



Law Metrics: Consumer and Small Business Behaviour in the UK Legal Services Market

Report Prospectus

September 2006

Prospectus contents

	Page
What is the research?	3
What is the rationale?	4
What methodology has been used?	5
How does the consumer sample break down?	6
How does the sample of small businesses break down?	7
What is the report structure?	8
For which 65 organisations has consumer interest been benchmarked?	9
What are the key features of the research?	10
How can the research be used?	11
Who can use the research?	12
What are some of the key findings?	13-16
What is the cost and format?	17
How can the research be purchased?	18

What is the research?

Finaccord's report titled *Law Metrics: Consumer and Small Business Behaviour in the UK Legal Services Market* provides a uniquely detailed analysis of the current behaviour of consumers and small business owners, including self-employed individuals, in the context of legal services in the UK. Moreover, it evaluates how this is likely to change when deregulation of the market becomes a reality in the near future.

With respect to their current behaviour, for both consumers and small business owners, the research measures their present usage of different types of legal service, identifies the means by which they find out about and choose providers of legal services and investigates the degree to which they were satisfied the last time that they used a traditional solicitor or law firm.

As for their future behaviour, *Law Metrics* examines the willingness of consumers and small businesses to consider switching to new providers of legal services when deregulation occurs. In addition, it clarifies the types of new provider that they will consider using, explains how this willingness varies by type of legal service, identifies the factors driving usage of new providers, and assesses the degree to which they will interact with new providers through remote interfaces.

Finally, from a list of 65 major organisations that could potentially expand in the legal services market, the study analyses the apparent likelihood of consumers to use each after deregulation.

What is the rationale?

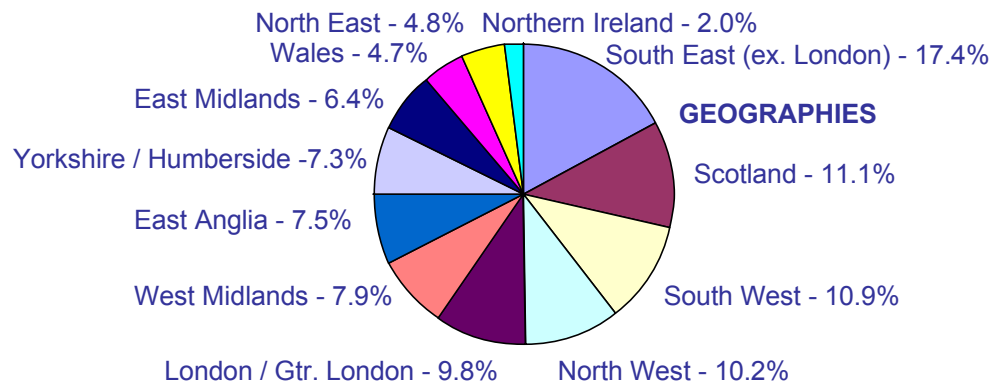
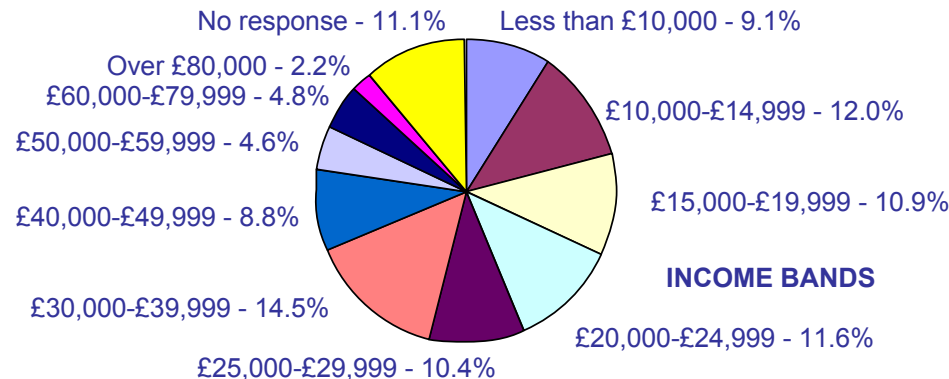
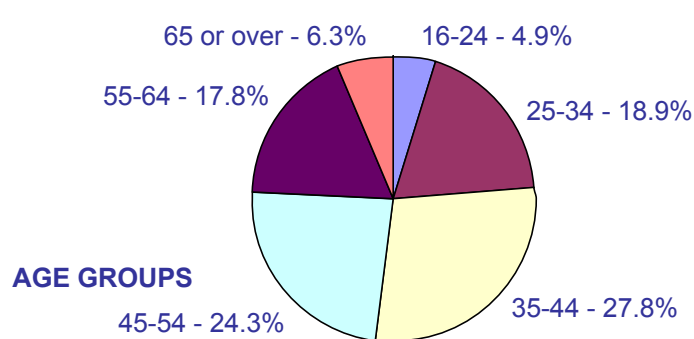
The research for *Law Metrics: Consumer and Small Business Behaviour in the UK Legal Services Market* has been undertaken in advance of the planned deregulation of the market for legal services in the UK. Among the key features of this deregulation is likely to be the development of alternative business structures to enable solicitors and barristers to work together on an equal footing and to permit non-lawyers to become involved in management and ownership. A consequence of this is that legal services are now also set to be distributed to a greater extent through other types of channel, potentially including organisations as diverse as banks, insurance companies, motoring organisations, professional bodies and supermarkets.

Hence, the aim of this report is to investigate the current and possible future behaviour of consumers and both small businesses and self-employed individuals in the legal services market in the UK - a sector estimated to be worth over £20 billion in total annual revenues - with a view to developing scenarios for how it may evolve when deregulation eventually takes place. As such, the study, which benefits from a research program partly sponsored by two partner organisations - Capita Commercial Services and epoq - provides a detailed and timely update to a broad range of issues in the UK legal services market, including data and insight that will help new providers to plan their own successful entry into the sector once deregulation takes place.

What methodology has been used?

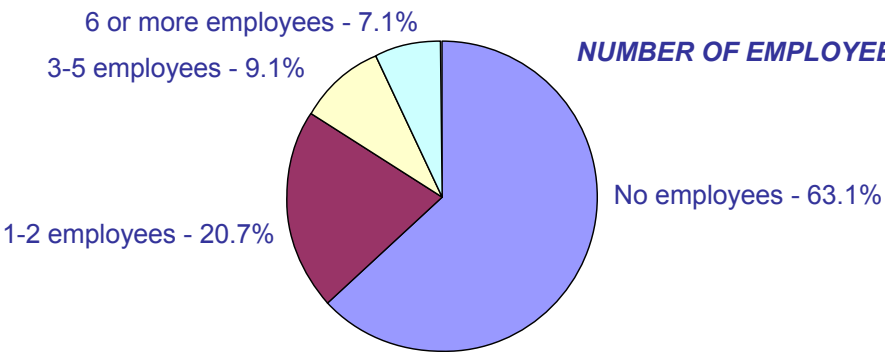
The research for this study was carried out during August 2006 using the IMRS Internet panel of consumers and small business owners. In total, completed surveys were filled in and submitted online by 1,385 consumers breaking down by age group, household income band and geographical location as illustrated in the graphic overleaf. Moreover, the parallel survey of small business owners, including self-employed individuals, attracted 240 responses, breaking down by number of employees, business sector and longevity as illustrated on the following page.

How does the consumer sample break down?

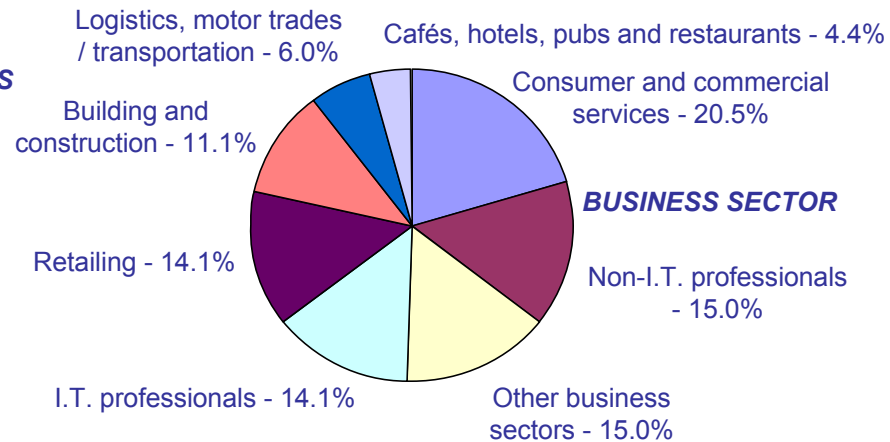


How does the sample of small businesses break down?

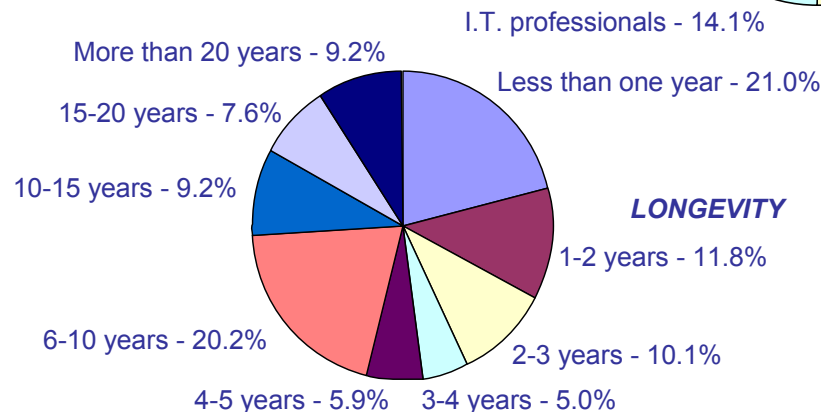
NUMBER OF EMPLOYEES



BUSINESS SECTOR



LONGEVITY



What is the report structure?

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 on-line questionnaire used.

2. Consumer Behaviour: including a study of consumer usage of legal services, in general; an evaluation of the specific legal services bought by consumers; an assessment of consumer willingness to use new providers of legal services following deregulation; an investigation into the willingness of consumers to interact with a new provider of legal services through channels other than a face-to-face environment; research into the views and expectations of consumers with regards to the charging structure of traditional solicitors and law firms; and an analysis of the prospects for success of 65 potential new providers as judged by both the full universe of consumers and by current customers of the organisations in question. Moreover, for several key questions, results are broken down by age group, annual household income and geography of respondents.

3. Small Business and Self-Employed Individual Behaviour: the output for this chapter, focusing on small businesses and self-employed individuals, is similar to that for the preceding chapter dealing with consumers.

For which 65 organisations has consumer interest in using each for legal services been benchmarked?

AA (Automobile Association)	Cornhill Direct or Allianz Cornhill	Homebase	RAC
Abbey or Cahoot	Countrywide Estate Agents	HSBC	Royal Bank of Scotland
Age Concern	csma (Civil Service Motor. Assoc.)	Kwik-Fit	Saga
Alliance & Leicester	Daily Mail or Mail on Sunday	Legal & General	Sainsbury's
Amazon	Daily Mirror or Sunday Mirror	Liverpool Victoria	Sky
ASDA	Daily Telegraph or Sunday Tele.	Lloyds TSB	Standard Life
AXA Insurance or AXA Sun Life	Direct Line	Marks & Spencer	Sun or News of the World
Bank of Scotland	easyGroup	Moneysupermarket.com	Tesco
Barclays Bank or Woolwich	eBay	MORETH>N	Times or Sunday Times
Bradford & Bingley	Egg	National Trust or Nat. Trust for Scot.	Virgin
Britannia Building Society	English Heritage	Nationwide Building Society	Yahoo!
British Gas	Friends Provident	NatWest Bank	Yorkshire Bank
BT	Goldfish	Nectar	Yorkshire Building Society
Caravan Club	Google	Northern Rock	Zurich
Citizens Advice Bureau	Guardian or Observer	Norwich Union	
Clydesdale Bank	Halifax	npower	
Co-operative Bank, CIS or smile	Help the Aged	Prudential	

What are the key features of the research?

Key features of this report include:

- clear data showing current usage of a range of different of legal services on the part of both consumers and small businesses / self-employed individuals;
- assessment of the means presently used by both constituencies to find out about and choose providers of legal services;
- investigation into the willingness of both types of client to switch to providers of legal services other than traditional solicitors and law firms in the wake of deregulation;
- identification of the types of new provider that consumers and small businesses / self-employed individuals would consider using in this context;
- benchmarking of the main factors that will persuade these constituencies to begin using new providers following deregulation;
- rankings for the likelihood of consumers to use 65 potential new providers in the legal services market in the deregulated environment.

How can the research be used?

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

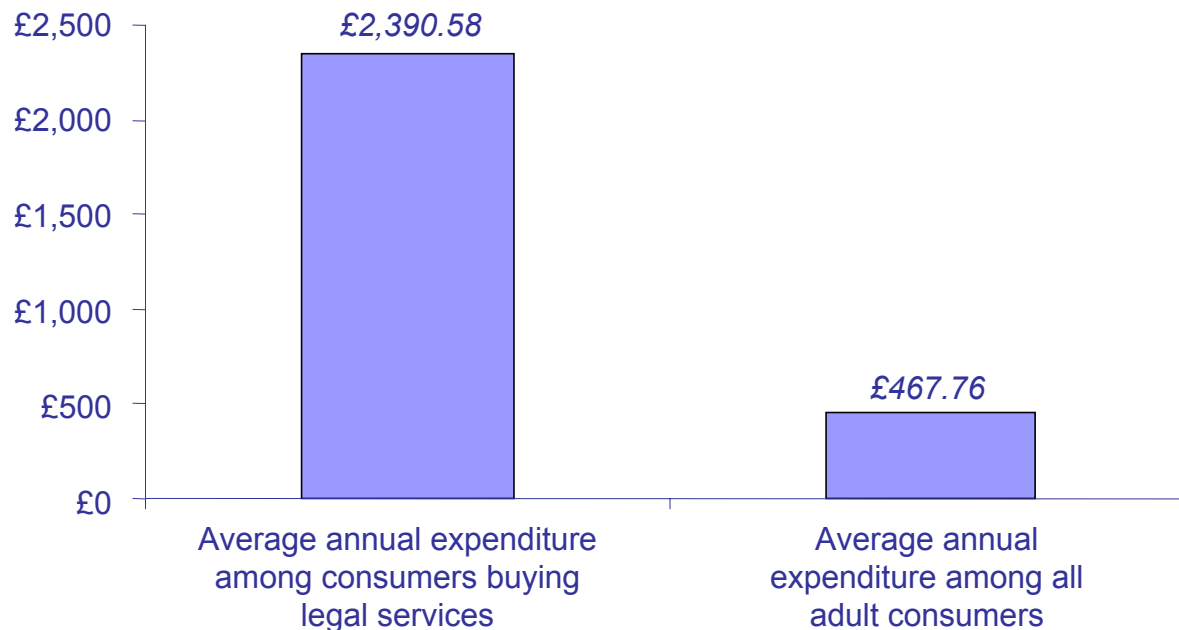
- understand that legal services related to conveyancing of residential property are most commonly used by consumers and appreciate the level of usage for other types of legal service;
- discover how consumers and small businesses / self-employed individuals currently find out about and choose solicitors or law firms - what are the implications for potential new market entrants?
- learn the overall proportion of clients that would be open to considering new providers of legal services when deregulation occurs - how significant is this constituency?
- evaluate the prospects for different types of alternative provider including banks / building societies, insurers, and both commercial and not-for-profit affinity organisations such as charities, employers, estate agents, media entities, supermarkets, motoring organisations and trade unions;
- find out about the triggers that will drive usage of new providers - how important are factors such as better value for money, branding, ease of access, geographic proximity and general expertise?
- benchmark the prospects for your own company or organisations similar to yours.

Who can use the research?

1. *Traditional solicitors and law firms:* deregulation is set to cause substantial changes to the market for providing legal services to both private clients and small businesses - how can your organisation take advantage of the likely new environment that will emerge?
2. *Financial institutions:* banks, building societies, financial advisers and insurance companies may be well-positioned, in many respects, to act as providers of legal services in the wake of deregulation - where are the most significant opportunities likely to occur?
3. *Commercial and not-for-profit affinity organisations:* the research suggests that varying degrees of potential exist for a range of other types of organisation to offer legal services including accountancy firms, employers, estate agents, football clubs, media entities, supermarkets, motoring organisations, and professional or trade associations;
4. *Management consultancies:* are you helping a traditional law firm to develop its strategy once deregulation occurs or advising an aspiring new entrant about how it can best take advantage of the opportunities that will arise? If so, this study will provide you with unique insights into the behaviour of consumers and small businesses / self-employed individuals.

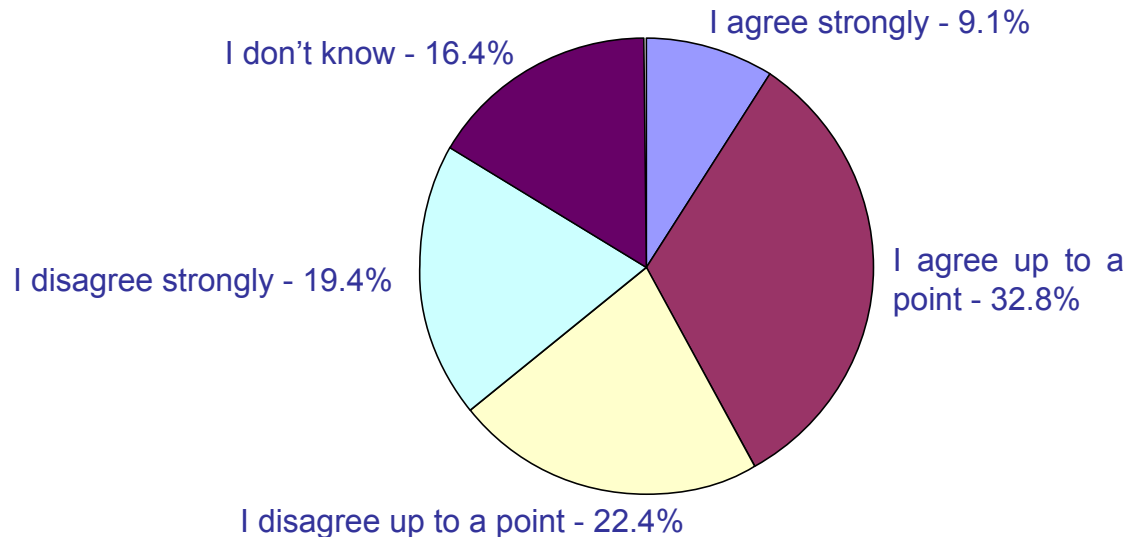
What are some of the key findings? (cont.)

1. Among consumers who have used legal services during the last year, average annual expenditure approaches £2,400



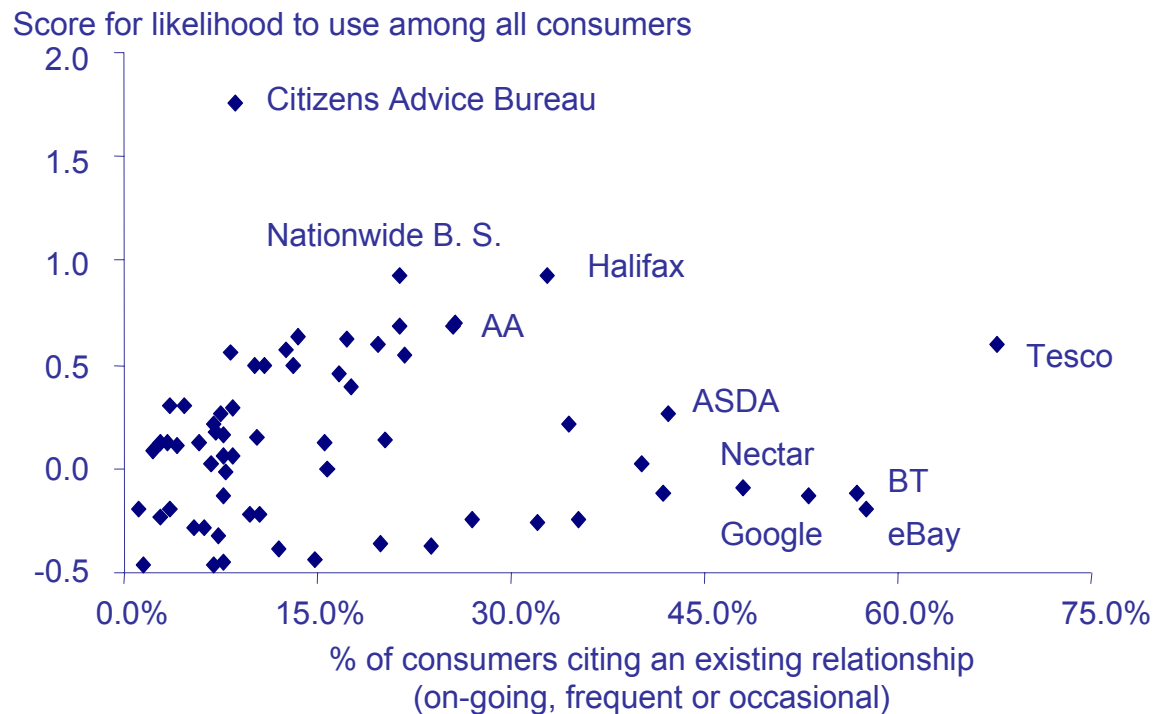
What are some of the key findings?

- There is no consensus among small business owners with respect to whether the charging structure of traditional solicitors and law firms offers value for money



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

3. There is a limited correlation only between outright number of current customers and likelihood of using for legal services among potential new entrants



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

Key findings from the executive summary include:

- it is plainly the case that usage of legal services rises in line with annual household income, peaking at the 82.4% of consumers with income in excess of £80,000 who have utilised legal services during the last five years;
- with regards to the motivation cited by consumers for choosing the provider used the last time that they paid for a legal service, the factor most frequently driving their choice in this respect is geographical proximity given that this was mentioned by 23.4% of respondents;
- a combined percentage of 37.9% of small businesses and self-employed individuals would appear to prefer some face-to-face interaction on an on-going basis with a new provider of legal services although as many as 14.2% would be prepared to interact exclusively by e-mail or via the Internet;
- key to success for new entrants will be the degree to which they can market themselves as credible providers of legal services, combining the expertise to offer specific types of service with the correct channel mix for both initially engaging with and interacting on an on-going basis with prospective customers.

What is the cost and format?

Law Metrics: Consumer and Small Business Behaviour in the UK Legal Services Market is available as a standard Adobe Acrobat PDF document and / or hard copy. Costs for this research and sister titles focused on financial services in the UK are as follows:

REPORT	COST *	FORMAT
Law Metrics: Consumer and Small Business Behaviour in the UK Legal Services Market	£1,495	c. 130 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
Small Business Metrics: Banking for Small Businesses in the UK	£1,995	c. 360 pages
Small Business Metrics: Insurance for Small Businesses in the UK	£1,995	c. 420 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.

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 relevant 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.