

Trends shaping the consumer driven decade

October 2011



Agenda

- Overview
- Key demographic trends
- Societal shifts
- Ubranization
- New Communications

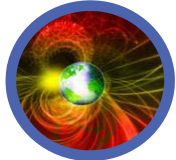
Consumer demands and the fallout from the two speed economy, facilitated by technology and the availability of information, will shape the trends of the next decade



Consumer empowerment



Instant information and reviews



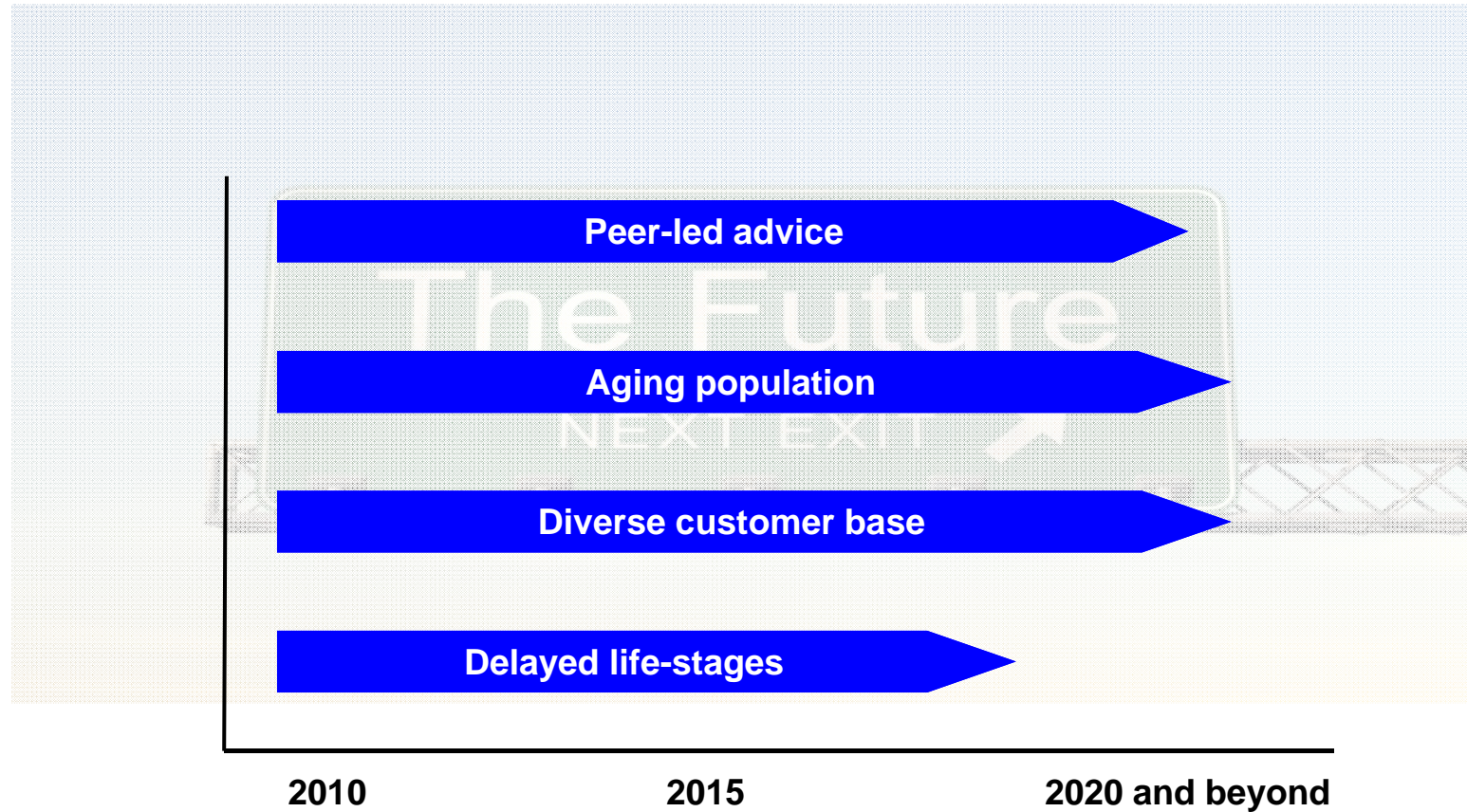
Technological advances



Perceived failings of the big banks

The Consumer-Driven Decade

The Complexity of Consumers: Longevity of key trends





Demographic transition

INSIGHT by DATAMONITOR

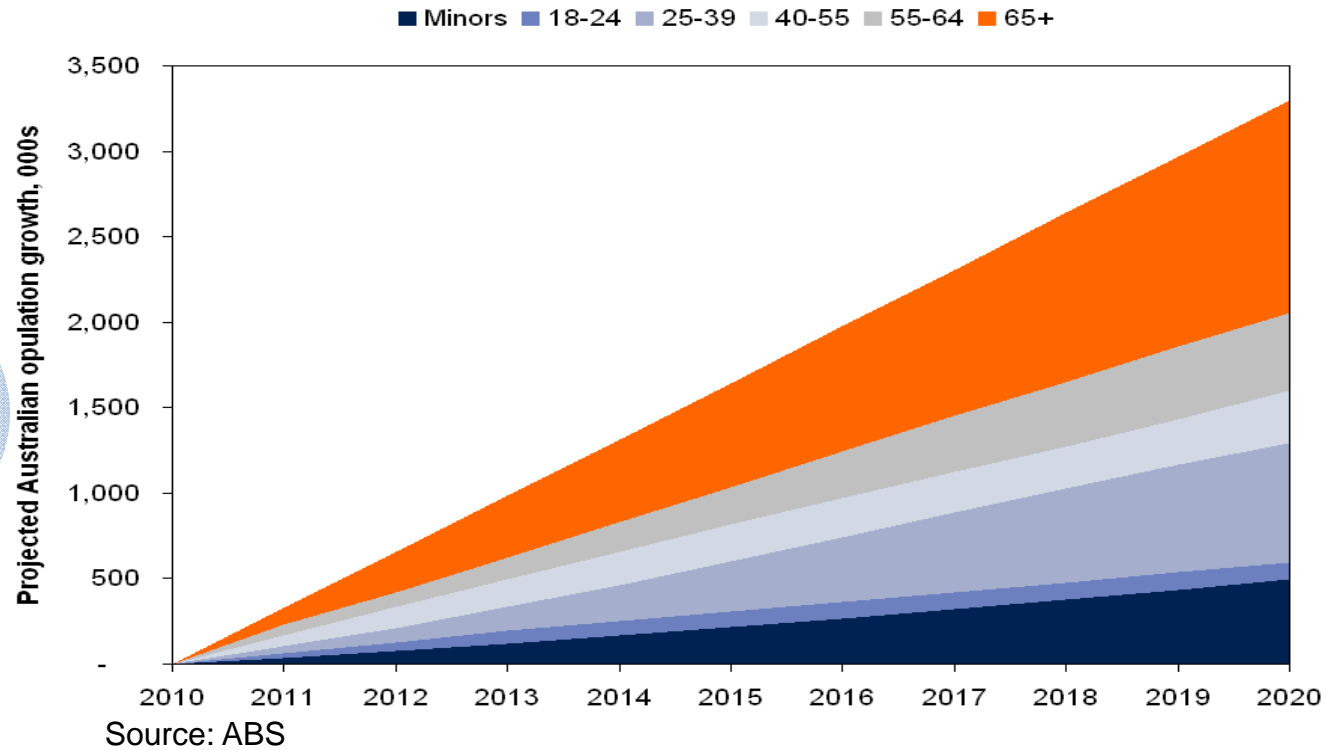
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Demographic trends are aging Australia

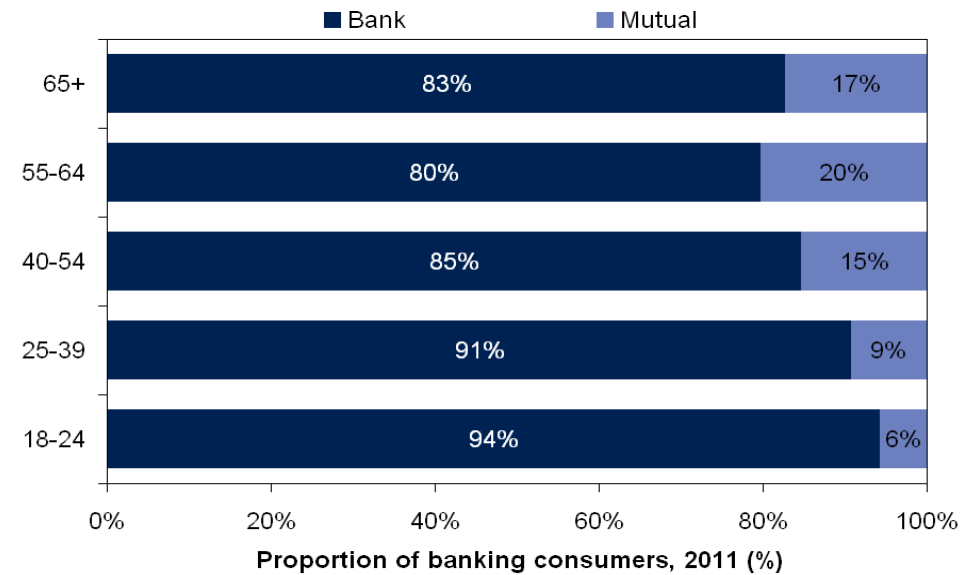
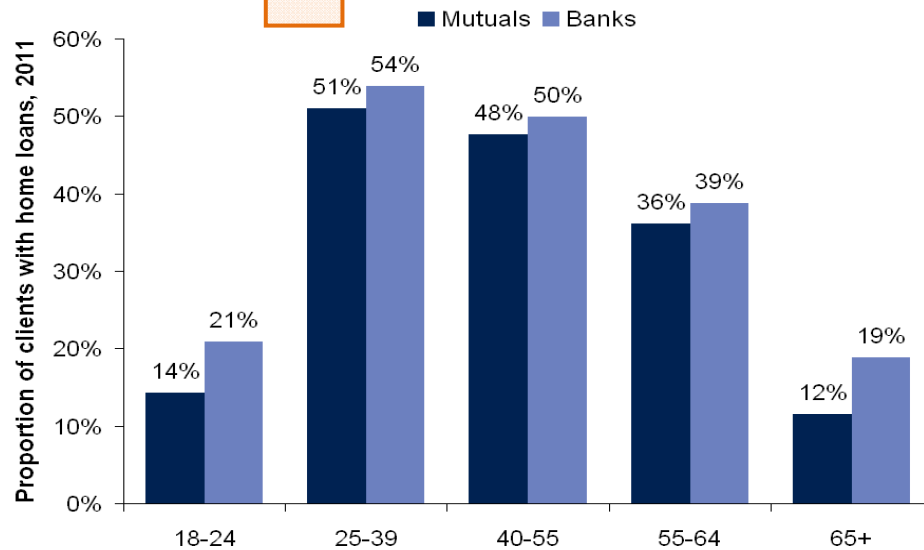
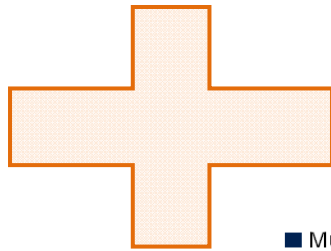
3m more Aussies by 2020

42% of the growth will be from +65s

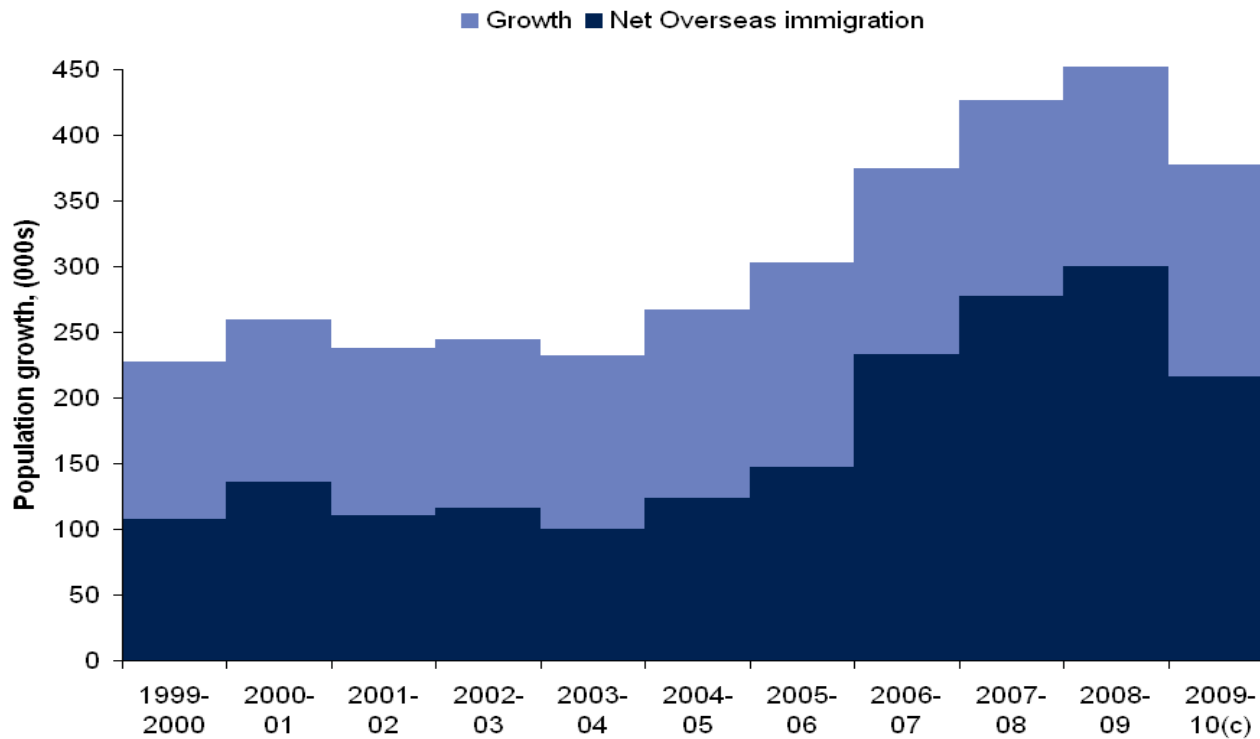
Over 4.3m will be +65 in 2020



An aging population will increase demographics where mutuals are strongest



Accelerating immigration trends are increasing the percentage of new residents



60% of growth from the last 5 years due to immigration

25% of Australians were born overseas

Increased consumer longevity will need to drive innovation in products and services



Guadalupe Credit Union shows that no credit history need not be a barrier



Flexible ID requirements



Credit-builder loans to build history



Longer branch hours



Marketing and advertising in community media



SMART CASH payday loan alternative product



International remittances





Social change

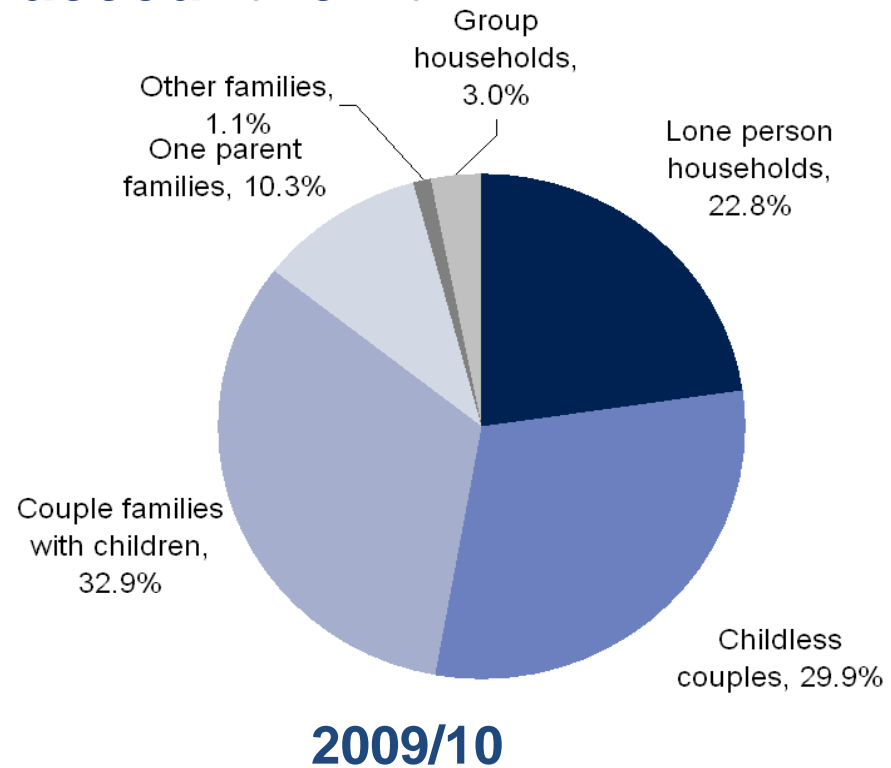
The shape of the family unit is changing, and FS products must change to account for it

Childless couples will soon become the largest group

14% of families were single parent homes

1.3m families had adult children still living with them

Age at first marriage rose 3.1 years between 1989 and 2009



Source: ABS

Unconventional homes lead to unconventional needs to fulfill typical life goals

Raising a deposit will be more challenging for single parents

Consumers are staying single for longer and delaying a number of life-stages

University leavers have their life-stages delayed due to debt



High LTV mortgages will be more prevalent



Target age groups for products will shift upwards



Need to help consumers with debt burdens to save and deal with mortgage stress.

The Ecology Building Society in the UK designs loans just for retirees



Retired consumers 50+



Do not need to be contributing to an investment scheme



Pension income counts towards income requirements



Greater care on survivor suitability/ affordability

enlightened

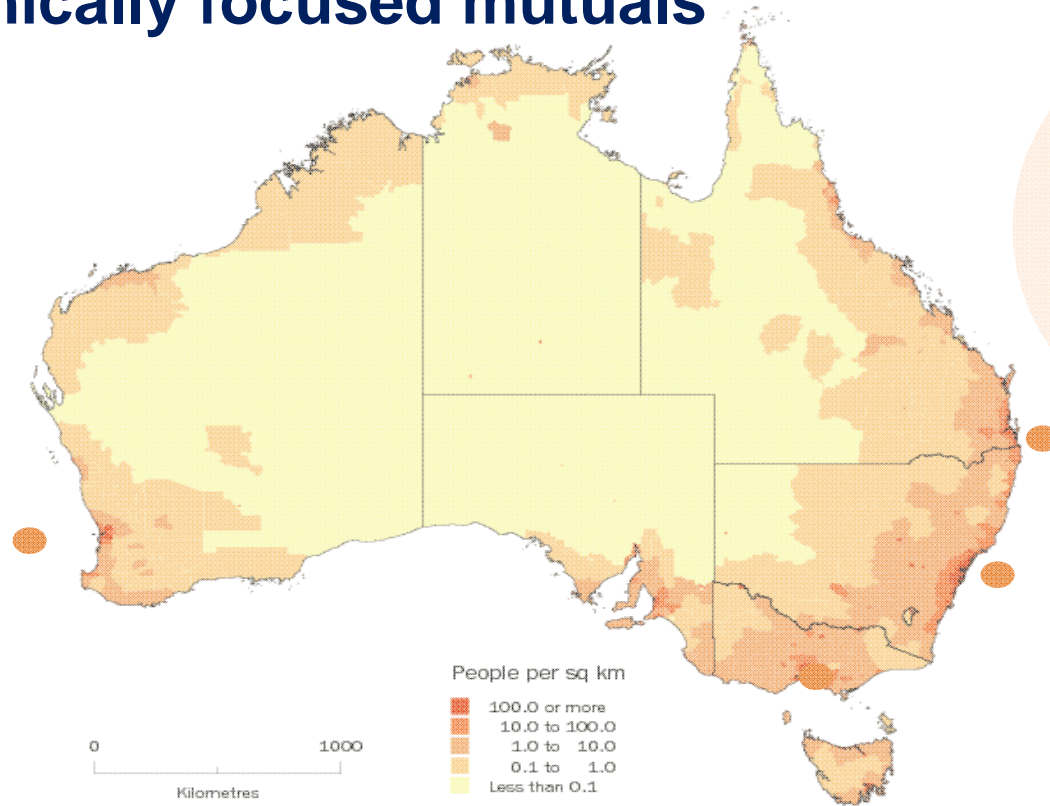


Urbanization

INSIGHT by DATAMONITOR

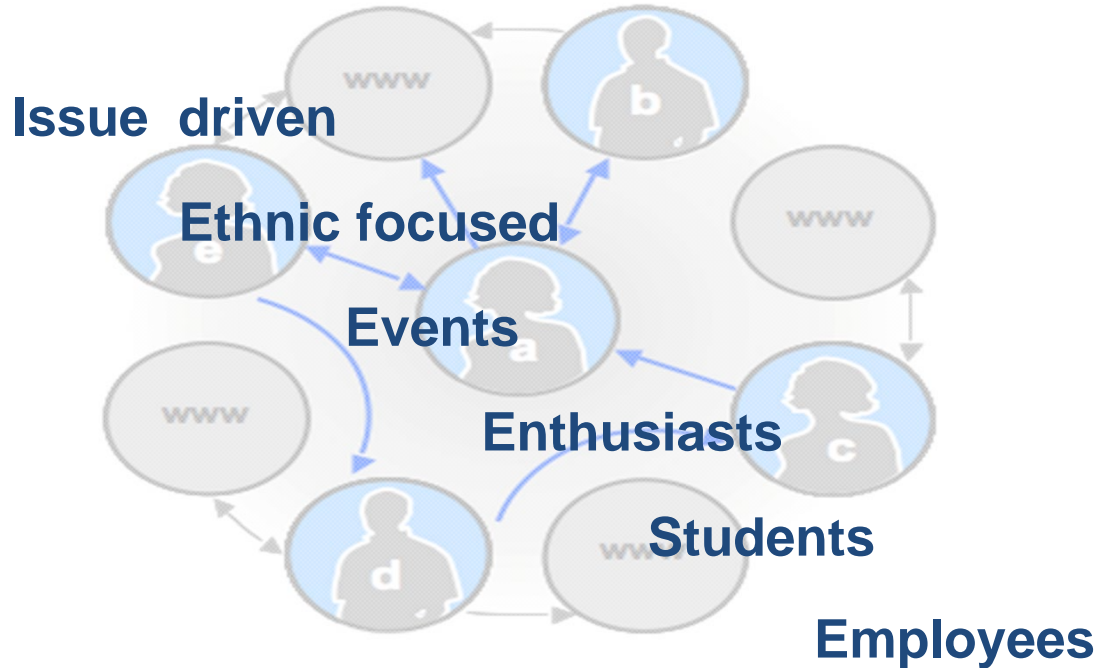
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The country is moving to the cities, directly threatening geographically focused mutuals



88.4% of
Australians
lived in cities
in 2010

New communities are forming virtually and are ready for financial services partners



109,831 members



216,114 members

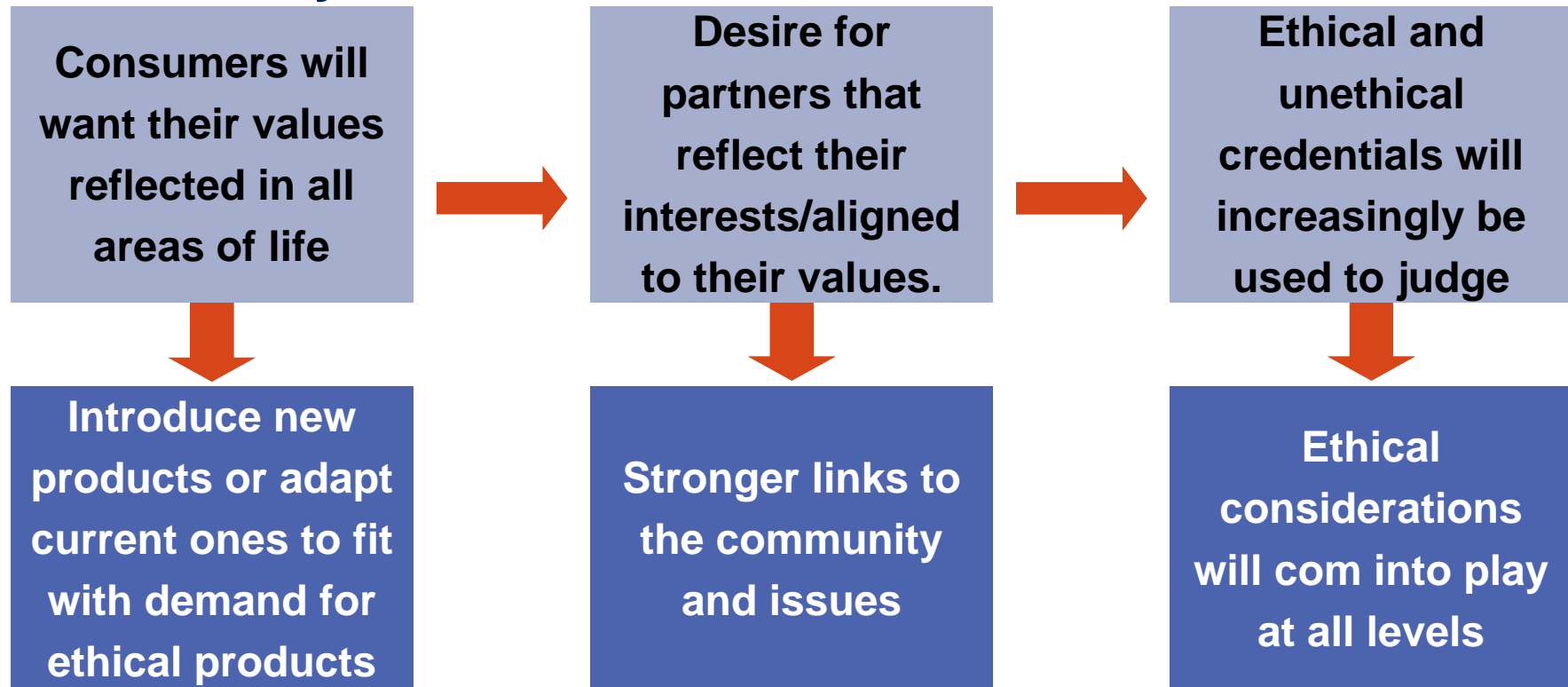


27,098 members



454,195 members

Mutuals will need to link financial products with community attributes



Vancity uses its own social network to connect and form communities



Vancity Bike Share program



The Hub website networks



Twitter feed for customer service and networking



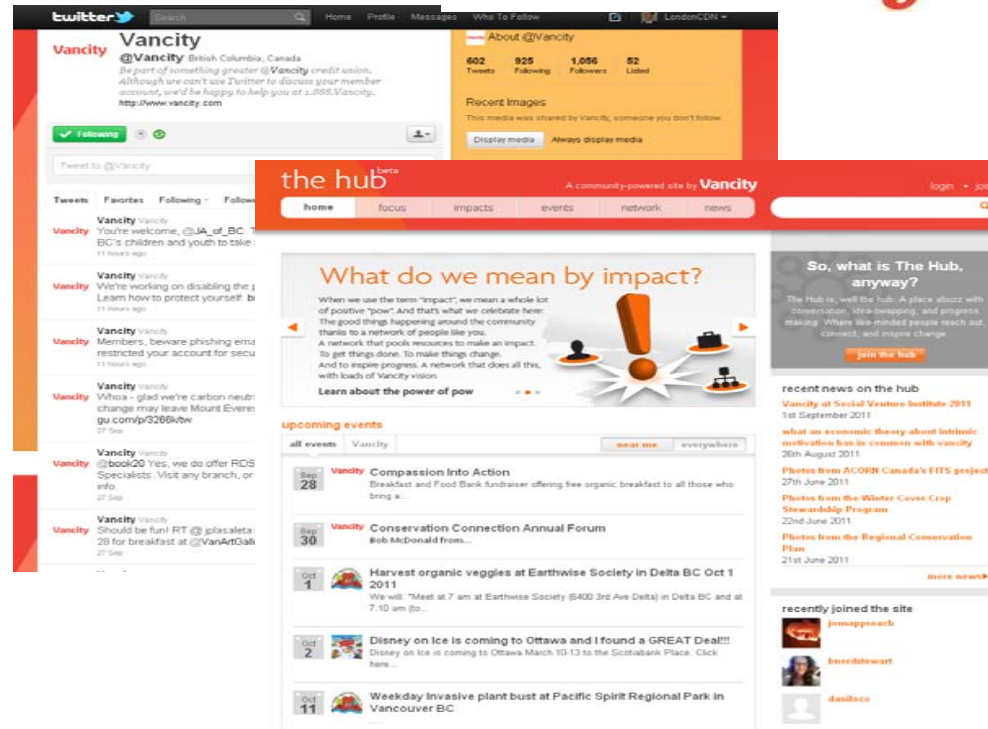
Forms communities around itself based on issues

Assets: \$14.4 billion

Employees: 2,000

Members: 414,000

Branches: 59



Young and Free campaign reaches out to students and young people

Young & Free is an innovative, social media meets product promotion meets user-generated-content campaign that is achieving significant on-going success for credit unions in the US and Canada.



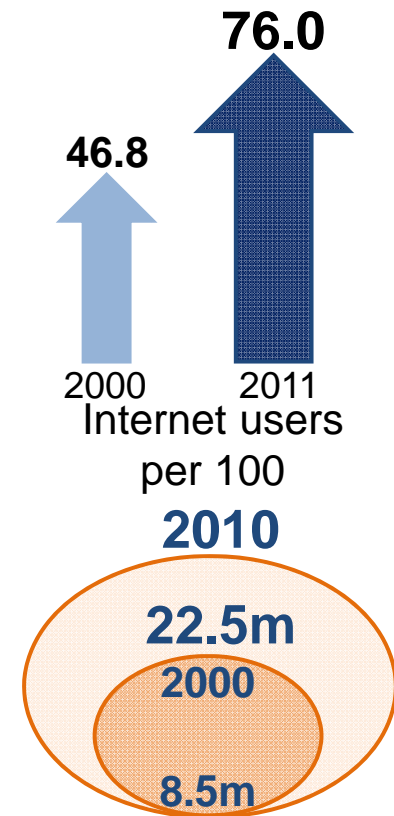
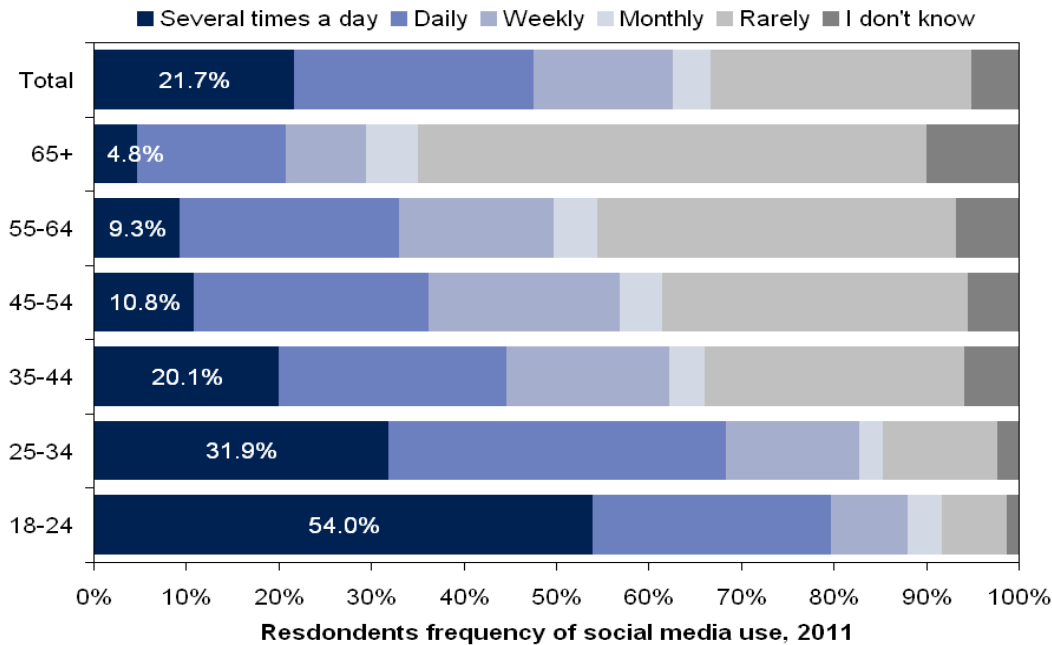


New communication

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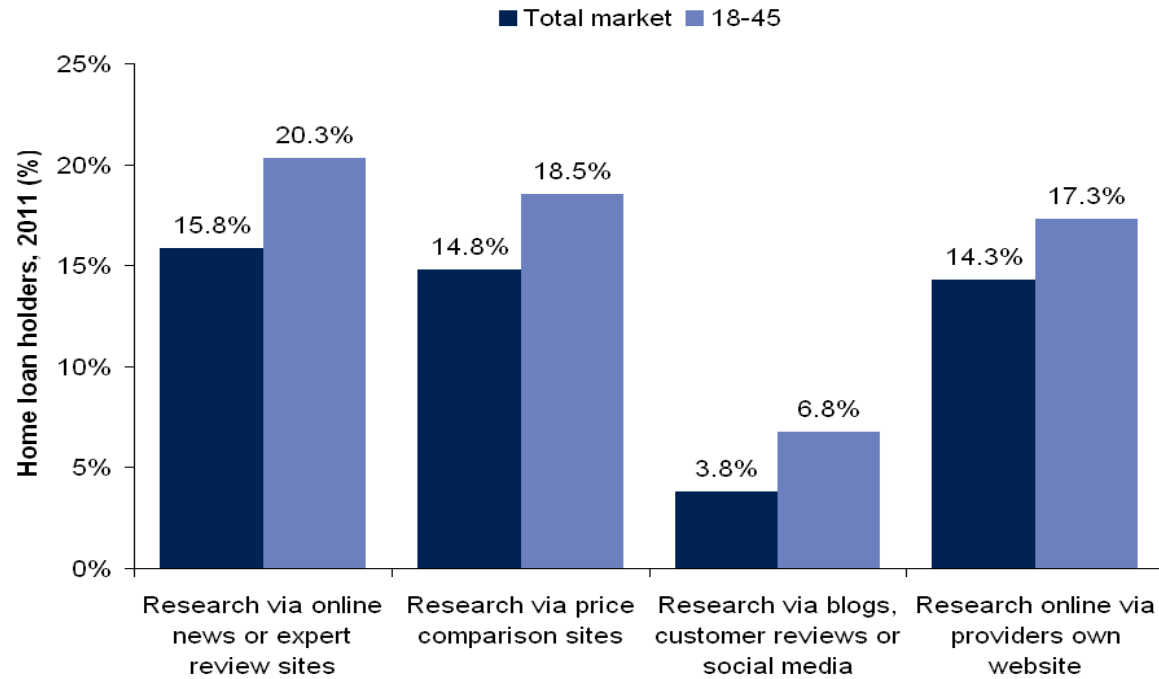
Australia is online in a big way and needs financial partners that are there too



How often, if at all, do you use social networking sites?

Mobile phone plans

Consumers are moving their research online for all their financial products



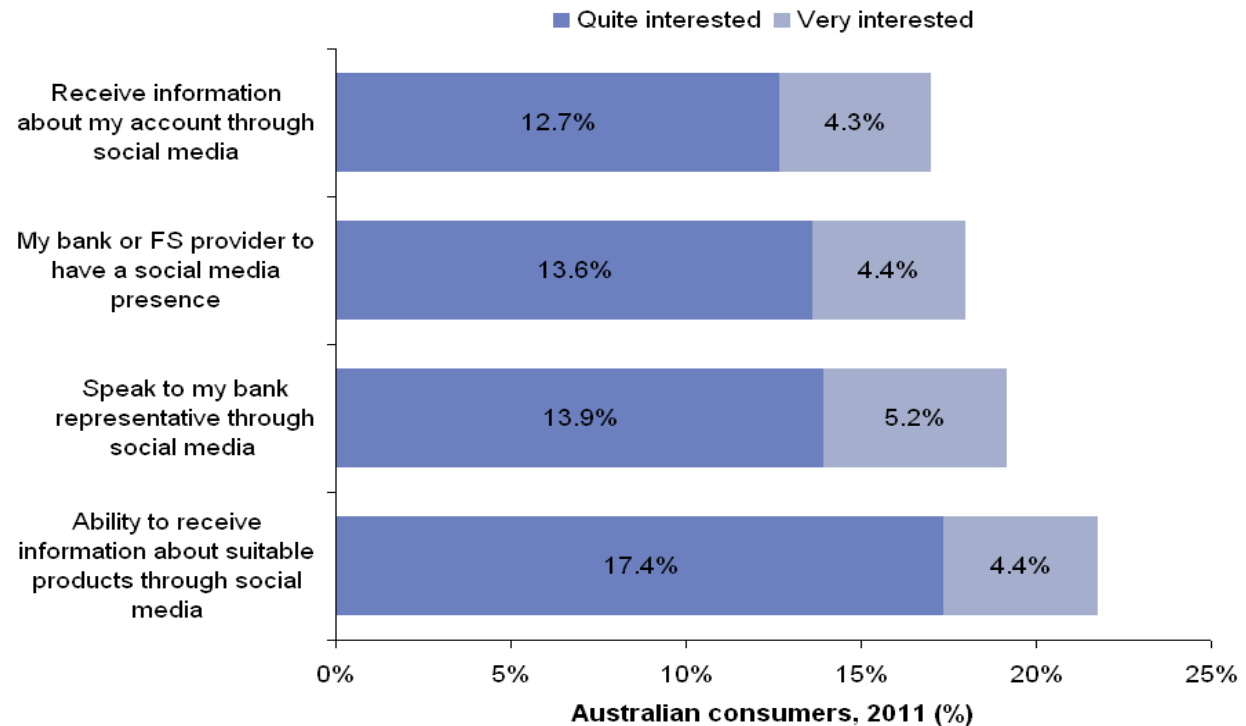
Actions done before taking out a home loan

Greater social media engagement is a priority for about 20% of consumers

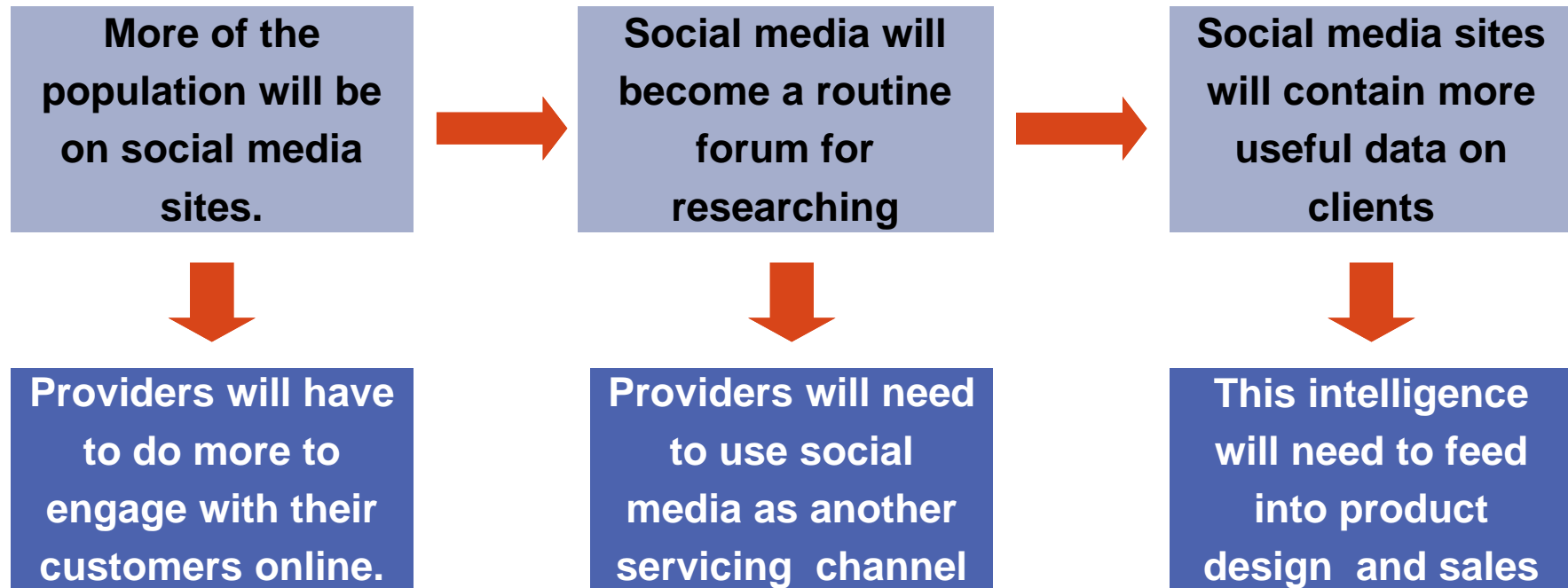
Social media interaction will become more mainstream

Social media will become a standard research tool

No one can afford to deny themselves a communication channel



Social media will be increasingly integrated into marketing and product development



Saffron Building Society has built a strong social media presence in the UK



Fun and practical online tools

WEDDING PLAN SAVE GET MARRIED!

How does the site work? | Who made the site? | Why planning & saving works | I need some help | Links

Log In

Plan. Save. Get Married!

- Free planning and saving tool in partnership with Saffron Building Society
- Manage your wedding ideas in one place and create your own savings plan
- Your plan is linked to an online wedding savings account
- Watch your savings grow and turn your dream day into a reality

PLAN SAVE GET MARRIED!

Start Planning
Use our free planning tool to plan your wedding

Start Saving
Open a 'best buy' savings account now and plan your wedding

Name your wedding plan: Debbie and Mick's Wedding | Email address: |
 Wedding Date: dd/mm/yyyy | Password: |

Saffron Building Society would like to provide you with the latest information and provide you with exclusive special offers for your wedding. If you don't want to receive these updates please tick here:

Start My Plan

Engaging community activities

Ladybird Saver Home Ladybird Account Rules Clues Found One!

Places to Look
Friday 28 - Monday 31 August
Bishop's Stortford Forge Museum
Location: High Street, Much Hadham Hertfordshire, SG10 6BS t: (01279) 843301

The map above shows some of the places hiding Ladybirds. However, there are more hidden in all sorts of places, including shops, toy play areas, museums and on the high street! Some hiding places will have posters on show, letting you know to look for Ladybirds there. You should keep your eyes peeled though because not all of the Ladybirds are hidden in places where a poster can be displayed. If you find a Ladybird and take it to a Saffron branch or agency and see your £2 to open a Ladybird account they will magic it into £5 as a thank you.

If you find a Ladybird, we'd love to know - fill in your details on the Found One page.

Clues **Found One!**

Some of our extra-special Ladybirds still haven't been found. Use these clues and you could win up to £1600!

- Old Macdonald had a farm, and on that farm he has some Ladybirds! If you're in Brentwood, go and see for yourself.
- "We found 3 each at Handmade Pine products, Bretts Garden centre, White Roding"
- Charlotte & Karlin Stange, Bishop's Stortford
- "My daddy took me to Old Macdonalds Farm"
- Charlotte & Amy Topcliffe, South Woodham Ferris

Personalized social media

twitter Search Home Profile Messages Who To Follow

Jon Hall
@Jon_E_Hall
20yrs qualified accountant from FWC, 15yrs FS experience. Finance Director of Saffron BS. Married, 1 daughter. Enjoys US, triathlon, running
<http://www.saffronbs.co.uk>

About @Jon_E_Hall
8 Tweets 36 Following 7 Followers 0 Listed
Connections

Andy Golding
@Andy_Golding East Anglia
CEO of Saffron Building Society and NHS NED, married to Helen, with a kids Max and Will and dog Henry - loves boats and guitar playing/collecting.
<http://www.saffronbs.co.uk/blog/>

About @Andy_Golding
1,223 Tweets 907 Following 728 Followers 21 Listed
Connections

Questions

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