

### Summary

- There are two areas that are most important when communicating to customers: helping them to understand the benefits of a pension and how they work, and making it relevant to their own particular life stage.
- Targeted advertising campaigns have been created – combining both print and broadcast – to help audiences understand the options open to them under auto-enrolment and the services on offer. Double-decker buses and 30-second ‘Pensions Basics’ have been utilised to market the benefits of pensions to customers.
- Lots of people are now saving for a pension through auto-enrolment but without really having to engage with their pension in any meaningful way to date. Levels of engagement are expected to increase over time as pots get bigger and more DC members get closer to retirement.
- The pension freedoms have had a big impact on communication with customers. Retirement journey communications are generally leaner but give customers more guidance regarding where they can go to get more information.

The promotion of pensions as a product to customers has arguably never been so important right now.

Unfortunately, however, the methods and strategies around this can sometimes be ‘hit or miss’, as consumers and clients are not targeted in an effective manner that makes them want to put money into a pension.

Take the government’s *Ways to Save in 2017* leaflet for example. The Junior ISA, the Help to Buy ISA, premium bonds, cash and stocks and shares ISAs and the new Lifetime ISA are listed as savings options but pensions are



## A promotional mix

Adam Cadle looks at how pension providers promote pensions as a product to customers at a crucial period in the private savings programme

not. Former pensions minister Ros Altmann said at the time that she was “horrified” at the leaflet describing the private pensions system as being under “existential threat”.

Furthermore, Aegon pensions director Steven Cameron said: “We’d

urge the Treasury to bring balance to the leaflet by also highlighting the benefits of saving through workplace and other pensions.”

### Promotional methods

There are positives to the situation however. A great number of pension providers across the UK are implementing or developing a plethora of tailored and consumer-focused strategies, marketing pensions as bringing great benefits to the individual saver. So how do these pension providers promote pensions as a product and gather interest in the savings vehicle?

Scottish Widows corporate pensions director David Holton says there are two key areas that are most important when communicating to customers: helping them to understand the benefits of a pension and how they work, and making it relevant to their own particular life stage.

“We break the retirement journey down into meaningful, relevant stages, such as for those people who are saving for retirement, nearing retirement, making retirement income choices, or managing their money in retirement. Possibly one of the biggest and most engaging ways that we’ve promoted the benefits of a pension is through our sponsorship of a pension awareness campaign, with Pension Geeks.

“For the last two years, we’ve taken a double-decker bus on the road to cities across the UK. We talked to hundreds of people on the street, encouraging them to think about their pension, if they think they are saving enough for retirement, and where to go to for help or more information. We also visited some of the companies that we provide workplace pensions for, to engage with their employees,” Holton says.

Advertising campaigns are also at the heart of the UK’s largest private sector master trust, The People’s Pension. The firm’s director of policy and market engagement Darren Philp says as smaller employers started to stage with

their auto-enrolment duties, a targeted advertising campaign was created – combining both print and broadcast – to help audiences understand the options open to them under auto-enrolment and the services on offer.

“We also know that a lot of our clients and prospects are using social media to educate themselves and research pension providers and so we’ve increased how we use that too,” he adds.

Interestingly however, Philp says a lot of interest stems from “referrals coming from satisfied customers (employers and particularly intermediaries) who bring in new business”.

### Evolving strategies

But of course, strategies deployed as to how the pension provider markets pensions to potential customers are continuously evolving. There is no room for the market to stagnate.

According to Holton, said the pension freedoms had a big impact on communication with customers.

“Our retirement journey communications are generally leaner but give customers more guidance regarding where they can go to get more information,” he explains. “We’ve also spent a lot of time and energy making sure we can help customers digitally. Our website has been completely revamped and we’ve managed to help over a million customers find out more about pensions and the available choices through our 30-second ‘Pensions Basics’ videos.

“We continue to focus on our telephony service for customers. We have a team of specialists available to help customers who have reached the point of retirement, ensuring we help them to make informed decisions on their policies.”

### Activity and interest

With increasing numbers of pension providers doing all they can to sell their products to employers and savers, how proactive and interested are customers

with their pensions?

“Lots of people are now saving for a pension through auto-enrolment but without really having to engage with their pension in any meaningful way to date,” Philp states. “We expect levels of engagement to increase over time as their pots get bigger and more of our members get closer to retirement, but we need to be realistic. We’re hoping the pensions dashboard will help here too.”

Holton warns that many people still struggle to fully understand what a pension is and what the benefits are.

“Once customers get over the notion that pensions are ‘difficult’ we’ve seen that customers can have a real thirst for finding out more about their policy and what changes they can make in terms of where it invests, how much they contribute and so on.

“Our dedicated website to support the Scottish Widows ‘Change Your Life in an Hour’ advertising campaign has received over 600,000 visits and our Pensions Basics 30-second videos on our main website have had over one million views. This suggests there is a desire for more basic information on pensions. In the workplace pensions world, we’ve been working with employers to promote employee interest in their pension scheme, and we’ve had a good response to this.

“We are continually looking for ways to increase engagement levels. How pension providers communicate with new and existing customers will continue to evolve in line with the rapidly changing industry.”

It is fairly safe to say therefore, that the marketing side of the pension is integral in any future rise in pension saving levels. The individual saver and indeed employer is a complex being or ‘thing’ and cracking through the outer shell to effectively promote pensions as a product will continue to require a great deal of effort and refined technique in the coming years.

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