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PLANNER

Advice Forum

Turning industry change
into business growth 2010



The Post GFC Consumer

What consumers think
and the things that you can do to be successful right now.



Important information



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About Brandmanagement



- Australian based financial services research company
- Established 2002
- Specialises in financial services
- Australia, China, the Philippines, America and the UK
- Staff are financial services professionals
- Database 100,000+ Australians

Things we will be talking about in a moment



- Change the way the world thinks
- The idea of a “Choice Architect”
- Why being right isn’t always helpful
- Over coming Inertia
- A Brand called You

I stand for advisers



- The work you do is critical
- The work you do will effectively change peoples lives
- That said, I wonder: Is it the work you *think* you do?

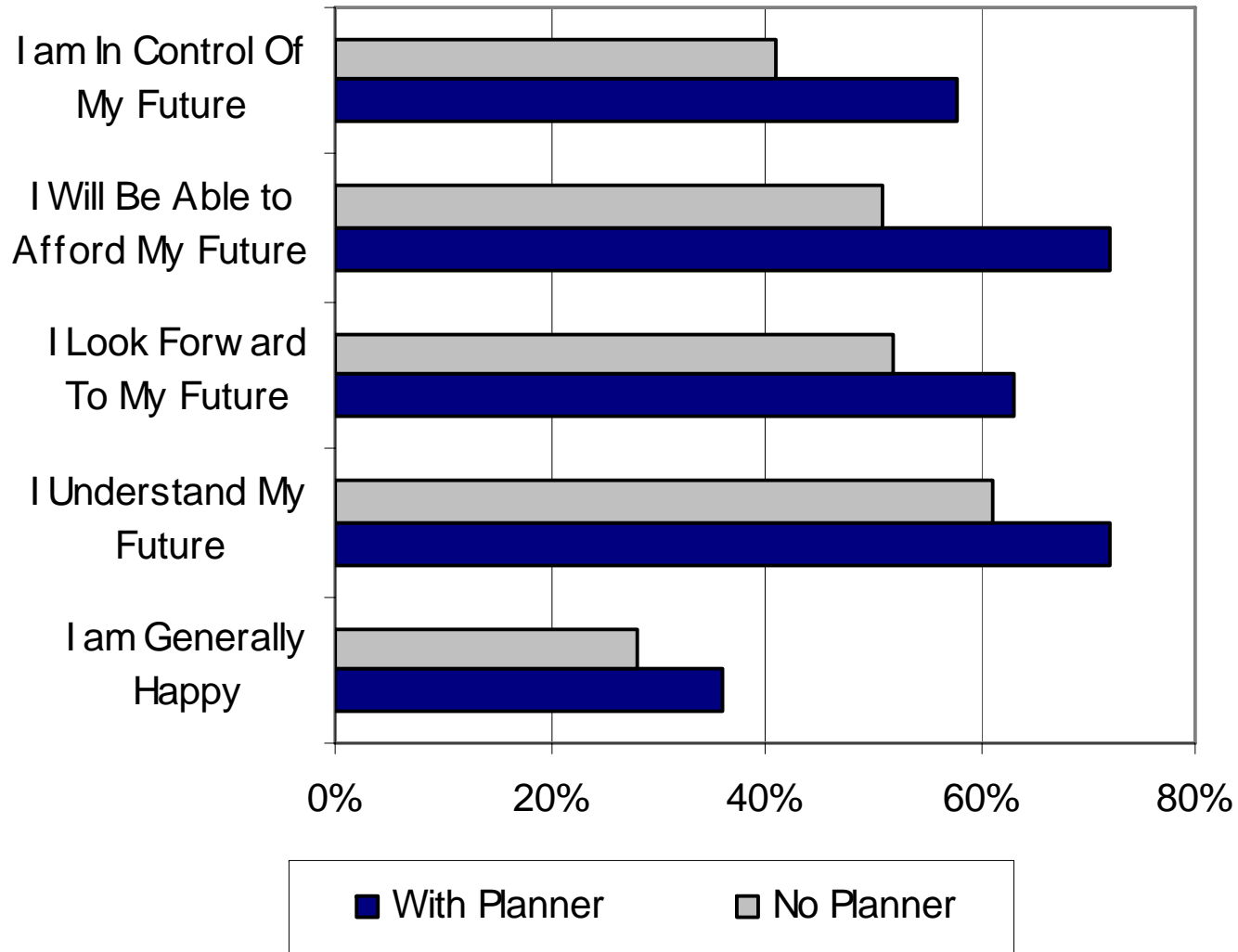
Good advice will:

1. Help people make the most of their assets
2. Make people happier

The happiness index

- Is there a separation in happiness between those who:
 - Have an adviser
 - Don't have an adviser
- University of NSW School of Research survey
 - 5,000 people with an adviser
 - 5,000 people who didn't have an adviser
 - Respondents aged 50
 - Full time employment
 - Investable assets \$50,000+.

I am happy - 2010



Standing in the rubble

Some things we will prove today



- The world has changed
Almost all the things that Australia's mass affluent believed about the financial services industry are if not broken – have been seriously called into question.

They no longer believe in most of the model that they have participated in for the past five years and the rich are the most sceptical of all.

We believe that the opportunity for people in financial planning is bigger than ever – but that its probably different to what you think it is.

But first – lets talk about the evidence.

The role of inference

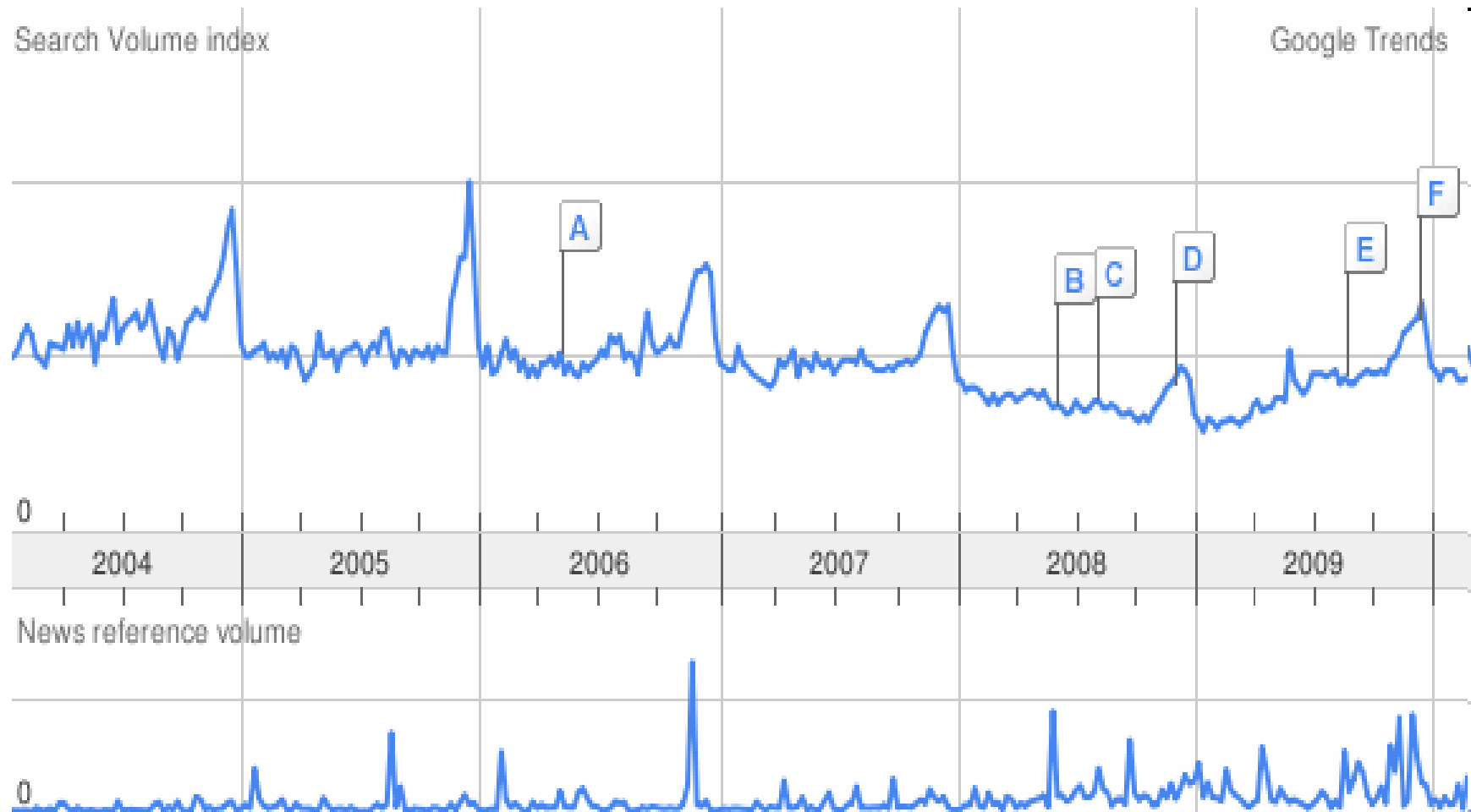
- People find it hard to express what they are thinking about or feeling (particularly men)
- The role of the research - look for clues
- Examine all the available data and build inferences about what is *actually happening*.
- CoreData conducts
 - More than 1 million surveys a year
 - Thousands of mystery shopping events
- When you want real data flow, sometimes you can turn to Google.

Sifting through the rubble

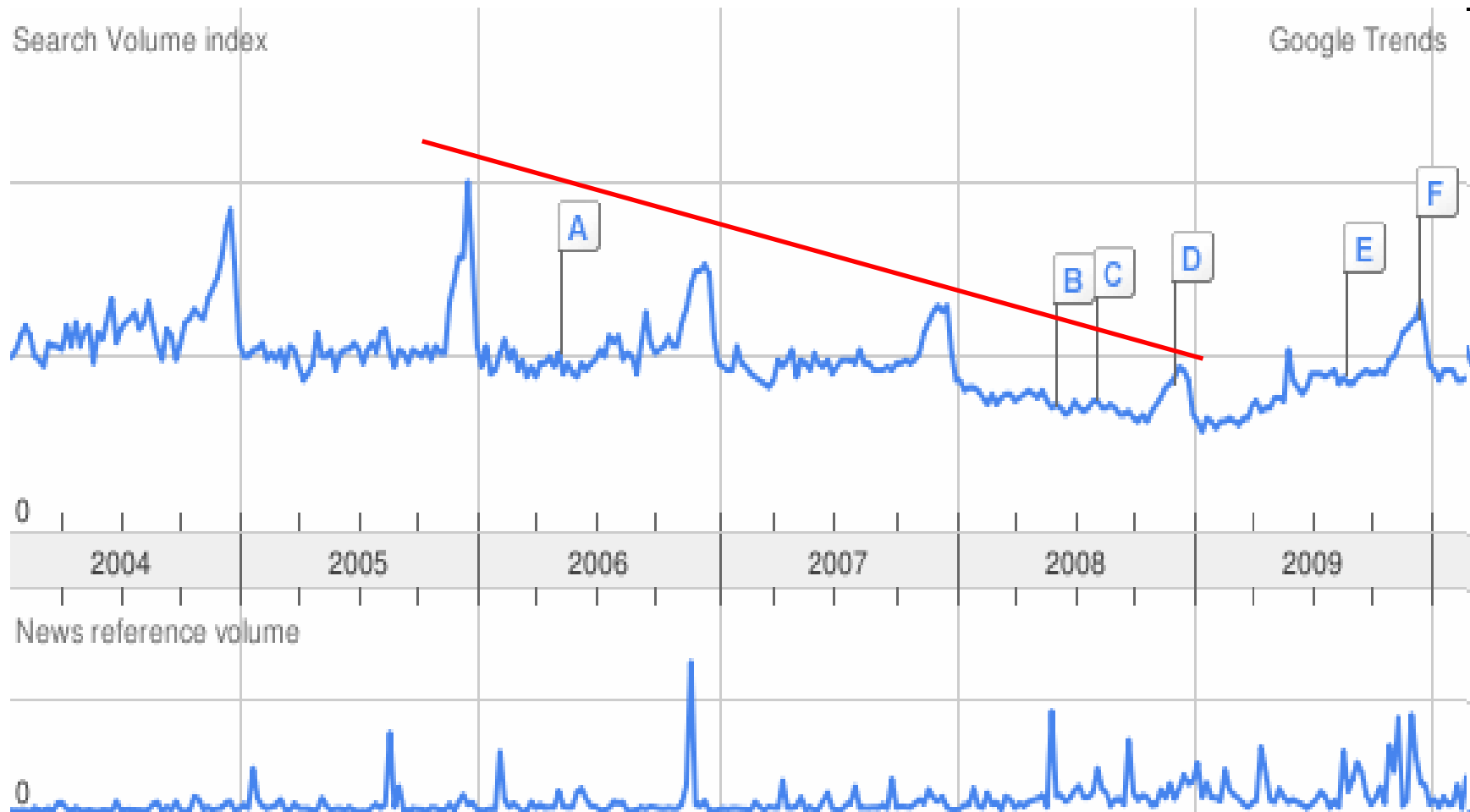


- The Rolex Pulse
- The Planner Pulse

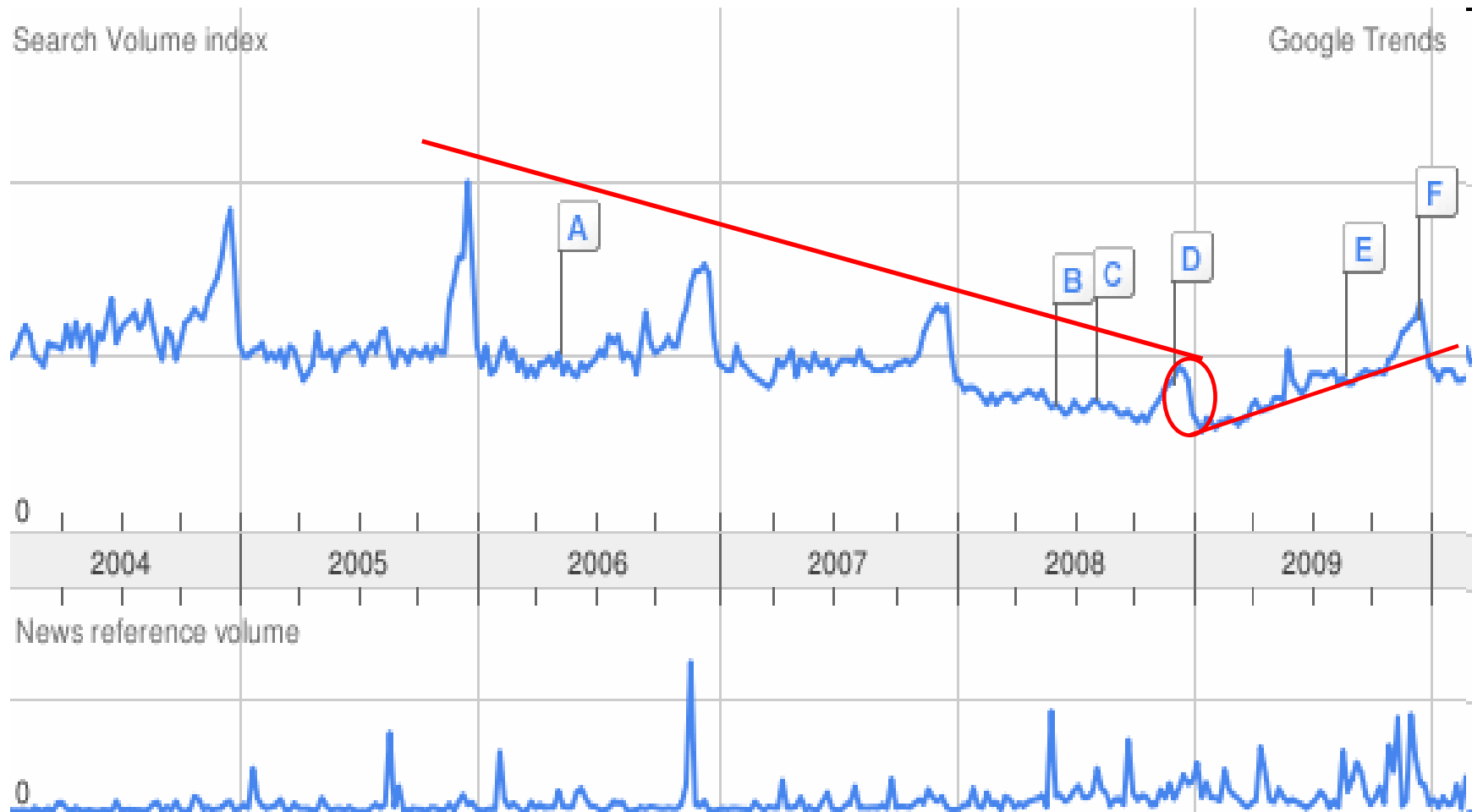
The day the world changed and the return of the Rolex Pulse



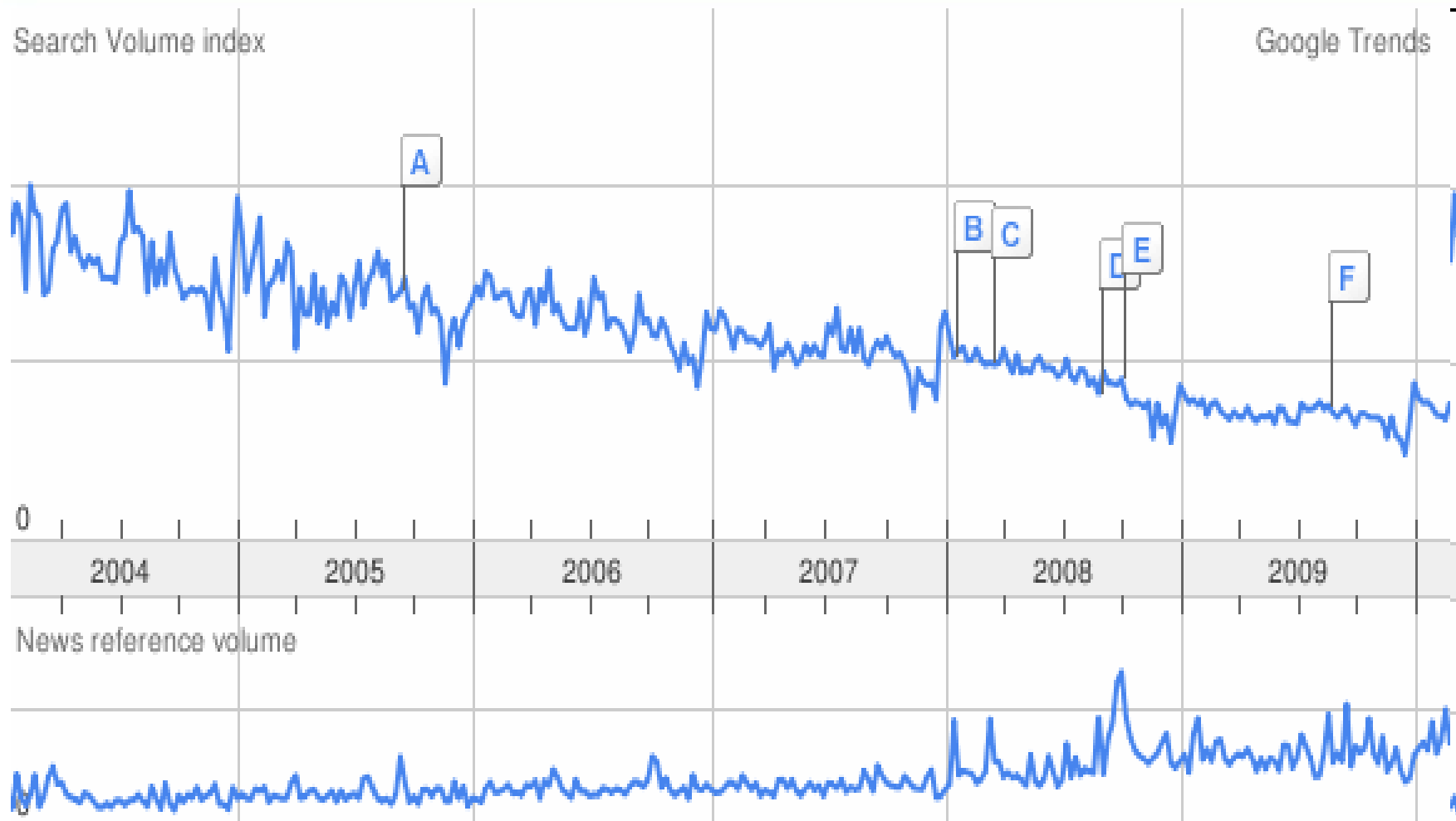
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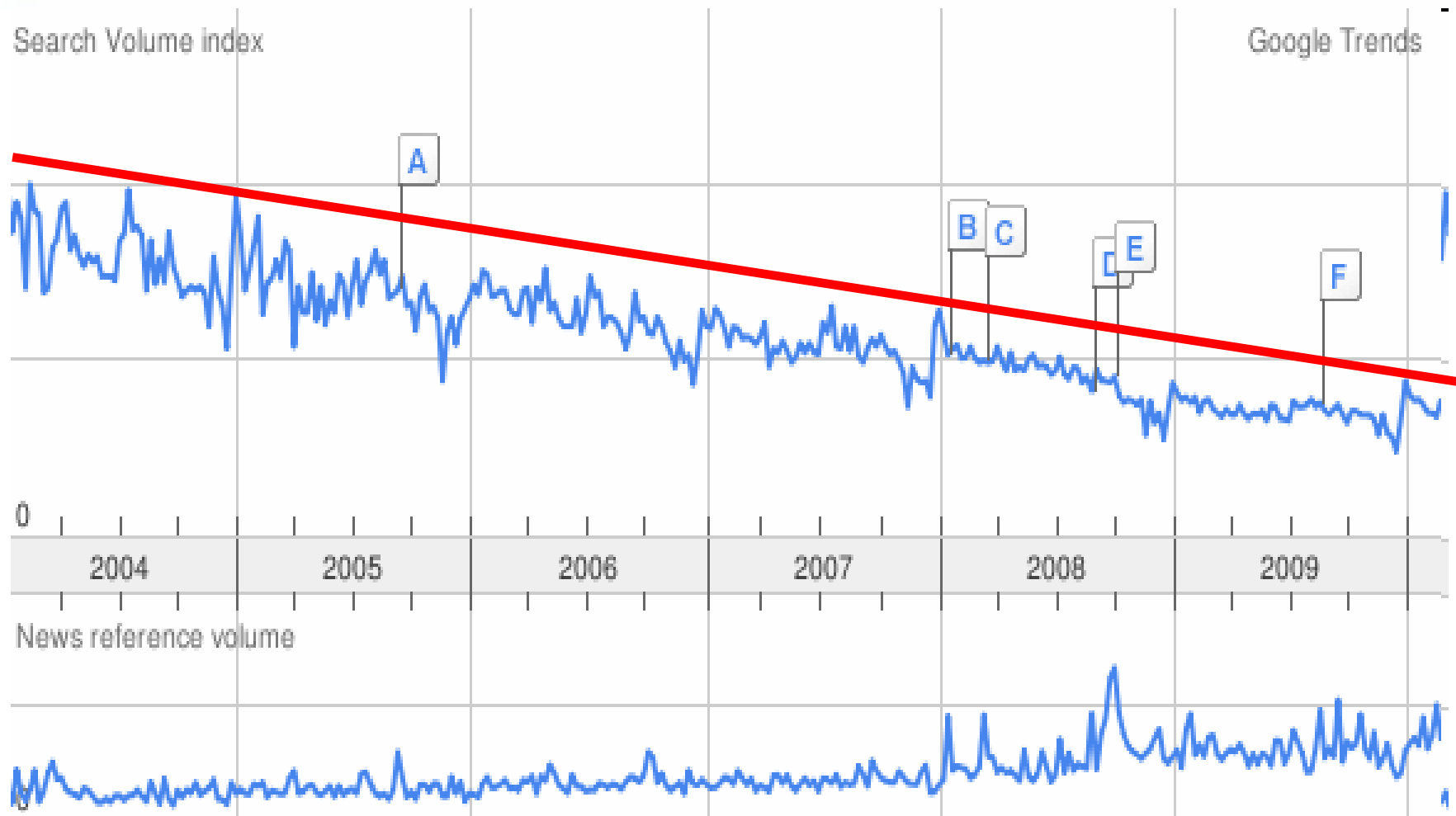
The moment the beat came back



The Planner Pulse



The Planner Pulse is diminishing?



So what does that tell us?



Things that we know

- 76% of people search for an planner and information online (up from 52% in 2002)
- Fewer searches are being done for planners
- Despite the fact that the internet is a more frequently used tool
- Does that mean that the service is becoming less relevant?

Lets talk about authenticity



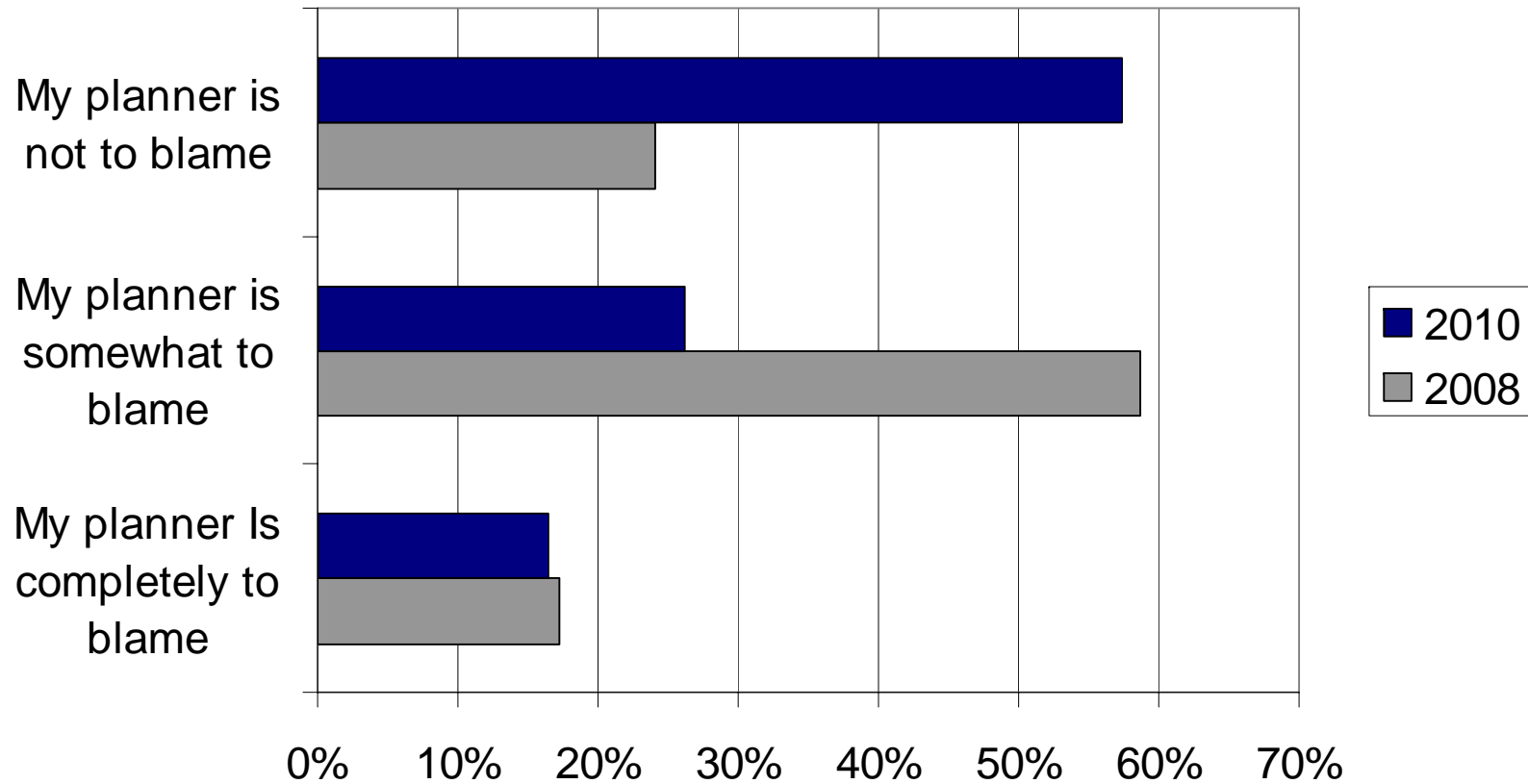
- CoreData research – Labs Since 2006
- Authenticity and trust are almost perfectly linked
- Authenticity is defined by: How much do you do what you say you are going to do?
- How much are you what you say you are?

What happened



The people who had a planner
and the people who were in regular contact with their planner
suffered a notable fall in their wealth.

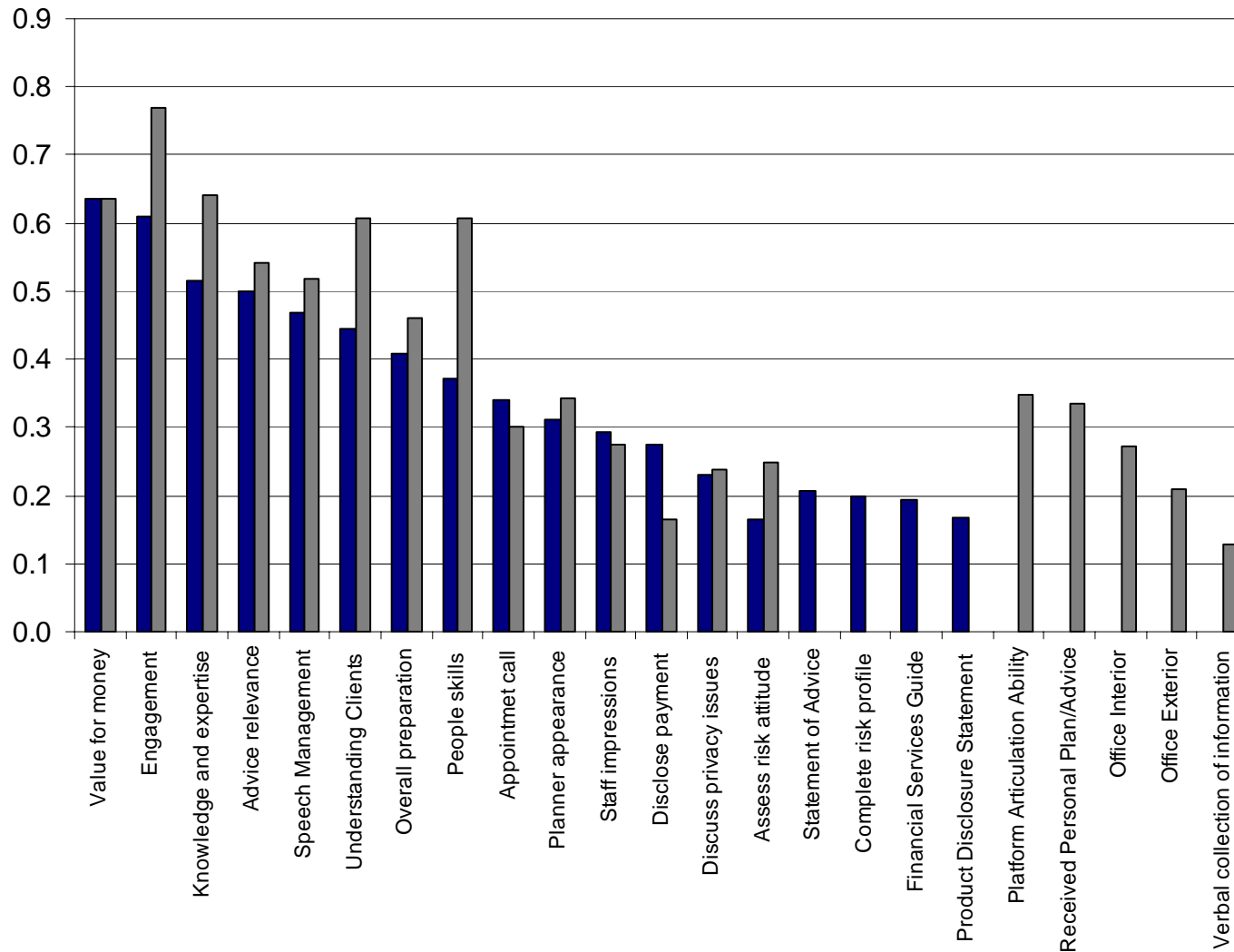
Whose fault was it?



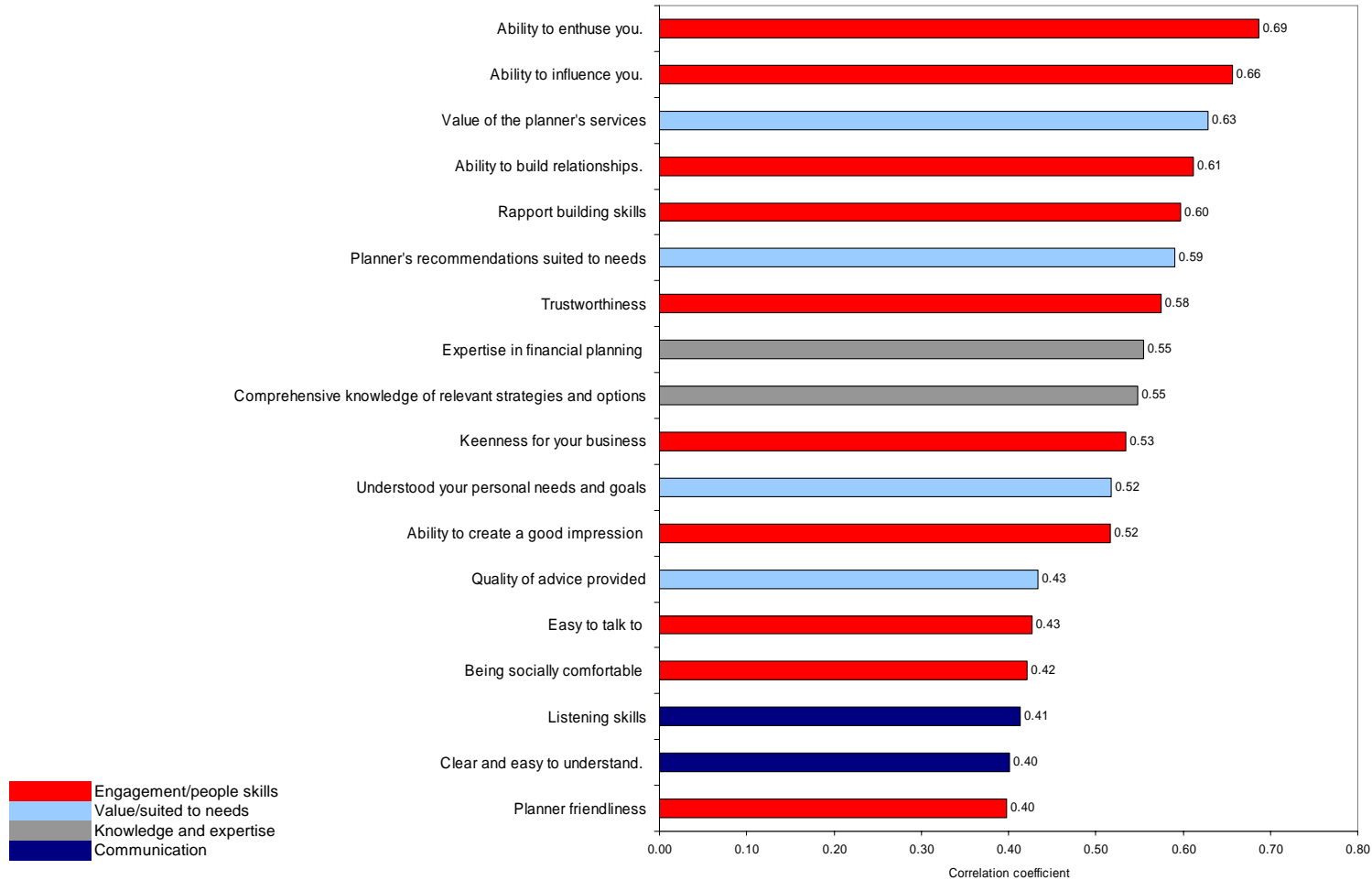
What do they want now?



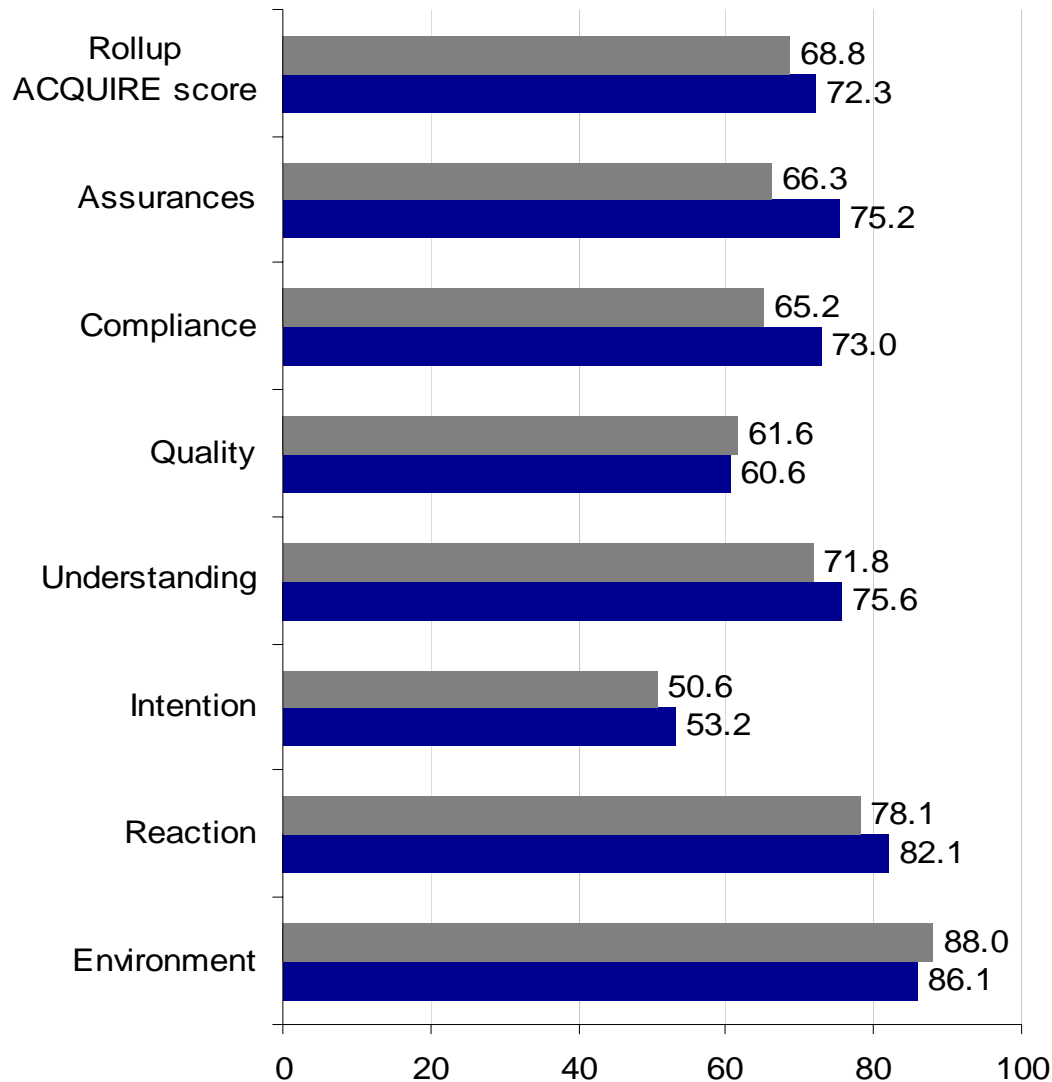
What's important now?



Motivators – what’s always been important remains important



Clues to the secrets of success



- Keeping the customer satisfied
 - Communication
 - Clarity
 - Confidence
 - Leadership



We know the world has changed
but what can you do about it right now?

The list of new things

- The Role of a choice architect
- Why being right isn't always helpful
- Over coming inertia
- A brand called you

The role of the choice architect

- What you do may not be what you *think* you do.
- The paradox of choice
 - NAB has 150 Mortgages
 - 18,000 investment choices
 - Cash Accounts: 0.2% P.A to 5.74% P.A return
 - Which one is right for me?
- An IQ of greater than 140 is wasted
- The rule of 10,000 hours
- Helping people make smart choices

Why being right isn't always helpful



In 2008 we recognised that we were in the depths of a pretty grim economic time – so we started doing what any good research does – we asked a lot more questions and we discovered two groups of people

The Frozen – After the collapse they disengaged from the world and all new funds went into cash.

The Ambitious – Engaged vigorously with the world, spoke to their planner and went shopping – in some cases where they could gearing to enter the markets.

What happened



January 2008

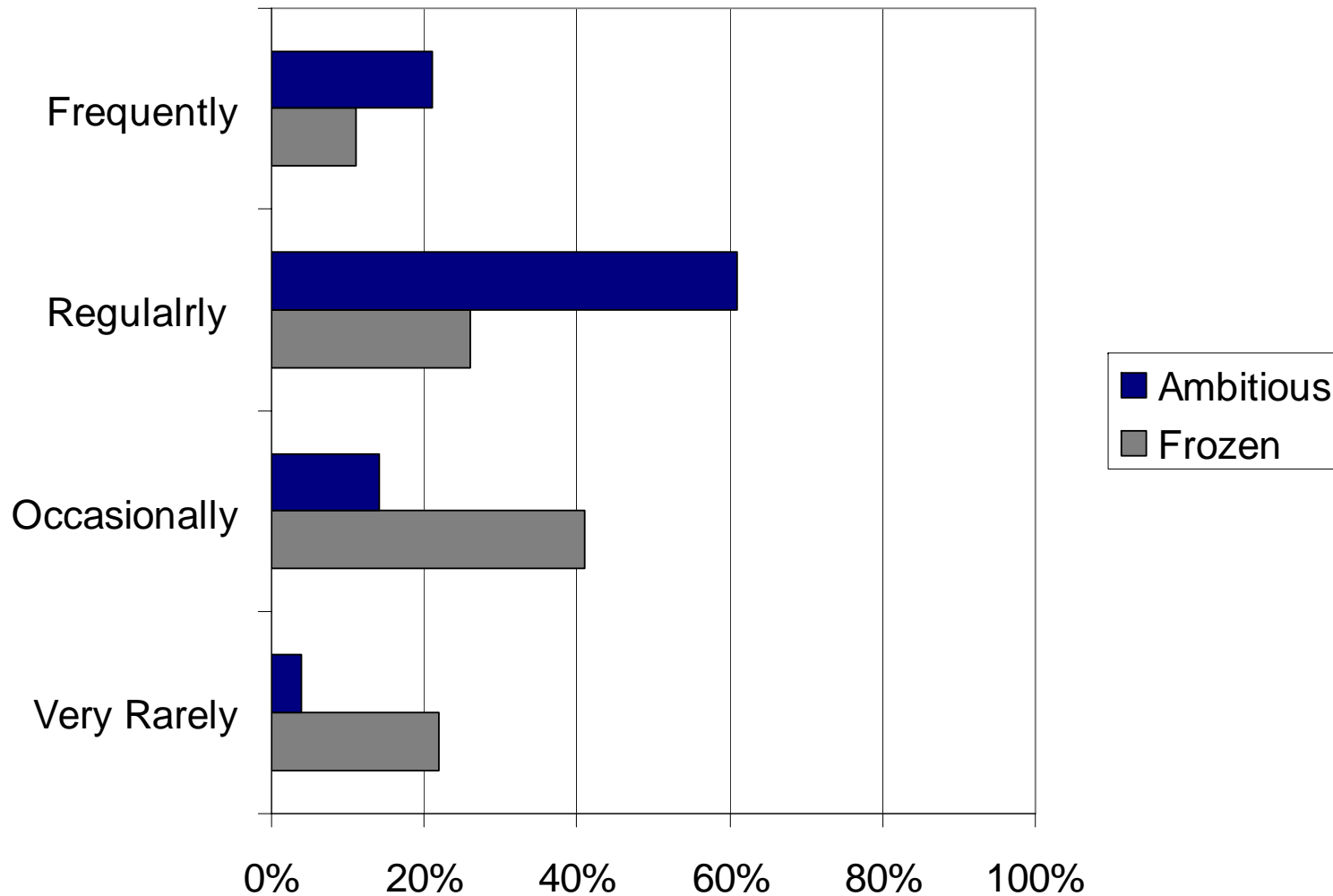
Start of research - the 1200 people in this study had lost average 22% of their wealth (self reported)

January 2010

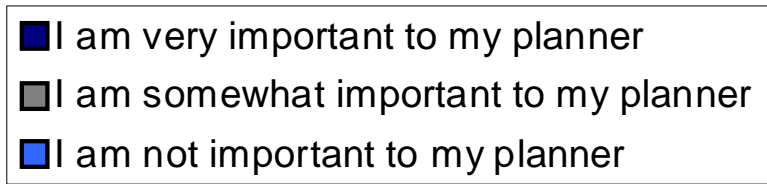
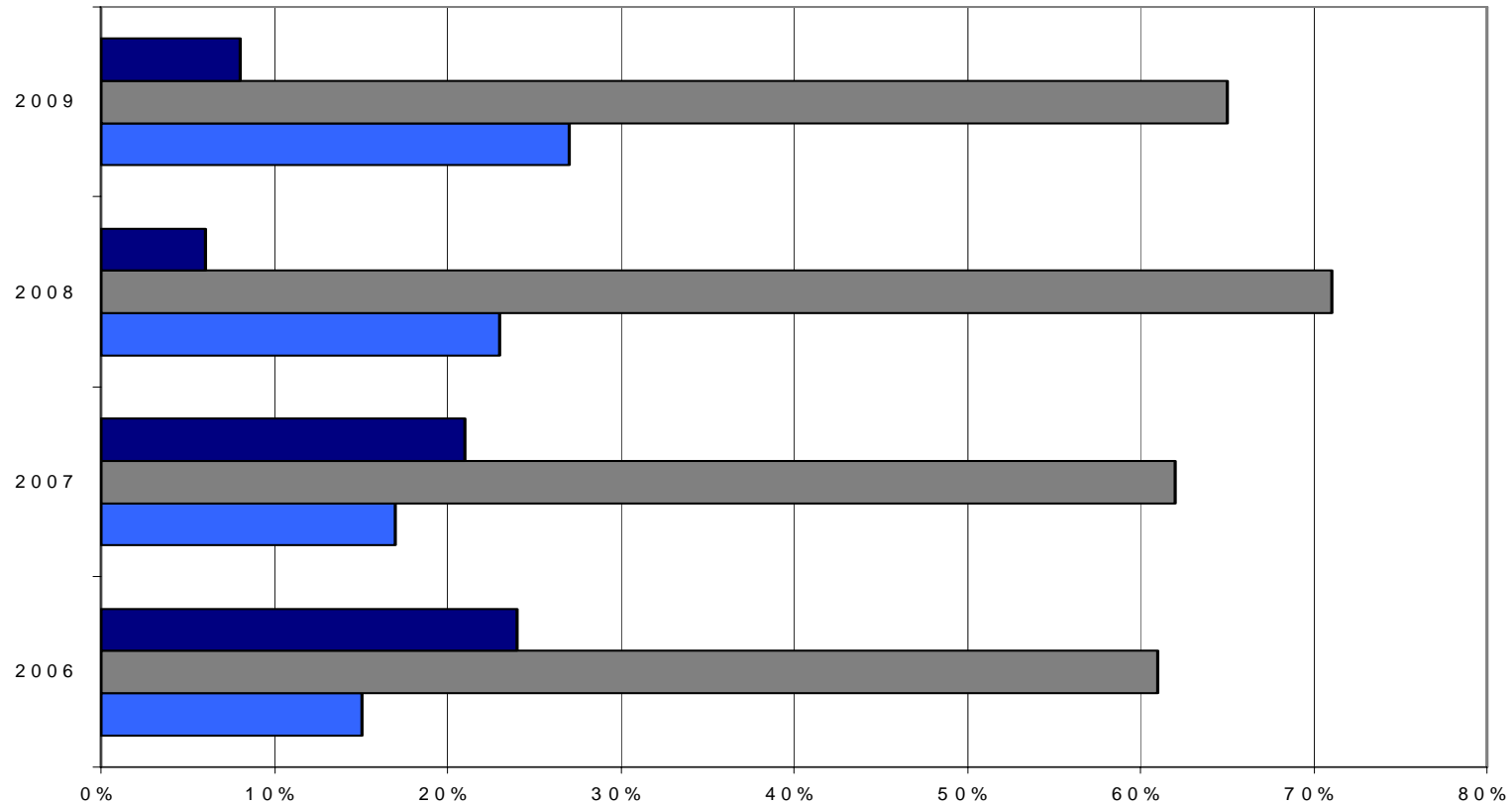
The **Frozen** have had an increase in wealth of approximately 10% (self reported)

The **Ambitious** have had an increase in wealth of approximately 40% (self reported)

Frozen v Ambitious - frequency



The concept of being loosely bound



What would it take to make you interested again?



“I want to feel that he has a clear plan for me – that we can make something of this situation in the next few years – all he ever says is but equities – that’s like asking a man who has been in a car crash to get back behind the wheel...”

Male 58, Queensland

“What I need is a road map – and the sense that he isn’t going to let this happen again – I’m four years from retirement and I’m not convinced that sticking with the plan is the answer – after all the world has changed so much”.

Male 61, NSW

The clues to dealing with the mad and the scared



- Rule 1 They aren't wrong. They are scared – you have to meet them where they are.
- Rule 2 Once you have established the fact that you know where they are you have to build trust. Little steps taken with great frequency
- Rule 3 Assess this persons motivators – are they motivated by fear? Ambition? Ego?
- Rule 4 Make a map

Things that you know and can deliver on right now



- Knowledge Leadership
- Emotional Connections
- Understanding and creating the Art Of Fulfilment in your clients
- Biography is not destiny

Remember how people work and use it



- Certainty
- Variety

- Significance
- Connection

- Contribution
- Making a map

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