

PRESS RELEASE

Monday 23rd February 2009

Partner Metrics: Consumer Attitudes Towards and Willingness to Use Alternative Providers in Financial Services in Germany

Opportunities for New Distribution Partnerships for Banks and Insurance Firms

Introduction

The information contained in the following press release is drawn from Finaccord's recently completed market research study titled *Partner Metrics: Consumer Attitudes Towards and Willingness to Use Alternative Providers in Financial Services in Germany*. The research for the study was carried out using the Internet consumer panel of mo'web research with completed surveys having been filled in and submitted on-line by 3,000 consumers.

The fundamental rationale for the publishing of the report is the growing importance of partnership marketing of financial services in Germany. Corporate partners can include bodies as diverse as automotive associations, automotive manufacturers, energy companies, football clubs, Internet access and telecoms providers, media entities, retailers and travel firms.

However, understanding the actual and potential impact of any given entity on a comparative basis is hard as it depends not only on the provider's overall numbers of customers but, also, upon other variables. These include the depth and frequency of the relationship between the organisation and its customers, the degree of trust invested in the entities by consumers and the willingness of consumers to use them to take out financial services.

Hence, there remain many unanswered questions that this report seeks to address.

For example, what evidence is there to suggest that retailers such as Aldi, C&A, H&M, IKEA or Lidl could expand profitably into banking or insurance? To what extent can leading travel firms be used to distribute financial services other than travel insurance? Do energy companies or media entities constitute a valid partner for any type of financial product? And which specific organisations already promoting financial services appear to have achieved the highest cross-selling rates thus far?

Which specific organisations are covered by the research?

With regards to the choice of the 80 organisations covered by the *Partner Metrics* report, listed overleaf, the aim has been to focus on major entities that either already offer one or more of the financial services in question or that could potentially do so either on account of the size of their customer base or the fit with their core proposition. As such, it covers a range of institutions including automotive associations, automotive manufacturers, energy companies, football clubs, Internet access and telecoms providers, media entities, retailers and travel firms. It also evaluates a number of fairly unique organisations including Aldi, Amazon, American Express, Bayern Munich, DER CLUB Bertelsmann, Deutscher Caritas Verband, E.ON, eBay, Google, Hornbach, Karstadt, Mercedes Benz, OTTO, Ryanair and Yahoo!.

List of 80 major organisations evaluated by the research

ADAC	Kaiser's Tengelmann
Air Berlin	Karstadt
Aldi	Kaufhof
Amazon	Lidl
American Express	L'Tur
Apple	Lufthansa
Aral	Media Markt
Audi	Mercedes Benz
AvD	MTV
Bayern Munich	Neckermann
Bild Zeitung	O2
BMW	Opel
Borussia Dortmund	OTTO
Breuninger	PAYBACK
C&A	Peek & Cloppenburg
Coop	Penny
DER CLUB Bertelsmann	Porsche
Deutsche Post	Quelle
Deutsche Telekom	Real
Deutscher Caritas Verband	Renault
Die Bahn	REWE
DM Drogeriemarkt	Rossmann
Douglas	RWE
E.ON	Ryanair
eBay	Saturn
EDEKA	Schlecker
E-Plus	Shell
Esso	Sony
Facebook	Steigenberger Hotels
Ford	Stern
Formula 1	Tchibo
Frankfurter Allgemeine	Thomas Cook
Google	T-mobile
guentiger.de	Toom
H&M	Toyota
Hagebaumarkt	TUI
HappyDigits	Vodafone
Hornbach	Volkswagen
Ihr Platz	Welt
IKEA	Yahoo!

What are some of the findings of the research?

The products covered in the report include motor insurance, household insurance, travel insurance, accident and health insurance, life insurance, credit cards, mortgages, consumer finance and personal loans and savings accounts. Some of the main findings of the research are listed below:

- While ADAC, the largest German automotive association, is the most trusted of all organisations included in the survey, it is closely followed by Amazon and Aldi. Indeed, 86.3% of respondents indicated that they regard Amazon as either very or quite trustworthy while the figures for Aldi and ADAC are even higher at 88.2% and 88.9% respectively. More comprehensive information about the most and least trusted organisations among the 80 profiled can be seen in the table below.

Partner organisation	I consider it very trustworthy	I consider it quite trustworthy	I consider it quite untrustworthy	I consider it very untrustworthy	I do not know / have no opinion	Score	Rank
ADAC	54.62%	34.34%	3.17%	2.07%	5.79%	1.89	1
Amazon	40.93%	45.43%	5.34%	0.42%	7.88%	1.62	2
Aldi	33.47%	54.70%	6.45%	1.34%	4.03%	1.45	3
Audi	32.40%	46.19%	6.30%	1.03%	14.08%	1.34	4
Google	32.84%	49.66%	11.57%	1.21%	4.71%	1.33	5
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Facebook	6.19%	28.35%	21.13%	8.76%	35.57%	-0.01	76
Ryanair	5.92%	35.69%	29.77%	8.22%	20.39%	-0.01	77
Die Bahn	9.90%	36.30%	31.85%	12.48%	9.47%	-0.03	78
E.ON	7.04%	31.52%	31.38%	14.37%	15.69%	-0.22	79
Bild Zeitung	6.42%	26.96%	28.67%	31.38%	6.56%	-0.77	80

- The apparently high level of confidence that Aldi inspires in most German consumers combined with the fact that it has the second-highest number of actual customers behind Deutsche Post means that Aldi could potentially expand its operations into a variety of consumer financial services. For example, the research shows that as many as 5.6 million German consumers would definitely be interested in acquiring motor insurance through Aldi.
- While Aldi does not offer motor insurance at the moment, a few other German retailers have introduced this product although the prospects for doing so are invariably not as good as for Aldi. Indeed, despite the fact that C&A markets motor insurance, even its own customers do not show great enthusiasm to purchase through this organisation as no more than 3.8% indicated that they would definitely be interested.
- Another striking finding of the research is that a very large number of Porsche customers would be interested in purchasing financial products through the car manufacturer. This even includes household insurance, for which a combined 51.6% of its current customers indicated that they would be either be definitely or possibly interested in purchasing the product through Porsche if the company decided to offer it.
- The survey also found that retailers have probably not yet explored their full potential as providers of personal loans and consumer finance. Indeed, in terms of their implied number of actual and potential customers for personal loans and consumer finance no less than seven retail brands were found among the top ten of the organisations included in the research in terms of their implied number of actual or viable customers for this type of financial service, namely Quelle, Aldi, Otto, Tchibo, Amazon, Karstadt and MediaMarkt.
- However, while their potential to offer personal loans and consumer finance is clear, the success of individual retailers in offering co-branded credit cards depends very much on the brand and concept in question. Thus, the research indicates that while the credit card offered by Amazon is a major success ranking the online retailer fourth overall in terms of its actual and potential usage by all German consumers, Lidl's score is much less impressive placing the discounter 46th out of all the 80 organisations included in the survey and behind many organisations that have not yet introduced a co-branded card.

“Some of the organisations which already act as distribution channels across a number of financial services and that generally achieve strong scores both across all consumers and their own customers are American Express, Audi, BMW, Karstadt, Mercedes Benz and, most convincingly of all, ADAC. Meanwhile, organisations with either no or very limited involvement in branded financial services but for which the results suggest that expansion could be very feasible are Aldi, Amazon and, more arguably, Deutscher Caritas Verband, Google, Lidl and REWE,” commented Bernd Bergmann, a consultant at Finaccord.

Partner Metrics: Consumer Attitudes Towards and Willingness to Use Alternative Providers in Financial Services in Germany was published in February 2009 and is available from Finaccord at a cost of €1995.

About Finaccord

Established in 2002 by a team of professionals with an extensive background in financial services, Finaccord is a market research, publishing and consulting company specialising in financial services. It provides its clients with insight into and information about major issues in financial services in Germany, the UK, other European geographies and further afield, with a particular focus on marketing and distribution topics such as affinity marketing, bancassurance and strategic alliances. It bases its published information, research projects and consultancy assignments on robust data and knowledge rather than supposition and theory, and by virtue of its international network of consultants, it is able to deliver information quickly and accurately across a range of countries worldwide.

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