

Analysis of loans market – Q1 2009

Industry Fast Facts

Personal loan distribution is moving towards a multi-channel service being offered to consumers in order to cater for every demographic. Lenders are placing an emphasis on existing customers and increasing the provision of in-branch advice. – *Datamonitor December 2008*

60%

...of the personal loans market in 2008 was covered by the top 14 providers.

£47.2 bn

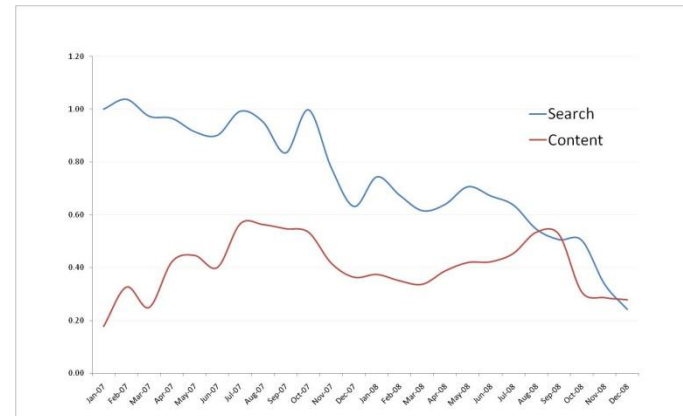
Value of UK personal loan market

19%

Contraction in the loans market... Number of providers offering loans fell from 57 to 46 in 12 months from May 2007 to May 2008

CPC Trend – Search vs. Content

Competition and CPCs within the auction have fallen as advertisers have changed their focus to other products for new customer acquisition



Changing consumer behaviour and reaction to events

Web Search Volume: loans

United Kingdom, Jan 2008 - Jan 2009

Totals
loans 84

Interest over time

News headlines: [Show](#) [Hide](#)

[Learn what these numbers mean](#)



Rising searches

1.	confused.com loans	+160%
2.	payday loans	+150%
3.	film loans	+150%
4.	pay day loans	+130%
5.	same day loans	+90%
6.	loans for unemployed	+50%
7.	crisis loans	+50%
8.	compare loans	+50%
9.	moneysupermarket	+40%
10.	log book loans	+40%

www.google.co.uk/insights/search

- Consumer interest levels have remained fairly consistent despite market conditions

- Search behaviour is evolving towards shorter term loans, eg. Payday and sameday loans

Where does a search for the main terms lead to?

Google loans Search [Advanced Search](#) [Preferences](#)
 Search: the web pages from the UK

Web Results 1 - 10 of about 169,000,000 for loans

UK's Cheapest Loans [Sponsored Links](#)
www.moneysupermarket.com/uk_loans Compare all UK loans for free. 550+ loans listed from 7.8%

Sainsbury's Loans Sale
www.sainsburybank.co.uk Low cost loans - 8.1% APR Typical Apply today for an instant decision

£5k+ Unsecured Loans
www.loansnofees.co.uk If You Have Been Refused Elsewhere We Can Help - Clear Your Debt Today

Loans £250 - £25,000 [Sponsored Links](#)
 For Any Purpose. 30sec Response. Bad Credit & Tenants OK. Apply Now.
www.YesLoansUK.com/Unsecured

Feeling the crunch?
 Need an unsecured loan to get you through a rough patch? Apply now!
www.ProvidentPersonalCredit.com

Consolidation Loans Debt
 Consolidation Loan Debt Relief. For More Info Call 0800 046 1747
www.FirstDebtRecovery.com/ClearDebt

Loans
 Borrow Up To £25,000 Now, 8.5% APR Typical. Apply Online!
www.TheAA.com/Loans

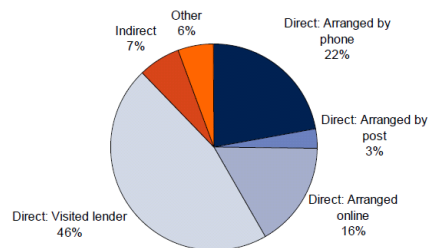
- Financial advice sites and aggregators market share is growing within the personal loans category

	Loans	Cheap Loans	Secured Loans
Moneysupermarket	44%	40%	25%
Alliance & Leicester	4.5%	0.5%	6%
Tesco Personal Finance	3.3%	1.7%	-
Yes Loans	3.3%	1.6%	-

High concentration of downstream clicks with over 50% of traffic from key queries going to only 2 aggregators

Online forecast to grow fastest as distribution channel

Figure 8: Direct distribution is the primary method of distribution for personal loans, 2007

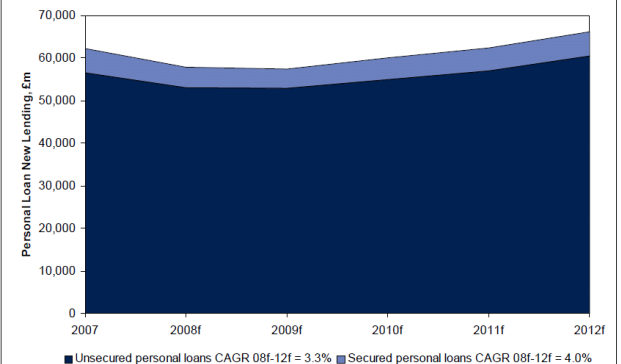


Source: Datamonitor estimates based on Ipsos MORI data and industry interviews

DATAMONITOR

- Online is the second largest distribution channel for personal loans...
- ...and growing quickly – expected to be 22% by 2012

Figure 7: Both the secured and unsecured markets will grow by 3.4% from 2008f-12f, 2007-12f



Note: Data table included in the appendix

Source: Datamonitor analysis of ONS, BBA, Finance and Leasing Association, Bank of England and APACs data DATAMONITOR