



UK Retail Distribution – the post 2012 landscape



RDR: The Consumer View

TISA Distribution Seminar
24 March 2011

Private & Confidential

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Price vs. value



New York: Outbound 6th Oct, return 12 Oct 2010

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When price is all that matters

"I'm here with Howard Miller and Michael Cawley, our two deputy chief executives. But they're presently making love in the gentleman's toilets, such is their excitement at today's results."

"People say the customer is always right, but you know what - they're not. Sometimes they are wrong and they need to be told so."

*"Weber says Germans don't like low fares. How the f*** does he know? He's never offered them any. The Germans will crawl bollock-naked over broken glass to get them."*

*"We don't fall all over ourselves if they... say my granny fell ill. What part of no refund don't you understand? You are not getting a refund so f*** off."*



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The dangers of commoditisation

- One size fits all
- Poor service
- Poor product choice
- Short-termism
- Lack of innovation

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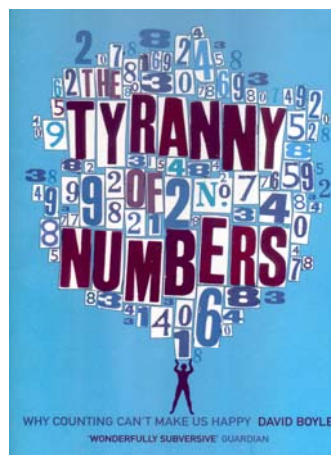
There is no such thing as an average customer

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What you measure is what you get



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Price is not discriminatory....
...value is relevant

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Value is personal and relevant

“The management process responsible for
identifying, anticipating and satisfying
customer requirements profitably.”

- Chartered Institute of Marketing

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To build and protect value you must be increasingly **RELEVANT** to customers

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Relevant?

Targeted customer

From Mr D. O. R. Mossman

Sir, I have received an insurance company leaflet which suggests that I could save over £200 on my car insurance. The small print then explains:

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Relevant?

Targeted customer

From Mr D. O. R. Mossman

Sir, I have received an insurance company leaflet which suggests that I could save over £200 on my car insurance. The small print then explains:

All price saving comparisons included in this leaflet are based on a 44 year old female living in the Darlington area, with Comprehensive cover but zero No Claims Discount, driving 12999 miles per year in a 2002 Rover 25 I.4.

If she would like to get in touch with me I will pass the leaflet on to her.

Yours sincerely,
DAVID MOSSMAN,
 24 Harestone Hill,
 Caterham, Surrey CR3 6SX.
 January 14.

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Times are tough for everyone

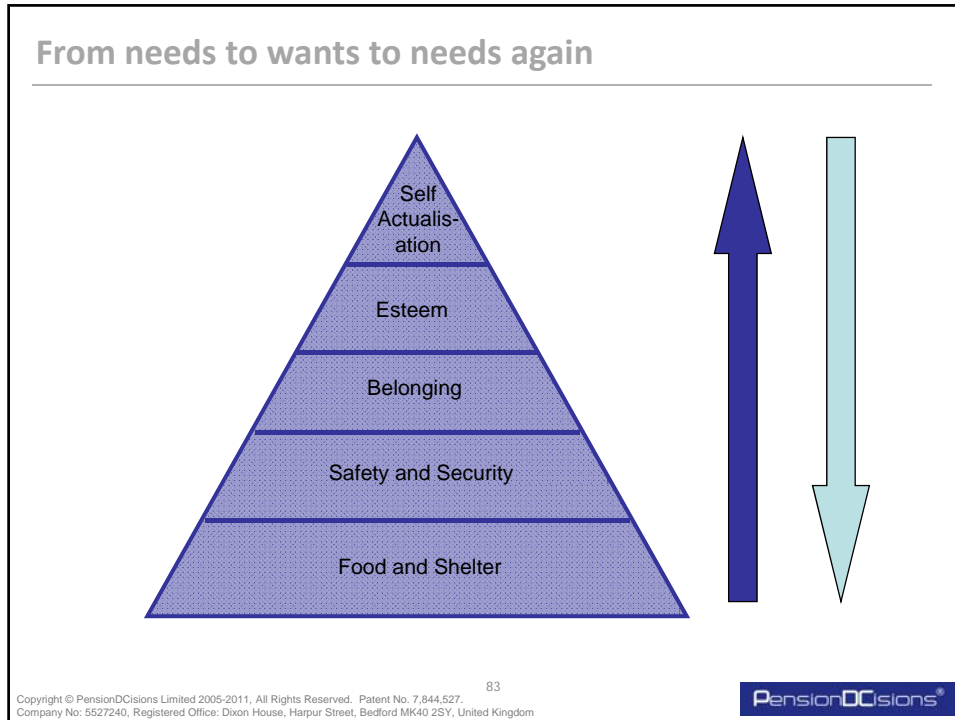


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To build and protect value you must be increasingly RELEVANT to customers...

...and RESPOND to changing relevance

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How can we be increasingly relevant to consumers?

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An approaching tidal wave of data

- Loyalty cards
- Financial transactions
- Media Consumption
- Internet interests and transactions
- Telecommunications behaviours
- Consumer location
- Medical history.....



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The speed of insight has, for the first time ever, exceeded our ability to deal with it

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The end of advice?.....
.....the birth of analysis?

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The most influential man in Financial Services in the UK?



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MoneySavingExpert.com

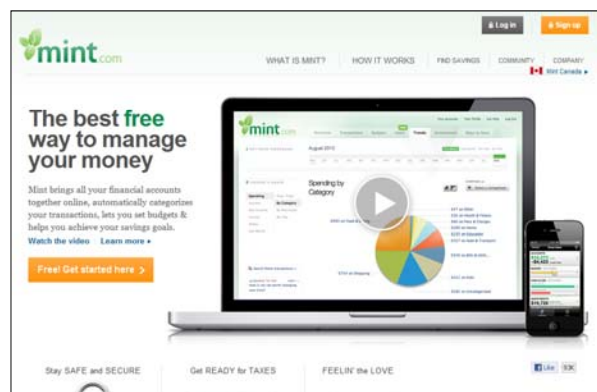


10,000,000 unique visitors per month

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Personal Analysis



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Personal Analysis

Lloyds TSB | for the journey

Money Manager automatically categorises most of your spending to give you a fuller picture of where your money goes.

This is your spending analysis for February 2011

Top 5 spending categories	Amount (£)
Home	624.00
Uncategorised	360.00
Shopping	243.94
Bills / Utilities	158.60
Insurance / Cover	145.32

Spending analysis allows you to:

- View your spending in charts and graphs
- Toggle between monthly and yearly spend

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What can I do?

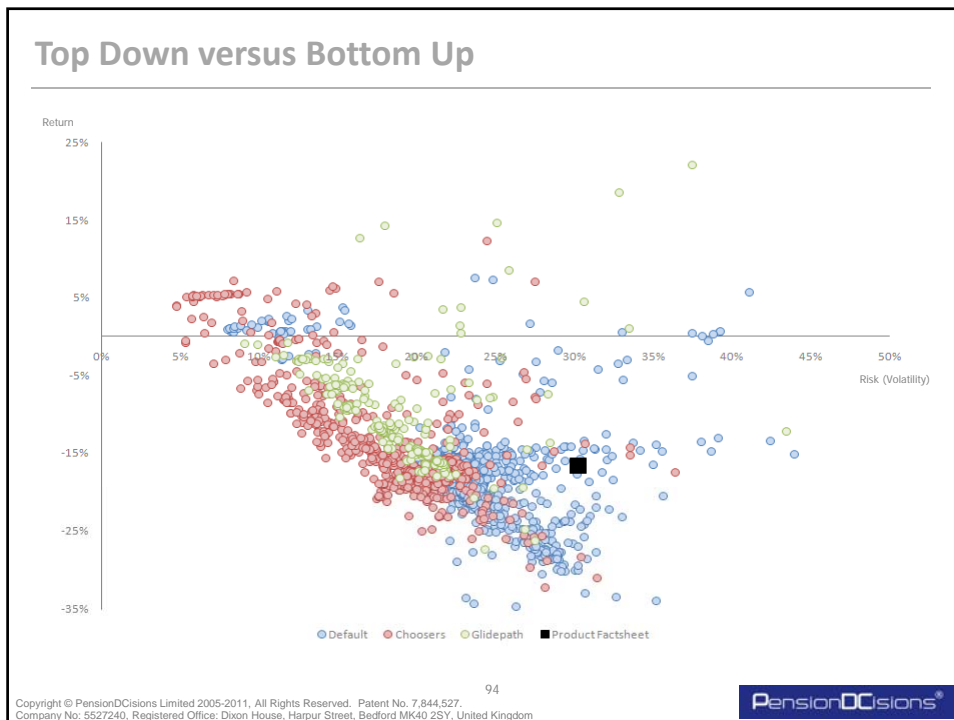
- Quick Overview 1:25
- Getting Started
- Managing your accounts
- Making payments online
- Applying for products
- Money Manager
- Overview 0:47
- Activate Money Manager 0:57
- Viewing your overall spend 1:38
- Categorising transactions 1:01
- Viewing the calendar 1:51

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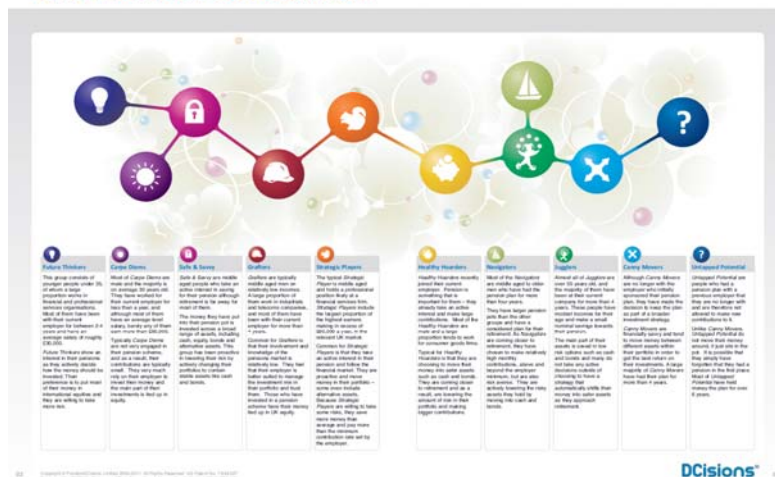


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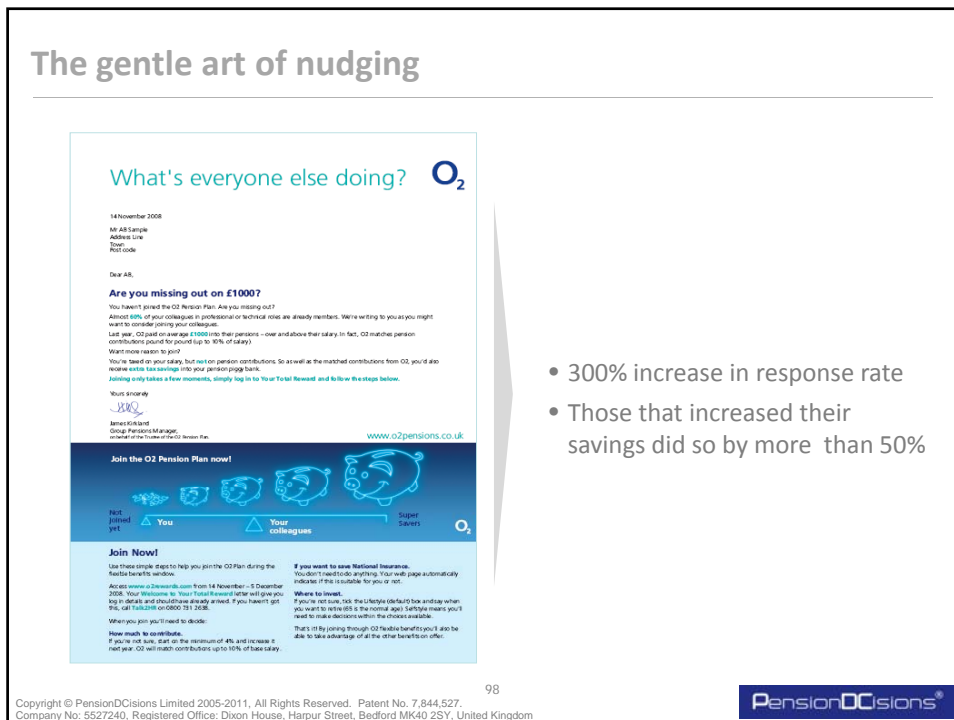
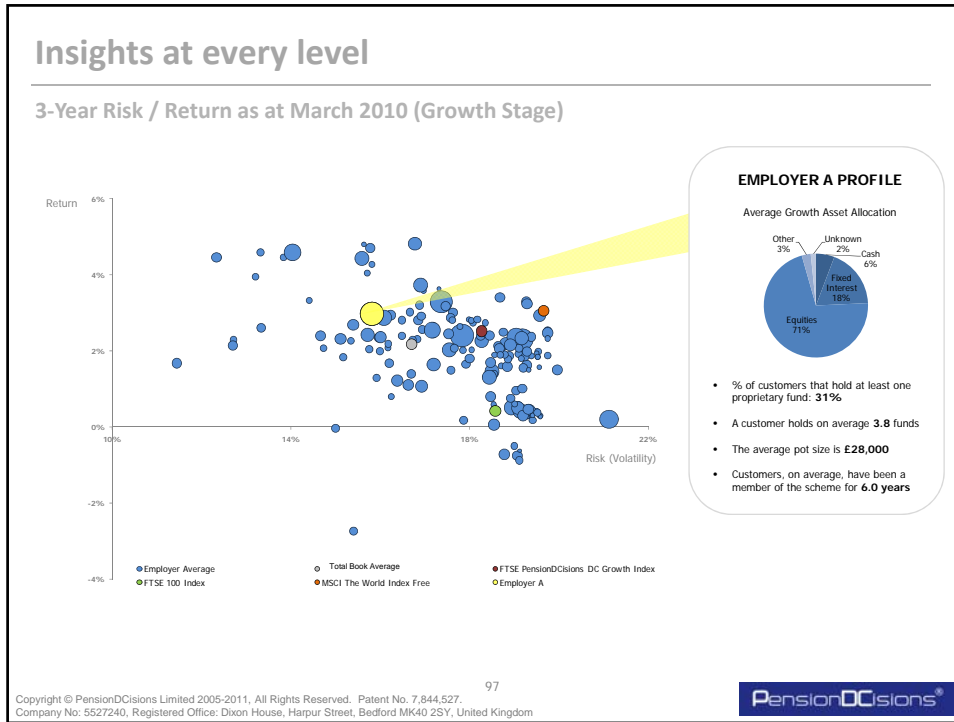
There is no such thing as an average customer

How do consumers *really* segment ... look at the data

Let us introduce you to your customers...



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Conclusions

- Relevance is key to marketing pensions
- The consumer zeitgeist is more amenable to prudence messages than it has been for many years
- Justify the value, not the price, of advice
- Analysis can empower, (and automate) your advice
- Embrace the onset of new analytic tools
- Empower your customers to understand their situation