
- 13.4% of professional and trade bodies surveyed have made an arrangement for providing life insurance or pensions to members with associations in the miscellaneous category showing the highest rate of penetration at 29.0% of entities in this sector;
- commercial affinity schemes for business banking services are much less widespread in Germany than in the UK mainly as a result of the virtual absence of agreements for the provision of payment card transaction processing services on favourable terms to commercial affinity group members;
- the tough economic environment that is likely to persist in Germany during 2009 and, perhaps, 2010, increases the rationale for commercial affinity programs for financial services with professional and trade associations as both the individual and corporate members of such organisations will be keener than ever to achieve cost savings.

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What is the cost and format?

Commercial Affinity Groups: Marketing Financial Services through Professional and Trade Associations in Germany is available as a standard *Adobe Acrobat PDF* document and / or hard copy. The *PartnerBASE™* that accompanies it at no further charge is in *Microsoft Excel* format. Costs for this research and other related titles are as follows:

REPORT	COST *	FORMAT
Commercial Affinity Groups: Marketing F.S. through Professional and Trade Associations in Germany	€1,495	c. 130 pages
All reports in the Affinity and Partnership Marketing series for Germany *	€1,495	c. 100 pages

* For multiple purchases of reports in the *Affinity and Partnership Marketing* series for Germany, a discount scale is available. Please see the relevant series prospectus or contact Finaccord for further details.

VAT at 15.0% will be added to the basic price for UK customers 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 €30 will be payable for each report ordered 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_de_apmr.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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