



FINANCIAL SERVICES CONSULTING

update

NMG Newsletter November 2009



NMG... now incorporating H2B

It's been a busy and exciting time for NMG since our last update to you. Most of you will have heard that we joined forces with the excellent research team at H2B, and so, from July 1st we have been operating as one business. We are very excited about the opportunities ahead given our stronger, combined research team, and have plenty of plans and ideas for new initiatives in the months ahead.... watch this space!

Meantime, our global strategy team has expanded through the appointment of Andrew Veal to head up the Strategy Consulting practice in the UK. Andrew brings a wealth of experience in strategy development within the financial services sector through previous roles at A.T. Kearney and Troika. His appointment further enhances our ability to use the depth of insight we gain from our unmatched research capability to inform strategic decision making at a corporate level.

We hope you enjoy our newsletter – it's our usual mix of news and case studies with the mention of some new reports and syndicated projects which we hope you will find of interest.

Best wishes
The NMG Team

NMG services in the UK

You may think of NMG as a research agency.... or as a marketing consultancy... or as a strategy consultancy.

Perceptions of who we are and what we do usually depend on what projects you have used us for or who you tend to have your lead relationship with. Given the changes in the firm in recent months we thought it worthwhile to clarify the breadth of capability - you may be surprised at what we do!



Our business is split into four highly complementary areas of capability:

Research: qualitative and quantitative; adhoc and continuous studies; consumer, IFA, employer, other B2B audiences

Insights: market analysis; Business Quality Management programmes in Protection, Group Risk & Wealth

Strategy: corporate strategy; product and proposition strategy; distribution and operational strategy and marketing strategy

Communications: brand development; digital; literature; customer experience; TCF

We'd love to tell you more about our work in the above areas so please get in touch to find out more.

New projects

IFA Thinking 2009. Our next IFA Thinking study starts in November 2009 and will report back to clients in early 2010. With the recent publication of the RDR Consultation Paper, IFA Thinking provides a unique opportunity to gain a strategic view of the IFA market and the plans for business transition that firms have, or will be putting, in place.

IFA Thinking is a large-scale qualitative and observational study, which has been monitoring IFA views and structural changes since 1999. For 2009, this detailed qualitative insight will for the first time be supplemented with data based on our RDR segmentation model within IFA Census.

With 30 depth interviews and seven group discussions, IFA Thinking provides highly robust and details findings. The price of £9,950 includes a presentation at your offices. Please contact us for more details.

Investment Special November 2009. We are currently live with the latest edition of our Investment Special report from IFA Census, drawing on the feedback from over 200 investment focused IFAs. This special report covers a range of contemporary topics including platform usage, investment philosophy and asset class usage. Cost will be £5,000 or free to current IFA Census subscribers.

Paraplanner Census. Given the interest in our survey into the world of the paraplanner earlier this year, we have decided to launch a quarterly tracker of paraplanner opinions.

Paraplanner Census will monitor attitudes and behaviours of this increasingly important and influential group. We will be running a quarterly online survey, with around 200 completed responses from paraplanners across the UK. In addition to a core number of topic areas (around platform usage, influence in provider selection, views on key industry topics ...) there will be an omnibus section for you to place your own bespoke and confidential questions. We are running the first wave in November so please contact us if you are interested in finding out more.

Interpreting the future adviser landscape

In July NMG published its report “Interpreting the Future Adviser Landscape”, the fifth in its series on the Retail Distribution Review.

Based on our primary research with advisers the report highlighted some key issues:

- RDR will result in a spike in advisers leaving the market but long-term demand drivers and increasing levels of professionalism will ensure a vibrant independent sector
- Providers face significant challenges in tailoring support to an adviser market which is segmenting along attitudinal lines
- The temporary assessment option for RDR-level qualification will have a modest positive impact on future adviser numbers
- The re-emergence of provider owned and controlled sales forces may provide a home for those questioning whether to remain as independents
- RDR will drive increased professionalism in the independent sector but will do little to improve consumer access to financial advice

This is a free report so if you have not yet read it please contact your usual NMG contact for a copy.

Building an e-learning portal for transitioning IFAs on behalf of AIFA

NMG and its sister communications business AdventisNMG have been working together for the Association of Independent Financial Advisers (AIFA) on the development of the FF>>WD (“Fast Forward”) website.

FF>>WD is an online business academy which is free for AIFA members, aimed at providing them with tools and resources to assist them not only in meeting the requirements of the RDR but in building sustainable and valuable businesses. FF>>WD comprises a series of business modules, ranging from conducting a business audit, building a business vision and undertaking client segmentation, through to managing clients during the transition process.

Working closely with a steering group from AIFA and Skandia, sponsor of the website, NMG and AdventisNMG developed the scope and structure for FF>>WD, wrote the content for the supporting modules and designed and built the website. NMG interviewed numerous firms that have already experienced business transition to understand their experiences, capturing the findings through case studies and videos for the web site.

Visit <http://www.aifaffwd.net> to see the results for yourself.

Contact Us

If you would like further information about anything you have read in our update please contact us by:

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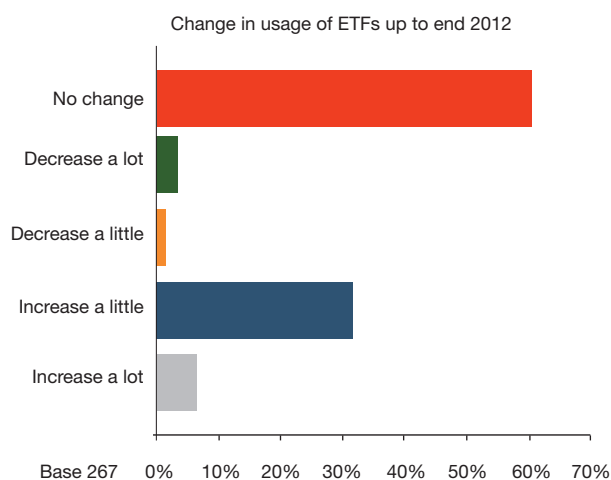
NMG is a Company Partner of the Market Research Society; find us in the Research Buyers Guide on page 348.

Lack of knowledge around ETFs creates challenge for providers

Recent research into Exchange Traded Funds via our IFA Census survey has shown significantly low confidence in and usage of ETFs, presenting providers of these funds with a major challenge if they are to convert IFAs to regular users of these products.

Currently 55% of IFAs are not very or not at all confident in their knowledge of ETFs and this is evidenced by the low numbers currently using them – 71% of IFAs never or rarely recommending ETFs. Just 7% of IFAs are very confident in their knowledge of ETFs.

Despite the FSA suggesting there will be opportunities for ETFs within the Retail Distribution Review only one third of IFAs believe their usage of ETFs will increase leading up to 2012 (38% say they think their usage will increase however of these just 7% believe their usage will increase a lot).



ETF providers have much work ahead if they are to equip IFAs with the right tools and knowledge to be able to include ETFs in their recommendations to clients. An additional, yet fundamental issue is the high number of IFAs that don't yet know what additional products will be included within the new, broader definition of Retail Investment Products – our research shows 4 in 10 IFAs are not clear. It seems that the first hurdle for ETF providers is to communicate more with IFAs to inform and advise them of the opportunity ahead.

STOP PRESS>>> NPSS Syndicated Study

We are currently looking for expressions of interest in a potential new multi-client study around the National Pensions Savings Scheme, to focus on the attitudes and opinions of employers. Likely to be run in the New Year, please let us know if this is something you would be interested in.