

CORE|DATA

A decorative graphic consisting of multiple thin, wavy lines in shades of blue and grey, flowing across the page.

Financial Advice Shadow Shopping

Product Overview
July 2011

CONTENT

Background..... 3

Introduction 6

Objectives 7

Research Deliverables..... 8

Cost & Timing 9

CD Analysis Methodology 10

Key Personnel 11

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.

dragondata

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.

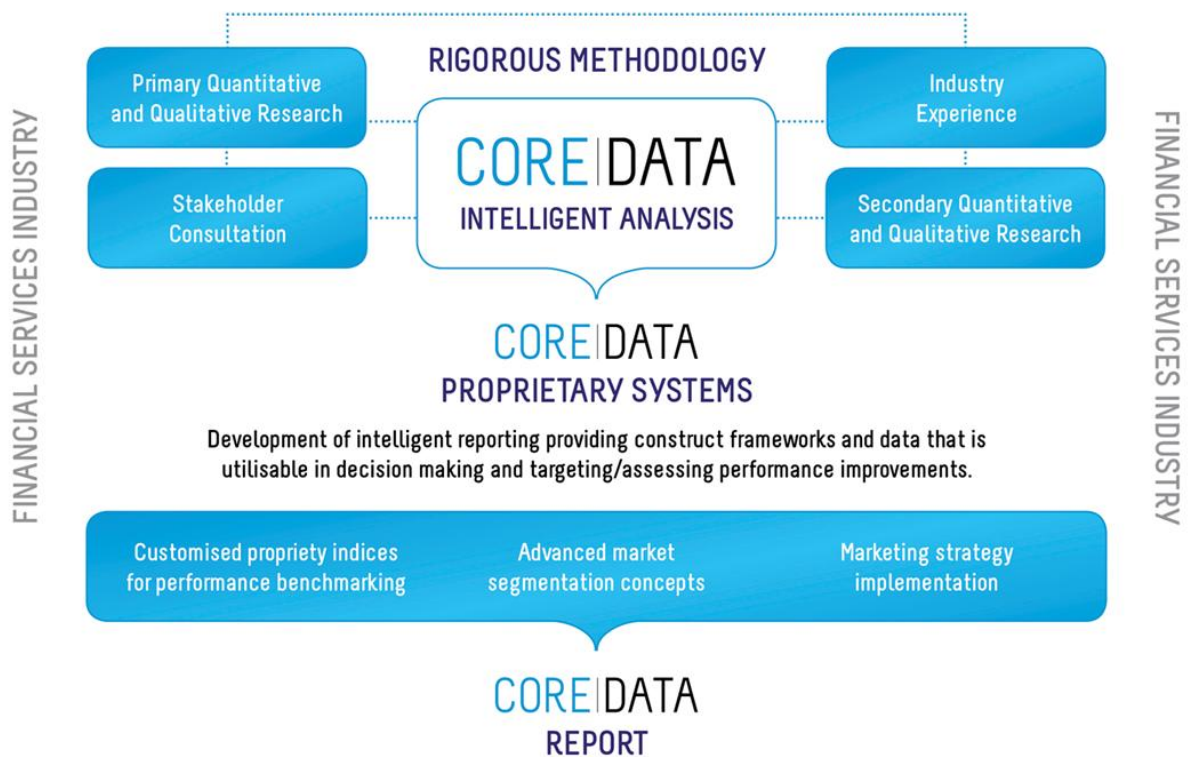
CORE|DATA

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.

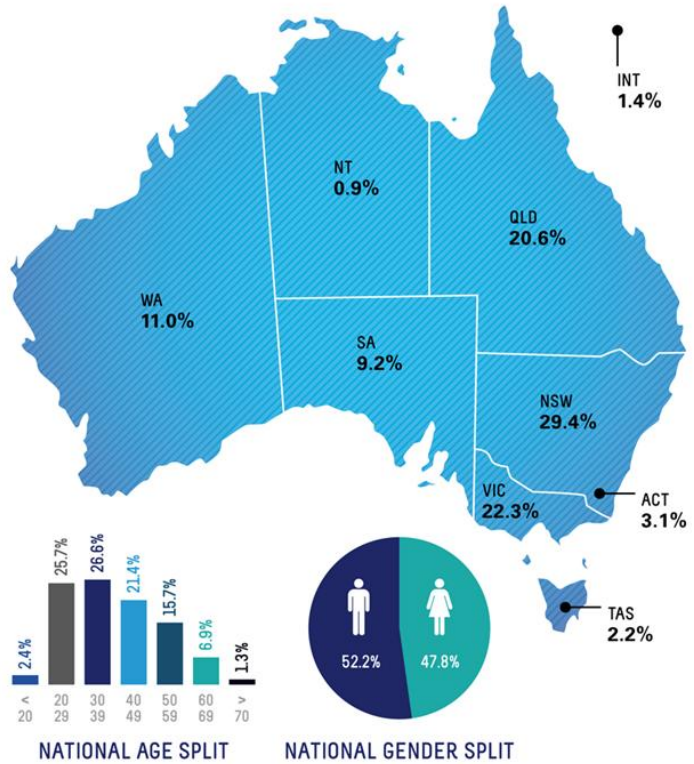


For this study CoreData will leverage its extensive proprietary nationwide database of 80,000 Australians to recruit participant respondents.

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



INTRODUCTION

This research stems from CoreData's annual financial planning mystery shopping project.

This project is now in its ninth year after commencing back in 2003 and is designed to provide licensee groups with an accurate snapshot of how well their respective sales channels are performing in both absolute and relative terms.

The research is based on the outcomes of around 350 mystery shop events of the nation's planning industry using real shoppers.

These were defined as individuals who are either looking for financial advice or currently have a planner and would consider changing.

Shoppers also had to meet other criteria (age and asset test – see methodology) to qualify as valid shoppers.

By using a large team of mystery shoppers who are actually in the market seeking financial advice and have the aim of taking on a financial plan, the research is able to build an accurate picture of the sales channel efficiencies of the Australian advisory industry in terms of acquiring clients.

The mystery shoppers go through the process of making an appointment, getting to know the planner, building a relationship, and then potentially building a plan and making an investment decision.

This gives participating advisory companies a picture of the behaviours and habits of their advisers when dealing with potential new clients.

Another critical issue today – and set to become even more so in a Future of Financial Advice reform environment – is how well dealer groups are meeting the onerous compliance elements covered during the financial advice sales process.

The research covers this and allows dealer groups to independently measure their compliance efficiencies during the sales process in detail.

CoreData has a series of industry awards based around the ACQUIRE Index, which sits at the heart of the research.

OBJECTIVES

The underlying objective of the research is to provide licensee groups with an accurate snapshot of how well their respective sales channels are performing in both absolute and relative terms.

This report explores:

- Appointment making efficiency
- How did the customer feel throughout the process?
- How did they perceive the physical environment?
- How well were they treated?
- Did the planner gather customer information before hand?
- Did the planner satisfy the legislative requirements in collecting customer information?
- Did the planner read the information before the meeting?
- Did the planner understand the mystery shopper's needs?
- Did the planner reflect those needs?
- Did the planner satisfy FSRA requirements during the sales process?
- What did they say about the role of the dealer group?
- What products and services did they push if any?
- How was the sale couched?
- How did they use the platform in the sale?
- What was promised during the sale?

If the sale proceeds:

- The statement of advice perceptions from a customer viewpoint?
- Advice quality perceptions from a customer view point?
- Investment expertise perceptions from a customer viewpoint?

- Rapport building skills from a customer viewpoint?
- Compliance efficiency?

If the sale does not proceed:

- Was the customer followed up?
- What impression was the customer left with?
- Would the customer use, recommend, avoid?

The report benchmarks advisers by dealer group against the broader market on a number of variables from a customer perspective. This provides dealer groups an industry leading perspective of the relative efficiencies of their sales channels against the rest of the market.

Dealer groups will be able to understand the differences between management's view of the habits and practices of their respective sales channels and the reality revealed through the mystery shoppers going through the sales process and benchmarking and recording every aspect of their experience.

Critically this includes not just the sales efficiency but the ability of the adviser to deliver the service within the frameworks set out by all the relevant legislation.

RESEARCH DELIVERABLES

The final deliverables from the research will be:

- An extensive word document 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.

COST & TIMING

The cost varies depending on the number of shops undertaken for each licensee.

The cost varies as follows:

- 20 shops: \$16,500 ex GST
- 30 shops: \$21,500 ex GST

The report will be available for purchase in December 2011.

CD ANALYSIS METHODOLOGY

The project covers around 350 separate mystery shop events (20 to 30 per dealer group).

This project is focused purely on the customer acquisition stage of the advice process.

There are several additional segment stages once a would-be client becomes an actual client, however for the purposes of this project the focus is solely on how advisory groups and their representatives are currently interacting at the coal face in the market.

The shoppers are defined as individuals who are either looking for financial advice or currently have a planner and would consider changing.

Shoppers also had to meet other criteria – an age and asset test – to qualify as valid shoppers.

Consumers were limited to those people who were 45-60 years old, actively seeking advice or changing adviser, have more than \$150,000 in investable assets, or more than \$150,000 in superannuation and were between two and 20 years until retirement.



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 overlayed 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.

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.