

Collective Dynamics



September 2003

Product/Channel Analysis
Research Prospectus

Collective Dynamics

Product/Channel Analysis

Introduction

A variety of different channel options (branch, online, ATM, direct mail, telephone, e-mail, call center, etc.) have proliferated in the last few years. Many banks are still trying to understand the relationship and interaction between these channels and what strategies/configurations optimize customer appeal and bank performance. Further, consumers' channel preferences vary for sales, transacting, and being serviced. A customer may prefer to open an account in a branch, transact over the Internet, and be serviced through the call center, for example.

Collective Dynamics is conducting primary consumer research to gain a better understanding of this issue. This research will focus on the relationship between Channels, Products, Services, and Access Devices. We believe the results of this project will be of great benefit to financial institutions, and financial services providers in better coordinating products, services and delivery channels.

The approach outlined in this Research Prospectus is a "straw man" approach, and will be refined by Collective Dynamics' Research Forum members.

Topic

This research will focus on the relationship between Channels, Products, Services, and Access Devices. The Channels, Products, Services, and Access Devices that will be considered and further refined include:

Channels	Products	Services	Access Devices
Branches	Deposit Products	Sales	Checks
Internet	Checking	Customer Service	Cards
Call Center	Savings	Transactional	Electronic
ATMs	Loans		
Non Traditional Branches	Installment Loans		
Mail	HELOC		
	Mortgages		
	Credit Card		
	Other		
	Bill Payment		
	Investments		
	Insurance		
	Brokerage		

The research will attempt to answer questions such as:

- Which products do consumers want to access through which channels from both a sales and transactional perspective?
- What service options do consumers want through which channels?
- What are their current relative usage and comfort levels?
- What options or products/services by delivery channel would they like to see?
- What channels are most appealing to which customer segments?
- What are the significant issues that consumers have with the various Channel options?
- Can consumers be motivated to utilize channel options that are most cost effective for the bank? How?

Approach/Methodology

Collective Dynamics will utilize on-line interviewing and conjoint techniques to gather both qualitative and quantitative information. Conjoint or multiple regression may be utilized after specific research goals are established with Research Forum members. Cluster analysis will be utilized to better understand how consumers “group together” based on their preferences.

Deliverables

- ◆ Management Presentation and Report
 - Management presentation at your site
 - Presentation content and detailed appendix
 - Research findings
 - Strategic implications
 - Conclusions and recommendations
- ◆ Data -- Survey statistics, frequency counts, cross-tabs and correlations of responses
- ◆ Follow On Analysis -- One day of consulting to explore your specific questions or issues

Study Dates

The study will begin in early October and will be completed by late November.

Collective Dynamics Qualifications

Collective Dynamics’ staff members have over a hundred years of experience in the financial services and payments arena. We have managed a broad array of traditional and alternative payment studies (credit card, ATM/EFT/Debit, Internet banking, ACH, etc.) so we understand the core issues and challenges facing stakeholders in the recurring payments arena. Collective Dynamics staff members also have extensive market research experience and specific skills and experience in the area of conjoint analysis and predictive modeling research. In the past year alone we have delivered research to a broad range of players in the payment system, including:

- | | | | |
|-------------------|-------------------|-------------------|---------------------|
| • Bank of America | • Federal Reserve | • JP Morgan Chase | • Visa |
| • CheckFree | • FleetBoston | • MasterCard | • Wachovia |
| • Concord EFS | • Global Payments | • Unisys | • Washington Mutual |
| • Coca-Cola | • Hypercom | • US Bank | • Wells Fargo Bank |

Cost

The cost for the basic study is \$10,000, plus any travel expenses related to presenting the findings at your site. Prices to survey your actual customers for to understand their preferences and how they comparison to industry norms can be quoted upon request. Please call for specific pricing and to discuss options.

Property Rights

Collective Dynamics retains all rights to the data and conclusions. Study participants are free to use the study results within their organization/holding company but may not share or divulge study information in any form with any other party without the express prior written consent of Collective Dynamics.

Contact Information

To sign up for this study or for questions or further information regarding this study, please e-mail or call:

Steve White
Collective Dynamics
swhite@coldyn.com
(770) 392-9944