

FINANCIAL SERVICES ADVISOR™

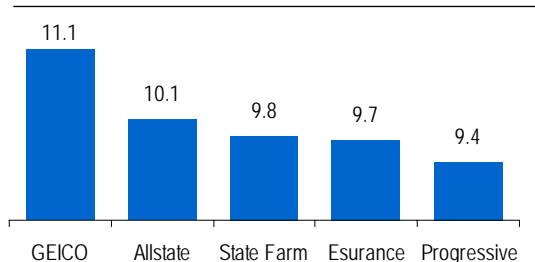
Monthly insights from Compete for financial services executives

WILL YOU SPEND 15 MINUTES TO SAVE 15% OR MORE?

As consumers increasingly turn to the Internet for everyday financial services tasks, they are more frequently interacting with online application processes. Recognizing this, consumer-oriented sites often tell prospects how long the application process will take. GEICO has spent significant resources raising awareness for their "15 minutes could save you 15% or more on your car insurance" campaign, but is 15 minutes a reasonable amount of time?

In a recent Compete survey, about 20% of consumers who abandoned online applications indicated that they did so because of the length of the process. Many consumers are not willing to spend 15 minutes to complete the online application at GEICO. Its closest competitor, Progressive, clearly lets web site visitors know that they can receive an accurate rate quote in about 8 minutes – half as much time as GEICO. According to Compete data, Progressive's online quote process takes the least amount of time for consumers to complete, compared to its closest competitors.

Average Time to Complete Auto Insurance Application (In Minutes; Q2 Applicants)



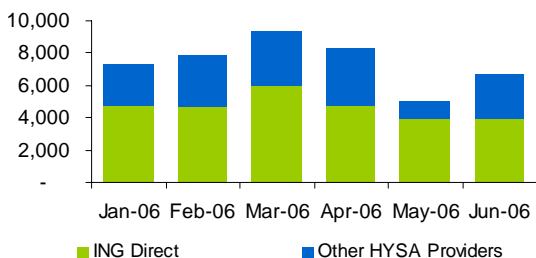
Progressive's faster application process helps generate more completed online applications despite more consumers shopping on the GEICO website.

Financial services sites should set consumers' expectations before they begin to transact. Companies need to also consider the ease-of-use and efficiency of their online application processes. Transacting online makes it much easier for consumers to abandon the application process at one site and switch directly to another. GEICO's tagline is catchy, but it is promoting a comparative weakness.

WAMU BANKS ON HIGH YIELD SAVINGS

The high-yield savings account (HYSA) market continues to be very active. More than 60,000 new accounts are opened each month across competitors including Citibank e-Savings, EmigrantDirect, HSBCdirect and ING Direct. Many large retail banks now working through their 2007 planning are developing business models to understand the opportunity and risk of launching a HYSA product.

WAMU Online Bankers Opening New Accounts with Competing HYSA Providers (Jan 2006 – Jun 2006)



In late August, Washington Mutual began rolling out its HYSA product to all markets. Previously, it had been promoted only in selected areas. Compete found that this action may already be too late. An average of 7,500 Washington Mutual online bankers opened a new HYSA at a competitor's site each month from January through June – with a majority of those funds flowing directly to ING Direct. Many of these valued Washington Mutual customers now have several months' experience with a

competitive HYSA provider and will be unlikely to return their dollars to WAMU without additional incentive – either a meaningfully higher rate, or some other monetary reward.

Financial Services providers evaluate the impact of new consumer products prior to a full scale launch. Quantifying the online market opportunity of financial products earlier in the product development process gives banks the flexibility to capitalize on opportunities by reducing the need for extensive testing and tentative product launches.

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Compete's financial intelligence and targeting services measure application, enrollment and cross-sell opportunities across deposit, lending, investing and insurance business lines to help marketers hone strategies and deepen customer relationships.

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