

CORE | DATA

A decorative graphic consisting of multiple thin, light blue wavy lines that flow across the page, creating a sense of movement and depth.

# Financial Planner Affection Study

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Product Overview  
June 2011

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## BACKGROUND

CoreData is a specialist financial services research and strategy consultancy based out of Sydney, Australia.

The firm has operations in Australia, the United Kingdom, China and the Philippines.



 CORE|DATA

Offices in London, New York, Manila and Sydney. Focuses on creating fast turnaround, high quality, consumer and distribution research. Core Data's goal is to allow clients to gain a very clear picture of how their clients and distribution channels are performing in a timely and cost-efficient manner.

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Beijing-based market research and market intelligence business. Primary relationships with China Net Com and EOL give us access to a database of more than 100 million mass affluent Chinese consumers.

With a primary focus on financial services CoreData provides clients with both bespoke and syndicated research services through a variety of data collection strategies and methodologies.

Clients benefit from a dual offering of business-to-business and business-to-consumer research and consulting services.

The group provides clients with market intelligence, guidance on strategic positioning, methods for developing new business, advice on operational marketing and other consulting services.

CoreData prides itself in identifying market trends at the earliest opportunity and formulating insightful quantifiable research that clients can use to help them stay ahead of the market and better meet the day-to-day challenges facing their businesses.

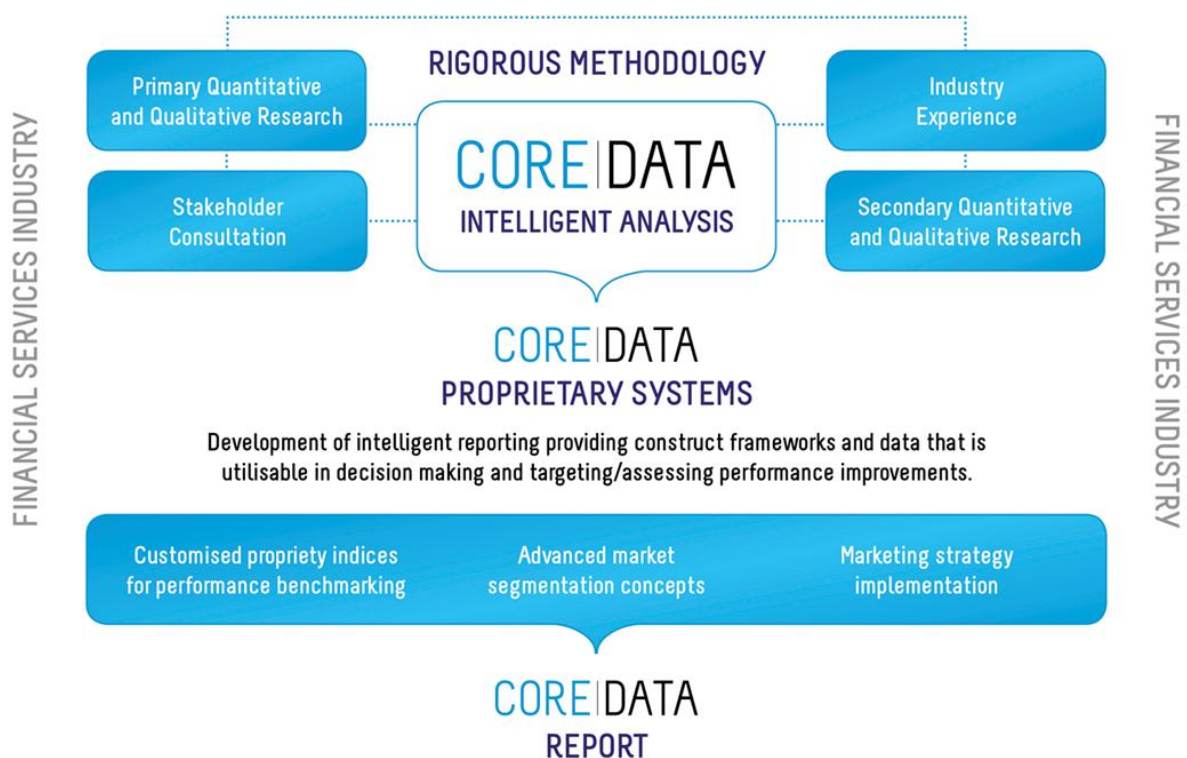
# CORE|DATA

Our focus is on bringing deep market knowledge to research and strategy development.

The group's research is not just about information and data but at providing insight so clients can develop strategies that work.

The team is a complimentary blend of experienced financial services, research, marketing and media professionals, who together combine their years of industry experience with primary research to bring perspective to existing market conditions and evolving trends.

CoreData has a number of syndicated benchmark proprietary indexes across a broad range of business areas within the financial services industry.

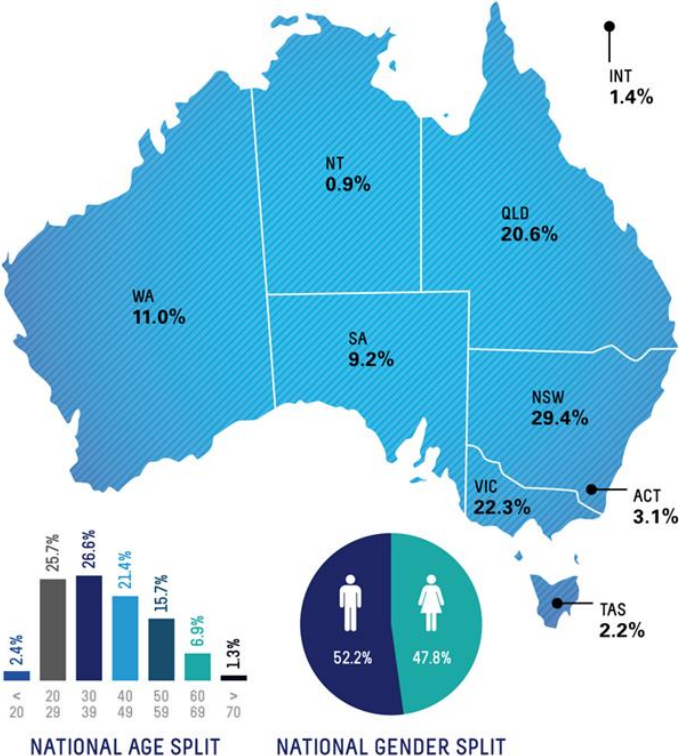


For this study CoreData will leverage its extensive proprietary nationwide database of 80,000 Australians to recruit participant respondents.

Ability to leverage its extensive proprietary nationwide database of 105,000 Australians to recruit participant respondents.

AGE - STATE CROSSTABULATION (%)

|       | < 20 | 20 29 | 30 39 | 40 49 | 50 59 | 60 69 | > 70 |
|-------|------|-------|-------|-------|-------|-------|------|
| NSW   | 2.7  | 26.3  | 28.9  | 21.2  | 14.1  | 6.0   | 1.0  |
| VIC   | 2.0  | 23.6  | 27.3  | 22.6  | 16.0  | 7.3   | 1.2  |
| QLD   | 2.5  | 26.7  | 25.2  | 20.6  | 15.8  | 7.5   | 1.7  |
| WA    | 2.0  | 26.2  | 24.7  | 20.9  | 16.8  | 8.1   | 1.3  |
| SA    | 2.0  | 22.5  | 23.4  | 23.6  | 19.4  | 7.5   | 1.6  |
| ACT   | 1.6  | 33.2  | 28.3  | 18.8  | 11.7  | 5.3   | 1.1  |
| TAS   | 2.3  | 26.8  | 23.9  | 20.8  | 17.9  | 6.8   | 1.5  |
| NT    | 2.9  | 21.1  | 26.5  | 27.4  | 15.8  | 4.6   | 1.7  |
| INT   | 1.3  | 22.1  | 26.5  | 18.4  | 18.5  | 11.3  | 1.9  |
| TOTAL | 2.3  | 25.5  | 26.6  | 21.5  | 15.7  | 7.0   | 1.3  |



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## INTRODUCTION

The Government's Future of Financial Advice (FoFA) reforms are widely expected to reshape the environment for financial planners.

Coupled with regulatory change, planners face increasing competition from super funds offering low cost advice solutions, and a slump in consumer confidence that is driving risk-averse behaviour and driving up cash savings.

The majority of respondents expect the economy to slow down and business conditions to deteriorate in the next quarter of 2011, according to CoreData's quarterly Investor Sentiment Index (ISI).

The market volatility points to an extended period of uncertainty for Australian investors and hence difficult times for planners from both a client retention and acquisition perspective.

With this in mind CoreData has produced a report to assess the impact that the continuing uncertainty and regulatory reform is having on sentiment towards the financial planning industry.

According to CoreData's Q2 ISI, the FoFA reforms will do little to increase their likelihood to engage the services of a financial adviser.

Furthermore, recent research suggests a jump in the number of investors seeking to invest directly.

The proportion of investors bypassing intermediaries completely has increased to 21.7% in 2011, from only 9.9% in 2006.

This report will provide licensees and super funds with a clear picture of consumer sentiment towards financial planners and financial planning providers, including the drivers of satisfaction and retention post-GFC.

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## OBJECTIVES

The underlying objective of the research is to understand consumer attitudes towards financial planners following the global financial crisis.

With the All Ordinaries index grinding sideways for the past 12 months and the FoFA reforms looming, this study has been designed to really get under the skin of Australians' financial planner affection and assess what impact this is going to have on the financial planning industry.

This report explores:

- Planner satisfaction (for the advised) and advocacy
- Importance of various satisfaction drivers
- Reasons people leave their planner, have never used or are considering dropping their planner
- Impact of the economic uncertainty on perceptions of service financial planners' offer
- Likelihood and subsequent drivers for switching planners, for users
- Brand awareness by financial planning provider
- Trustworthiness perceptions by provider
- Payment preferences and pricing information for SoAs and ongoing fees
- Core drivers behind adviser attractiveness
- Core influences behind choosing a planner – stated and non-stated
- Core influences behind remaining with a planner – stated and non-stated
- Most important client expectations
- Frequency of client contact – implications for Opt-in reforms
- Barriers to advice and areas for the industry to develop to boost advice usage
- Hindsight advice demand
- Existing needs mapped against potential advice usage
- Attitudes to money, investment, retirement
- Inclination to be self-driven or externally driven in relation to financial decisions
- Investment experience and knowledge, risk appetite and tolerance

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## RESEARCH DELIVERABLES

A draft online quantitative survey of around 30 questions has been developed and hosted by CoreData.

The survey was sent to CoreData's proprietary consumer database of more than 100,000 Australians.

The study looks at four core consumer/investor groups:

- Those who have never used a financial planner
- Those who used to have a planner (more than one year ago)
- Those who don't have a dedicated financial planner but use them from time to time
- Those who have an ongoing relationship with a financial planner
- Those who have ended their relationship with their adviser over the past year

Relevant demographic and industry information was collected, to examine any potential variances that may exist between geographies/state/wealth/gender/ age etc.

The final deliverables from the research will be:

- A powerpoint report
- A one hour presentation of the findings

The quantitative findings from the online survey will be presented with appropriate strategic insight and illustrative charting.

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## COST & TIMING

**\$7,500 ex GST**

The total cost is \$7,500 excluding GST.

The report will be available for purchase in August 2011.

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## CD ANALYSIS METHODOLOGY

### *Analysis measures*

The following are the common types of analysis we would be likely to perform on data sets used in this study:-

#### *Bivariate analysis:*

Chi-square

Correlation

ANOVA

#### *Multivariate Analysis:*

Regression Analysis

Our analysis is later overlaid in the reporting stage with a separate strategic insight component. This involves contextualising the findings for clients, and providing strategic suggestions relating to the implications of the research.

Major themes in the data will be summarised and presented with illustrative verbatims.

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## KEY PERSONNEL

CoreData's focus is on bringing deep market knowledge to research and strategy development.

Our team is a complimentary blend of experienced financial services, research, marketing and media professionals, who together combine their years of industry experience with primary research to bring perspective to existing market conditions and evolving trends.

We are passionate about making a difference to our clients. Our success and research is not just about information and data but about developing actionable strategies that allow clients to improve their performance relative to competitors.

### **ANDREW INWOOD B.Ec. (Syd) A.S.I.A.**

Andrew Inwood is the principal of CoreData and has more than 18 years' experience in the Australian financial services industry.

He worked for Rothschild Australia Asset Management where he headed the marketing team for four years before moving to AMP Investments where he spent more than a decade as head of marketing, before being seconded to Virgin Direct in the UK to establish the finance and investment arm of the group.

### **KRISTEN TUNRBULL BA Journalism, MBA currently studying**

Kristen is head of Advice, Wealth Management and Superannuation based in the Sydney head office. She is responsible for writing of a range of syndicated market intelligence reports and bespoke research projects for advice and superannuation fund clients.

Before joining CoreData Kristen was a financial journalist for seven years, including four years in London where she wrote for a range of institutional and retail finance publications. Upon returning to Australia she worked for media publishing house Conexus Financial as a Senior Journalist on Professional Planner and then as Production Editor for Investment & Technology.

### **MARCIA GRAND ORTEGA BPsych, BSocSci (Soc), MPH (IHD) currently studying**

Marcia is involved in surveys development and data analysis at CoreData.

Marcia's core skills are in managing the field work and analysis teams on a day to day basis, marketing, sales and research design. She has 3 years' experience in running research operations and is the core point of contact for most projects. She obtained a Psychology degree in Argentina, came to Australia to pursue post graduate qualifications and to build her research career. Before joining CoreData, Marcia worked for 3 years at American Express as a Marketing Executive.

## **CYRIELLE CHIRON BBA (IBGM), Masters (Hons) (MIMC)**

Cyrielle is Coredata's research manager.

She holds a Masters with honours in International Marketing and Communication. She has market research knowledge in both quantitative and qualitative methodologies from 5 years' experience gained in different industries and various countries. Before joining CoreData she was a Research Consultant at OMD Dubai. This role enhanced her marketing strategy and insights skills.

## **TAI ROTEM BSocSci (Psych) Masters (by Research Thesis)**

Tai Rotem is CoreData's research specialist. He has been developing and implementing market research for over 10 years. Tai has taught statistical methods at the UNSW for 4 years.

Tai develops and maintains CoreData's proprietary research and question banks and he is involved in the analysis and interpretation of our research.

## **EMMA FITZGERALD BA (Hons), PGCE, MSc (App Stat) currently studying**

Emma is key member of the CoreData data analysis and insights team.

Emma has an honours degree in Mathematics and Accounting and a Postgraduate Certificate in Education both gained in the UK from where she relocated in 2004. Emma successfully taught Mathematics, Statistics and Applied Mathematics for over 10 years and has spent the last couple of years working in the corporate world. She is currently studying towards a Master of Science in Applied Statistics part time.

## **KYM DOSSETOR BComm(Acc)/BSci(Psych),**

Kym is a Financial Services Research Writer at CoreData.

Prior to joining CoreData, Kym worked as a Research Officer at the Australian Institute of Criminology in the Modelling and Forecasting team and the Crime Reduction and Review team. Initially working in audit and tax at KPMG, she worked on a number of external and internal audits for both Government agencies as well as private companies. Kym has authored a number of published reports, has presented at the ANZSOC conference and spoken on the radio about research findings.

## **STAN TSIGOS BBus(Acc)/BBus(Bank & Fin), B.Bus(Hons)**

Stan is a Financial Services Research Writer at CoreData.

He holds an Honours degree in Banking and Finance from Monash University. Prior to joining CoreData, Stan held numerous positions in industry and academia. Initially working at Amcor, Stan then went into financial services joining NAB in 2007 in their Trust Services.

Subsequently, Stan became a Research Assistant and Assistant Lecturer at Monash University where he taught Investments and Portfolio Management and Financial Management. He has been published in refereed journals and conferences.