

Insights for financial services executives on consumer online behavior

Direct lenders working with aggregators don't cannibalize their online market – only 8% of direct lender applicants also apply with aggregators.

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Compete tracks and analyzes consumers' pre-purchase consideration of banking and lending products from intent through evaluation through post-sale satisfaction. Financial services companies use insights from Compete about consumers' online evaluation of products and services to enhance marketing plans, hone product packaging and increase penetration into target customer segments

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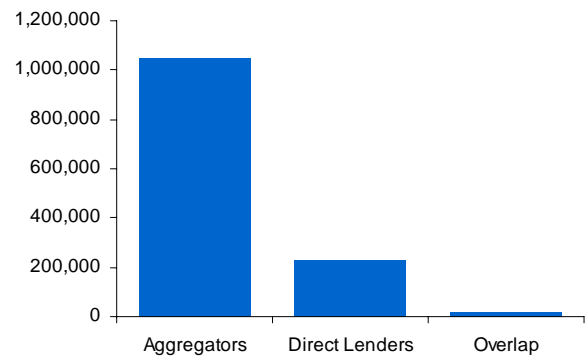
CALIBEX – A NEW BRANDING APPROACH BY A FAST-GROWING AGGREGATOR

Lenders like LendingTree and GMAC cater their services to different consumer segments through differentiated brands (such as DiTech and GetSmart, respectively). Fast-growing aggregator Nextag has taken a different branding approach. In March, Nextag introduced a new brand – Calibex – designed to increase market share among their *existing* consumer audience.

Since launching, Calibex has succeeded in capturing market share from other aggregators and direct lenders across the home loan market. Calibex saw a 400% increase in **prospects** to their refinance products from February through May. They now account for nearly 9% of Nextag's refinance **applications**.

So what does this recent success of Calibex suggest for direct lenders? The good news is that only 8% of direct lender applicants also apply with aggregators. When direct lenders decide to work with aggregators they are not cannibalizing their online market.

Few Shoppers Apply at Lenders *and* Aggregators
 (Home equity and mortgage applicants, Mar. - May '05)



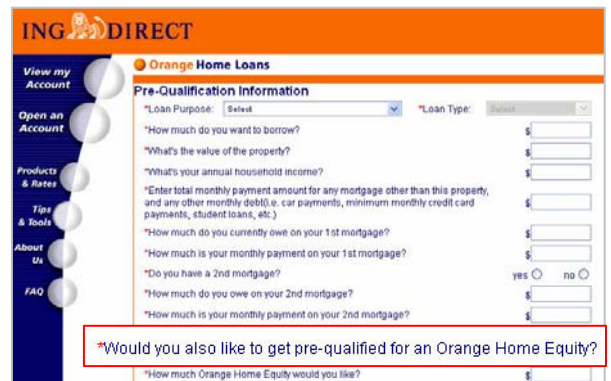
Aggregators: LendingTree, LowerMyBills, Nextag, Calibex
Direct Lenders: Bank of America, BankOne/Chase, Citibank, Countrywide, E-LOAN, WAMU, Wells Fargo

ING DIRECT – A FORCE IN ONLINE SAVINGS AND HOME LOANS

ING Direct is taking an **integrated** marketing approach to promoting their home loan products. ING Direct has increased online promotion of their mortgage product. Compete measured a 58% increase in interest from January to May. ING Direct has also offered simultaneous approval for a home equity loan.

At ING, an integrated marketing approach presents **cross-sell** opportunities. Compete analysis shows that nearly 40% of consumers looking at ING's home loan products are already ING online bankers. So mortgage prospects at ING should grow as their deposit base grows. Already, ING's online banking base has grown 11% since the beginning of January, which is at par or better than traditional banks.

The line between home equity and mortgage will continue to blur as companies increasingly **bundle** their application processes. Following in ING Direct's footsteps, the market should watch to see if CitiMortgage can successfully link consumers to their home equity site (MyHomeEquity.com).



ING DIRECT
 Orange Home Loans
 Pre-qualification information

*Loan Purpose: [Select] *Loan Type: [Select]

*How much do you want to borrow? \$ []

*What's the value of the property? \$ []

*What's your annual household income? \$ []

*Enter total monthly payment amount for any mortgage other than this property, and any other monthly debt(s), e.g. car payments, minimum monthly credit card payments, student loans, etc.) \$ []

*How much do you currently owe on your 1st mortgage? \$ []

*How much is your monthly payment on your 1st mortgage? \$ []

*Do you have a 2nd mortgage? yes no

*How much do you owe on your 2nd mortgage? \$ []

*How much is your monthly payment on your 2nd mortgage? \$ []

***Would you also like to get pre-qualified for an Orange Home Equity?**

*How much Orange Home Equity would you like? \$ []