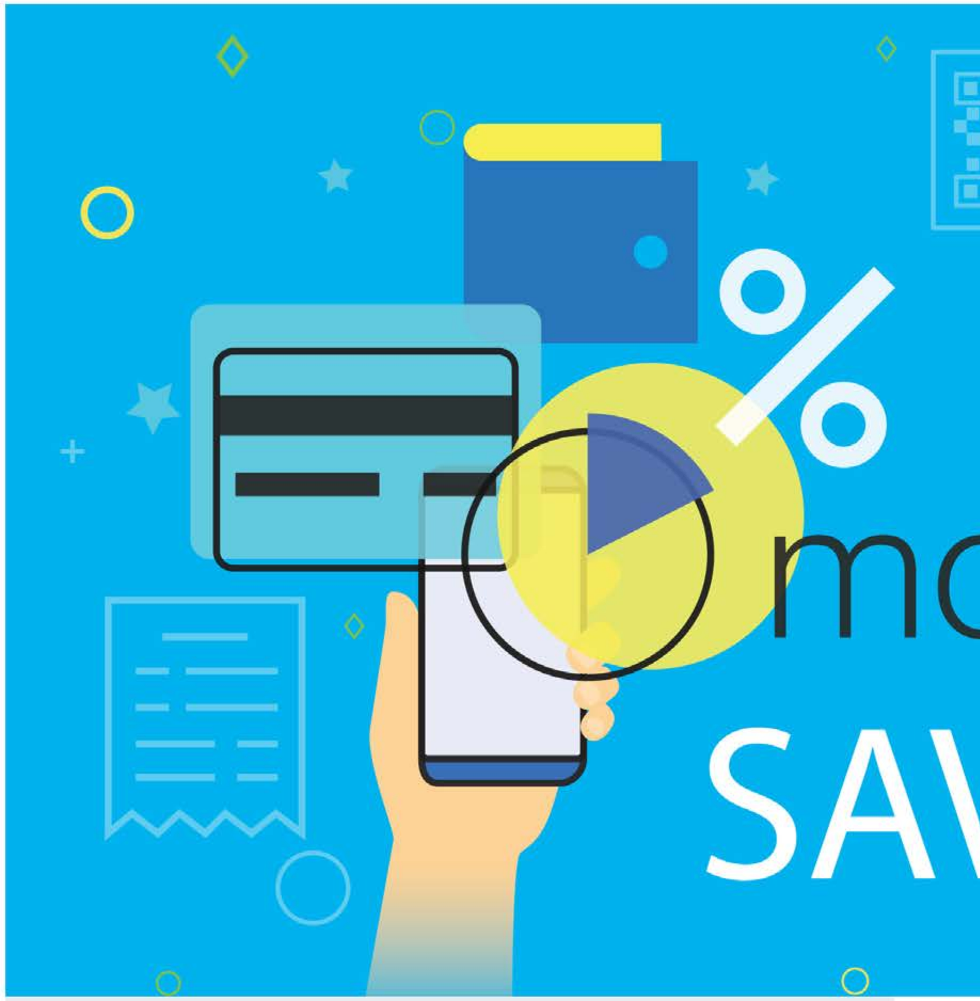

Summary
- Online communications can lead directly to increased contributions.
- Schemes' data can be used to create highly personalised automated communications.
- Mobile works better for groups with simpler needs.
- Jargon destroys trust and drives disengagement.

Getting animated, getting personal

Stuart Anderson explains how utilising gamification and mobile technology to provide tailored messages can increase pension savers' engagement

Over the past five years pension communications have had to deal with the introduction of auto-enrolment and freedom and choice, as well as the continued winding down of private sector defined benefit schemes such that, for active members, defined contribution is now the dominant model.

The same period has, according to figures released in August by the Office for National Statistics, also seen the percentage of UK adults accessing the internet via a mobile device grow from 36 per cent to 73 per cent. Ninety per cent of UK households now have an internet connection.

Today people expect to be able to interact and transact online. More than that, there is evidence that interacting with scheme members digitally actually helps engage them and stimulate them to take action.

Communications consultancy AHC chief commercial officer Francis Goss says: "For one client the impact of moving statements online was an increase in responses to calls to action from 23 per cent to 78 per cent."

Rain or shine?

One of AHC's projects is www.lvpensionsvillage.com, a website for members of the pension fund operated by life insurance company LV= for its own employees.

As well as providing a range of generic information, much of it in the form of animated videos, and member-specific functionality such as online statements and the ability to switch investment funds, the LV= Pensions Village site also includes a number of 'modellers'. One of these enables the user to input basic details such as their age, existing pension pot value, current salary and preferred retirement age, then use 'sliders' to model the effects of altering contribution rates, tax-free cash amounts, investment risk and retirement ages.

The results are represented in the form of an animated house and garden, with the weather changing from a

deluge, indicating that the member is horribly off-track, to bright sunshine for members who are on course to meet their objectives. The hard facts are also shown numerically.

"It does work," says Goss. "People say they have increased their contributions because they want to make the sun come out in the animation."

Getting personal

The LV= site allows members to personalise their own experiences. Some other platforms automate this element, proactively presenting each member with their own unique communication.

Employee benefits consultant Mercer has developed an offering that enables clients to generate personalised animated videos for each scheme member. These videos explain graphically, and via a realistic synthesised narration, how much the member has saved over the past year, how much it has cost them, and what their total pension fund value is.

They also provide a projection of how much pension income the member could expect based on their current position and contribution rate.

This, one might argue, is simply an engaging way of providing the information from a statutory money purchase illustration. However, the video also compares the projected monthly pension income to the member's current pay and suggests an increased level of contribution to get the employee on track and – vitally – ends with a button that members can click to increase their contributions there and then.

Another employee benefits consultancy, Hymans Robertson, has developed a service called Guided Outcomes (GO) which, again, takes scheme data and personalises the messages it provides to members. Its head of workplace savings, Paul Waters, says: "GO takes all the data from the employer and the pension scheme, looks at the member position and what level of pension the member might need and asks whether they are on track. It places everyone into a green, amber or red category – green meaning they are on track."

About one in four people tend to be "on track", he continues. "If you aren't green we'll tell you how to get on track.

"It is important to present people with a solution, rather than just giving them the problem to solve. Even if they have access to the tools and help to do it, they won't act."

Waters says that at one client, Scottish Power, one in ten people increased their contributions immediately after using GO. A year on that had increased to one in five with, on average, those people saving over 5 per cent more than before GO.

Getting the message

The information held by pension schemes and employers can also be analysed to help develop tailored messages that will resonate with different groups.

The Good Communications Guide, a website and resource library launched this autumn by the Pension Quality Mark, takes a marketer's view of pension communications. It represents members as customers who need to be understood, and communicated with, at an individual level.

The first stage it identifies is broadly to segment people into categories according to factors such as age, salary, seniority and gender. This can all be done using technology.

Then things get more human. The guide encourages communicators to brainstorm a set of priorities and attitudes for each workforce segment, which can then inform the messages that are directed to them.

It also recommends seeking feedback from members and that schemes should measure and analyse responses in order better to target future campaigns.

It is also important not to overload people with unnecessary information, which can turn them off. Aviva policy manager Dale Critchley says: "We have realised that the majority of members don't want to know absolutely everything about pensions and, as a result, we try to produce bitesize communications that clearly provide what the member needs to understand but then signpost to further information if this is required."

Going mobile

Online engagement may be increasing but how well these tools work on mobile platforms is hit and miss. This is not necessarily a problem, according to PLSA policy lead – defined contribution, Tim Gosling.

He says: "Mobile is clearly a way that a lot of people prefer to use the internet but I would want people to be making high-quality, considered decisions about their pension schemes. I don't know that you want people to be doing these things on the bus."

One group that it may be a good idea to engage on public transport, however, are the auto-enrolment target market, who tend to be younger, poorer, more transient and less financially capable than other occupational scheme members – and for whom a mobile phone number and email address can be more permanent than their place of residence.

The website of auto-enrolment provider The People's Pension is, therefore, designed with a "mobile-first" approach, according to director of policy and market engagement, Darren Philp.

He says: "What we want people to do first is to get to know their pension. So we would encourage them log in online and do things like update their beneficiaries.

"For most people that's all they want. They have the ability to change their investments but 99.4 per cent of members are in the default fund."

Watch your language

Whatever the medium, the most important thing is to communicate in language that members can actually understand, says NEST director of marketing Ranila Ravi-Burslem. NEST itself has developed a 'Phrasebook' and a 'Golden Rules of Communication' document, both of which are available in the Library section of its website – the Phrasebook under 'General information' and the Golden Rules under 'For employers and professionals'.

Ravi-Burslem says: "Use of jargon acts as a barrier. Trust underpins confidence in saving and if you talk to people in a way that makes them confused it makes them worry and affects their confidence in saving.

"We did some research in 2012 that showed one in three people were putting off saving for their retirement because they didn't understand the system. Make it too complicated and people just withdraw."

Written by Stuart Anderson, a freelance journalist