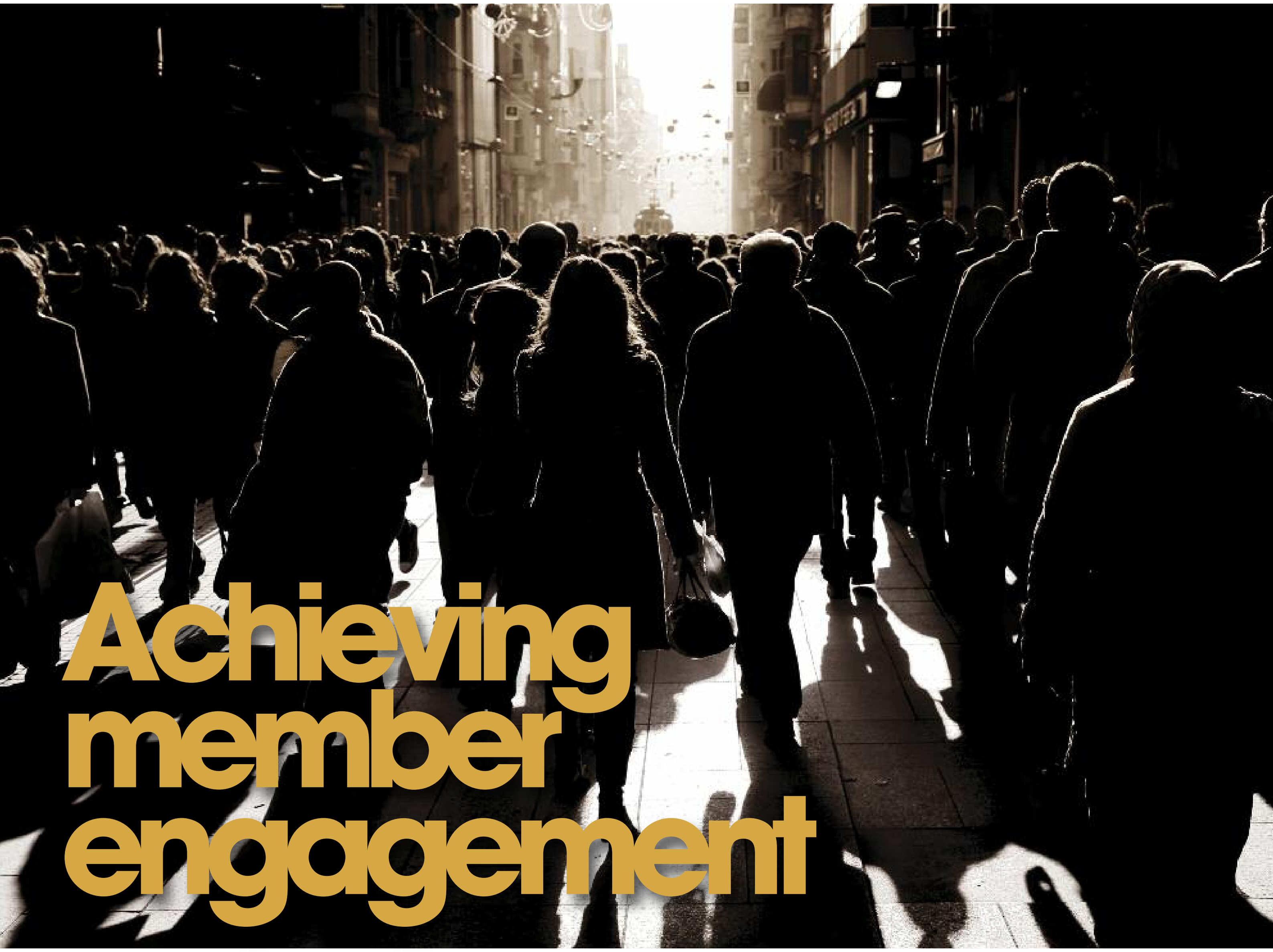

Achieving member engagement

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Pension schemes exist to help members build long-term savings for their future. It's a very simple concept, and one that we assume people will grasp because it's in their best interests. However, the reality is very different. Instead, we face a lack of engagement with long-term savings, ultimately leading to people having too little saved. As a result, our ageing population faces restricted choice around when they can reduce working hours or move onto a new phase of their life; or, worse still, poverty. The implications of income inadequacy are far-reaching, and so achieving engagement is essential.

The role of engagement

Automatic enrolment is already helping over 7 million employees save for retirement. But this initiative alone will not solve income inadequacy in later life; it may even provide a false sense of security, so member engagement is essential.

In a work context, engagement is defined as the amount of discretionary effort someone puts into their job. For a pension scheme, I define it as:

> *"When a member feels empowered to make appropriate decisions and does so, and takes control of their financial planning, resulting in a good outcome".*

By this, I mean:

1. **Empowered:** ensuring members can act, and that they have the confidence to
2. **Appropriate decisions:** ensuring members are aware of the decisions they need to make, and have adequate information to understand the decisions required
3. **Takes control:** ensuring members can take action, at their convenience
4. **Good outcome:** ensuring members have choice over when and how they access their savings

Barriers to engagement

Engagement looks different for every individual. We assume that people will act in their own best interests, but this isn't always the case. This may be due to a variety of barriers. See Table 1 overleaf.

Table 1

Barrier to engagement	Sounds like…
Lack of interest	"I don't care"
Perception of relevance, urgency, priority – or inertia	"This doesn't apply to me" "I'll do it later" "I have more important things to do/save for right now" "I'll get round to it"
Lack of ownership	"This isn't my responsibility"
Lack of clarity	"I don't understand"
Lack of consistency	"This is confusing"
Too much information	"There's too much here; I don't know where to start"
Too much choice	"How do I decide what's best?"
Perception of risk	"Risk is bad" "Risk is necessary"
Confidence – too little or too much	"I'm not sure" "You don't need to tell me; I know"
External influence or social norm	"I saw a news article…" "My family/friends said…" "Everyone else…" "People like me…"

Each scheme member may not engage with their savings for different reasons, and those reasons will change over time; the reason not to engage today may change tomorrow. It's important to understand what influences levels of engagement in your scheme, and to adapt your approach to tackle the engagement barriers.

Great expectations

From baby boomers to millennials, expectations of how we interact with the outside world have changed. Online and mobile banking is the norm, online retailers offer same-day delivery, and even pensioners are using tablet devices to stay connected to family and friends. In an increasingly online, on-demand and connected world, expectations of any service we access are greater than ever before. So how does this shift affect pension schemes? Members may assume:

- everything they want or want to do is available online
- enquiries will be answered immediately
- they have choice and flexibility in every way what the media/their friends say is true and applies to them

When creating a communication strategy, we look at the membership demographic, job types, communication preferences, needs and pain points. This helps us to define the expectations of different types of member, and to create a member experience that tackles their engagement barriers and addresses members' needs.

One size doesn't fit anyone

An essential part of a communication strategy is continuous review, which enables you to adapt as new needs and communication trends emerge. For example, in 2010 when the world was 'going paperless', legislation changed to allow pension schemes to do the same. Since then, we have worked with many schemes to help them transition to digital communications. However, although our world is now very much online, launching a website (or any other new, fashionable communication method) isn't enough to create engagement. In an age of choice, it's important to remember that members will assume that they can have as much choice about the way they interact with you as they have with their bank and favourite brands.

Creating an engaging experience

We address the following aspects to create an engaging and successful member experience:

Ensure your communication is noticed and digested quickly

- develop a strong visual identity, making communication recognisable and impactful
- use simple language in an authentic tone of voice that connects with your members

Use a multi-channelled approach to allow members to interact in their preferred way

- identify the right channels for your members
- optimise the timing of messages (e.g. life stage and time of day)

Create a connection with personalisation

- segment information to ensure it is relevant to each audience
- use personal data to bring subjects to life (e.g. show the actual cost of increasing contributions) ▶

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Create a strategy that considers lifecycle and behaviours

- consider how communication can tie in with life events, priorities and needs
- apply principles of behavioural psychology to ensure members take action

Member experience – the engagement silver bullet?

So does all of this create instant engagement? No. But, it creates the foundations and removes barriers to ensure that members can engage. Examples can be found in Table 2 below.

Measuring engagement

As I said earlier, engagement looks different for each individual. So, you should take time to consider how to measure engagement in your scheme, and use the results to refine your approach. We measure this by looking at things such as:

- **Outtakes: measuring awareness and understanding of a topic**
  Through: surveys, focus groups and analysing the types of questions asked by members in response to communications
- **Outcomes: measuring the number of actions taken above the minimum or default**
  E.g. active investment choices, contribution levels and website activity
- **Scheme impact: measuring scheme performance**
  Through: communication standards (e.g. against the Pension Regulators guide) and value of communication spend (e.g. spend vs. member action taken)

Are retirement savings dead?

The removal of the compulsory retirement age, and introduction of Pensions Freedom and Choice, mean that members are now presented with choice, but no fixed goal. On the one hand, this makes the concept of retirement savings even more intangible than before, but on the other hand, our goal should be for individuals to be able to choose what their future looks like. With changes in our industry and new products such as the Lifetime ISA (LISA), the scope of savings products is broader than ever.

So are retirement savings dead? No. Saving for the future is a concept that should never die. Helping people manage their finances effectively leads to healthier minds, which in turn leads to healthier bodies, which in turn leads to healthier lives, and therefore healthier communities. So, engaging your members with the concept of saving for their future is as relevant today as it was when the very first 'pension' came into being in the 17th century.

> So are retirement savings dead? No. Saving for the future is a concept that should never die

Top tips

My tips for building engagement are:

1. Create an elevator pitch – in two minutes, describe your scheme, how it works and why it offers value to members
2. Define your key messages and share them consistently
3. Create your scheme's tone of voice, and consider how this adapts for each communication channel (e.g. newsletter vs. social media)
4. Think about your visual brand, ensuring it is clear and consistent across every channel
5. Develop your communication strategy, with a clear roadmap for what you will do and when, and how you will measure it

KEY MESSAGES

- Without engagement, members face income inadequacy in later life
- Barriers to engagement are varied; spend time understanding what barriers exist for your members
- Members expect to interact with your scheme in a way that suits them
- Create a communication strategy to meet their needs, and measure and refine your approach
- Retirement savings aren't dead; stay relevant and keep educating members on the value of long-term saving

Table 2

Barrier to engagement	Good member experience sounds like…
Lack of interest	"This caught my attention"
Perception of relevance, urgency, priority – or inertia	"I'm communicated with at the right time" "I know when things need my attention"
Lack of ownership	"I know that I'm in charge of my retirement savings"
Lack of clarity	"Everything is clear"
Lack of consistency	"I know this is from my scheme"
Too much information	"I get a helpful summary and more detail if I want it"
Too much choice	"My choices are clear and I can evaluate them side by side"
Perception of risk	"Risk is necessary"
Confidence – too little or too much	"I understand and feel able to make a choice"
External influence or social norm	"I take this seriously and encourage others to do the same"