

Collective Dynamics, LLC

Paper Suppression Consumer Research

PROSPECTUS

INTRODUCTION

The increase in consumer adoption of internet access, online banking, and online bill payment - coupled with image processing technology - has provided financial institutions and billers with the opportunity to provide paperless bills and statements to their customers. Facing increased postage and paper costs, businesses can save millions of dollars each year by reducing the number of paper bills/statements that they have to produce and mail. The benefits to the bill/statement producer are clear; but how compelling are the benefits to the consumer?

Depending on the industry, only 5% to 20% of consumers have been willing to give up their paper bills/statements and opt for electronic versions. Additionally, many industries have been slow to even offer the option of stopping the delivery of paper bills/statements. In the banking industry, for example, only about 45% of banks offer their customers the option of paper suppression.

TOPIC

Collective Dynamics is undertaking a consumer research project that will focus on **Paper Suppression**. This project will study both Paper Bill Suppression and Paper Bank Account Statement Suppression.

The goal of the study is to gain a better understanding of consumer attitudes, issues, and preferences regarding suppressing paper bills/paper statements. We believe the results of this research will provide insight to all companies that provide paper bills and/or paper statements to their customers -- thereby allowing these companies to develop effective strategies to meet consumer needs.

Some of the questions that the research will address are as follows:

- ◆ What are the most important drivers of the decision to stop paper bill/statement delivery?
- ◆ What is the level of satisfaction with having stopped paper bill/statement delivery? What could be improved?
- ◆ What are the most important reasons consumers do not stop paper delivery?
- ◆ What would persuade those who have not stopped paper bills/statements to do so?
- ◆ What impact do incentives to stop paper delivery have on consumer decision-making?
- ◆ What additional customer service support might be required to encourage the adoption of electronic bill/statement delivery?
- ◆ Would consumers change service providers if paper delivery were no longer an option? How many would change?
- ◆ What is the potential magnitude of savings for large billers?

The approach outlined in this Research Prospectus is a “straw man” approach and will be refined by early subscribers to the study.

APPROACH/METHODOLOGY

Collective Dynamics will utilize the Internet to interview approximately 1,000 U.S. consumers to gather both qualitative and quantitative information. For the Paper Bill Suppression section of the survey, five key industries will be identified by input from Collective Dynamics and the Early Subscribers to this project. Approximately 200 respondents will be routed to each of the 5 different industry survey “paths” to provide detailed information by industry. For the Paper Bank Account Statement Suppression section, all of the approximately 1000 respondents will see the questions relevant to bank statements.

APPROACH/METHODOLOGY (cont.)

Conjoint analysis may be utilized in one or both sections to help determine the drivers of consumer paper suppression decisions, and Cluster analysis may also be utilized to better understand how consumers “group together” based on their preferences.

EARLY SUBSCRIBERS

Collective Dynamics is looking for Early Subscribers to this study. These companies get to play a key role in composing the survey questions, and in the design of the survey instrument.

DELIVERABLES

- ◆ Management Presentation and Report
 - Management presentation at your site
 - Presentation content and detailed appendix
 - Research findings
 - Conclusions, Recommendations, and Strategic Implications
- ◆ 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 as soon as Early Subscribers have been secured and will be completed by early October.

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. 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. We have delivered research to a broad range of players in the payment system, including:

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|-------------------|-------------------|-----------------|---------------------|
| • Bank of America | • First Data | • MasterCard | • Visa |
| • CheckFree | • Global Payments | • National City | • Wachovia |
| • Coca-Cola | • Hypercom | • SunTrust | • Washington Mutual |
| • Federal Reserve | • JP Morgan Chase | • US Bank | • Wells Fargo Bank |

COST

The cost for the basic study is \$15,000, plus any travel expenses related to presenting the findings at your site. Prices to survey your actual customers for comparison to industry norms or specific peers 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:

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