



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

Report Prospectus

January 2007

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Prospectus contents

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What is the research?

Finaccord's report titled *Partner Metrics: Consumer Attitudes Towards and Willingness to Use Alternative Providers in UK Financial Services* is a unique, primary analysis of the actual and potential impact of 80 key non-financial partner organisations across nine separate banking and insurance products: motor insurance, household insurance, travel insurance, accident and health insurance, life insurance, credit cards, mortgages, personal loans and savings accounts.

In addition to presenting data and rankings for the percentage of respondents that have taken out each type of financial service through each organisation, the research also defines the proportion that would be either definitely or possibly interested in doing so, or probably or definitely not interested in doing so, thereby facilitating the generation of a series of rankings for each financial product that illustrate the actual and / or potential effectiveness of all 80 entities considered.

Moreover, in order to deliver extra value, these results are presented separately for both the full universe of respondents and for individuals identifying themselves as actual customers of each of the 80 organisations. Further insight comes in the form of rankings by number of customers, frequency of contact with customers and brand trustworthiness as judged, once again, both by all consumers and the current customers of each organisation.

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What is the rationale?

The fundamental rationale for the publishing of this report titled *Partner Metrics: Consumer Attitudes Towards and Willingness to Use Alternative Providers in UK Financial Services* is the continuing importance of partnership marketing of financial services in the UK. Indeed, among the 80 entities considered in this study, 39 were offering motor insurance at the time of the research with 33 active in household insurance and 46 in credit cards although only six in mortgages.

However, understanding the actual and potential impact of any given organisation 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 organisations 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, B&Q, Boots, IKEA, Morrison's or Next 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?

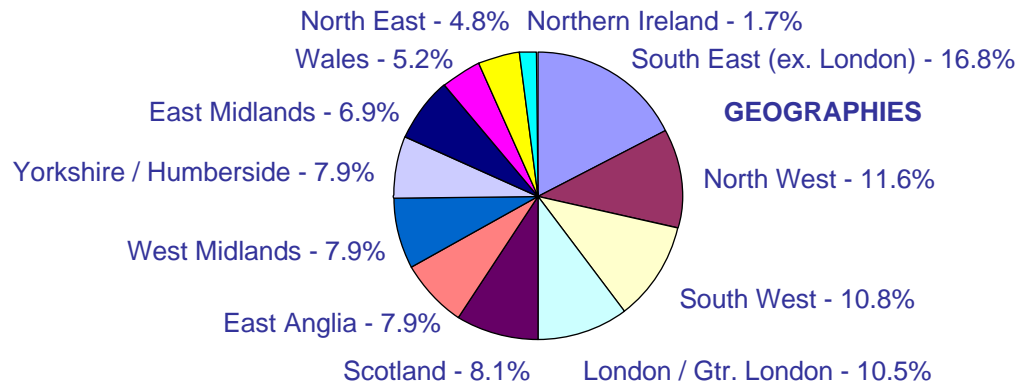
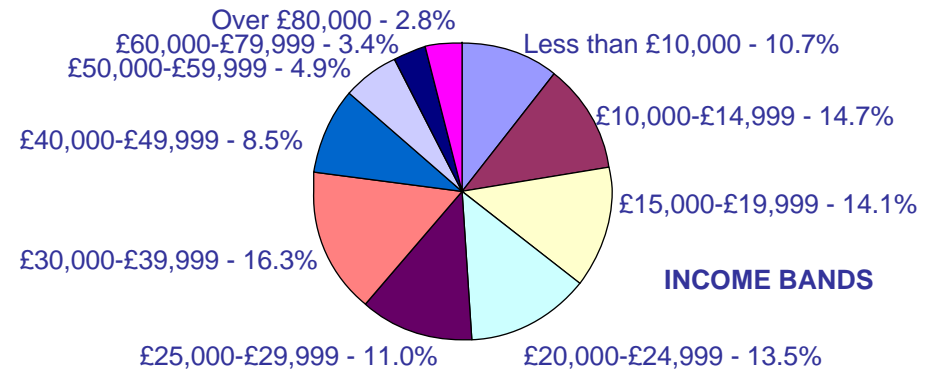
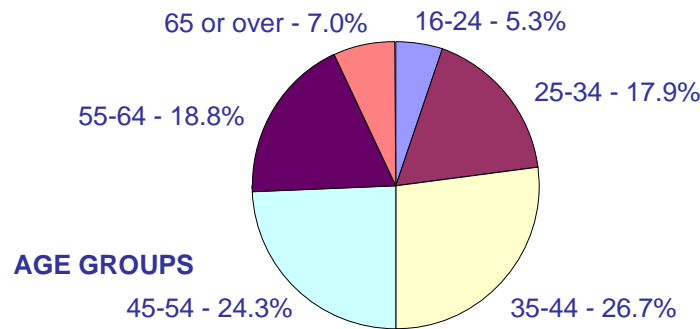
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What methodology has been used?

The research for this study was carried out during November and December 2006 using the Internet consumer panel of IMRS. In total, completed surveys were filled in and submitted on-line by 5,530 consumers breaking down by age group, household income band and geographical location as illustrated in the graphic overleaf.

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How does the consumer sample break down?



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Which actual and potential alternative providers of financial services have been evaluated?

AA	Daily Mail / Sunday Mail	Lidl	Ryanair
Age Concern	Daily Telegraph / Sunday Telegraph	Littlewoods	Saga
Aldi	Debenhams	Manchester United F.C.	Sainsbury's
Amazon	E.ON	Marks & Spencer	Shell
American Express	Easygroup	Morrison's	Sky
AOL	eBay	MyTravel	Somerfield
Argos	English Heritage	National Trust / National Trust for Scotland	Sun / News of the World
ASDA	Esso	Nectar	Superdrug
Auto Trader	Expedia	Netto	Tesco
B&Q	First Choice Holidays	Next	Texaco
BMW	Ford	npower	Thomas Cook
Body Shop	Google	O2	Thomson Holidays
bonmarché	Halfords	Orange	Times / Sunday Times
Boots	Homebase	Peugeot	Toyota
Bounty	Honda	Post Office	Vauxhall
BP	IKEA	Powergen	Virgin
British Gas	Jet	Primark	Vodafone
BT	John Lewis	QVC	Volkswagen
Chelsea F.C.	Kuoni Travel	RAC	Yahoo!
csma	Kwik-Fit	Renault	Yell

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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. Partner Analysis: this chapter encompasses all of the unique data and rankings generated from the survey describing the actual and potential effectiveness of the 80 organisations as partners for the distribution of motor insurance, household insurance, travel insurance, accident and health insurance, life insurance, credit cards, mortgages, personal loans and savings accounts. It also reveals the implied number of customers possessed by each entity, the split of those customers by frequency of relationship and the trust invested by consumers in the brand of each organisation. Moreover, a series of separate tables show the implied number of actual and / or viable customers for each of the nine financial products reviewed for each of the 80 organisations. In addition, these main results are preceded by background data from prior Finaccord research into affinity and partnership marketing of financial services in the UK which help to place them fully into context.

3. Partner Profiles: delivering consolidated snapshots showing all of the survey results and rankings on a single page for each of the 80 organisations (as illustrated on page 14 of this prospectus).

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What are the key features of the research?

Key features of this report include:

- unique data describing the number of customers of 80 major organisations and their segmentation between on-going customers, regular customers and occasional customers;
- rankings by consumer trust for the same organisations with separate values provided for the trust of all respondents and the trust of individuals identifying themselves as actual customers;
- evaluation of the actual and potential utilisation of the 80 organisations both by the total universe of consumers and actual customers for nine types of banking and insurance product;
- computation of the implied number of actual and / or viable customers for each of the same financial products for all 80 organisations;
- snapshots for the organisations providing an at-a-glance guide to scores and rankings for consumer awareness and contact, brand trustworthiness and consumer willingness to use for the nine financial products considered.

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How can the research be used?

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

- appreciate both the size of the total customer base of the alternative providers of financial services covered by the research and, critically, how this breaks down by frequency of contact;
- understand the extent to which the brands of the same organisations are trusted by consumers and how this differs between actual customers and non-customers;
- assess the prospects for distributing motor insurance, household insurance, travel insurance, accident and health insurance, life insurance, credit cards, mortgages, personal loans and credit cards through the universe of alternative providers reviewed;
- compare the apparent size of the partnership opportunity on a like-for-like basis both across the nine financial services considered and the 80 organisations evaluated - how do the other 79 entities stack up against Tesco, which is usually considered a market leader in this field?
- gain access to unique partner profiles which consolidate data describing their actual and potential effectiveness as distributors of banking and insurance products.

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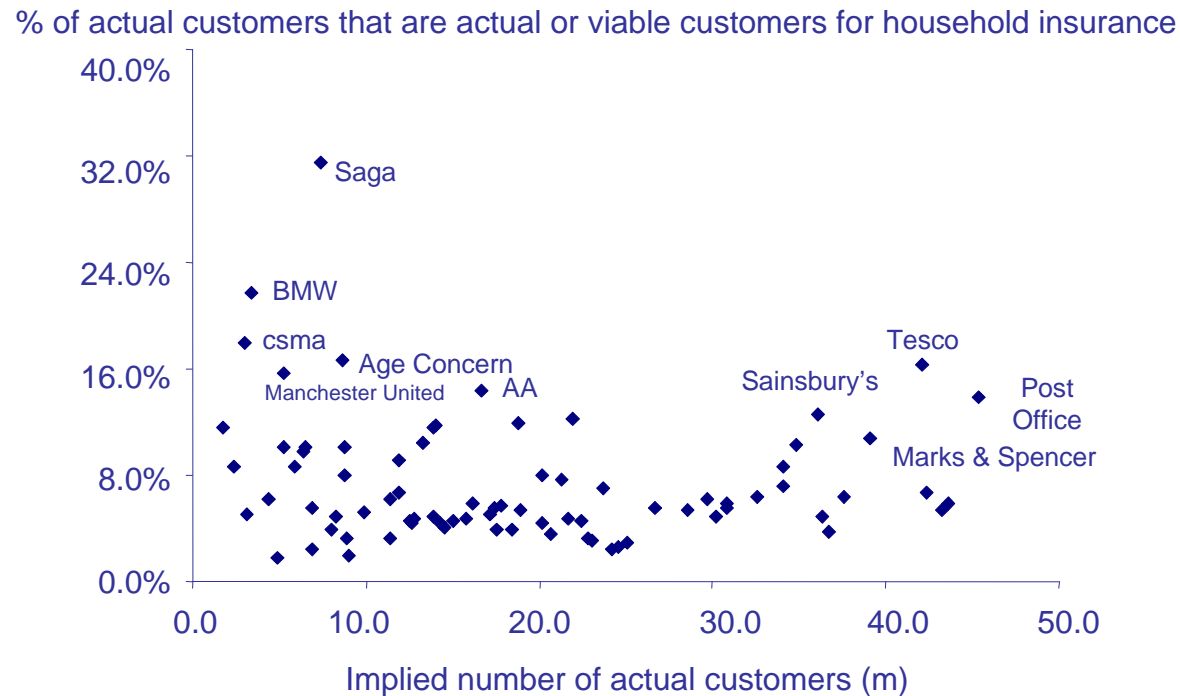
Who can use the research?

1. *Insurance companies:* the rapid growth of 'brandassurance', defined as the sale of branded insurance by major non-financial enterprises, will continue to be one of the key strategic issues in distribution of both life and personal non-life insurance in the UK;
2. *Banks, building societies and card issuers:* the research highlights opportunities to create new relationships for the marketing through 80 key partners of co-branded credit cards, mortgages, personal loans and similar finance products, and savings accounts;
3. *Partner organisations:* if your organisation is one of the 80 featured in this study or if you are developing a financial services entry strategy for an entity whose core business lies in a sector such as automotive, Internet, media, retailing, sport, telecoms or travel, you may benefit from accessing the results of this research;
4. *Management consultancies:* are you helping a banking or insurance institution to develop its partnership strategy in the UK or assisting a non-financial firm with its market entry strategy? If so, this study will provide you with unique insights into the actual and likely response of consumers.

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

1. The customers of Saga are by far the most receptive to household insurance although a number of other organisations also appear to be well-placed



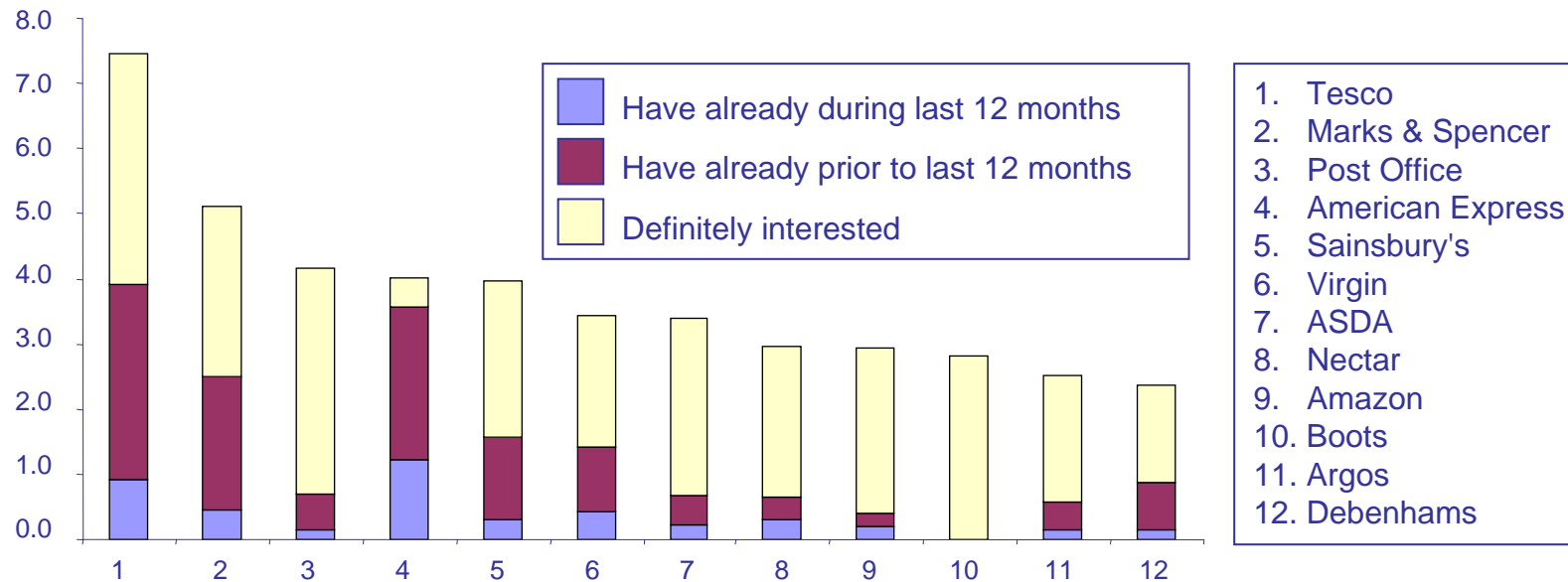
Source: Finaccord analysis of IMRS survey

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What are some of the key findings?

2. In terms of their implied number of actual and / or viable customers for a credit card, only Boots, among the top 12, has yet to launch a card

Implied number of actual and / or viable customers for a credit card (m)



Source: Finaccord analysis of IMRS survey

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

3. Over the course of a decade, Virgin has emerged as one of the most credible and effective alternative providers of financial services in the UK

Note: equivalent data sets are provided in the report for each of the other 79 partner organisations covered by the research.

Source: Finaccord analysis of IMRS survey

<i>Customer awareness / contact</i>										
I have an on-going relationship	10.57%									
I have a regular relationship	9.06%									
I have an occasional relationship	25.48%									
I have no relationship although I have heard of the organisation	49.45%									
I have no relationship and I have not heard of the organisation	5.44%									
Score	2.15									
Ranking by score	27									
Implied number of actual, adult customers (m)	21.88									
Ranking by implied number of actual, adult customers	28									
<i>Brand trustworthiness</i>	<i>All consumers</i>	<i>Own customers</i>								
I consider it very trustworthy	21.85%	31.24%								
I consider it quite trustworthy	47.73%	57.75%								
I consider it quite untrustworthy	4.83%	3.82%								
I consider it very untrustworthy	2.11%	0.90%								
I do not know / have no opinion	23.46%	6.29%								
Score	1.02	1.45								
Ranking by score	26	39								
<i>All consumers</i>	<i>Car insurance</i>	<i>Household insurance</i>	<i>Travel insurance</i>	<i>A+H insurance</i>	<i>Life insurance</i>	<i>Credit card</i>	<i>Mortgage</i>	<i>Personal loan</i>	<i>Savings account</i>	
I have already done so during the last 12 months	0.22%	0.08%	0.32%	0.04%	0.20%	0.85%	0.12%	0.16%	0.20%	
I have already done so in a period prior to the last 12 months	0.61%	0.90%	1.41%	0.50%	0.70%	2.53%	0.60%	0.30%	0.70%	
I would definitely be interested in doing so	7.75%	6.92%	9.38%	4.51%	4.83%	6.79%	4.40%	4.33%	6.22%	
I would possibly be interested in doing so	23.44%	23.95%	29.26%	17.33%	16.01%	22.40%	12.71%	14.59%	19.48%	
I would probably not be interested in doing so	18.65%	19.64%	14.53%	15.42%	16.21%	14.90%	12.51%	12.78%	16.06%	
I would definitely not be interested in doing so	26.80%	27.36%	25.63%	40.26%	41.19%	38.52%	53.04%	54.15%	42.37%	
I do not know / have no opinion	22.52%	21.15%	19.47%	21.94%	20.85%	13.99%	16.61%	13.08%	14.96%	
Score	0.41	0.37	0.78	-0.19	-0.22	0.26	-0.55	-0.50	-0.07	
Ranking by score	9	8	8	8	8	4	3	7	3	
<i>Own customers</i>	<i>Car insurance</i>	<i>Household insurance</i>	<i>Travel insurance</i>	<i>A+H insurance</i>	<i>Life insurance</i>	<i>Credit card</i>	<i>Mortgage</i>	<i>Personal loan</i>	<i>Savings account</i>	
I have already done so during the last 12 months	0.50%	0.18%	0.72%	0.09%	0.45%	1.93%	0.27%	0.36%	0.45%	
I have already done so in a period prior to the last 12 months	2.50%	1.79%	2.24%	0.90%	1.13%	4.59%	1.12%	0.67%	1.58%	
I would definitely be interested in doing so	11.16%	10.32%	13.90%	6.72%	6.77%	9.19%	6.28%	5.83%	7.43%	
I would possibly be interested in doing so	28.92%	29.61%	36.53%	20.39%	19.86%	27.79%	16.14%	18.40%	25.23%	
I would probably not be interested in doing so	19.58%	19.07%	13.22%	15.01%	15.35%	12.40%	12.33%	14.81%	15.54%	
I would definitely not be interested in doing so	20.72%	22.43%	18.83%	38.08%	38.83%	32.61%	49.31%	49.60%	36.94%	
I do not know / have no opinion	16.62%	16.60%	14.57%	18.82%	17.61%	11.48%	14.57%	10.32%	12.84%	
Score	0.97	0.86	1.43	0.09	0.08	0.84	-0.24	-0.24	0.34	
Ranking by score	18	10	11	14	11	4	2	9	5	
Implied number of actual and / or viable customers (m)	3.10	2.69	3.69	1.69	1.83	3.44	1.68	1.50	2.07	
Ranking by implied number of actual and / or viable customers	8	8	7	7	7	6	3	6	6	

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

Key findings from the executive summary include:

- the 64.21% of consumers who state that they have an occasional relationship with Argos means that this company comes second only to the Post Office with an implied number of actual, adult customers of 43.63 million;
- with respect to the degree to which consumers trust the brands of the 80 organisations listed, Boots and Marks & Spencer are the brands of alternative providers of financial services that head this ranking;
- organisations with involvement in branded financial services that is currently limited but for which the results suggest that expansion could be very feasible are Amazon, Boots, Google and Nectar and, more arguably, B&Q, BT and Next;
- however, much depends upon the efficient execution of both continuing and new initiatives which can either boost the effectiveness of less promising partnerships or scupper the performance of distribution deals that should be achieving better results.

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What is the cost and format?

Partner Metrics: Consumer Attitudes Towards and Willingness to Use Alternative Providers in UK Financial Services is available as a standard Adobe Acrobat PDF document and / or hard copy. Costs for this research and sister consumer titles are as follows:

REPORT	COST *	FORMAT
Partner Metrics: Consumer Attitudes Towards and Willing. to Use Alternative Providers in UK Fin. Svs.	£1,795	c. 230 pages
Affinity Metrics: Consumer Usage of and Attitudes Towards Affinity Distribution Channels in UK Fin. Svs.	£1,495	c. 100 pages
Brand Metrics: Consumer Awareness of and Attitudes Towards Brands in UK Financial Services	£1,495	c. 150 pages
Channel Metrics: Trends in Current and Future Dist. Chan. Usage in UK Fin. Svs. (report / 25 briefings)	£2,995 / £395	c. 350 pages / 30 pages
Net Metrics: Web Purchasing and Research Trends in UK Insurance / Lending (two separate reports)	£995 / £995	c. 110 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 a corporate user license, an additional 10% of the basic cost is payable.

Printing and postage costs of £30 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 - <http://www.finaccord.com/uk/order.php> - and fill in the on-line order form, clearly indicating the report that you require, whether you also require a corporate user license, the billing name, address and e-mail address, and the purchase order number, if applicable.

Please allow one working day for the delivery of electronic copy and one working week for the arrival of hard copy.

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